

ETHICAL TRADING INITIATIVE
(A Company Limited by Guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

ETHICAL TRADING INITIATIVE
(A Company Limited by Guarantee)

COMPANY INFORMATION

Directors	Paul Williams Somiruwana Subasinghe Sophie Brill (appointed 2 December 2020) Philip Chamberlain Alison Tate Stephen Russell Peter Mcallister Giles Robert Bolton Evelyn Astor (appointed 20 October 2020) Alistair Smith (appointed 20 October 2020) Jane Blacklock Tim Aldred
Company secretary	Louise Joseph
Registered number	03578127
Registered office	Lhb04 1-3 Brixton Road Kennington Business Park London SW9 6DE
Trading Address	Lhb04 1-3 Brixton Road Kennington Business Park London SW9 6DE
Independent auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG

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ETHICAL TRADING INITIATIVE
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The directors present their report and the financial statements for the year ended 31 March 2021.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Review of the year

Introduction

The financial year 2020-21 was unique for all across the globe, as we began to understand and learn new ways to endure the global crisis wrought by COVID-19. Rather than a short sharp shock, we were forced to adapt to waves of infection which prompted waves of social and economic lockdown and instability, affecting populations worldwide. Major supply and demand shocks in this period shook global supply chains, testing their resilience to the point of failure - the impacts of which were felt most severely by the most vulnerable.

While many businesses and organisations took advantage of furlough schemes and the need to reduce activity, the impact on workers prompted by COVID-19 called on ETI to work twice as hard. We continued to drive responsible business practices and support our members to understand ways in which the cessation of orders, pressure on prices and a collapse in demand could avoid unnecessary harm and suffering to workers, through online events, guidance and advice. Given that ETI's business model relies significantly on corporate member revenue, which is invoiced every April, the economic fallout of COVID forced us to plan for a reduction in membership income, and the potential for a lagging cash-flow projection following the closure of much retail and business activity; firstly in South-East Asia, then in Europe and North America at the start of the year.

We prepared for reduced revenue by taking significant and early action to generate savings, whilst remaining active on key supply chain and worker issues that COVID-19 was impacting. This response meant we were able to weather the year financially and even end with a small surplus. Beyond delivering on the financial viability of ETI, we were also able to re-orientate much of our programme work to provide the direct support to workers necessary to mitigate the impact of COVID-19 in both factories and farms across a number of locations. We refreshed our offer to members and worked hard to reorientate both organisationally and strategically. In what's been a tumultuous year for all of us, ETI has remained steadfast and busy.

Programme work and guidance for members

In shifting our focus to emergency response, the UK FCDO flexed with us, granting us funding to bolster two projects focused on COVID-19 prevention and resilience in the garment sector in Bangladesh and in horticulture in East and Southern Africa. The success of key principles established to facilitate access to remedy for migrant workers, and development and pilot of the JustGoodWork app socialising the principles in Malaysia, also prompted extended funding from the UK Modern Slavery Innovation Fund, which will run into next year. We have also been able to play a significant role in STITCH, a new garment sector initiative which landed a five-year major funding contribution from the Dutch Government, whilst continuing to drive momentum around The Industry We Want. Alongside these programmes we've also remained agile and reactive, helping to facilitate responses to the shipping crisis, the coup in Myanmar and supported ongoing efforts to improve working in UK manufacturing in Leicester. We have continued our monitoring of and engaging members in work on horticulture in Italy and tea in Malawi, whilst looking forward and developing of our 'long-term' strategy around Business Practices and Just Transitions.

We also took a clear stance with members on responsible action within supply chains throughout the heat of the COVID crisis, and how businesses and suppliers could help minimise the negative impact for workers. This not only took the shape of guidance and advice, but also saw the development of a set of enhanced expectations for members, reflecting emerging good practice on how best to respond. We shared this advice widely and engaged in a number of discussions and events to share our perspective on good practice.

New ways of working

COVID also required the ETI Secretariat to adjust our own business practices, halting travel and working remotely. We responded promptly, supporting colleagues to work from home and absorbing the cost of making this change. Our offices in the UK, India and Bangladesh have all had to work remotely over this period, with less in-person support. Given the situation in South East Asia, we have not been able to replace our regional representative and will make this a priority for this year.

Strategy and organisational restructure

With the first six months of the year under our belts, we picked back up ETI's redirected strategy for the 'medium

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

term'. After reviewing the work completed pre-COVID-19 we adjusted our expectations, recognising that though the wider environment had changed and business conditions were different, the need for ETI's work was greater than ever. A change in strategy was discussed with staff and agreed by the board in December 2020, leading to a change management process to re-structure the secretariat and organise us in a way that enables focus on key strategic areas with a cost structure in line with projected revenues.

Member offer

ETI's strength continues to be our ability to support and engage our members and in spite of COVID-19's best efforts this year has been no different. New life has been injected into ETI's 'member offer' with the introduction of our first-ever Charter. The result of thorough consultation with the ETI membership, this Charter sets out the shared expectations of all ETI members and the Secretariat by outlining the actions, behaviours, and ways of working, essential to achieving our mission and vision.

Funding

Financially, our corporate members continued to be a key source of support, with ETI offering flexible payment approaches given the impact of COVID-19 on trading for many. Third party donors also continued to play a key role, with most allowing us to adjust our projects to mitigate the impact of COVID-19 or providing new emergency funding (such as FCDO's funding of emergency response efforts in the garment sector in Bangladesh and in horticulture in East Africa). We would like to take this opportunity to thank all of our supporters during this challenging year.

All of these changes have only been possible through the incredible support, dedication and hard work of ETI staff during an unprecedented year. This period has not been without challenges and pressures on colleagues, already navigating the harsh realities of lockdown, social distancing and for many, the new task of home schooling. These efforts, coupled with the support of an engaged governing board, have helped steward ETI through what has been a most challenging, but productive year.

Directors

The directors who served during the year were:

Paul Williams
Somiruwana Subasinghe
Sophie Brill (appointed 2 December 2020)
Anne Margaretta Lindsay (appointed 29 June 2019, resigned 20 October 2020)
Philip Chamberlain
Alison Tate
Stephen Russell
Chris Harrop (resigned 20 October 2020)
Peter Mcallister
Giles Robert Bolton
Evelyn Astor (appointed 20 October 2020)
Alistair Smith (appointed 20 October 2020)
Jane Blacklock
Tim Aldred

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Auditors

The auditors, Haysmacintyre LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 22 October 2021 and signed on its behalf.



Philip Chamberlain
Director

ETHICAL TRADING INITIATIVE
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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ETHICAL TRADING INITIATIVE

Opinion

We have audited the financial statements of ETHICAL TRADING INITIATIVE (the 'Company') for the year ended 31 March 2021, which comprise the Statement of Comprehensive Income, the Balance Sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

ETHICAL TRADING INITIATIVE
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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ETHICAL TRADING INITIATIVE
(CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

ETHICAL TRADING INITIATIVE
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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ETHICAL TRADING INITIATIVE
(CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements of the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, payroll taxes, VAT and income tax.

We evaluated management's opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in certain accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inspecting correspondence with appropriate regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Review of minutes of meetings to identify non-compliance with laws and regulations;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

ETHICAL TRADING INITIATIVE
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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ETHICAL TRADING INITIATIVE
(CONTINUED)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Murtaza Jessa (Senior Statutory Auditor)

for and on behalf of
Haysmacintyre LLP

Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 27 October 2021

ETHICAL TRADING INITIATIVE
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Income		3,175,418	3,065,961
Gross profit		<u>3,175,418</u>	<u>3,065,961</u>
Administrative expenses		(3,090,251)	(3,061,706)
Operating surplus	6	<u>85,167</u>	<u>4,255</u>
Surplus for the financial year		<u><u>85,167</u></u>	<u><u>4,255</u></u>

There was no other comprehensive income for 2021 (2020:£NIL).

The notes on pages 11 to 18 form part of these financial statements.

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(A Company Limited by Guarantee)
REGISTERED NUMBER:03578127

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	8	4,453	14,125
Investments	9	25,000	25,000
		<u>29,453</u>	<u>39,125</u>
Current assets			
Debtors: amounts falling due within one year	10	274,340	593,120
Cash at bank and in hand		1,674,637	793,775
		<u>1,948,977</u>	<u>1,386,895</u>
Creditors: amounts falling due within one year	11	(1,298,524)	(831,281)
Net current assets		<u>650,453</u>	<u>555,614</u>
Total assets less current liabilities		<u>679,906</u>	<u>594,739</u>
Net assets		<u><u>679,906</u></u>	<u><u>594,739</u></u>
Capital and reserves			
Profit and loss account		<u>679,906</u>	<u>594,739</u>
		<u><u>679,906</u></u>	<u><u>594,739</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 October 2021.



Philip Chamberlain
Director

The notes on pages 11 to 18 form part of these financial statements.

ETHICAL TRADING INITIATIVE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. General information

Ethical Trading Initiative, is a private company limited by guarantee incorporated in the United Kingdom. The company's registered office Lhb04 1 - 3 Brixton Road, Kennington Business Park, London, SW9 6DE and company number is 3578127.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 5).

The following principal accounting policies have been applied:

2.2 Going concern

The directors have considered the company's financial position through review of budgets and cashflows and believe that the company has adequate resources to continue its activities for the foreseeable future and consider that there are no material uncertainties regarding going concern. Accordingly, the going concern basis has been adopted in preparing the financial statements.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.4 Income

Income is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Income is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Income received in advance is deferred to the period to which it relates.

ETHICAL TRADING INITIATIVE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.6 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Tangible fixed assets

Tangible fixed assets that are valued at over £1,000 and have an useful economic life of more than one year are capitalised. Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	- 25% Straight Line
Office equipment	- 25% Straight Line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

ETHICAL TRADING INITIATIVE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3. Income

	2021 £	2020 £
Other trading income	1,352,056	1,645,894
DFID rate	-	406,962
DFID - BIH	11,800	17,450
NORAD	72,778	197,008
NGO's - BOAG Funding	30,000	34,650
Impact Grant (DFID)	490,501	103,448
IDS - Tackling the drivers of child labour and MS	-	3,491
VSCF - Agricultural	174,410	-
TNMS	77,952	155,062
STITCH - FWF	258,415	-
ILO Thailand	-	1,011
RSA - Trade Union Collaboration	55,808	-
C&A Better Buying	8,452	58,685
C&A Gender Strategy	152,085	79,141
Small Members Contribution Projects	3,637	9,820
Research in child and forced labour in SI	-	10,000
GCRF	-	5,999
FCO - International Conference to tackle MS	227,630	10,658
FWF - grant	62,919	-
Turkey Members Contribution	3,076	48,015
HSBC - India and BD	108,899	85,322
Thailand project members contribution	-	5,000
Italy - Italian Produce Working Group - Tomato	-	21,395
Conducting SMETA Audit/Human Rights Investigation	-	11,244
MSIF	5,000	155,706
	<u>3,095,418</u>	<u>3,065,961</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

4. Operating and other expenses

	2021 £	2020 £
Operating expenses	1,202,733	1,361,835
Grants expenditure	1,827,165	1,699,871
	<u>3,029,898</u>	<u>3,061,706</u>

5. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. In the application of the accounting policies, directors are required to make judgement and assumptions. The items in the financial statements where judgements and estimates have been made include:

The deferral of restricted funds received in advance for projects, the useful life of tangible fixed assets and the valuation of debtors is based upon management's best estimate of the provision for doubtful debts against relevant balances.

6. Operating (deficit)/surplus

The operating (deficit)/surplus is stated after charging:

	2021 £	2020 £
Auditor's remuneration	12,000	10,000
Depreciation	9,672	12,165
Other operating lease rentals	70,600	105,123
	<u>92,272</u>	<u>127,288</u>

7. Employees

The average monthly number of employees, including directors, during the year was 24 (2020 - 29).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

8. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation			
At 1 April 2020	51,931	111,513	163,444
At 31 March 2021	<u>51,931</u>	<u>111,513</u>	<u>163,444</u>
Depreciation			
At 1 April 2020	51,663	97,656	149,319
Charge for the year on owned assets	134	9,538	9,672
At 31 March 2021	<u>51,797</u>	<u>107,194</u>	<u>158,991</u>
Net book value			
At 31 March 2021	<u>134</u>	<u>4,319</u>	<u>4,453</u>
At 31 March 2020	<u>268</u>	<u>13,857</u>	<u>14,125</u>

9. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2020	25,000
At 31 March 2021	<u>25,000</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
ETI Bangladesh	House: 17/B (3rd Floor), Road: 126, Gulshan 1, Dhaka, Bangladesh	Ordinary shares	100%

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

10. Debtors

	2021 £	2020 £
Trade debtors	244,272	504,107
Other debtors	29,960	88,905
Tax recoverable	108	108
	<u>274,340</u>	<u>593,120</u>

11. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	100,800	102,637
Other taxation and social security	8,430	17,572
Other creditors	62,981	926
Accruals and deferred income	1,126,313	710,146
	<u>1,298,524</u>	<u>831,281</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

12. Deferred income by funder

	2021 £	2020 £
Stitch	790,250	-
TNMS	6,605	43,121
Working Groups	56,959	-
BOAG	-	5,000
Membership income	2,122	-
C&A Gender	60,688	91,231
MSIF HO	53,172	20,979
Research in child and forced labour in SI	-	6,925
FCO International conference	-	41,232
HSBC	64,160	173,059
NORAD	-	42,097
Training	2,500	-
Asda	-	39,996
Whitestuff	-	48,669
Debenhams	-	31,198
Misguided	-	9,341
Burberry	-	30,444
Dixon	-	39,996
JLP	-	39,996
	<u>1,036,456</u>	<u>663,284</u>

These are funds received in advance.

13. Capital and reserves

Accumulated Funds

The accumulated funds are made up of funds brought forward and surplus in the year.

The accumulated funds excluding those tied up in fixed assets would amount to £595,453 (2020 - £580,614) and these are the free reserves used as working capital.

14. Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

ETHICAL TRADING INITIATIVE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

15. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £82,622 (2020 - £112,695). Contributions totalling £11,620 (2020 - £1,721) were payable to the fund at the balance sheet date.

16. Commitments under operating leases

The Company had no commitments under non-cancellable operating leases at the balance sheet date.

17. Related party transactions

During the year no expenses were reimbursed to directors other than the Chair (2020: £2,845 to two directors including travel expenses).

During the year, expenses were reimbursed to the Chair, amounting to £223 (2020: £3,392).