

DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2024

ETHICAL TRADING
INITIATIVE
(A company limited by
guarantee)

ETHICAL TRADING INITIATIVE

(A company limited by guarantee)

COMPANY INFORMATION

Directors	Paul Williams (resigned 1 May 2024) Evelyn Astor Lucy Brill (resigned 29 July 2024) Sophie Brill Mary Creagh (resigned 1 August 2024) Subindu Garkhel (resigned 29 July 2024) David Griffin Mayank Kaushik Samantha Ludlow Taylor (appointed 14 December 2023) Peter Mcallister Elisa Morosoli (appointed 14 December 2023) Rebecca Reese Stephen Russell Alistair Smith Somiruwana Subasinghe Daniel Miles (resigned 13 December 2023) Mye Kallander (resigned 13 December 2023) Giles Bolton (appointed 12 July 2024) Melville Miles (appointed 16 July 2024)
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	Menzies LLP Chartered Accountants & Statutory Auditor Magna House 18-32 London Road Staines-Upon-Thames TW18 4BP

ETHICAL TRADING INITIATIVE

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ETHICAL TRADING INITIATIVE

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The directors present their report and the financial statements for the year ended 31 March 2024.

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.

Introduction

The reverberations of COVID-19 and Russia's invasion of Ukraine continued to be felt in global value chains this year. Conflict in the Middle East, affecting Israel and the Gaza strip directly, had wider impacts on the straits of Hormuz and traffic through the Suez Canal, and exacerbated the global challenges faced by trade. As with other shocks, this had knock on implications for supply chains that we all depend on and that thrive best in smooth predictable conditions. This turmoil continued to put pressure on workers worldwide. For example, accumulated challenges in recent years meant that there was considerable pent-up demand for increased wages in many areas, especially where these have been eroded through a combination of inflation and currency devaluation.

On the regulatory front, the German Due Diligence Law, for which many companies had been preparing, finally came into force in January 2023. Alongside this, there was considerable activity to lobby the EU Commission and Parliament in the development of a Directive aligned with the UN Guiding Principles (UNGPs). ETI along with others actively advocated for this to be robust and inclusive.

The geopolitical environment for trade deteriorated with some companies considering a China +1 strategy, to diversify their supply chains, while others continued to consider alternatives. This means dislocation and disruption for supply chains and such change is rarely implemented with workers at the heart of the conversation. 2023-24 saw an increasing number of extreme weather events, from excessive floods in some areas, extreme heat in others with both a direct threat to life as well as significant aftereffects. Severe drought in Spain affected both horticultural output and created fierce conditions for workers, while Australia suffered extreme heat and bushfires.

These were just some of the global challenges that ETI and its members faced in 2023-24. On a smaller scale we also had to address a number of issues like sexual harassment, work-place disputes and other rights violations identified in member supply chains.

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DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Programme work and guidance for members

The core of ETI's work remains based on three key pathways; our one-to-one support to members; working collectively on larger and more strategic issues and our advocacy to create an enabling environment for responsible business. Each area was kept busy this year; with the development of our approach to supporting members, new and ongoing issues for the Collective Action team to address, and advocacy on the EU Corporate Sustainability Due Diligence Directive, among other things.

The work to make the case for and implement an approach to drive greater transparency among company members has gained real momentum this year, enhanced through a partnership with Open Supply Hub; which hosts sourcing location data. This year we moved from one-to-one support work to a group learning approach that deals with topics thematically thematic, allowing us to reach more members and create environments for exchange and sharing of lessons.

We continued to work sectorally in 2023-24. In Food, Fishing and Farming, our work with members extended from supporting the rights of women and communities in Kenya, to addressing migrant rights risks in Spain, Italy, and the UK. In Apparel and Textiles, much of our existing work continued, from bringing leading stakeholders together into a multi-stakeholder forum in south India, and supporting the industry association in Sri Lanka to address key issues, to our factory-based work driving engagement with workers in Bangladesh.

The Sustainable Textile Initiative: Together for Change (STITCH) project entered its third year with a positive Mid Term Review that informed our reflections on the lessons learned so far, honing our focus for the final two years. The Common Framework for Responsible Purchasing Practices made progress piloting the guidelines with key companies, and garnering positive feedback. Our work on climate change, which has suffered from a change in colleagues, also gathered momentum towards the end of the year, focusing on the critical human rights impacts that climate change will have in the world of work.

Advocacy this year focussed on working with others to support the EU Corporate Sustainability Due Diligence Directive in line with the UNGPs. In the UK, we joined others to advocate for a similar national law, recognising this is not yet a part of government agenda.

Lastly, there were changes in the team during the year with 5 people leaving and 7 people joining, but by the end of the year, we had a full team in place functioning effectively.

Finance

Overall, we made a small surplus over the year. Our projected income was affected by the loss of our Business Development Lead early in the year, so this was below target for the year. However, the pipeline of potential new members was very healthy at the end of the year due to great work from our new recruit. Other revenue sources were positive, and we executed careful cost control across the year to ensure we had a surplus.

While the third-party donor environment remains challenging, we have been able to extend some existing funds and start new projects during the year. New funding allows us to focus on key areas such as gender and migration.

Our Executive Director announced that he would retire from ETI in June 2024 after 14 years. The Board conducted a successful recruitment process with a new Executive Director designate in place by the end of the year. As always, the work ETI does would not be possible without the support of our members, our partners, and the direction we receive from the Board and Chair. Lastly, but most importantly is the incredibly committed staff that ETI is fortunate to be able to attract, without whom the difference we make for workers worldwide would not be possible.

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DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Directors

The directors who served during the year were:

Paul Williams (resigned 1 May 2024)
Evelyn Astor
Lucy Brill (resigned 29 July 2024)
Sophie Brill
Mary Creagh (resigned 1 August 2024)
Subindu Garkhel (resigned 29 July 2024)
David Griffin
Mayank Kaushik
Samantha Ludlow Taylor (appointed 14 December 2023)
Peter Mcallister
Elisa Morosoli (appointed 14 December 2023)
Rebecca Reese
Stephen Russell
Alistair Smith
Somiruwana Subasinghe
Daniel Miles (resigned 13 December 2023)
Mye Kallander (resigned 13 December 2023)

Giles Bolton was appointed on 12 July 2024 and Melville Miles was appointed on 16 July 2024.

Indemnity insurance is provided for the directors.

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, ceased to act as auditors in 2023 and Menzies LLP were appointed to fill a casual vacancy and have been appointed as auditors for the ensuing period 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.

Signed by:


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Stephen Russell
Director

Date: 23-Oct-2024

ETHICAL TRADING INITIATIVE

(A company limited by guarantee)

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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 2024, 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 2024 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.

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.

ETHICAL TRADING INITIATIVE

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

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 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.

ETHICAL TRADING INITIATIVE

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

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:

- The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We determined that the following laws and regulations were most significant including Companies Act 2006, Employment Law, Payroll Taxes, VAT and Income Tax.
- We understood how the Company is complying with those legal and regulatory frameworks by, making inquiries to management, those responsible for legal and compliance procedures and the company secretary. We corroborated our inquiries through our review of board minutes.
- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognize non-compliance with laws and regulations. The assessment did not identify any issues in this area.
- We assessed the susceptibility of the Company financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - o Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - o Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - o Challenging assumptions and judgements made by management in its significant accounting estimates; and identifying and testing journal entries, in particular any journal entries with unusual account combinations.
- As a result of the above procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:
 - o Posting of unusual journals
 - o Posting of fraudulent payments and receipts in the accounting software
 - o Authorisation, processing, and payment of fraudulent expenses
 - o Timing of revenue recognition

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.

DocuSigned by:

Menzies LLP

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Janice Matthews FCA (Senior statutory auditor)

for and on behalf of

Menzies LLP

Chartered Accountants
Statutory Auditor

Magna House
18-32 London Road
Staines-Upon-Thames
TW18 4BP
Date: 24-Oct-2024

ETHICAL TRADING INITIATIVE

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STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2024

	2024 £	2023 £
Income	3,150,818	3,211,828
Gross profit	3,150,818	3,211,828
Administrative expenses	(3,111,036)	(3,432,368)
Operating profit/(loss)	39,782	(220,540)
Profit/(loss) for the financial year	39,782	(220,540)
Other comprehensive income for the year		
Total comprehensive income for the year	39,782	(220,540)

The notes on pages 10 to 16 form part of these financial statements.

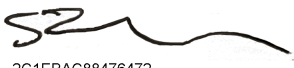
ETHICAL TRADING INITIATIVE
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REGISTERED NUMBER:03578127

BALANCE SHEET
AS AT 31 MARCH 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	6	17,865	23,009
Investments	7	25,000	25,000
		<u>42,865</u>	<u>48,009</u>
Current assets			
Debtors: amounts falling due within one year	8	479,466	248,461
Cash at bank and in hand		722,640	904,885
		<u>1,202,106</u>	<u>1,153,346</u>
Creditors: amounts falling due within one year	9	(427,433)	(423,599)
Net current assets		<u>774,673</u>	<u>729,747</u>
Total assets less current liabilities		<u>817,538</u>	<u>777,756</u>
Net assets		<u><u>817,538</u></u>	<u><u>777,756</u></u>
Capital and reserves			
Profit and loss account		817,538	777,756
		<u><u>817,538</u></u>	<u><u>777,756</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 the 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:

Signed by:

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Stephen Russell
Director

Date: 23-Oct-2024

The notes on pages 10 to 16 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 2024

1. General information

Ethical Trading Initiative, is a private company limited by guarantee incorporated in England & Wales. The company's registered office is Lhb04 1 - 3 Brixton Road, Kennington Business Park, London, SW9 6DE and company number is 03578127.

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 FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the requirements of the Companies Act 2006. The disclosure requirements of Section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

Membership Income

Membership income is recognised proportionally over the membership period, starting from the point of invoicing.

Training Income

ETI has established a partnership with a training delivery consultancy, where at the end of each year, the provider provides detailed calculations of the commission owed to ETI based on the training sessions conducted during the fiscal year. Income is recognised upon verification of the commission's calculation.

Grants and donor-funded work income.

Income recognition is contingent upon the fulfilment of signed contracts and agreements. ETI recognises revenue in accordance with the terms outlined in these contracts, ensuring transparency and adherence to legal obligations.

In other instances, revenue recognition is tied to the actual utilisation of funds within the fiscal year. ETI, tracks funds expenditure in order to accurately reflect income received during the same period of implementation. 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

Deferred Income

Any unused funds received within the fiscal year are prudently deferred to the subsequent financial year. This ensures that income recognition aligns with the actual delivery of services or the fulfilment of contractual obligations.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

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 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.6 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.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.9 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.

2.10 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.

2.11 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.

2.12 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.

2.13 Interest income

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

2.14 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.15 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.

3. Income

	2024 £	2023 £
Other trading income	1,429,722	1,397,154
NORAD funding	98,566	117,696
NGO's BOAG funding	10,000	23,000
STITCH - FWF	811,820	911,089
RSA - Trade Union Collaboration	-	32,489
Small members contribution projects	188,135	2,441
HSBC - BPP grant	-	124,057
Myanmar Due Diligence Assessment	-	428,301
Malawi tea - members initiative	-	4,956
ETI BD workplace programme	103,364	64,039
HSBC - MENAT	-	58,000
GMA - MSIF	400,632	48,606
GIZ Income	108,579	-
	3,150,818	3,211,828

4. Operating and other expenses

	2024 £	2023 £
Operating expenses	1,267,461	1,426,079
Grant expenditure	1,843,574	2,006,290
	3,111,035	3,432,369

5. Employees

The average monthly number of employees, including directors, during the year was 24 (2023 - 26).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

6. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation			
At 1 April 2023	55,313	138,171	193,484
Additions	1,362	1,475	2,837
At 31 March 2024	56,675	139,646	196,321
Depreciation			
At 1 April 2023	52,695	117,780	170,475
Charge for the year on owned assets	1,186	6,795	7,981
At 31 March 2024	53,881	124,575	178,456
Net book value			
At 31 March 2024	2,794	15,071	17,865
At 31 March 2023	2,618	20,391	23,009

7. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2023	25,000
At 31 March 2024	25,000

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
ETI Bangladesh	11/7/G Free School Street Kathalbagan, Dhaka-1205,Bangladesh	Ordinary Shares	100%

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

8. Debtors

	2024 £	2023 £
Trade debtors	90,287	32,237
Other debtors	16,400	31,059
Prepayments and accrued income	372,671	185,057
Tax recoverable	108	108
	479,466	248,461

9. Creditors: Amounts falling due within one year

	2024 £	2023 £
Trade creditors	191,475	158,065
Other taxation and social security	2,054	-
Other creditors	33,057	58,213
Accruals and deferred income	200,847	207,321
	427,433	423,599

10. Deferred income by funder

	2024 £	2023 £
Working Groups	82,714	155,716
GIZ BPP & Gender	19,159	-
	101,873	155,716

11. Capital and reserves

Accumulated Funds

The accumulated funds are made up of funds brought forward and surplus in the year. The accumulated funds excluding tangible fixed assets amount to £799,673 (2023 - £754,747) and these are the free reserves used as working capital.

ETHICAL TRADING INITIATIVE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

12. 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.

13. 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 for the Contributions totalling £Nil (2023 - £Nil) were payable to the fund at the balance sheet date.

14. Commitments under operating leases

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

15. Related party transactions

During the year expenses were reimbursed to directors totalling £3,218 (4 directors) (2023: £2,088 (4 directors)).

ETHICAL TRADING INITIATIVE

(A company limited by guarantee)

DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2024

	2024 £	2023 £
Revenue	3,150,818	3,211,828
Gross profit	3,150,818	3,211,828
Gross profit %	100.0 %	100.0 %
Less:		
Administration expenses	(3,111,036)	(3,432,368)
Operating profit/(loss)	39,782	(220,540)
Profit/(Loss) for the year	39,782	(220,540)

ETHICAL TRADING INITIATIVE
(A company limited by guarantee)

SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2024

	2024 £	2023 £
Revenue		
Revevue	3,150,818	3,211,828
	<u>3,150,818</u>	<u>3,211,828</u>
	2024 £	2023 £
Administration expenses		
Staff salaries	980,947	1,085,299
Staff pension costs - defined contribution schemes	94,915	93,421
Bad debts	228	(190)
Office costs	50,631	72,594
Grants	1,843,574	2,006,290
Administration	71,024	85,850
Depreciation	7,981	5,534
Governance	61,736	83,570
	<u>3,111,036</u>	<u>3,432,368</u>