

Registered number: 03578127

ETHICAL TRADING INITIATIVE

(A Company Limited by Guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

ETHICAL TRADING INITIATIVE
(A Company Limited by Guarantee)

COMPANY INFORMATION

Directors	Paul Williams Somiruwana Subasinghe Sophie Brill Lucy Brill Mary Creagh (appointed 19 July 2022) Rebecca Reese Stephen Russell Subindu Garkhel (appointed 1 August 2022) Daniel Miles (appointed 3 January 2023) Peter Mcallister Mayank Kaushik Evelyn Astor Mye Kallander Alistair Smith David Griffin
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 2023

The directors present their report and the financial statements for the year ended 31 March 2023.

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 2023

Review of the year

Introduction

As global supply chains and the wider economy started to emerge from the impact of the Covid-19 pandemic, 2022-23 was dominated by the direct and indirect impact of Russia's invasion of the Ukraine. This is not just a military and political consideration but also one that has a direct impact on global supply chains. Ukraine is vital to key commodities such as grains and vegetable oils, but also the invasion has caused disruptions in transport, logistics and energy. Furthermore, the Ukrainian people have played a significant role as a source of migrant labour in many European countries including the UK.

The wider economic impact is significant, resulting in inflation rates not seen for over 30 years in many European countries. But even greater impact has been felt in many emerging economies where global supply chains are located. Increased cost of energy and basic food commodities off the back of the macro-economic impact of Covid-19 has led to vulnerable economies becoming very fragile. Sri Lanka, a key exporter of tea and garments among other things, was struck by a civil crisis, while many other countries such as Pakistan and Turkey have faced astronomical inflation.

This context has exacerbated many of the issues ETI works to address and has placed significant pressure on our members, ultimately impeding their capacity to do the same. As a membership entity, this pressure risks our source of revenue and key ways of influencing change. During this period, we noted a significant increase in disputes, wage pressure, business failures and other negative impacts that affect workers.

ETI has therefore had a very busy year, following through on the key strategic work areas, such as business practices and climate induced transitions, but also responding to a significant number of crises.

Programme work and guidance for members

ETI's work rests on three pillars, our support for member companies individually, our work with members to collectively address more complex and systemic issues and our work to influence the environment for responsible business. Each area has been very active during the 2022-23 year.

In what has been a very tough trading environment for many, our newly introduced approach to supporting members through "progression meetings" has been rolled out. With tighter budgets and in many cases reduced teams, ETI's support for members, encouraging them to think strategically, linking them to resources and good practice, has continued to be valued.

Under the collective action pillar, ETI responded to the invasion of Ukraine promptly, convening members and experts to assess the impact on supply chains and workers. We developed practical guidance and highlighted the impact on shipping and wider logistics which has too often been a hidden aspect of supply chains. We continued work in certain key supply chains to address systemic issues, such as gender-based violence in tea, and addressed several complaints and disputes across a number of industries. For example, in response to the crisis in Sri Lanka we engaged with the garment industry and unions to help promote collaboration to support workers. Meanwhile our project work with consortium partners in the Sustainable Textile Initiative: Together for Change (STITCH) project gathered momentum in both Bangladesh and India. We also played a leading role with other organisations to develop and trial a common framework for responsible purchasing practices in the garment sector. Our work on ensuring the gender dimensions in supply chains are fully integrated into a human rights due diligence approach advanced and we continued the work started in the previous year to understand and provide guidance for businesses sourcing from Myanmar after the military coup.

Other projects allowed us to explore "green" social dialogue in Bangladesh, involving workers in the changes needed to respond to climate change, work to better address the conditions for seasonal workers in Spanish and Italian agriculture and support action for seafarers in shipping.

On the wider environment, ETI engaged with others in various key areas of policy. Notably, we sought to influence

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the work to develop an EU wide directive on human rights due diligence so that it remains faithful to the UN Guiding Principles on Business and Human Rights (UNGPs). We engaged with others on the problems associated with the Seasonal Agriculture Workers scheme in the UK, which has attracted criticism, and we continued our work to share our experience on key areas of work such as the UNGPs and Myanmar at international events.

Funding

This year has been a challenge for many businesses. We saw many businesses, including ETI members, cease trading and a number report reduced profits. This created a fragile environment for a key source of revenue for ETI. Overall, we met our projected income but the environment for acquisition of new members was more challenging.

After three challenging years of Covid, the stress on staff and the restrictions on our ability to engage with members face-to-face, we agreed with the board to apply some of the free reserves, i.e. the sum above the reserves required for financial viability, to invest in capacity. This approach is in line with our reserves policy with the investment focussed on retaining membership, enabling ETI to reach out to potential new sources of funding and supporting our people strategy.

The donor funding environment for the third sector has been significantly affected by both Covid and the political and economic environment that prevailed this year. While we did not fully meet our new funding targets, we have developed a pipeline that we believe will attract new funding in the coming year. We, therefore, report a net negative performance over the year, but one that was planned and overseen by the board, with the aim of longer-term viability.

In July 2022 I took up the role as chair of the ETI board. Bringing my experience to ETI, both in terms of board and chair experience, as well as subject matter expertise and networks. I would like to thank Philip Chamberlain and all the board for their guidance and support, and the ETI staff globally, who we depend on for all their hard work that has ensured ETI got through a difficult year in 2022-23.

Directors

The directors who served during the year were:

Paul Williams
Somirwan Subasinghe
Sophie Brill
Lucy Brill
Mary Creagh (appointed 19 July 2022)
Philip Chamberlain (resigned 1 July 2022)
Rebecca Reese
Stephen Russell
Subindu Garkhel (appointed 1 August 2022)
Daniel Miles (appointed 3 January 2023)
Peter Mcallister
Mayank Kaushik
Giles Bolton (resigned 1 January 2023)
Evelyn Astor
Mye Kallander
Alistair Smith
David Griffin

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

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.

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 and signed on its behalf.



Mary Creagh
Director

Date:

5th October 2023

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ETHICAL TRADING INITIATIVE

Opinion

We have audited the financial statements of Ethical Trading Initiative (the 'Company') for the year ended 31 March 2023, 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 2023 and of its loss 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.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS 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.

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

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

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 Company 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, Employment Law 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 set out in the accounting policies, in particular income recognition.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS 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.



Vikram Sandhu (Senior Statutory Auditor)
for and on behalf of
Haysmacintyre LLP
Statutory Auditors
10 Queen Street Place
London
EC4R 1AG
Date: 24 October 2023

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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Income		3,211,828	3,377,449
Gross profit		<u>3,211,828</u>	<u>3,377,449</u>
Administrative expenses		(3,432,368)	(3,059,059)
Operating (loss)/profit	6	<u>(220,540)</u>	<u>318,390</u>
(Loss)/profit for the financial year		<u><u>(220,540)</u></u>	<u><u>318,390</u></u>

There was no other comprehensive income for 2023 (2022:£NIL).

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

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REGISTERED NUMBER: 03578127

BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	8	23,009	18,304
Investments	9	25,000	25,000
		<u>48,009</u>	<u>43,304</u>
Current assets			
Debtors: amounts falling due within one year	10	248,461	444,293
Cash at bank and in hand		904,885	1,169,007
		<u>1,153,346</u>	<u>1,613,300</u>
Creditors: amounts falling due within one year	11	(423,599)	(658,308)
Net current assets		<u>729,747</u>	<u>954,992</u>
Total assets less current liabilities		<u>777,756</u>	<u>998,296</u>
Net assets		<u><u>777,756</u></u>	<u><u>998,296</u></u>
Capital and reserves			
Profit and loss account		777,756	998,296
		<u><u>777,756</u></u>	<u><u>998,296</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 by:

Mary Creagh
Director

Date:

Mary Creagh
5th October 2023

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

ETHICAL TRADING INITIATIVE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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 related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors. Accordingly, the going concern basis has been adopted in preparing the financial statements.

2.3 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.

2.4 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.

2.5 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:

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

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.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 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.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.10 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.

2.11 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.

2.12 Interest income

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

2.13 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

2.14 Taxation

Ethical Trading Initiative is a membership organisation which does not operate with a view to making a profit and therefore it is not liable to pay tax on profits arising from income streams such as membership fees and project work. It is liable to taxation on any other income received including training income and any investment activities.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

3. Income

	2023 £	2022 £
Other trading income	1,397,142	1,303,747
NORAD funding	117,696	90,345
NGO's - BOAG Funding	23,000	23,000
Impact Grant (DFID)	-	207,621
VSCF - Agricultural	-	94,640
TNMS	-	12,506
STITCH - FWF	911,089	975,551
RSA - Trade Union Collaboration	32,489	69,555
C&A Gender Strategy	-	106,007
Small members contribution projects	2,441	-
GCRF	-	10,419
FCO - International Conference to tackle MS	-	135,121
HSBC - India and BD	-	64,160
HSBC - BPP grant	124,057	34,576
Myanmar Due Diligence Assessment	428,301	250,200
Malawi tea - members initiative	4,956	-
ETI BD workplace programme	64,039	-
HSBC - MENAT	58,000	-
GMA - MSIF	48,606	-
	<u>3,211,817</u>	<u>3,377,448</u>

4. Operating and other expenses

	2023 £	2022 £
Operating expenses	1,426,078	882,598
Grant expenditure	2,006,290	2,176,461
	<u>3,432,368</u>	<u>3,059,059</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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 surplus

The operating surplus is stated after charging:

	2023	2022
	£	£
Auditor's remuneration	26,025	17,000
Depreciation	5,534	5,949
Pension costs	93,421	93,481
	<u> </u>	<u> </u>

7. Employees

The average monthly number of employees, including directors, during the year was 26 (2022 - 21).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

8. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation			
At 1 April 2022	53,888	129,357	183,245
Additions	1,425	8,814	10,239
At 31 March 2023	<u>55,313</u>	<u>138,171</u>	<u>193,484</u>
Depreciation			
At 1 April 2022	52,176	112,765	164,941
Charge for the year on owned assets	519	5,015	5,534
At 31 March 2023	<u>52,695</u>	<u>117,780</u>	<u>170,475</u>
Net book value			
At 31 March 2023	<u>2,618</u>	<u>20,391</u>	<u>23,009</u>
At 31 March 2022	<u>1,712</u>	<u>16,592</u>	<u>18,304</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

9. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2022	25,000
At 31 March 2023	<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%

10. Debtors

	2023 £	2022 £
Trade debtors	32,237	303,467
Other debtors	216,116	140,718
Tax recoverable	108	108
	<u>248,461</u>	<u>444,293</u>

11. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	158,065	176,001
Other taxation and social security	-	13,021
Other creditors	58,213	4,356
Accruals and deferred income	207,321	464,930
	<u>423,599</u>	<u>658,308</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

12. Deferred income by funder

	2023 £	2022 £
Stitch	-	25,324
Working Groups	155,716	235,189
MSIF HO	-	124,057
Other	-	18,108
	<u>155,716</u>	<u>402,678</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 £777,756 (2022 - £979,992) 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.

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 £93,421 (2022 - £93,481). Contributions totalling £Nil (2022 - £4,356) 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 expenses were reimbursed to 4 directors totalling £8,088 (2022: £2,579 (1 director)).