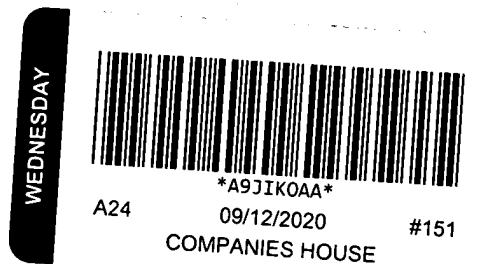


REGISTERED COMPANY NUMBER: 06792524 (England and Wales)
REGISTERED CHARITY NUMBER: 1130203

**Report of the Trustees and
Financial Statements for the Year Ended 31 March 2020
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 2020**

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Ephesea UK

**Reference and Administrative Details
for the Year Ended 31 March 2020**

TRUSTEES

C Bradford Chair
M A Barthel Vice Chair (resigned 31.7.19)
A Mawby Treasurer
M Bekin
J B Kirkpatrick Vice Chair (from 24.10.19)
H Kwisthout
C McDermott
M Robson
J G Tewson
S Jennings (appointed 24.1.20)

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

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 2020

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 2020. 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 2019).

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

These priorities were reviewed in early 2020 and extended to 2021.

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

OBJECTIVES AND ACTIVITIES

Public benefit

An estimated 420 million hectares of forest has been lost worldwide through deforestation since 1990, but the rate of forest loss has declined substantially. In the most recent five-year period (2015-2020), the annual rate of deforestation was estimated at 10 million hectares, down from 12 million in 2010-2015. (FAO Global Forest Resources Assessment 2020)

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. 79% of respondents to FSC UK's 2020 consumer survey (Kantar - Research Express Onlinebus) said it is either very or fairly important for the products they buy to be responsibly sourced; 75% said it is either very or fairly important for the packaging of the products they buy to be responsibly sourced; 82% say they are either very or fairly likely to buy a product bearing the FSC logo as opposed to one without.

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). The current version of our NFSS has now been in force for two years. The feedback we have received has been largely positive, and relatively few areas have been identified where certificate holders may need help with compliance, but we continue to explore how we can provide support even as we move into the next standard revision process.

A new standard setting process was agreed with the UKWAS Steering Group and launched in December 2019. We are pleased to report that this process seems to address FSC's concerns regarding chamber balance in decision making. We have since been working with UKWAS to promote an early call for stakeholders wishing to engage with the review and revision of the standard.

FSC UK remains committed to improving access to certification for owners of smaller woods. There have been interesting developments in our Small Woods project. The project standards development group has drafted a version of our NFSS adjusted to the risks and opportunities associated with smaller woods and/or lower intensity management, which will be fed into the UKWAS review and revision process. In the meantime, international interest in our approach to developing a more radically adapted standard tailored to very low risk woodlands has grown, and we are now in the process of registering a separate formal standard development process with FSC International.

Our work to promote FSC verification of ecosystem services claims in the UK has taken a huge leap forward with the appointment of a Forestry Outreach Manager. We now have a number of current and potential certificate holders engaging with the ecosystem services procedure, and we hope to be able to report on the first successfully verified claims in the near future. We continue to make the case that the utility of this mechanism should be recognised in government moves towards payment for provision of public goods in any future financial support for land managers.

We continue to work hard on ensuring the successful implementation of the revised FSC Pesticides Policy, and arguably lead the world in terms of providing user friendly guidance and developing national level environmental and social risk assessments for key pesticides.

Finally, we celebrated more important FSC forest management certification milestones this year, publishing case studies documenting twenty years of certification for Scottish Woodlands, DGA Forestry and the state forests in England, Scotland and Wales.

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.

Having witnessed a decrease in overall UK FSC certificate numbers in the previous year, there was a slight increase during this reporting period, with the packaging sector accounting for many of the new certificates. The number of FSC promotional trademark licences held by UK based companies rose by almost 10%.

The 2020 certificate holder survey demonstrated that 44.9% of respondents had contacted FSC UK during this period with 88.3% of those reporting the quality of support they had received as 'Good' or 'Excellent'. 95% had accessed the FSC UK website and 88.8% rated the usefulness of the content as 'Excellent' or 'Good'. 327 licence holders completed FSC UK's online training in the reporting period.

**Report of the Trustees
for the Year Ended 31 March 2020**

The 'Is it FSC? Delivery Checklist' was designed to assist licence holders in complying with the material sourcing requirements of their chain of custody certification. 8,000 copies were distributed on demand to certificate holders, loose and in counter-top display boxes.

Licence holders continue to receive the e-magazine, Forest Matters, and the frequency has now been increased from bimonthly to monthly. Forest Matters provides 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.

Priority: Increase demand for FSC certification and FSC certified products

Our annual consumer survey conducted by TNS revealed that 67% of people in the UK recognise the FSC logo (Kantar - Research Express Onlinebus). Due to the Covid-19 lockdown we had to use an online survey instead of a face-to-face survey. The difference in methodology accounts, in part at least, for the increased recognition figure.

FSC UK placed advertising and/or editorial in a number of publications including Food and Drink Magazine, The Grocer, Timber Trader, Women in Construction, Packaging News, Timber Construction, Structural Timber Magazine, FMCG, Land & Business and the Trada Yearbook.

FSC UK is continuing to collaborate with the British and Irish Association of Zoos and Aquariums and has trialled on-site displays/signage at two of their members' sites.

We continue to present FSC to a range of audiences and in the reporting period staff presented at the Corrugated and Print Show, the Bookchain Seminar, The Print Show and Holiday Park & Resort Innovation. In February 2020, FSC UK exhibited at the Packaging Innovations show again with 1k copies of our revised sector specific brochure 'FSC Packaging' distributed. Promotional plaques proved popular with over 40 FSC certificate holders who exhibited at the show. Executive Director, Rosie Teasdale, presented on the EcoPack stage and launched a new film on FSC and Packaging. The film was subsequently promoted on social media and shared with other Network Partners and Licence Holders. We completed the design of our 'FSC for Furniture' brochure which will be printed and distributed when possible.

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.

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 68 cases of unauthorised trademark use were resolved 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. Of the companies contacted this year, four gained certification and five now hold a promotional licence.

FSC's governance structure gives an equal voice to economic, environmental and social members and FSC UK administers the UK-based members. This year we welcomed DS Smith and Stephanie Bishop to the economic chamber and Steve Jennings to the environmental chamber.

The support of NGOs is one of FSC's strengths. We are raising awareness of FSC among NGOs through our membership of Wildlife & Countryside Link and the UK Stakeholders for Sustainable Development. Through these networks we have joined with other NGOs to support campaigns on the role of trees and woods in achieving net zero, and letters to the Prime Minister calling for the UK government to take action on the Sustainable Development Goals.

**Report of the Trustees
for the Year Ended 31 March 2020**

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, which was revised in 2018 and which reached a conclusion of low risk for all five controlled wood categories, remains in place, but we are keeping a watching brief on the potential implications of post-Brexit changes in regulation.

FINANCIAL REVIEW

Income

Over the financial year under review income exceeded expenditure by £26,800. We began the year with an opening balance from the previous period of £788,082 and have ended with a carry forward of £814,882. It should be noted that this carry forward figure includes the reserves fund of over £246K.

Membership revenue reduced slightly, providing £49,484 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.

Due to concerns regarding a potential drop in income as a result of Covid-19, FSC International has reduced the ACF for FSC UK and other National Offices for 2020. Such a drop in income will not affect the charity's activities because of its substantial reserves prudently built up over a number of years.

Expenditure

Expenditure was lower this year compared with last (£398,147 compared with £417,307).

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

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.

**Report of the Trustees
for the Year Ended 31 March 2020**

STRUCTURE, GOVERNANCE AND MANAGEMENT

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.

Covid-19

From 16th March 2020, all office-based staff were advised to work remotely due to the potential risks posed by Covid-19. Plans were made to move any face-to-face meetings online and work priorities adjusted to reflect the changing work environment and the need to support our stakeholders through this period. The intention is that FSC UK will otherwise aim to operate business as usual although, as noted above, we anticipate reduced income from FSC International in 2020 as a result of the impact of Covid.

Ephesea UK

**Report of the Trustees
for the Year Ended 31 March 2020**

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 Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 5 August 2020 and signed on its behalf by:



A Mawby - Trustee

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

Opinion

We have audited the financial statements of Ephesea UK (the 'charitable company') for the year ended 31 March 2020 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 2020 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 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.

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

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.

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.

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

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

Date: 02/09/2020

Ephesea UK

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 March 2020

	Notes	Unrestricted funds £	Restricted funds £	31.3.20 Total funds £	31.3.19 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations	2	60	-	60	12,887
Charitable activities	5				
Forestry		3,339	-	3,339	9,067
Activity compensation fee		331,811	-	331,811	360,279
Credibility		-	-	-	568
Membership		49,484	-	49,484	50,825
Other trading activities	3	36,990	-	36,990	34,688
Investment income	4	3,263	-	3,263	2,692
Total		424,947	-	424,947	471,006
EXPENDITURE ON					
Charitable activities	6				
Forestry		74,607	-	74,607	61,662
Licence holder support		113,042	-	113,042	113,916
Credibility		73,891	-	73,891	87,868
Driving Demand		136,607	-	136,607	153,861
Total		398,147	-	398,147	417,307
NET INCOME		26,800	-	26,800	53,699
RECONCILIATION OF FUNDS					
Total funds brought forward		788,082	-	788,082	734,383
TOTAL FUNDS CARRIED FORWARD		814,882	-	814,882	788,082

The notes form part of these financial statements

Ephesea UK

Balance Sheet
31 March 2020

	Notes	31.3.20 £	31.3.19 £
FIXED ASSETS			
Tangible assets	12	6,747	6,291
CURRENT ASSETS			
Debtors	13	146,554	115,530
Cash at bank and in hand		769,663	758,247
		<u>916,217</u>	<u>873,777</u>
CREDITORS			
Amounts falling due within one year	14	(108,082)	(91,986)
NET CURRENT ASSETS		<u>808,135</u>	<u>781,791</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		814,882	788,082
NET ASSETS		<u>814,882</u>	<u>788,082</u>
FUNDS	17		
Unrestricted funds		<u>814,882</u>	<u>788,082</u>
TOTAL FUNDS		<u>814,882</u>	<u>788,082</u>

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 and authorised for issue on 5 August 2020 and were signed on its behalf by:



A Mawby - 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.

Allocation and apportionment of costs

Support costs have been apportioned to activities based on the apportionment of salary costs.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off 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 2020**

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

	31.3.20 £	31.3.19 £
Donations	60	-
Grants	-	12,887
	<u>60</u>	<u>12,887</u>

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

	31.3.20 £	31.3.19 £
Other Gifts and Donations	-	236
Sainsbury's	-	12,651
	<u>-</u>	<u>12,887</u>

3. OTHER TRADING ACTIVITIES

	31.3.20 £	31.3.19 £
Trademark Licensing	36,162	34,228
Training	828	460
	<u>36,990</u>	<u>34,688</u>

4. INVESTMENT INCOME

	31.3.20 £	31.3.19 £
Deposit account interest	3,263	2,692
	<u>3,263</u>	<u>2,692</u>

Ephesea UK

Notes to the Financial Statements - continued
for the Year Ended 31 March 2020

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.3.20 £	31.3.19 £
Consultancy	Forestry	3,339	7,297
Reimbursed expenses	Forestry	-	1,770
Activity compensation fee	Activity compensation fee	331,811	360,279
Reimbursed expenses	Credibility	-	568
FSC Membership	Membership	49,484	50,825
		<u>384,634</u>	<u>420,739</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	59,124	15,483	74,607
Licence holder support	86,581	26,461	113,042
Credibility	56,189	17,702	73,891
Driving Demand	113,321	23,286	136,607
	<u>315,215</u>	<u>82,932</u>	<u>398,147</u>

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.3.20 £	31.3.19 £
Staff costs	211,181	203,880
Telephone	1,738	1,817
Postage and stationery	6,379	6,908
Travel & subsistence	17,149	14,671
Publications & subscriptions	5,566	9,399
Recruitment & training	5,898	4,036
Repairs & renewals	24	-
UKWAS subscription	5,000	5,000
Publicity	25,112	47,144
Exhibition expenses	14,477	25,683
Consultancy fees	13,522	7,279
Sundries	150	1,493
FSC Membership Admin Fee	8,220	8,161
IT Support	799	237
	<u>315,215</u>	<u>335,708</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

8. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Forestry	13,532	1,951	15,483
Licence holder support	23,130	3,331	26,461
Credibility	15,473	2,229	17,702
Driving Demand	20,761	2,525	23,286
	<u>72,896</u>	<u>10,036</u>	<u>82,932</u>

Activity	Basis of allocation
Management	Salary costs
Governance costs	Salary costs

9. NET INCOME/(EXPENDITURE)

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

	31.3.20	31.3.19
	£	£
Auditors' remuneration	2,342	2,205
Depreciation - owned assets	<u>2,818</u>	<u>2,630</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2020 nor for the year ended 31 March 2019.

Trustees' expenses

Travel and subsistence expenses amounting to £3,037 (2019 £1,786) were reimbursed to eight (2019 eight) trustees in the period.

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

There were no restricted funds during the year to 31 March 2019.

Ephesea UK

Notes to the Financial Statements - continued
for the Year Ended 31 March 2020

12. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2019	14,860	21,790	36,650
Additions	-	3,274	3,274
At 31 March 2020	14,860	25,064	39,924
DEPRECIATION			
At 1 April 2019	9,794	20,565	30,359
Charge for year	753	2,065	2,818
At 31 March 2020	10,547	22,630	33,177
NET BOOK VALUE			
At 31 March 2020	4,313	2,434	6,747
At 31 March 2019	5,066	1,225	6,291

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.20 £	31.3.19 £
Trade debtors	126,915	10,377
Prepayments and accrued income	19,639	105,153
	146,554	115,530

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.20 £	31.3.19 £
Trade creditors	804	-
Social security and other taxes	4,198	6,837
Deferred income	83,939	51,558
Accrued expenses	19,141	33,591
	108,082	91,986

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.3.20 £	31.3.19 £
Within one year	9,650	9,650
Between one and five years	19,300	9,650
	28,950	19,300

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Notes to the Financial Statements - continued
for the Year Ended 31 March 2020

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	31.3.20 Total funds £	31.3.19 Total funds £
Fixed assets	6,747	-	6,747	6,291
Current assets	916,217	-	916,217	873,777
Current liabilities	(108,082)	-	(108,082)	(91,986)
	<u>814,882</u>	<u>-</u>	<u>814,882</u>	<u>788,082</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.

17. MOVEMENT IN FUNDS

	At 1.4.19 £	Net movement in funds £	Transfers between funds £	At 31.3.20 £
Unrestricted funds				
General Fund	779,160	29,619	(643)	808,136
Capital Fund	8,922	(2,819)	643	6,746
	<u>788,082</u>	<u>26,800</u>	<u>-</u>	<u>814,882</u>
TOTAL FUNDS	<u>788,082</u>	<u>26,800</u>	<u>-</u>	<u>814,882</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	424,947	(395,328)	29,619
Capital Fund	-	(2,819)	(2,819)
	<u>424,947</u>	<u>(398,147)</u>	<u>26,800</u>
TOTAL FUNDS	<u>424,947</u>	<u>(398,147)</u>	<u>26,800</u>

Comparatives for 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	8,096	(2,630)	826	6,292
	<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>

Ephesea UK

Notes to the Financial Statements - continued
for the Year Ended 31 March 2020

17. MOVEMENT IN FUNDS - continued

Comparative 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	-	(2,630)	(2,630)
	<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>

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

	At 1.4.18 £	Net movement in funds £	Transfers between funds £	At 31.3.20 £
Unrestricted funds				
General Fund	726,287	85,948	(1,469)	810,766
Capital Fund	8,096	(5,449)	1,469	4,116
	<u>734,383</u>	<u>80,499</u>	<u>-</u>	<u>814,882</u>
TOTAL FUNDS	<u>734,383</u>	<u>80,499</u>	<u>-</u>	<u>814,882</u>

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	895,953	(810,005)	85,948
Capital Fund	-	(5,449)	(5,449)
	<u>895,953</u>	<u>(815,454)</u>	<u>80,499</u>
TOTAL FUNDS	<u>895,953</u>	<u>(815,454)</u>	<u>80,499</u>

18. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2020.