

**Report of the Trustees and
Financial Statements for the Year Ended 31 March 2019
for
Ephesea UK**

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

Ephesea UK
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for the Year Ended 31 March 2019

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Ephesea UK
Reference and Administrative Details
for the Year Ended 31 March 2019

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

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 2019

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 2019. 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 (as amended at the 2017 Annual Members' Meeting) are to promote for the benefit of the public the protection and conservation of the world's forests. In particular, by:

1. Raising awareness of the value of responsibly managed forests
2. Promoting and supporting a programme of voluntary forest management certification and chain of custody certification
3. Developing consensus around standards for good forest management; and
4. Increasing public awareness about independent forest certification.

Strategic Priorities

In early 2018, revised strategic priorities were proposed for 2018-20 and adopted:

- Improve standards for forest management and promote FSC forest management certification in the UK for all sizes and types of forest
- Support and represent UK based FSC Licence Holders
- Increase demand for FSC certification and FSC certified products
- Ensure that FSC is positioned as the most credible forest certification scheme

FSC is committed to the concept of working as "One FSC" and collaboration with FSC International and the wider FSC network is integral to each of the stated priorities. There is also a communication aspect to each priority area. The previous priority areas of working as one FSC and informing and educating people about FSC have therefore been integrated into the above four priorities.

Activities demonstrating most significant progress are highlighted in the Achievements and Performance section below.

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. 75% of respondents to FSC UK's 2018 survey (TNS 2018) confirmed a purchase preference for FSC certified products (if there is clearly no other visible difference 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.

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 (NFSS). With our recently revised NFSS having been in force since 1 April 2018, we are seeking the views of certification bodies and certificate holders on the first year of its implementation, to guide our work on supporting compliance. We are already looking ahead to the next revision and are working with the UKWAS Steering Group to revise their standard setting procedures to ensure appropriate chamber balance in decision making.

FSC UK remains committed to improving access to certification for owners of smaller woods. Our Small Woods project, to develop a radically adapted standard tailored to very low risk woodlands, is proceeding slowly, but is giving us an excellent opportunity to build relationships with key representative bodies.

We are tentatively beginning to explore the potential for FSC ecosystem services certification in the UK, both to broaden the opportunities we can offer to certificate holders and to engage with government moves towards payment for provision of public goods.

We were involved in a very successful pilot project as part of the revision of the FSC Pesticides Policy and are now drawing on the lessons learned during that project to inform our support for certificate holders as the new Policy is implemented.

Finally, we joined with the Woodland Trust and the Soil Association to hold an event at the Royal Welsh Show to celebrate 20 years of FSC certification by the Woodland Trust, a tremendous success for the Trust and a great milestone for FSC.

Priority: Support and represent UK based FSC Licence Holders

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.

There was a small decrease in overall UK FSC certificate numbers during this period. Analysis of this decrease has concluded that the majority of unrenewed or terminated certificates were the result of business closure or the merging of FSC certificates.

The number of FSC trademark Licences held by UK based companies rose by 4% and enquiries to the free Advice Service continued to grow. The 2018 certificate holder survey demonstrated that 42% of respondents had contacted FSC UK during this period with 86.6% of those reporting the quality of support they had received as 'Good' or 'Excellent'. 80% felt that advice on the FSC standards was a 'Very important' or 'Extremely important' service offered by FSC UK

In order to increase engagement with to licence holders, FSC UK built upon the foundations of the Regional Stakeholder Events held in previous years by holding events in Maidenhead and Newport, Wales. The agenda of both meetings focussed on promotion of FSC by licence holders and their use of the FSC trademarks, the services offered by FSC UK and FSC tools available to FSC licence holders. Feedback on the events was positive with 81% (Maidenhead) and 91% (Newport) of attendees confirming that they were likely to increase their use of the FSC trademarks following the event.

The number of licence holders signing up to the FSC UK online Chain of Custody training continued to grow in this period and online training has moved to an alternative hosting platform offering greater capacity and functionality. 55% of participants in the 2018 certificate holder survey were not aware that FSC UK offered free online Chain of Custody training therefore promotion of this will need to be improved.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Licence holders continue to receive the e-magazine, Forest Matters, bimonthly with updates on developments within FSC as well as case studies and other news. All new certificate holders and renewed certificates receive an FSC UK Welcome pack. 93% of certificate holders who participated in the certificate holder survey and who had received an FSC Welcome Pack stated that they found the contents useful.

In September 2018, FSC certificate holder Tetra Pak® brought together stakeholders from Westminster and Whitehall, environmental charities, drinks producers, and the recycling and packaging sectors, for a reception in Parliament on "Creating a more sustainable future for packaging". The event was addressed by representatives from Tetra Pak, FSC UK and The Alliance for Beverage Cartons and the Environment (ACE UK). To date, more than 350 billion FSC-labelled Tetra Pak cartons have been produced.

Priority: Increase demand for FSC certification and FSC certified products

Our annual consumer survey conducted by TNS revealed that 53% of people in the UK are able to recognise the FSC logo.

FSC UK placed advertising and/or editorial in a number of consumer and trade publications including The Green Parent, Baby London, The Grocer, Packaging Scotland, Retail Packaging, Structural Timber, Food and Drink Network UK, Food and Drink International, Timber Construction and Timber Trader. Having produced a short film with Canary Wharf Group to highlight project certification and FSC-certified timber procurement for construction, FSC UK worked with the Architects' Journal to digitally disseminate the film.

Having signed an MoU with the British and Irish Association of Zoos and Aquariums in April 2018, FSC UK is collaborating with the organisation to encourage and support FSC procurement and promotion. In 2019 FSC UK was also asked to join the FSC International World Association of Zoos and Aquariums (WAZA) committee, following the signing of an MoU between WAZA and FSC International in late 2018.

In September 2018 FSC UK exhibited at edie's third annual Responsible Retail Conference, designed for retailers, sustainability professionals and key stakeholders looking for sustainability information, insight and inspiration. In the same month, together with the Soil Association and Ecotricity, we held a packaging and organic industry forum to bring together organic businesses and packaging manufacturers.

FSC UK exhibited at the UK Print Show in October 2018. Nearly 6,000 visitors visited the show. Printers hold a significant percentage of the FSC certificates in the UK and one of our primary objectives is to support these certificate holders whilst driving the demand for FSC certified materials. Our stand promoted the correct specification of FSC certified printed materials and supported those who are both creating and supplying this demand. FSC UK launched a new "FSC in Print" brochure at the show. This sector specific publication brought together advice and information for those working in the print industry or specifying print. Response to the publication was very positive.

In January 2019 FSC UK presented at the Sheet Plant Association Conference, encouraging uptake of FSC certification in the corrugated card sector, and at a Public Relations and Communications Association networking event focussing on the Sustainable Development Goals. In February, FSC UK exhibited at the Packaging Innovations Show. The show enjoyed record breaking visitor numbers (nearly 7,000) and FSC UK was extremely busy across both days of the show. We marked the opening day of the Packaging Innovations exhibition with the launch of a new 'FSC Packaging' brochure. Executive Director, Rosie Teasdale, presented to a full house at the EcoPack stage during the show. The show generated 300+ high quality leads

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

FSC is widely recognised as the most credible forest certification scheme and FSC UK has a role to play in maintaining this credibility and ensuring that the scheme is appropriately recognised by consumers, businesses and government.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The protection of the FSC trademarks is an essential part of our work. Companies often seek to benefit from the demand for FSC certified products, without holding certification or a trademark licence. This directly undermines the integrity of the system and acts as a disincentive for those operating within the system and abiding by our trademark standards. A total of 197 cases of unauthorised trademark use were handled in the reporting period. By becoming more proactive in our fight against trademark infringements we not only reduce the risk of inaccurate claims, we also bring companies into the system.

FSC's governance structure gives an equal voice to economic, environmental and social members. Whilst this can be achieved through weighted voting, we are delighted to have welcomed new members into the under-represented social chamber in the UK this year, with the addition of Llais y Goedwig and Marcus Colchester.

The support of NGOs is one of FSC's strengths. As part of our work to engage with NGO members, we invited representatives to meet with FSC's Director General, Kim Carstensen in February 2019 and discuss areas of common interest. We are also raising awareness of FSC among other NGOs through our membership of Wildlife & Countryside Link and, more recently, the UK Stakeholders for Sustainable Development.

An important aspect of maintaining FSC's credibility is ensuring that the controlled wood system is stringent yet accessible. A key element of the assessment of risk related to the origin of material for each controlled wood category. The Controlled Wood National Risk Assessment (NRA) for the UK was revised in 2018, retaining a conclusion of low risk for all five controlled wood categories.

FINANCIAL REVIEW

Income

Over the financial year under review income exceeded expenditure by £53,699. We began the year with an opening balance from the previous period of £734,483 and have ended with a carry forward of £788,082. It should be noted that this carry forward figure includes the reserves fund of over £246K.

Membership revenue continues to increase, providing £50,825 of income during the reporting period. However, most of the income is 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.

Expenditure

Expenditure was higher this year compared with last (£419,102 compared with £357,960) due to increased investment in delivery of our strategic priorities.

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 also wish to ensure that the estimated cost of closing the charity not exceed 50% of reserves

Ephesea UK
Report of the Trustees
for the Year Ended 31 March 2019

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. These were updated at the 2017 Annual Members' Meeting in agreement with the membership.

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.

Recruitment and appointment of new trustees

The charity is managed by a board of trustees of no less than four and no more than twelve. At least three trustees have to be members of the Forest Stewardship Council AC and ordinarily based or resident in the UK. The aim shall be to achieve chamber balance with at least one trustee and, normally, no more than four trustees representing each of the three chambers. However, the board reserves the right to increase the maximum to five in any one chamber where the individuals bring specific skills and expertise required by the Charity

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 2019

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 5 September 2019 and signed on its behalf by:

C Bradford - Trustee

Opinion

We have audited the financial statements of Ephesea UK (the 'charitable company') for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 2019 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.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, 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, and for such internal control as the trustees 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 trustees are responsible for assessing the charitable 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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.

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 Report of the Independent Auditors.

Use of our report

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.

Thomas Landers BA 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

5 September 2019

Ephesea UK
Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 March 2019

		Unrestricted funds £	Restricted funds £	31.3.19 Total funds £	31.3.18 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations	2	12,887	-	12,887	12,779
Charitable activities	5				
Forestry		9,067	-	9,067	9,325
Activity compensation fee		360,279	-	360,279	342,234
Licence holder support		-	-	-	2,179
Credibility		568	-	568	1,554
One FSC		-	-	-	964
Membership		50,825	-	50,825	49,807
Other trading activities	3	34,688	-	34,688	33,843
Investment income	4	2,692	-	2,692	1,772
Total		<u>471,006</u>	<u>-</u>	<u>471,006</u>	<u>454,457</u>
EXPENDITURE ON					
Charitable activities	6				
Forestry		61,662	-	61,662	67,067
Licence holder support		113,916	-	113,916	87,285
Information and Education		-	-	-	103,127
Credibility		87,868	-	87,868	39,592
One FSC		-	-	-	47,695
Projects		-	-	-	13,194
Driving Demand		153,861	-	153,861	-
Total		<u>417,307</u>	<u>-</u>	<u>417,307</u>	<u>357,960</u>
NET INCOME		53,699	-	53,699	96,497
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>734,383</u>	<u>-</u>	<u>734,383</u>	<u>637,886</u>
TOTAL FUNDS CARRIED FORWARD		<u>788,082</u>	<u>-</u>	<u>788,082</u>	<u>734,383</u>

**Ephesea UK
Balance Sheet
At 31 March 2019**

	Notes	31.3.19 £	31.3.18 £
FIXED ASSETS			
Tangible assets	13	6,291	8,097
CURRENT ASSETS			
Debtors	14	115,530	128,485
Cash at bank and in hand		758,247	681,329
		873,777	809,814
CREDITORS			
Amounts falling due within one year	15	(91,986)	(83,528)
NET CURRENT ASSETS		781,791	726,286
TOTAL ASSETS LESS CURRENT LIABILITIES		788,082	734,383
NET ASSETS		788,082	734,383
FUNDS	18		
Unrestricted funds		788,082	734,383
TOTAL FUNDS		788,082	734,383

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

The financial statements were approved by the Board of Trustees on 5 September 2019 and were signed on its behalf by:

C Bradford -Trustee

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 2019

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

	31.3.19	31.3.18
	£	£
Grants	<u>12,887</u>	<u>12,779</u>
Grants received, included in the above, are as follows:		
	31.3.19	31.3.18
	£	£
Other Gifts and Donations	236	430
Sainsbury's	<u>12,651</u>	<u>12,349</u>
	<u>12,887</u>	<u>12,779</u>

3. OTHER TRADING ACTIVITIES

	31.3.19	31.3.18
	£	£
Trademark Licensing	34,228	31,493
Training	460	2,350
	<u>34,688</u>	<u>33,843</u>

4. INVESTMENT INCOME

	31.3.19	31.3.18
	£	£
Deposit account interest	<u>2,692</u>	<u>1,772</u>

Ephesea UK
Notes to the Financial Statements - continued
for the Year Ended 31 March 2019

5. INCOME FROM CHARITABLE ACTIVITIES

		31.3.19	31.3.18
	Activity	£	£
Consultancy	Forestry	7,297	692
Reimbursed expenses	Forestry	1,770	8,633
Activity compensation fee	Activity compensation fee	360,279	342,234
Consultancy	Licence holder support	-	1,210
Reimbursed expenses	Licence holder support	-	969
Consultancy	Credibility	-	1,554
Reimbursed expenses	Credibility	568	-
Reimbursed expenses	One FSC	-	964
FSC Membership	Membership	50,825	49,807
		<u>420,739</u>	<u>406,063</u>

Consultancy income includes fees paid by FSC International for specific services beyond those covered under the Activities Compensation Fee.

6. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 7)	Support costs (See note 8)	Totals
	£	£	£
Forestry	48,824	12,838	61,662
Licence holder support	90,114	23,802	113,916
Credibility	65,804	22,064	87,868
Driving Demand	130,966	22,895	153,861
	<u>335,708</u>	<u>81,599</u>	<u>417,307</u>

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.3.19	31.3.18
	£	£
Staff costs	203,880	195,675
Telephone	1,817	1,696
Postage and stationery	6,908	2,091
Travel & subsistence	14,671	15,381
Publications & subscriptions	9,399	9,535
Recruitment & training	4,036	3,706
Venue hire	-	3,319
UKWAS subscription	5,000	5,000
Publicity	47,144	21,326
Exhibition expenses	25,683	539
Consultancy fees	7,279	8,052
Sundries	1,493	281
Bad debts	-	550
FSC Membership Admin Fee	8,161	7,240
IT Support	237	1,045
General Assembly	-	5,140
	<u>335,708</u>	<u>280,576</u>

Ephesea UK
Notes to the Financial Statements - continued
for the Year Ended 31 March 2019

8. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Forestry	11,541	1,297	12,838
Licence holder support	21,396	2,406	23,802
Credibility	19,834	2,230	22,064
Driving Demand	20,581	2,314	22,895
	<u>73,352</u>	<u>8,247</u>	<u>81,599</u>

Activity	Basis of allocation
Management	Salary costs
Governance costs	Salary costs

9. NET INCOME/(EXPENDITURE)

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

	31.3.19	31.3.18
	£	£
Auditors' remuneration	2,205	2,100
Depreciation - owned assets	<u>2,630</u>	<u>3,312</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2019 nor for the year ended 31 March 2018.

Trustees' expenses

Travel and subsistence expenses amounting to £1,786 (2018 £1,324) were reimbursed to eight (2018 six) trustees in the period.

Ephesea UK
Notes to the Financial Statements - continued
for the Year Ended 31 March 2019

11. STAFF COSTS

		Year Ended 31.3.19	Year Ended 31.3.18
	£		
Wages and salaries		209,447	202,010
Social security costs		16,020	14,971
Pensions		12,388	11,417
		<u>237,855</u>	<u>228,398</u>

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

Information and Education	-	1.7
Licence holder support	2.0	2.2
UK forest standards	0.8	0.8
One FSC	-	0.6
Credibility	1.5	0.8
Core	1.0	1.0
Projects	-	0.5
Driving Demand	2.1	-
	<u>7.4</u>	<u>7.6</u>

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

The charity considers its key management personnel comprise the management team listed on page 1. The total employment benefits including employer pension contributions of the key management personnel for the year ended 31 March 2019 were £140,008 (2018 £134,929).

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

There were no restricted funds during the year to 31 March 2018.

Ephesea UK
Notes to the Financial Statements - continued
for the Year Ended 31 March 2019

13. TANGIBLE FIXED ASSETS			
	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2018	14,181	21,645	35,826
Additions	679	145	824
At 31 March 2019	<u>14,860</u>	<u>21,790</u>	<u>36,650</u>
DEPRECIATION			
At 1 April 2018	8,907	18,822	27,729
Charge for year	887	1,743	2,630
At 31 March 2019	<u>9,794</u>	<u>20,565</u>	<u>30,359</u>
NET BOOK VALUE			
At 31 March 2019	<u>5,066</u>	<u>1,225</u>	<u>6,291</u>
At 31 March 2018	<u>5,274</u>	<u>2,823</u>	<u>8,097</u>
14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
		31.3.19	31.3.18
		£	£
Trade debtors		10,377	19,204
Prepayments and accrued income		<u>105,153</u>	<u>109,281</u>
		<u>115,530</u>	<u>128,485</u>
15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
		31.3.19	31.3.18
		£	£
Trade creditors		-	927
Social security and other taxes		6,837	6,305
Deferred income		51,558	56,139
Accrued expenses		<u>33,591</u>	<u>20,157</u>
		<u>91,986</u>	<u>83,528</u>
16. LEASING AGREEMENTS			
Minimum lease payments under non-cancellable operating leases fall due as follows:			
		31.3.19	31.3.18
		£	£
Within one year		9,650	9,650
Between one and five years		<u>9,650</u>	<u>9,650</u>
		<u>19,300</u>	<u>19,300</u>

Ephesea UK
Notes to the Financial Statements - continued
for the Year Ended 31 March 2019

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	31.3.19 Total funds £	31.3.18 Total funds £
Fixed assets	6,291	-	6,291	8,097
Current assets	873,777	-	873,777	809,814
Current liabilities	<u>(91,986)</u>	<u>-</u>	<u>(91,986)</u>	<u>(83,528)</u>
	<u>788,082</u>	<u>-</u>	<u>788,082</u>	<u>734,383</u>

£246,083 of the cash held in the deposit accounts 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.

18. MOVEMENT IN FUNDS

	At 1.4.18 £	Net movement in funds £	Transfers between funds £	At 31.3.19 £
Unrestricted funds				
General Fund	726,287	56,329	(826)	781,790
Capital Fund	<u>8,096</u>	<u>(2,630)</u>	<u>826</u>	<u>6,292</u>
	<u>734,383</u>	<u>53,699</u>	<u>-</u>	<u>788,082</u>
TOTAL FUNDS	<u>734,383</u>	<u>53,699</u>	<u>-</u>	<u>788,082</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	471,006	(414,677)	56,329
Capital Fund	<u>-</u>	<u>(2,630)</u>	<u>(2,630)</u>
	<u>471,006</u>	<u>(417,307)</u>	<u>53,699</u>
TOTAL FUNDS	<u>471,006</u>	<u>(417,307)</u>	<u>53,699</u>

Ephesea UK
Notes to the Financial Statements - continued
for the Year Ended 31 March 2019

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.17 £	Net movement in funds £	Transfers between funds £	At 31.3.18 £
Unrestricted Funds				
General Fund	629,247	99,809	(2,769)	726,287
Capital Fund	<u>8,639</u>	<u>(3,312)</u>	<u>2,769</u>	<u>8,096</u>
	637,886	96,497	-	734,383
TOTAL FUNDS	<u>637,886</u>	<u>96,497</u>	<u>-</u>	<u>734,383</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	454,457	(354,648)	99,809
Capital Fund	<u>-</u>	<u>(3,312)</u>	<u>(3,312)</u>
	454,457	(357,960)	96,497
TOTAL FUNDS	<u>454,457</u>	<u>(357,960)</u>	<u>96,497</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.17 £	Net movement in funds £	Transfers between funds £	At 31.3.19 £
Unrestricted funds				
General Fund	629,247	156,138	(3,595)	781,790
Capital Fund	<u>8,639</u>	<u>(5,942)</u>	<u>3,595</u>	<u>6,292</u>
TOTAL FUNDS	<u>637,886</u>	<u>150,196</u>	<u>-</u>	<u>788,082</u>

Ephesea UK
Notes to the Financial Statements - continued
for the Year Ended 31 March 2019

18. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	925,463	(769,325)	156,138
Capital Fund	-	(5,942)	(5,942)
	<u>925,463</u>	<u>(775,267)</u>	<u>150,196</u>
TOTAL FUNDS	<u>925,463</u>	<u>(775,267)</u>	<u>150,196</u>

19. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2019.

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.