

Company registration number 07014678 (England and Wales)

ETHICAL TEA PARTNERSHIP
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022
PAGES FOR FILING WITH REGISTRAR

ETHICAL TEA PARTNERSHIP

COMPANY INFORMATION

Directors

Ms J Costelloe (Executive Director)
Mr R Byerley
Ms C Gilart
Ms A Leniger
Mr J Jobling
Mr S Michaelis
Mr T Rubin
Mr V Sheth
Mr K Writer
Mr T Franks (Appointed 23 March 2023)

Company number 07014678

Registered office

Unit 3.3 The Green House
244-254 Cambridge Heath Road
London
E2 9DA

Accountants

Richard Place Dobson
Ground Floor
1 - 7 Station Road
Crawley
West Sussex
RH10 1HT

ETHICAL TEA PARTNERSHIP

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ETHICAL TEA PARTNERSHIP

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the period ended 31 December 2022.

Principal activities

The principal activity of the company is to promote a thriving tea sector which is socially just and environmentally sustainable.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

Mr D Meek (Chairperson)	(Appointed 2 November 2021 and resigned 6 October 2022)
Mr I Midgley (Chairperson)	(Resigned 1 October 2021)
Mr S Hotchkin (Deputy Chairperson)	(Resigned 30 September 2022)
Ms J Costelloe (Executive Director)	
Mr R Byerley	
Ms C Gilart	
Ms A Leniger	
Dr A Priyadarshi	(Resigned 9 February 2022)
Mrs R Cowburn-Walden	(Resigned 27 January 2022)
Mr J Jobling	
Mr S Michaelis	
Mr T Rubin	
Mr V Sheth	
Mr Z Lewicki	(Resigned 22 June 2023)
Mr K Writer	
Mr D Fukui	(Resigned 31 May 2022)
Mr R Khan	(Resigned 30 September 2022)
Ms L Zavar	(Resigned 7 March 2023)
Mr T Franks	(Appointed 23 March 2023)

Executive Director's narrative on annual accounts for period ended 31 December 2022

The Ethical Tea Partnership continues to enjoy financial support from its member companies and this year's financial accounts show good revenue from membership fees and other sources, which covers all operational and programme expenditure. In the previous 12 months, ETP has focused on strengthening and improving its record keeping and financial management, which has included the introduction of new accounting software, a revised finance and reserves policy, and a transition to a financial year which aligns with the tax and calendar year to streamline reporting. Thus, this financial statement is for a 15-month period, from 1 Oct 2021 to 31 Dec 2022.

ETP is establishing a Finance and Risk Committee on its Board of Directors, which will oversee the financial stewardship of ETP and ensure that ETP upholds good accounting practices.

ETHICAL TEA PARTNERSHIP

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

Ms J Costelloe (Executive Director)

Director

28 September 2023

ETHICAL TEA PARTNERSHIP

INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 31 DECEMBER 2022

	Period ended 31 December 2022	Year ended 30 September 2021 as restated
Notes	£	£
Membership Income	2,550,908	2,363,369
Other Income	19,745	55,795
Expenditure	(2,097,048)	(1,286,640)
Gross surplus	473,605	1,132,524
Other project related expenditure	(1,891,468)	(1,962,990)
Other project related income	1,585,719	2,075,320
Government grant	-	7,967
Deposit interest	1,399	1,370
Surplus before taxation	169,255	1,254,191
Tax on surplus	(266)	(260)
Surplus for the financial period	168,989	1,253,931

ETHICAL TEA PARTNERSHIP

BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021 as restated	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	4		1		1
Tangible assets	5		48,808		21,226
			<u>48,809</u>		<u>21,227</u>
Current assets					
Debtors	6	895,959		341,721	
Cash at bank and in hand		2,003,405		2,975,354	
		<u>2,899,364</u>		<u>3,317,075</u>	
Creditors: amounts falling due within one year	7	<u>(633,183)</u>		<u>(1,192,303)</u>	
Net current assets			<u>2,266,181</u>		<u>2,124,772</u>
Total assets less current liabilities			<u><u>2,314,990</u></u>		<u><u>2,145,999</u></u>
Reserves					
Project fund			315,378		240,230
Other reserves			550,000		550,000
Income and expenditure account	10		<u>1,449,612</u>		<u>1,355,769</u>
Members' funds			<u><u>2,314,990</u></u>		<u><u>2,145,999</u></u>

For the financial period ended 31 December 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 28 September 2023 and are signed on its behalf by:

Ms J Costelloe (Executive Director)
Director

Company Registration No. 07014678

ETHICAL TEA PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Ethical Tea Partnership is a private company limited by guarantee incorporated in England and Wales. The registered office is Unit 3.3 The Green House, 244-254 Cambridge Heath Road, London, E2 9DA.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. 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 financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Income and expenditure

Income represents amounts receivable for membership levys and projects.

Project surpluses are recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the income and expenditure account turnover and related costs as contract activity progresses.

Income on projects is recognised in the income and expenditure account when the entity has earned the right to recognise the income.

1.3 Intangible fixed assets - goodwill

Acquired goodwill is included in the accounts at cost and amortised over its estimated useful life.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	25% straight line
Computer equipment	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to surplus or deficit.

Equipment purchased with project income will not be capitalised but will be allocated directly to the income and expenditure account.

1.5 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

ETHICAL TEA PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial instruments, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using effective interest methods unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at market rate of interest. Financial assets are classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, are recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.7 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.8 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

ETHICAL TEA PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies **(Continued)**

1.9 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.10 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.11 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at a rate set by the directors in line with reporting requirements. Transactions in foreign currencies are recorded at the rate ruling as set by the directors. All differences are taken to the income and expenditure account.

1.12 Taxation

The company has obtained exemption from the Revenue Commissioners in respect of corporation tax, it being a company not carrying on a business for the purposes of making a profit.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Employees

The average monthly number of persons (including directors) employed by the company during the period was 15 (2021 - 14).

	2022	2021
	Number	Number
Total	15	14
	<u> </u>	<u> </u>

ETHICAL TEA PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

4	Intangible fixed assets			Goodwill
				£
	Cost			
	At 1 October 2021 and 31 December 2022			1
	Amortisation and impairment			
	At 1 October 2021 and 31 December 2022			-
	Carrying amount			
	At 31 December 2022			1
	At 30 September 2021			1
5	Tangible fixed assets			
		Fixtures, fittings & equipment	Computer equipment	Total
		£	£	£
	Cost			
	At 1 October 2021	17,819	42,976	60,795
	Additions	34,002	13,967	47,969
	Disposals	(1,250)	(3,966)	(5,216)
	At 31 December 2022	50,571	52,977	103,548
	Depreciation and impairment			
	At 1 October 2021	9,286	30,283	39,569
	Depreciation charged in the period	9,525	10,179	19,704
	Eliminated in respect of disposals	(938)	(3,595)	(4,533)
	At 31 December 2022	17,873	36,867	54,740
	Carrying amount			
	At 31 December 2022	32,698	16,110	48,808
	At 30 September 2021	8,533	12,693	21,226
6	Debtors			
			2022	2021
	Amounts falling due within one year:		£	£
	Trade Debtors		735,941	288,645
	External project debtors		90,516	5,594
	Sundry debtors		9,083	3,092
	Prepayments		39,956	10,986
	Project advances		20,463	33,404
			895,959	341,721

ETHICAL TEA PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

7 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	88,338	69,064
External projects	475,007	988,063
Corporation tax	266	260
Other taxation (VAT)	60,319	113,852
Credit card	-	2,654
Accruals	9,253	18,410
	<u>633,183</u>	<u>1,192,303</u>

8 Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

9 Fund analysis

	Project funds	Core funds	Total
	£	£	£
Fixed Assets	-	48,809	48,809
Current Assets	567,153	2,091,981	2,659,134
Current Liabilities	(492,005)	(141,178)	(633,183)
ETP Contribution	240,230	-	240,230
	<u>315,378</u>	<u>1,999,612</u>	<u>2,314,990</u>

10 Income and expenditure account

	2022	2022	2022	2022	2021
	£	£	£	£	as restated
			Project Reserve	Revenue Reserve	Total
			Income and expenditure account		
	£	£	£	£	£
At the beginning of the period	240,230	550,000	1,355,771	2,146,001	892,068
Surplus for the period	75,148	-	93,841	168,989	1,253,931
	<u>315,378</u>	<u>550,000</u>	<u>1,449,612</u>	<u>2,314,990</u>	<u>2,146,001</u>

ETHICAL TEA PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

11 Operating lease commitments

Lessee

The operating lease commitment figure includes the lease of the building and a photocopier.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2022	2021
	£	£
	178,896	88,278
	<u>178,896</u>	<u>88,278</u>

12 Prior period adjustment

Reconciliation of changes in equity

	1 October 2020	30 September 2021
	£	£
Adjustments to prior period		
Deferred income adjustment	-	240,230
Equity as previously reported	892,068	1,905,769
Equity as adjusted	<u>892,068</u>	<u>2,145,999</u>
Analysis of the effect upon equity		
Profit and loss reserves	-	240,230
	<u>-</u>	<u>240,230</u>

Reconciliation of changes in surplus for the previous financial period

	2021
	£
Adjustments to prior period	
Deferred income adjustment	240,230
Surplus as previously reported	1,013,701
Surplus as adjusted	<u>1,253,931</u>

Notes to reconciliation

Adjustment to deferred income

In the period of account it was noted that in the comparative year there was a deferral of income which had in fact not been received by the comparative balance sheet date. The effect of the adjustment above is therefore to increase income and decrease liabilities to correct this error.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.