

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

Report of the Trustees and
Financial Statements for the Year Ended 31 March 2018
for
Ephesea UK

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

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Ephesea UK

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for the Year Ended 31 March 2018**

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Ephesea UK

Reference and Administrative Details for the Year Ended 31 March 2018

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.

**Report of the Trustees
for the Year Ended 31 March 2018**

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 2018. 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 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 were developed to deliver these priorities and associated objectives. Activities demonstrating most significant progress are highlighted in the Achievements and Performance section below.

**Report of the Trustees
for the Year Ended 31 March 2018**

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 (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 2018**

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).

This year saw the long awaited culmination of work on a revised NFSS. The revised draft submitted in February 2017 received conditional approval from FSC International in April 2017. Once again, FSC UK worked intensively with the UK Woodland Assurance Standard (UKWAS) Steering Group and Policy and Standards Unit (PSU) staff to close out the approval conditions. A final draft was submitted in September 2017, and full approval was granted in December. The final version of the UK national forest stewardship standard FSC-STD-GBR-03-2017 was published in February 2018 with an effective date of 1 April 2018.

Since the publication of the NFSS, FSC UK has worked to communicate changes and transition arrangements to certificate holders and certification bodies. To close out one of the conditions on the approval of the NFSS, FSC UK has also sought to explain the relationship between the FSC and UKWAS versions of the standard. FSC UK has liaised with UKWAS to ensure that the relationship between and applicability of the standards is explained in the UKWAS version, and has worked closely with certification bodies to help them meet new audit reporting requirements.

FSC UK remains committed to improving access to certification for owners of smaller woods. Responses to FSC-specific questions included in the British Woodlands Survey 2017 have helped to guide our work. In liaison with FSC International's New Approaches project, a project has been launched to develop a radical new standard specifically tailored to small woods in the UK, and to investigate potential changes to auditing arrangements

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.

The retention rate for FSC certificates in the UK remains on average around 96%. The number of FSC trademark Licences held by UK based companies rose by 10% in this period. Enquiries to the free Advice Service continue to grow. The 2017 certificate holder survey demonstrated that 53% of respondents had contact FSC UK with 73% of those reporting the quality of support they had received as 'Good' or 'Excellent'.

In order to increase engagement with and accessibility to licence holders, FSC UK built upon the foundations of the Regional Stakeholder Event piloted in 2016 by holding events in Telford, Belfast and Garforth. Feedback from the events has been very positive.

72 certificate holders completed the FSC UK online Chain of Custody training in this period with seven FSC trademark licence holders completing online FSC Trademark training. Bespoke face-to-face training has been delivered to many certified and uncertified organisations. 63% of respondents to the FSC UK certificate holder survey expressed interest in such training.

The Business Area of the FSC UK website has been updated this year with new resources such as factsheets, FAQs and guidance documents. Work has also begun on the development of a range of template documents to be used by Certificate Holders as part of their FSC compliance.

**Report of the Trustees
for the Year Ended 31 March 2018**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

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

FSC UK works to drive demand for FSC certified products by communicating the importance of responsible forestry and the impact of consumer choice.

Our 2018 survey (TNS 2018) revealed that 55% of people in the UK recognise the FSC logo. Recognition of the logo was highest amongst 18-24 year olds (60%) and 35-44 year olds (62%).

The survey also demonstrated that 69% of UK consumers were likely to give preference to FSC certified products over products without FSC certification. When explicitly stated that the FSC certification was the only difference between the two products, this figure rose to 75%.

FSC UK placed advertising and/or editorial in a number of consumer and trade publications including Food & Drink Network UK, Retail Packaging, The Grocer, Packaging News and the Structural Timber Magazine.

FSC Friday was celebrated on 29th September 2018, with FSC UK providing promotional materials and support to FSC certificate and licence holders in the UK.

The FSC Forest Matters e-zine was produced bi-monthly and distributed to all Certificate Holders, Members, Licence Holders and over 500 public subscribers.

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.

With the growing recognition of the FSC logo in the UK, there is an associated growth in the number of companies seeking to benefit from this 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. FSC UK has a dedicated Trademark Protection Officer working to address unauthorised use of our trademarks. A total of 155 trademark misuse and infringement cases were handled in the reporting period. By becoming more proactive in our fight against trademark infringements we are not only reducing the risk of inaccurate claims, we are also bringing companies into the system.

FSC is committed to facilitating consistent and timely evaluation of complaints and appeals raised by stakeholders against decisions, performances or any other issues within the FSC scheme. To support this, FSC UK has adopted the Dispute Resolution Guidance for Network Partners and developed a Facilitated Dialogue Protocol for use in specific cases.

A new Charter for Trees, Woods and People was launched in November 2017. FSC UK participated as a member of the Steering Group, helping to ensure that the responsible forest management and credible certification was recognised in the Charter. This work, along with our increasingly active membership of Wildlife and Countryside Link, helped to raise the profile of FSC within the environmental sector and establish new contacts.

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. FSC UK is fully committed to greater collaboration, whether this be through bilateral discussions, sharing best practice, participating in working groups or contributing to regional or global meetings.

**Report of the Trustees
for the Year Ended 31 March 2018**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The Forest Network is an initiative of Network Partners from Europe, the CIS countries and North America. This collaboration brings together FSC International and Network staff working on National Forest Stewardship Standards to share best practice and find solutions to common issues. FSC UK hosted the November 2017 meeting in Edinburgh, with a field trip to Castlecraig forest, part of the UK's largest private Forest Management group scheme, managed by Tilhill Forestry. This field trip aimed to highlight some of the challenges and realities of UK forestry practices.

In 2018 FSC UK's Executive Director, Rosie Teasdale, was appointed to FSC International's Regional Coordination Team for Europe. This Regional Coordination Team will act as an Advisory Board to the European Regional Director, identifying and prioritising regional issues so that they can be better considered in FSC International's strategic decision making and planning. The team will also provide leadership and oversight across a range of key Strategic Themes, encouraging greater regional collaboration in these areas to improve FSC outcomes across Europe.

The 2017 Annual Members' Meeting was held at Kew Gardens in September, ahead of the General Assembly. The timing of this gave UK proposers of Motions the opportunity to present their ideas and discuss them with the membership. Changes to FSC UK's governing documents were approved at the meeting; these clarify the route to membership and should help ensure chamber balance on the board.

FINANCIAL REVIEW

Income

Over the financial year under review income exceeded expenditure by £96,497. We began the year with an opening balance from the previous period of £637,886 and have ended with a carry forward of £734,383. It should be noted that this carry forward figure includes the reserves fund of over £246K.

Membership revenue continues to increase, providing £49,807 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. The apparent decrease in this in 2017-18 in comparison with the previous year is due to the relative strength of the \$USD against £GBP (the Activity Compensation Fee being calculated in \$USD).

Expenditure

Expenditure was slightly higher this year compared with last (£357,960 compared with £353,476) and is anticipated to increase in 2018-19, with a significant amount being allocated to the budget to drive demand for FSC certification and FSC certified products.

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.

**Report of the Trustees
for the Year Ended 31 March 2018**

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 79% 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 2018**

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 13th August 2018 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 2018 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 2018 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 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the 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

Date: 12/09/2018

Ephesea UK

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 March 2018

				Year Ended 31.3.18 Total funds £	Period 1.4.15 to 31.3.17 Total funds £
	Not es	Unrestricted funds £	Restricted funds £		
INCOME AND ENDOWMENTS FROM					
Donations	2	12,779	-	12,779	12,302
Charitable activities	5				
Forestry		9,325	-	9,325	248
Activity compensation fee		342,234	-	342,234	358,699
Licence holder support		2,179	-	2,179	-
Information and education		-	-	-	72
Credibility		1,554	-	1,554	-
One FSC		964	-	964	5,227
One FSC - Membership		49,807	-	49,807	44,194
Other trading activities	3	33,843	-	33,843	35,206
Investment income	4	1,772	-	1,772	913
Total		454,457	-	454,457	456,861
EXPENDITURE ON					
Charitable activities	6				
Forestry		67,067	-	67,067	49,716
Licence holder support		87,285	-	87,285	104,161
Information and education		103,127	-	103,127	90,714
Credibility		39,592	-	39,592	40,542
One FSC		47,695	-	47,695	46,586
Projects		13,194	-	13,194	21,757
Total		357,960	-	357,960	353,476
NET INCOME		96,497	-	96,497	103,385
RECONCILIATION OF FUNDS					
Total funds brought forward		637,886	-	637,886	534,501
TOTAL FUNDS CARRIED FORWARD		734,383	-	734,383	637,886

The notes form part of these financial statements

Ephesea UK
Balance Sheet
At 31 March 2018

	Notes	31.3.18 £	31.3.17 £
FIXED ASSETS			
Tangible assets	13	8,097	8,639
CURRENT ASSETS			
Debtors	14	128,485	128,706
Cash at bank and in hand		<u>681,329</u>	<u>592,478</u>
		809,814	721,184
CREDITORS			
Amounts falling due within one year	15	<u>(83,528)</u>	<u>(91,937)</u>
NET CURRENT ASSETS		<u>726,286</u>	<u>629,247</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>734,383</u>	<u>637,886</u>
NET ASSETS		<u>734,383</u>	<u>637,886</u>
FUNDS	18		
Unrestricted funds		<u>734,383</u>	<u>637,886</u>
TOTAL FUNDS		<u>734,383</u>	<u>637,886</u>

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

The financial statements were approved by the Board of Trustees on 13th August 2018 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 2018**

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.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2018**

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

	Year Ended 31.3.18 £	Period 1.4.15 to 31.3.17 £
Grants	<u>12,779</u>	<u>12,302</u>

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

	Year Ended 31.3.18 £	Period 1.4.15 to 31.3.17 £
Other Gifts and Donations	430	3,606
Sainsbury's	<u>12,349</u>	<u>8,696</u>
	<u>12,779</u>	<u>12,302</u>

3. OTHER TRADING ACTIVITIES

	Year Ended 31.3.18 £	Period 1.4.15 to 31.3.17 £
Trademark Licensing	31,493	28,279
Weblinks	-	507
Training	<u>2,350</u>	<u>6,420</u>
	<u>33,843</u>	<u>35,206</u>

4. INVESTMENT INCOME

	Year Ended 31.3.18 £	Period 1.4.15 to 31.3.17 £
Deposit account interest	<u>1,772</u>	<u>913</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

5. INCOME FROM CHARITABLE ACTIVITIES

		Year Ended 31.3.18 £	Period 1.4.15 to 31.3.17 £
Consultancy	Forestry	692	-
Reimbursed expenses	Forestry	8,633	248
Activity compensation fee	Activity compensation fee	342,234	358,699
Consultancy	Licence holder support	1,210	-
Reimbursed expenses	Licence holder support	969	-
Reimbursed expenses	Information and education	-	72
Consultancy	Credibility	1,554	-
Reimbursed expenses	One FSC	964	5,227
FSC Membership	One FSC - Membership	49,807	44,194
		<u>406,063</u>	<u>408,440</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 7) £	Support costs (See note 8) £	Totals £
Forestry	54,663	12,404	67,067
Licence holder support	67,166	20,119	87,285
Information and education	81,754	21,373	103,127
Credibility	28,896	10,696	39,592
One FSC	38,402	9,293	47,695
Projects	9,695	3,499	13,194
	<u>280,576</u>	<u>77,384</u>	<u>357,960</u>

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**Notes to the Financial Statements - continued
for the Year Ended 31 March 2018**

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	Year Ended 31.3.18 £	Period 1.4.15 to 31.3.17 £
Staff costs	195,675	185,824
Telephone	1,696	1,053
Postage and stationery	2,091	591
Travel & subsistence	15,381	15,280
Publications & subscriptions	9,535	5,774
Recruitment & training	3,706	5,022
Venue hire	3,319	3,457
UKWAS subscription	5,000	5,000
Publicity	21,326	23,717
Exhibition expenses	539	17,529
Consultancy fees	8,052	81
Sundries	281	282
Bad debts	550	-
FSC Membership Admin Fee	7,240	7,306
Sponsorship	-	1,000
IT Support	1,045	2,048
General Assembly	5,140	-
	<u>280,576</u>	<u>273,964</u>

8. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Forestry	10,858	1,546	12,404
Licence holder support	17,609	2,510	20,119
Information and education	18,706	2,667	21,373
Credibility	9,361	1,335	10,696
One FSC	8,133	1,160	9,293
Projects	3,062	437	3,499
	<u>67,729</u>	<u>9,655</u>	<u>77,384</u>

Activity	Basis of allocation
Management	Salary costs
Governance costs	Salary costs

Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

9. NET INCOME/(EXPENDITURE)

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

	Year Ended 31.3.18 £	Period 1.4.15 to 31.3.17 £
Auditors' remuneration	2,100	2,132
Depreciation - owned assets	<u>3,312</u>	<u>3,796</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2018 nor for the period ended 31 March 2017.

Trustees' expenses

Travel and subsistence expenses amounting to £1,324 (2017 £2,309) were reimbursed to six (2017 six) trustees in the period.

11. STAFF COSTS

	Year Ended 31.3.18 £	Year Ended 31.3.17 £
Wages and salaries	202,010	192,385
Social security costs	14,971	13,166
Pensions	<u>11,417</u>	<u>10,501</u>
	<u>228,398</u>	<u>216,052</u>

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

Communications	1.7	1.9
Licence holder support	2.2	2.4
UK forest standards	0.8	0.8
One FSC	0.6	0.6
Credibility	0.8	0.8
Core	1.0	1.0
Projects	<u>0.5</u>	<u>-</u>
	<u>7.6</u>	<u>7.5</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 2018 were £134,929 (2017 £123,256).

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2018**

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

There were no restricted funds during the year to 31 March 2017.

13. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2017	14,181	18,875	33,056
Additions	<u>-</u>	<u>2,770</u>	<u>2,770</u>
At 31 March 2018	<u>14,181</u>	<u>21,645</u>	<u>35,826</u>
 DEPRECIATION			
At 1 April 2017	7,990	16,427	24,417
Charge for year	<u>917</u>	<u>2,395</u>	<u>3,312</u>
At 31 March 2018	<u>8,907</u>	<u>18,822</u>	<u>27,729</u>
 NET BOOK VALUE			
At 31 March 2018	<u>5,274</u>	<u>2,823</u>	<u>8,097</u>
At 31 March 2017	<u>6,191</u>	<u>2,448</u>	<u>8,639</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.18	31.3.17
	£	£
Trade debtors	19,204	108,375
Prepayments and accrued income	<u>109,281</u>	<u>20,331</u>
	<u>128,485</u>	<u>128,706</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.18	31.3.17
	£	£
Trade creditors	927	8,605
Social security and other taxes	6,305	6,404
Deferred income	56,139	50,367
Accrued expenses	<u>20,157</u>	<u>26,561</u>
	<u>83,528</u>	<u>91,937</u>

Ephesea UK

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2018**

16. LEASING AGREEMENTS

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

	31.3.18 £	31.3.17 £
Within one year	9,650	-
Between one and five years	<u>9,650</u>	<u>-</u>
	<u>19,300</u>	<u>-</u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	31.3.18 Total funds £	31.3.17 Total funds £
Fixed assets	8,097	-	8,097	8,639
Current assets	809,814	-	809,814	721,184
Current liabilities	<u>(83,528)</u>	<u>-</u>	<u>(83,528)</u>	<u>(91,937)</u>
	<u>734,383</u>	<u>-</u>	<u>734,383</u>	<u>637,886</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 1.4.17 £	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
	<u>637,886</u>	<u>96,497</u>	<u>-</u>	<u>734,383</u>
TOTAL FUNDS	<u>637,886</u>	<u>96,497</u>	<u>-</u>	<u>734,383</u>

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
	<u>454,457</u>	<u>(357,960)</u>	<u>96,497</u>
TOTAL FUNDS	<u>454,457</u>	<u>(357,960)</u>	<u>96,497</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2018**

18. MOVEMENT IN FUNDS - continued**Comparatives for movement in funds**

	At 1.4.15 £	Net movement in funds £	Transfers between funds £	At 31.3.17 £
Unrestricted Funds				
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>534,501</u>	<u>103,385</u>	<u>-</u>	<u>637,886</u>
TOTAL FUNDS	<u><u>534,501</u></u>	<u><u>103,385</u></u>	<u><u>-</u></u>	<u><u>637,886</u></u>

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

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

19. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2018.