

ETHICAL TRADING INITIATIVE
(A Company Limited by Guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

ETHICAL TRADING INITIATIVE
(A Company Limited by Guarantee)

COMPANY INFORMATION

Directors	Paul Williams Somiruwana Subasinghe Sophie Brill Lucy Brill (appointed 14 September 2021) Philip Chamberlain Rebecca Reese (appointed 5 October 2021) Stephen Russell Peter Mcallister Mayank Kaushik (appointed 9 December 2021) Giles Robert Bolton Evelyn Astor Mye Kallander (appointed 5 October 2021) Alistair Smith David Griffin (appointed 23 September 2021)
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 2022

The directors present their report and the financial statements for the year ended 31 March 2022.

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 2022

Review of the year

Introduction

The 2021-22 financial year continued to see a number of disruptions to business and the wider economy caused by the reoccurrence of COVID 19 and the actions taken by the UK and other governments to combat the impact of the disease. At the same time businesses and other organisations including ETI, have had to develop new and different ways of working that allow effective remote engagement within the organisation, with our members and wider partners.

However throughout the year we remained focussed on our mission, our engagement with members and ensuring the organisation was run efficiently. By guarding existing revenue as well as welcoming on board new funding and careful cost control we were able to have a net positive year even given a challenging environment.

Programme work and guidance for members

Our work directly related to mitigating the impact of COVID continued into this year with our two UK funded projects completing their activity and providing very useful lessons learned that have been shared. This meant that ETI was implementing projects in Asia and Africa in partnership with company members that were on tight timeframes with high expectations.

At the same time our work on migrant labour in Malaysia developed well ensuring improved support for those moving to Malaysia for work and again drawing out wider lessons. Our support to garment factories in Bangladesh continued with a mix of virtual and direct engagement recognising the challenges that COVID presented. In India we were able to recruit to expand the team. This was made possible by the funding received as part of a new consortium called STITCH lead by Fairwear Foundation, with a number of other partners. This programme really started to develop this year, although face-to-face contact with partners overseas was hampered by the restrictions on travel.

We continued to develop our work on the impact of COVID-19 on logistics, an area that is too often invisible in terms of workers rights. We were supported in this work by our member the International Transport Federation (ITF). Their experience and expertise were very important in informing wider membership on the key issues and galvanising action.

We refocussed our work to reflect both the support we give to individual companies in their efforts to address human rights issues, but also to recognise ETI experience and value in tackling the more systemic problems through facilitating collective action. While these two areas of activity took the most attention, we did not focus on the area of training as much as in previous years.

Labour rights in conflict zones

Sadly in February 2021 Myanmar was the subject of a violent military coup putting at risk workers and those who represent them. Tracking this situation and offering guidance for business in this emerging conflict was a demanding task that required ETI and members response as the situation evolved over the year. At the end of the year, in February 2022, we were presented with another crisis prompted by the invasion of Ukraine by Russia and the displacement of millions of Ukrainians. Again, ETI reacted promptly but at the end of the year we along with many others were only beginning to get to grips with the wider implications.

This work will continue as we try to draw out wider lessons for business operating in high risk or conflict areas.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Strategy and organisational restructure

In part prompted by the impact of the year before, but also as needed to adjust to our new strategy, ETI finalised a number of changes during this year to the structure of the organisation, the cost profile and ways of working. The work started the year before was completed making the final changes to structure, recruiting for new posts and transiting those who remained to new roles or new teams. This has resulted in an organisation that is ready and appropriately configured for the future, but also meant some interruptions as the new structure was put in place and new colleagues were brought up to speed.

Member offer

As part of re-orientating ETI we developed a new Membership Charter to clearly articulate the expectations and responsibilities of each member group. With the development work done in part the year before we were able to launch the completed Charter this year. As part of our continuous desire to stay at the forefront of our work we also developed new transparency and reporting requirements for member companies which will be rolled out in the year ahead.

Funding

In what was another difficult year for many businesses we are pleased to note that our membership revenue held up well. This is the most important financial flow for ETI and while we lost some members due to commercial realities, we also were able to welcome some new ones to ETI during the year. We would like to take this opportunity to thank all our members for their continued support.

We also saw the completion of some COVID related grants this year which were closed out successfully and affected the total budget. On the other hand the new STITCH grant from the FairWear led consortium had its first full year impact on revenue and were able to attract some other smaller but important grants to support specific project work. Our donor partners are important to ETI, they allow us to innovate, demonstrate impact on the ground and share good practice. We would like to thank them for their support this year.

Last but not least in a year with much change this is an opportunity to thank the ETI board for their guidance and support and ETI staff globally for all the hard work that has gone into making 2021-22 another productive and successful year for ETI.

Directors

The directors who served during the year were:

Paul Williams
Somirwan Subasinghe
Sophie Brill
Lucy Brill (appointed 14 September 2021)
Philip Chamberlain
Alison Tate (resigned 5 October 2021)
Rebecca Reese (appointed 5 October 2021)
Stephen Russell
Peter Mcallister
Mayank Kaushik (appointed 9 December 2021)
Giles Robert Bolton
Evelyn Astor
Mye Kallander (appointed 5 October 2021)
Alistair Smith
David Griffin (appointed 23 September 2021)
Jane Blacklock (resigned 5 October 2021)
Tim Aldred (resigned 5 October 2021)

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

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.

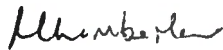
Auditors

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.



Philip Chamberlain
Director

Date: 17/10/22



ETHICAL TRADING INITIATIVE
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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 2022, 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 2022 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.

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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 concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations,

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

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: 14 November 2022

ETHICAL TRADING INITIATIVE
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Income		3,377,449	3,175,418
Gross profit		<u>3,377,449</u>	<u>3,175,418</u>
Administrative expenses		(3,059,059)	(3,090,251)
Operating surplus	6	<u>318,390</u>	<u>85,167</u>
Surplus for the financial year		<u><u>318,390</u></u>	<u><u>85,167</u></u>

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 11 to 19 form part of these financial statements.

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REGISTERED NUMBER:03578127

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	8	18,304	4,453
Investments	9	25,000	25,000
		<u>43,304</u>	<u>29,453</u>
Current assets			
Debtors: amounts falling due within one year	10	444,293	274,340
Cash at bank and in hand		1,169,007	1,674,637
		<u>1,613,300</u>	<u>1,948,977</u>
Creditors: amounts falling due within one year	11	(658,308)	(1,298,524)
Net current assets		<u>954,992</u>	<u>650,453</u>
Total assets less current liabilities		<u>998,296</u>	<u>679,906</u>
Net assets		<u><u>998,296</u></u>	<u><u>679,906</u></u>
Capital and reserves			
Profit and loss account		<u>998,296</u>	<u>679,906</u>
		<u><u>998,296</u></u>	<u><u>679,906</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:



Philip Chamberlain
Director

Date: 17/10/22

The notes on pages 11 to 19 form part of these financial statements.



ETHICAL TRADING INITIATIVE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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 2022

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 2022

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 2022**

3. Income

	2022 £	2021 £
Membership, application fee and other trading income	1,303,747	1,352,056
DFID - BIH	-	11,800
NORAD	90,345	72,778
NGO's - BOAG Funding	23,000	30,000
Impact Grant (DFID)	207,621	490,501
VSCF - Agricultural	94,640	174,410
TNMS	12,506	77,952
STITCH - FWF	975,551	258,415
RSA - Trade Union Collaboration	69,555	55,808
C&A Better Buying	-	8,452
C&A Gender Strategy	106,007	152,085
Small Members Contribution Projects	-	3,637
GCRF	10,419	-
FCO - International Conference to tackle MS	135,121	227,630
FWF - grant	-	62,919
Turkey Members Contribution	-	3,076
HSBC - India and BD	64,160	108,899
HSBC - BPP grant	34,576	-
Myanmar Due Diligence Assessment	250,200	-
MSIF	-	5,000
	<u>3,377,448</u>	<u>3,095,418</u>

4. Operating and other expenses

	2022 £	2021 £
Operating expenses	882,598	1,263,086
Grants expenditure	2,176,461	1,827,165
	<u>3,059,059</u>	<u>3,090,251</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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:

	2022 £	2021 £
Auditor's remuneration	17,000	12,000
Depreciation	5,949	9,672
Other operating lease rentals	-	70,600
Pension costs	4,356	11,620
	<u> </u>	<u> </u>

7. Employees

The average monthly number of employees, including directors, during the year was 21 (2021 - 24).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

8. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation			
At 1 April 2021	51,931	111,513	163,444
Additions	1,957	17,844	19,801
At 31 March 2022	<u>53,888</u>	<u>129,357</u>	<u>183,245</u>
Depreciation			
At 1 April 2021	51,797	107,194	158,991
Charge for the year on owned assets	379	5,571	5,950
At 31 March 2022	<u>52,176</u>	<u>112,765</u>	<u>164,941</u>
Net book value			
At 31 March 2022	<u>1,712</u>	<u>16,592</u>	<u>18,304</u>
At 31 March 2021	<u>134</u>	<u>4,319</u>	<u>4,453</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

9. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2021	25,000
At 31 March 2022	<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

	2022 £	2021 £
Trade debtors	303,467	244,272
Other debtors	140,718	29,960
Tax recoverable	108	108
	<u>444,293</u>	<u>274,340</u>

11. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	176,001	100,800
Other taxation and social security	13,021	8,430
Other creditors	4,356	62,981
Accruals and deferred income	464,930	1,126,313
	<u>658,308</u>	<u>1,298,524</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

12. Deferred income by funder

	2022 £	2021 £
Stitch	25,314	790,250
TNMS	-	6,605
Working Groups	235,189	56,959
Membership income	-	2,122
C&A Gender	-	60,688
MSIF HO	-	53,172
HSBC	124,057	64,160
Training	-	2,500
Other	18,108	-
	<u>402,668</u>	<u>1,036,456</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 £979,992 (2021 - £675,453) 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 £93,481 (2021 - £82,622). Contributions totalling £4,356 (2021 - £11,620) 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.

ETHICAL TRADING INITIATIVE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
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17. Related party transactions

During the year expenses were reimbursed to 4 directors totalling £2,579 (2021: £223 (1 director)).