

REGISTERED COMPANY NUMBER: 06792524 (England and Wales)  
REGISTERED CHARITY NUMBER: 1130203

**Report of the Trustees and  
Financial Statements for the Year Ended 31 March 2017  
for  
Ephesea UK**



Morgan Griffiths LLP  
Chartered Accountants  
Statutory Auditor  
Cross Chambers  
9 High Street  
Newtown  
Powys  
SY16 2NY

**Ephesea UK**

**Contents of the Financial Statements  
for the Year Ended 31 March 2017**

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**Ephesea UK**

**Reference and Administrative Details  
for the Year Ended 31 March 2017**

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**TRUSTEES**

C Bradford (Chair)  
M A Barthel (Vice Chair)  
A Mawby (Treasurer)  
M Bekin  
J B Kirkpatrick  
H Kwisthout  
C McDermott  
M Robson  
J G Tewson (appointed 6.10.16)

**REGISTERED OFFICE**

The Billiard Room  
Town Hall  
Great Oak Street  
Llanidloes  
Powys  
SY18 6BN

**REGISTERED COMPANY NUMBER**

06792524 (England and Wales)

**REGISTERED CHARITY NUMBER**

1130203

**AUDITORS**

Morgan Griffiths LLP  
Chartered Accountants  
Statutory Auditor  
Cross Chambers  
9 High Street  
Newtown  
Powys  
SY16 2NY

**BANKERS**

Co-Operative Bank plc  
PO Box 101  
1 Balloon Street  
Manchester  
M60 4EP

**MANAGEMENT TEAM**

Rosie Teasdale (Executive Director)  
Owen Davies (Forest Standards Manager)  
Tallulah Chapman (Communications Manager)  
Beth Bennett (Business Development Manager)

**Charity Name**

The charity is also known as Forest Stewardship Council® (FSC®) United Kingdom (UK) and permutations thereof.

## **Ephesea UK**

### **Report of the Trustees for the Year Ended 31 March 2017**

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2017. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims**

The charity's objects are to promote for the benefit of the public the protection and conservation of the world's forests. In particular, by:

1. Introducing and maintaining a programme of voluntary accreditation of forest certification bodies;
2. Developing consensus around standards for good forest management; and
3. Increasing public awareness about independent forest certification.

##### **Strategic Priorities**

In early 2015, revised strategic priorities were proposed for 2015-18 and adopted following membership consultation:

- Improve standards for forest management and promote FSC forest management certification in the UK for all sizes and types of forest
- Engage, support and represent existing and potential FSC Licence Holders (this includes Certificate Holders) to maximise demand for FSC certified products and projects
- Inform and educate people about FSC and forest ecosystems to foster awareness and understanding and elicit positive behaviour change
- Ensure that FSC is positioned as the most credible forest certification scheme
- Improve effectiveness of how FSC operates as One Global Organisation

Annual departmental work-plans are developed to deliver these priorities and associated objectives. Activities demonstrating most significant progress are highlighted in the Achievements and Performance section below.

## **Ephesea UK**

### **Report of the Trustees for the Year Ended 31 March 2017**

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#### **OBJECTIVES AND ACTIVITIES**

##### **Public benefit**

Forests are essential to our lives. They give us food, fresh air and water as well as many important products and materials. Globally, the extent of the world's forests continues to decline as human populations grow and demand for food and land increases, however between 1990 and 2015, the rate of net forest loss was cut by over 50 percent. (FAO Global Forest Resources Assessment 2015: How are the world's forests changing?)

FSC is a global, not-for-profit organisation dedicated to the promotion of responsible forest management worldwide. The FSC system enables businesses and consumers to make informed choices about the forest products they buy, and create positive change by engaging the power of market dynamics.

Global Vision: The world's forests meet the social, ecological, and economic rights and needs of the present generation without compromising those of future generations.

Global Mission: The Forest Stewardship Council A.C. (FSC) shall promote environmentally appropriate, socially beneficial, and economically viable management of the world's forests.

FSC UK works to maintain and develop a voluntary, auditable forest management standard for the UK, which complies with the *FSC Principles and Criteria for responsible forest management*. FSC forest management certification requires that forest management is not just environmentally appropriate but also socially beneficial and therefore protects the rights of those who live, work and play in the forest.

FSC UK also works to stimulate demand for FSC certified products, empowering both businesses and consumers to easily identify and source forest products from responsible sources. A 2015 poll commissioned by WWF showed that 88% of people in the UK did not know products made from illegal timber could still be bought in the EU. 76% said it was important to them that measures be put in place to make sure people couldn't buy products made from illegal wood. 72% of respondents to FSC UK's 2015 survey (YouGov 2015) confirmed a purchase preference for FSC certified products (when compared to an identical product without FSC certification).

The trustees have had regard to the Charity Commission's guidance on public benefit when exercising any powers or duties to which the guidance is relevant.

**Report of the Trustees  
for the Year Ended 31 March 2017**

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**ACHIEVEMENT AND PERFORMANCE**

**Charitable activities**

**Priority: Improve standards for forest management and promote FSC forest management certification in the UK for all sizes and types of forest**

It is a fundamental requirement both in terms of FSC UK's charitable objectives and our role as an accredited National Office that we have an approved national forest stewardship standard.

During the year, FSC UK has continued to contribute significantly to the work of the UK Woodland Assurance Standard (UKWAS) Steering Group, which acts as the UK standard development group and which is in the process of revising the national forest stewardship standard. FSC UK prepared the draft standard and supporting documents and submitted them to FSC International in June 2016, and subsequently liaised with Policy and Standards Unit (PSU) staff to provide further information and clarifications. Unfortunately, the draft standard was rejected in October 2016. FSC UK staff worked intensively with UKWAS and PSU to understand the reasons for rejection and to develop a suite of proposals to improve the standard. Thanks to the constructive input of all parties, this culminated in the submission of a revised draft in February 2017.

The revised draft standard takes a different approach to scale, intensity and risk of forest management to that recommended by FSC, and focusses on outcomes, allowing flexibility in how those outcomes are achieved. Rather than having requirements tailored to smaller woodlands, it includes a small number of requirements which take account of the greater capacity and responsibilities of large organisations. This approach was agreed by the UKWAS Steering Group. However, FSC UK continues to hold discussions with organisations with interests in more radical approaches to the certification of small woodlands, and in non-timber forest products and payments for ecosystem services.

**Priority: Engage, support and represent existing and potential FSC Licence Holders, (this includes Certificate Holders) to maximise demand for FSC certified products and projects**

It is essential that the relationship we have with our licence holders is proactively managed and that we support those companies committed to and engaged with the FSC system. In the global context, we also need to represent our UK stakeholders to ensure that FSC's standards are appropriate and relevant. Engaging and supporting certificate holders and retailers to maximise the market for FSC products (and thus increase the demand for certified forests) is fundamental to our charitable objectives.

Following a period of staffing shortages, the priority for the Business Team during this financial year has been the stabilisation of the team, improvements to work flows and the continued functioning of the enquiry service.

We continue to update UK Certificate Holders of relevant changes to the Normative Framework, including interpretations, consultations and revised standards. The Business Team has inputted heavily into the revision of FSC-STD-40-004 by FSC International Centre. We have increased our engagement with our Certificate Holders by sending out a Welcome Pack to newly certified organisations. The Business Team has supported the FSC UK projects in organising and attending relevant trade shows and inputting into the development of new and revised business-facing resources.

We have delivered bespoke face-to-face training to 9 organisations during the year, including NGO's, retailers, Trademark Licence Holders and Certificate Holders. Online training modules have been updated and added in line with changes to the normative framework and according to our training strategy and a new learning management platform has been implemented to enable improved development in the future.

**Priority: Inform and educate people about FSC and forest ecosystems to foster awareness and understanding and elicit positive behaviour change**

FSC UK's 2017 survey (TNS 2017) revealed that 54% of UK consumers recognise the FSC logo. Recognition of the logo was highest amongst 16-24 year olds (61%) and 35-44 year olds (62%).

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**Report of the Trustees  
for the Year Ended 31 March 2017**

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**ACHIEVEMENT AND PERFORMANCE**

**Charitable activities**

The survey also demonstrated that 55% of UK consumers were likely to give preference to FSC certified products over products without FSC certification. The 2015 survey (YouGov 2015) explicitly stressed that the FSC certification was the only difference between the two products, leading 72% of respondents to confirm a purchase preference for FSC certified products.

FSC UK placed advertising and/or editorial in a number of consumer and trade publications including *the My Green Pod* supplement distributed with The Guardian newspaper in December 2016.

Communications Manager, Tallulah Chapman, gave a presentation about FSC at the Oxford University Nature Conservation Society Symposium, "*Providing for the Planet without Costing the Earth*" and the LEAF Marque Summit.

FSC UK celebrated FSC Friday on 30th September 2016, providing promotional materials and support to businesses and schools etc. in the UK to run their own awareness-raising events.

The FSC *Forest Matters* e-zine was produced bi-monthly and distributed to all Certificate Holders, Members, Licence Holders and over 400 public subscribers.

The Communications Team has supported the FSC UK projects by attending relevant trade shows and designing new business-facing resources. Editorial and advertising has also been placed in relevant B2B publications.

**Priority: Ensure that FSC is positioned as the most credible forest certification scheme**

The support of environmental and social NGOs gives reassurance to our stakeholders and their continued engagement is fundamental to our success as a scheme that promotes environmentally appropriate and socially beneficial, as well as economically viable, management of the world's forests.

During the reporting period the Executive Director attended the Wildlife & Countryside Link AGM and meetings were held with WWF UK and the Small Woods Association.

It is also important that FSC is appropriately recognised by those assessing certification schemes. In 2016 the credentials of FSC and other certification schemes were reassessed by BRE in relation to the BREEAM responsible sourcing scoring. FSC UK inputted into the process and the score for FSC 100% material improved as a result. Work is ongoing to increase our scores further to ensure that there is appropriate recognition for those using FSC certified materials in BREEAM construction projects.

FSC UK is a supporter of the Charter for Woods, Trees and People and a member of the Charter Steering Group. FSC UK is one of more than 70 organisations, with a combined membership of 20 million people, who have launched 10 principles to bring trees and woods to the centre of UK society.

FSC UK has a role to play in minimising the threats to our system and ensuring that FSC is recognised as a credible scheme by consumers, businesses and government. A total of 124 trademark misuse and infringement cases were handled in the reporting period. By becoming more proactive in our fight against trademark infringements and misuse we not only reduce the risk of inaccurate claims, we also seek to bring companies into the system.

**Priority: Improve effectiveness of how FSC operates as One Global Organisation**

FSC UK should be an integral part of the global FSC organisation and needs to support the process and lead by example. FSC can only truly become one global organisation if we all work together to deliver common goals. Strategic planning, work planning, and project management must be globally aligned and well-coordinated across FSC and the network.

FSC's global strategy was published in September 2015 and targets for FSC UK for 2016 and 2017 were agreed and incorporated into our national workplans.

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## **Ephesea UK**

### **Report of the Trustees for the Year Ended 31 March 2017**

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#### **ACHIEVEMENT AND PERFORMANCE**

##### **Charitable activities**

FSC UK participates in various global advisory groups and working groups and supports the network through sharing best practice. We were actively involved in the process to transform the global strategic plan into an implementation plan and remain fully committed to further aligning our work. In January 2017, staff from FSC UK met with colleagues from offices in Germany and Italy to discuss common issues and identify areas for collaboration and we see this approach as a positive way to share ideas and work together with similar National Offices.

#### **FINANCIAL REVIEW**

##### **Income**

Over the financial year under review income has exceeded expenditure by £103,385. We began the year with an opening balance from the previous period of £534,501 and have ended with a carry forward of £637,886. It should be noted that this carry forward figure includes the increased reserves fund of £246,803.

The most significant increase was in the income received under the Principal Cooperation, Service and Licence Agreement (the Activity Compensation Fee) with FSC Global Development. This is currently calculated on a formula which is primarily based on the Annual Accreditation Fee (AAF) charged to certified companies in the UK. The income from the Activities Compensation Fee comes with additional delivery expectations and, as outlined below, it is anticipated that expenditure will continue to rise as the charity seeks to meet these expectations.

During the reporting period, the relative strength of the \$USD against £GBP increased the charity's income (by approx. £50,000 compared with predicted income) due to membership and the Activity Compensation Fee being calculated in \$USD. This was not anticipated and accounts for a significant proportion of the surplus. £70,000 of the surplus was used to meet the revised reserves policy (see below).

##### **Expenditure**

Expenditure was higher this year compared with last (£353,476 compared with £291,376) due to the anticipated increased staff costs and overall expenditure as we seek to meet the charity's increased commitments. It is expected that expenditure will continue to increase, primarily due to growing staff costs as the team grows to deliver the charitable objects and contractual obligations.

##### **Reserves Policy**

The Steering Group considers the charity's requirements for reserves in light of the main risks to the organisation. A policy had previously been established whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be equivalent to 3 months' of expenditure. However, it was agreed in October 2015 that this policy should be extended to 6 months' of expenditure. At the end of the reporting period over £246k was held in reserve.

The reserves are needed to meet the working capital requirements of the charity and, in the worse-case scenario, to cover the cost of closing the charity. The Steering Group is confident that, at the equivalent to 6 months' expenditure, the charity would be able to continue at worthwhile activity levels in the event of a temporary significant drop in funding. The trustees have subsequently declared that they wish to ensure that the estimated cost of closing the charity not exceed 50% of reserves.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

Ephesea UK, incorporated in England & Wales on 15 January 2009, is a private company limited by guarantee (as defined by the Companies Act 2006), which is also an association of members registered as an incorporated charity (for simplicity, this report refers henceforth to the company as 'the charity'). The charity is governed under Memorandum and Articles of Association that sets out its objects and powers.

Membership of the charity is open to individuals and organisations who are:

- Members of the Forest Stewardship Council AC;
- Ordinarily based or resident in the UK.



**Report of the Trustees  
for the Year Ended 31 March 2017**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Recruitment and appointment of new trustees**

The charity is managed by a board of trustees which consists of not less than 4 and is not subject to any maximum. At least 3 trustees have to be members of the Forest Stewardship Council AC and ordinarily based or resident in the UK.

Trustees are either proposed or volunteer. They may sit on the board until the next annual members' meeting, when they have to seek election from the membership. Once elected, a trustee may sit on the board for a term of 3 years (from the date of joining the board) before seeking re-election. There is no limit to the number of terms for which a trustee may seek re-election. Re-elected trustees serve a term of 3 years from the date of re-election.

Trustees may elect from amongst themselves a chair, a vice chair and a treasurer.

A trustee pack, outlining trustee responsibilities, is given to all new trustees.

**Decision Making and Reporting**

The board of trustees meets three times per year in person to set the strategic direction and policy of the charity including, crucially, its aims and priorities. Board meetings are attended by the Executive Director and, by invitation, members of staff. Between meetings, the Executive Director provides trustees with an Interim Report by email. Conference calls between some or all of the trustees may be arranged at any time. Finally, ad hoc working groups of a small number of trustees can be put together to address particular issues.

Day to day management of the charity falls to the Executive Director, supported by the permanent staff. The Executive Director is responsible for ensuring that the charity delivers a range of services that meet its Objects and Strategic Priorities.

**Wider network**

The charity (under the title of FSC United Kingdom) is an accredited National Office of the wider, international FSC network. The charity receives an annual Activity Compensation Fee (ACF) from FSC Global Development GmbH. The ACF is paid to FSC National Offices that have agreed and signed a valid Principle Cooperation, Service and License Agreement with FSC Global Development. In the reporting period over 75% of income was generated via the ACF.

The charity participates in FSC's European and Global networks and supports the Global Strategy. FSC International has developed its global plan for the next 5 years. The FSC UK strategic plan has been developed in the context of FSC's global vision and mission and our own charitable objectives.

**Related parties**

The charity has contractual relationships and/or memoranda of understanding with some organisations to facilitate cooperation in the pursuit of its charitable objectives and guard against misunderstandings over areas of common interest.

## **Ephesea UK**

### **Report of the Trustees for the Year Ended 31 March 2017**

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#### **STATEMENT OF TRUSTEES RESPONSIBILITIES**

The trustees (who are also the directors of Ephesea UK for the purposes of company law) are responsible for preparing the Report of the Trustees and 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".

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

#### **AUDITORS**

The auditors, Morgan Griffiths LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 21/07/2017 and signed on its behalf by:



C Bradford - Trustee

## **Report of the Independent Auditors to the Members of Ephesea UK**

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We have audited the financial statements of Ephesea UK for the year ended 31 March 2017 on pages eleven to nineteen. The financial reporting framework that has been applied in their preparation is 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'.

This report is made solely to the charitable 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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

As explained more fully in the Statement of Trustees Responsibilities set out on page eight, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of  
Ephesea UK**

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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

*R.J. Osment*

Robert Osment BSc FCA (Senior Statutory Auditor)  
for and on behalf of Morgan Griffiths LLP  
Chartered Accountants  
Statutory Auditor  
Cross Chambers  
9 High Street  
Newtown  
Powys  
SY16 2NY

Date: 29/08/17

Ephesea UK

**Statement of Financial Activities**  
(Incorporating an Income and Expenditure Account)  
for the Year Ended 31 March 2017

		Unrestricted funds	Restricted funds	31.3.17 Total funds	31.3.16 Total funds
	Notes	£	£	£	£
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations	2	12,302	-	12,302	27,572
<b>Charitable activities</b>	5				
Forestry		248	-	248	424
Activity compensation fee		358,699	-	358,699	299,730
Licence holder support		-	-	-	440
Information and education		72	-	72	18,260
One FSC		5,227	-	5,227	2,246
One FSC - Membership		44,194	-	44,194	40,460
Other trading activities	3	35,206	-	35,206	34,829
Investment income	4	913	-	913	1,032
<b>Total</b>		<b>456,861</b>	<b>-</b>	<b>456,861</b>	<b>424,993</b>
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>	6				
Forestry		49,716	-	49,716	52,721
Licence holder support		104,161	-	104,161	75,464
Information and education		90,714	-	90,714	96,911
Credibility		40,542	-	40,542	39,168
One FSC		46,586	-	46,586	27,112
Specification Project		21,757	-	21,757	-
<b>Total</b>		<b>353,476</b>	<b>-</b>	<b>353,476</b>	<b>291,376</b>
<b>NET INCOME</b>		<b>103,385</b>	<b>-</b>	<b>103,385</b>	<b>133,617</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<b>534,501</b>	<b>-</b>	<b>534,501</b>	<b>400,884</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b><u>637,886</u></b>	<b><u>-</u></b>	<b><u>637,886</u></b>	<b><u>534,501</u></b>

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

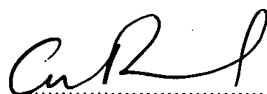
The notes form part of these financial statements

**Ephesea UK**  
**Balance Sheet**  
**At 31 March 2017**

		31.3.17 £	31.3.16 £
	Notes		
<b>FIXED ASSETS</b>			
Tangible assets	13	8,639	8,167
<b>CURRENT ASSETS</b>			
Debtors	14	128,706	122,126
Cash at bank and in hand		<u>592,478</u>	<u>478,723</u>
		721,184	600,849
<b>CREDITORS</b>			
Amounts falling due within one year	15	(91,937)	(74,515)
<b>NET CURRENT ASSETS</b>		<u>629,247</u>	<u>526,334</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>637,886</u>	<u>534,501</u>
<b>NET ASSETS</b>		<u>637,886</u>	<u>534,501</u>
<b>FUNDS</b>	17		
Unrestricted funds		<u>637,886</u>	<u>534,501</u>
<b>TOTAL FUNDS</b>		<u>637,886</u>	<u>534,501</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 21/07/2017 and were signed on its behalf by:

  
 C Bradford -Trustee

The notes form part of these financial statements

**Notes to the Financial Statements  
for the Year Ended 31 March 2017**

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**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**Governance costs**

Governance costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Fixtures and fittings	- 50% on cost and 15% on reducing balance
Computer equipment	- 33% on cost

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Ephesea UK**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2017**

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**1. ACCOUNTING POLICIES - continued**

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**Operating leases**

Costs in respect of operating leases are charged to the statement of financial activities on a straight line basis over the term of the lease.

**2. DONATIONS**

	<b>31.3.17</b>	<b>31.3.16</b>
	<b>£</b>	<b>£</b>
Grants	<b><u>12,302</u></b>	<b><u>27,572</u></b>

Grants received, included in the above, are as follows:

	<b>31.3.17</b>	<b>31.3.16</b>
	<b>£</b>	<b>£</b>
Other Gifts and Donations	<b>3,606</b>	<b>1,877</b>
Sainsbury's	<b>8,696</b>	<b>15,695</b>
Akzo Nobel	<b>-</b>	<b>10,000</b>
	<b><u>12,302</u></b>	<b><u>27,572</u></b>

**3. OTHER TRADING ACTIVITIES**

	<b>31.3.17</b>	<b>31.3.16</b>
	<b>£</b>	<b>£</b>
Trademark Licensing	<b>28,279</b>	<b>22,552</b>
Weblinks	<b>507</b>	<b>6,752</b>
Training	<b><u>6,420</u></b>	<b><u>5,525</u></b>
	<b><u>35,206</u></b>	<b><u>34,829</u></b>

**4. INVESTMENT INCOME**

	<b>31.3.17</b>	<b>31.3.16</b>
	<b>£</b>	<b>£</b>
Deposit account interest	<b><u>913</u></b>	<b><u>1,032</u></b>



**Ephesea UK**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2017**

**5. INCOME FROM CHARITABLE ACTIVITIES**

Grants received, included in the above, are as follows:

	Year Ended 31.3.17 £	Year Ended 31.3.16 £
WWF - UK	-	11,000
	<u>-</u>	<u>11,000</u>

**6. CHARITABLE ACTIVITIES COSTS**

	Direct costs (See note 7) £	Support costs (See note 8) £	Totals £
Forestry	37,591	12,125	49,716
Licence holder support	78,662	25,499	104,161
Information and education	69,811	20,903	90,714
Credibility	28,765	11,777	40,542
One FSC	37,378	9,208	46,586
Specification Project	21,757	-	21,757
	<u>273,964</u>	<u>79,512</u>	<u>353,476</u>

**7. DIRECT COSTS OF CHARITABLE ACTIVITIES**

	31.3.17 £	31.3.16 £
Staff costs	185,824	148,129
Telephone	1,053	1,108
Postage and stationery	591	824
Travel & subsistence	15,280	13,223
Publications & subscriptions	5,774	2,028
Recruitment & training	5,022	3,290
Venue hire	3,457	-
UKWAS subscription	5,000	5,000
Publicity	23,717	16,939
Exhibition expenses	17,529	15,196
Consultancy fees	81	5,283
Sundries	282	280
Bad debts	-	3
FSC Membership Admin Fee	7,306	6,290
Sponsorship	1,000	-
IT Support	2,048	430
	<u>273,964</u>	<u>218,023</u>

**Ephesea UK**

**Notes to the Financial Statements - continued  
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**8. SUPPORT COSTS**

	Managemen t	Governance costs	Totals
	£	£	£
Forestry	10,035	2,090	12,125
Licence holder support	21,102	4,397	25,499
Information and education	17,300	3,603	20,903
Credibility	9,746	2,031	11,777
One FSC	<u>7,621</u>	<u>1,587</u>	<u>9,208</u>
	<u><b>65,804</b></u>	<u><b>13,708</b></u>	<u><b>79,512</b></u>

<b>Activity</b>	<b>Basis of allocation</b>
Management	Salary costs
Governance costs	Salary costs

**9. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	<b>31.3.17</b>	31.3.16
	£	£
Auditors' remuneration	2,132	2,160
Depreciation - owned assets	<u><b>3,796</b></u>	<u><b>3,452</b></u>

**10. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 March 2017 nor for the year ended 31 March 2016.

**Trustees' expenses**

Travel and subsistence expenses amounting to £2,309 (2016 £1,163) were reimbursed to six (2016 six) trustees in the period.

**Ephesea UK**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2017**

**11. STAFF COSTS**

	Year Ended 31.3.17 £	Year Ended 31.3.16 £
Wages and salaries	192,385	162,599
Social security costs	13,166	11,479
Pensions	<u>10,501</u>	<u>7,428</u>
	<u>216,052</u>	<u>181,506</u>

The average number of employees during the period was as follows:

Communications	1.9	1.8
Licence holder support	2.4	1.8
UK forest standards	0.8	0.7
One FSC	0.6	0.7
Credibility	0.8	0.7
Core	<u>1.0</u>	<u>1.3</u>
	<u>7.5</u>	<u>7.0</u>

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the period was nil.

**12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

There were no restricted funds during the year to 31 March 2016.

**13. TANGIBLE FIXED ASSETS**

	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>			
At 1 April 2016	12,216	16,572	28,788
Additions	<u>1,965</u>	<u>2,303</u>	<u>4,268</u>
At 31 March 2017	<u>14,181</u>	<u>18,875</u>	<u>33,056</u>
<b>DEPRECIATION</b>			
At 1 April 2016	6,910	13,711	20,621
Charge for year	<u>1,080</u>	<u>2,716</u>	<u>3,796</u>
At 31 March 2017	<u>7,990</u>	<u>16,427</u>	<u>24,417</u>
<b>NET BOOK VALUE</b>			
At 31 March 2017	<u>6,191</u>	<u>2,448</u>	<u>8,639</u>
At 31 March 2016	<u>5,306</u>	<u>2,861</u>	<u>8,167</u>

**Ephesea UK**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2017**

**14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.17	31.3.16
	£	£
Trade debtors	108,375	19,211
Prepayments and accrued income	<u>20,331</u>	<u>102,915</u>
	<u><b>128,706</b></u>	<u><b>122,126</b></u>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.17	31.3.16
	£	£
Trade creditors	8,605	4,360
Social security and other taxes	6,404	5,824
Deferred income	50,367	46,247
Accrued expenses	<u>26,561</u>	<u>18,084</u>
	<u><b>91,937</b></u>	<u><b>74,515</b></u>

**16. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds	Restricted funds	31.3.17 Total funds	31.3.16 Total funds
	£	£	£	£
Fixed assets	8,639	-	8,639	8,167
Current assets	721,184	-	721,184	600,849
Current liabilities	<u>(91,937)</u>	<u>-</u>	<u>(91,937)</u>	<u>(74,515)</u>
	<u><b>637,886</b></u>	<u><b>-</b></u>	<u><b>637,886</b></u>	<u><b>534,501</b></u>

Cash held within the deposit accounts amounted to £246,083 (2016 £175,155) and is included in the unrestricted funds figures above. This is the figure referred to in the "reserves policy" section of the Report of the Trustees.

**17. MOVEMENT IN FUNDS**

	At 1.4.16 £	Net movement in funds £	Transfers between funds £	At 31.3.17 £
<b>Unrestricted funds</b>				
General Fund	526,333	107,181	(4,267)	629,247
Capital Fund	<u>8,168</u>	<u>(3,796)</u>	<u>4,267</u>	<u>8,639</u>
	<u><b>534,501</b></u>	<u><b>103,385</b></u>	<u><b>-</b></u>	<u><b>637,886</b></u>
<b>TOTAL FUNDS</b>	<u><b>534,501</b></u>	<u><b>103,385</b></u>	<u><b>-</b></u>	<u><b>637,886</b></u>

Ephesea UK

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2017

17. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General Fund	456,861	(349,680)	107,181
Capital Fund	-	(3,796)	(3,796)
	<u>456,861</u>	<u>(353,476)</u>	<u>103,385</u>
<b>TOTAL FUNDS</b>	<u>456,861</u>	<u>(353,476)</u>	<u>103,385</u>

18. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2017.