

MARINE STEWARDSHIP COUNCIL

England & Wales · Charity number 1066806

Details

Other names MSC

Status Registered

Legal form Charitable company

Company number [03322023](#)

Registered 1997-12-10

Register [View on the Charity Commission register](#)

Contact

Address Marine Stewardship Council
1-3 Snow Hill
London
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Email info@msc.org

Website www.msc.org

Activities

Objects: THE OBJECTS (THE "OBJECTS") ARE TO CONSERVE THE MARINE AND FRESHWATER ENVIRONMENTS FOR THE BENEFIT OF THE PUBLIC AND TO ADVANCE PUBLIC EDUCATION IN THE PRINCIPLES AND PRACTICE OF CONSERVATION, PARTICULARLY, BUT NOT EXCLUSIVELY . BY [A] CONSERVING MARINE AND FRESHWATER FISH POPULATIONS AND THE ENVIRONMENT ON WHICH THEY DEPEND; [B] PROMOTING FOR THE PUBLIC BENEFIT EFFECTIVE MANAGEMENT OF FISHERIES, AND ENSURING THE SUSTAINABILITY OF GLOBAL FISH STOCKS AND THE HEALTH OF AQUATIC ECOSYSTEMS GENERALLY; [C] ESTABLISHING AND PROMOTING THE APPLICATION OF A BROAD SET OF PRINCIPLES, STANDARDS AND CRITERIA FOR SUSTAINABLE FISHINGG

Activities: The MSC is a global non-profit organisation that recognises and rewards efforts to protect oceans and safeguard seafood supplies for the future. The MSC certification program contributes to the health of the oceans by rewarding sustainable fishing practices, influencing the choices people make when buying seafood, and working with partners to transform the seafood market to a sustainable basis.

Classification

- **How:** Other Charitable Activities
- **What:** Environment/conservation/heritage
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** WORLDWIDE
- Australia
- Belgium
- Canada
- Chile
- China
- Denmark
- Finland
- France
- Germany
- Hong Kong
- Iceland
- Indonesia
- Italy
- Japan
- Netherlands
- Norway
- Peru
- Poland
- Portugal
- Singapore
- South Africa
- South Korea
- Spain
- Sweden
- United States
- City Of London

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£33,734,000	£34,819,000	£44,558,000	267
2024-03-31	£33,080,000	£31,366,000	£45,263,000	247
2023-03-31	£32,734,000	£30,569,000	£42,130,000	247
2022-03-31	£29,789,000	£28,669,000	£40,716,000	251
2021-03-31	£30,096	£27,239,000	£38,798,000	227

Trustees

Name	Role	Appointed
Giles Bolton	Chair	2019-01-17
Birgit Cameron		2024-04-01
Dr DARIAN MAY MCBAIN		2023-07-27
Dr Kevin Terrance Stokes		2020-07-29
EDWARD NJOROGÉ		2023-07-27
Kristjan Davidsson Th.		2021-07-27
MIKEL DURHAM		2023-07-27
Maria Damanaki		2019-07-30
SERGIO ESPEJO YAKSIC		2023-07-27

MARINE STEWARDSHIP COUNCIL

England & Wales - Charity number 1066806

Accounts



MARINE STEWARDSHIP COUNCIL

(A company limited by guarantee)

TRUSTEES' REPORT AND CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2025

Registered Charity No: 1066806

Registered Company: 3322023

**Registered Office: Marine House
1-3 Snow Hill
London
EC1A 2DH**

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TRUSTEES' REPORT AND STRATEGIC REPORT

The Trustees of The Marine Stewardship Council (MSC) present their Annual Report for the year ended 31 March 2025 under the Charities Act 2011 and the Companies Act 2006, including the Directors' Report and the Strategic Report under the 2006 Act, together with the audited financial statements for the year.

STRUCTURE, GOVERNANCE AND MANAGEMENT

INTRODUCTION

The (MSC) is a company limited by guarantee (company number 3322023) and is registered as a charity with the Charity Commission (number 1066806). The Charity is constituted through a Memorandum and Articles of Association dated 17 February 1997, as amended.

The overall objectives of the MSC as set out in the Memorandum are "to conserve the marine and freshwater environments for the benefit of the public and to advance public education in the principles and practices of conservation, particularly, but not exclusively by:

- conserving marine and freshwater fish populations and the environment on which they depend
- promoting, for the public benefit, effective management of fisheries and ensuring the sustainability of global fish stocks and the health of aquatic ecosystems generally
- establishing and promoting the application of a broad set of principles, standards and criteria for sustainable fishing".

The MSC's mission is to use its fishery certification program and eco-label to contribute to the health of the world's oceans by recognising and rewarding sustainable fishing practices, influencing the choices people make when buying seafood and working with a range of partners to transform the seafood market to a sustainable basis.

The Trustees have prepared this report in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102) – effective 1st January 2019.

THE TRUSTEES' MANAGEMENT AND STRUCTURE

The MSC is governed by a Board of up to nine Trustees, elected by the Board. Members are appointed based on expertise and skills identified as key to the Board's successful operation, also taking into account a range of demographic considerations. A Board Code of Conduct and Conflict and Declaration of Interest Policy is in place. Trustees are appointed for a term of three years, and may be invited to serve a maximum of two terms.

The Executive (and thence the Board) receives advice from two advisory bodies that are an integral part of the MSC's governance structure. The Technical Advisory Board, which may have a maximum of 15 members, is made up of scientists and technical experts and provides the Board and Executive with advice on setting, reviewing and implementing the organisation's standards for sustainable fisheries and chain of custody and related issues. The Stakeholder Advisory Council comprises up to 17 members including representatives from the seafood industry, conservation community, market sector and academia. It provides advice to the Executive and the Board and input into the MSC's review processes, ensuring these are representative of a wide range of views and opinions.

Many Trustees are involved in the specialist aspects of the MSC's program and work. The Board delegates some of its work to standing committees and ad hoc work groups. The Finance Committee oversees MSC's financial operations, examining periodic management accounts and recommending the annual budget to the Board; it also reviews the MSC's investments and certain fundraising activities. The Development Committee's focus is to help shape fundraising strategy. A Governance Committee has been established to provide advice to the MSC Board regarding governance arrangements for the Board of Trustees, Technical Advisory Board and Stakeholder Advisory Council and MSC's subsidiary companies. The Audit & Risk Committee is responsible to the MSC Board for ensuring that the MSC has in place a robust framework for financial accountability and financial control, suitably qualified external auditors, and an adequate and effective corporate risk management and assurance framework, and also that MSC is compliant with relevant financial and audit regulations. It also fulfils this function for MSC's subsidiary boards.

The range of these committees provides for robust governance and is vital to the complex and sensitive work of the organisation.

The Board seeks new Trustees through a transparent external recruitment process as vacancies arise, through open, public advertisement and formal interview of shortlisted candidates. The Governance Committee of the Board scrutinises the applications (i.e. CV and covering letter) and the outcomes of the candidates' interviews, before making a recommendation to the Board.

Upon appointment, Trustees receive a Trustees' Induction pack, including documents such as the latest published financial statements, the Memorandum Articles and of Association, an explanation of Trustees' roles and responsibilities, the Charity Commission's guidance on public benefit and fiduciary duty etc. The Board of Trustees also adopted a Code of Conduct for all members of the Board, which the members agree to follow upon appointment to the Board.

MSC wholly owns a subsidiary company, Marine Stewardship Council International Limited (MSCI), which carries out its trading activities, most notably those related to logo licensing. MSC wholly owns a further three subsidiaries (MSC Ltd, MSC Asia Ltd, MSC Asia Pacific Pty) the activities of which help to fulfil MSC's charitable mission in the Americas, South East Asia and Australia, New Zealand and the wider Pacific. MSCI also has a Chinese registered subsidiary, An Hai Xu Fishery Certification Consulting (Beijing) Ltd Co (known as MSC China), the activities of which help to fulfil MSC's charitable mission in China. In 2020, MSC established a non-profit general incorporated association (GIA), Ippan Shadan Hojin MSC Japan, to support its charitable mission in Japan. Towards the end of 2024/25, MSC registered a representative office in China (Shenzhen Province). This registration was dormant at the year end.

The day-to-day operational management of the MSC is delegated by the Board to the Chief Executive Officer (CEO) and the senior executive team (collectively comprising the Executive Committee). The key management team is considered to be the Executive Committee which consists of the CEO, Chief Operating Officer, Chief Standards Officer, Chief Program Officer, and Chief Communications Officer.

The remuneration of the CEO is set jointly by the Chair of the Board and the Chair of the Finance Committee, referencing appropriate market data. The remuneration of the rest of the Executive Committee is set by the CEO in consultation with the COO, based upon independent market data provided by a third-party consultancy.

THE CHARITY CODE OF GOVERNANCE

The MSC takes its governance responsibilities seriously and, as an international charity, aims to have a governance framework that is fit for purpose, compliant and efficient. In 2017 the new Charity Code of Governance was launched and updated in 2020, with a recommendation that charities review their level of application and to explain any aspects of the code they were not applying. In our review, MSC carried out a detailed examination of each element of the updated Code:

- Organisational purpose
- Leadership
- Integrity
- Decision making, risk and control
- Board effectiveness
- Equality, diversity and inclusion
- Openness and accountability

This review found that MSC applies the Code in all material aspects.

The principles of equality, diversity and inclusion are embedded within the MSC and its work, through the leadership of the Board. The Trustees particularly recognise the importance and value of a diverse Board, taking account of this in their Board succession planning and recruitment processes.

BOARD OF TRUSTEE DUTIES UNDER SECTION 172 OF THE UK COMPANIES ACT

DUTIES & RESPONSIBILITIES

The responsibilities of the Board of Trustees under section 172 are summarised as follows:

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company and have regard (amongst other matters) to:

- a) the likely consequences of any decision in the long term
- b) the interests of the company's employees
- c) the need to foster the company's relationships with stakeholders and suppliers,
- d) the impact of the company's operations on the environment
- e) desirability of the company maintaining a high reputation for high standards of business conduct.

On joining the MSC Board, all new Trustees are briefed on their duties, and Trustees also receive relevant training and information throughout the period of their term of appointment.

It is important to recognise that the Trustees partly fulfil their duties through a governance framework (including a formal Scheme of Delegated Authorities) that delegates day to day decision-making to the Executive Committee of the Charity. Details of our governance arrangements are outlined in the Trustees Management and Structure on page 3.

The MSC Trustees consider that they have fulfilled their obligations under section 172. The following summarises how this has been achieved.

RISK MANAGEMENT

We operate in an uncertain and challenging environment, from which emerge a range of risks, many of which are beyond our direct control. It is therefore vital that we effectively identify, evaluate, manage and mitigate the risks we face.

The Board has set in place a robust risk management framework, enabling it to assess and manage both its risk appetite and its current risks and their mitigation. The Audit & Risk Committee is responsible to the MSC Board for ensuring that the MSC has in place an adequate and effective corporate risk management and assurance framework.

For details of our principal risks and uncertainties, see the Risk Management section of the Finance Report on page 13.

STATEMENT OF ENGAGEMENT WITH OUR EMPLOYEES

As a 'knowledge-based' organisation, our employees and our 'Better Together' culture are critical to the success of the MSC. With this in mind, development and investment in our people is integral to our charity.

Key people initiatives we have set in place, and continue to progress include:

- biannual survey of all employees (reported to the Board), which consistently engenders almost universal participation, with the results demonstrating the continual highly positive engagement of our staff
- development and delivery of a Learning & Development Strategy
- robust staff performance management systems
- development and delivery of a diversity, equity and inclusion action plan
- policies and procedures to support the full HR lifecycle of our employees
- policies, tools and systems to enable staff to fulfil their roles, to ensure their health and safety, and to support their well-being.

STATEMENT OF MSC'S RELATIONSHIPS WITH STAKEHOLDERS & SUPPLIERS

Independence, transparency, impartiality and multi-stakeholder governance are central to the MSC's values and commitment to maintain and strengthen world-leading standards.

We work hard to ensure our standards, strategy and decision-making take account of the views, expertise and experience of a wide range of perspectives, from academia and government, the fishery and market sectors, and the environmental NGO community.

Our governance structure therefore involves a wide range of individuals with different perspectives to ensure that the MSC's decisions are balanced, reflecting many sectors and interests. Stakeholders are included in the membership of the MSC Board itself, the Technical Advisory Board, and Stakeholder Advisory Council (STAC). Indeed, the STAC was specifically established to provide advice and stakeholder perspectives to the Board and Executive. Its membership includes representatives from the seafood industry, conservation community, market sector and academia, and reflects the diverse expertise, experiences, geographies and interests in relation to the work of the MSC.

In addition to our governance bodies, other stakeholder engagement initiatives and activities include:

- stakeholders are invited to participate in consultations on our standards and requirements
- the fisheries certification process encompasses formal opportunities in which stakeholders are encouraged to participate in the third-party assessment of a fishery against MSC Fisheries Standard
- day to day informal, regular interaction with stakeholders across all sectors.

We also value all our suppliers (all of whom are selected through robust procurement processes) and the contributions that they make to our organisation.

MSC'S ENVIRONMENTAL PERFORMANCE

The following table sets out MSC's GHGe (Greenhouse Gas emissions).

	UK Office mandatory disclosure	UK Office mandatory disclosure	Non-UK Office voluntary disclosure	UK and non-UK voluntary disclosure		
	Direct emissions (Scope 1)	Indirect emissions (scope 2)	Indirect emissions (scope 2)	Indirect emissions (scope 3)	2024/25	2023/24
Energy use (kWh)	0	141,276	181,964	0	323,240	287,684
Associated Greenhouse Gas emissions (tonnes CO2 equivalent) (TCO2e)	0	29	38	764	831	768
Intensity ratio (TCO2e/number employees)					2.91	3.01

MSC have no direct emissions. The Snow Hill office in London uses electricity as its only energy source.

The mandatory disclosure of indirect emissions relates to the energy use of MSC's London offices at Snow Hill, which are owned by the Charity and for which the emissions are accurately identified via the billing from the electrical energy supplier. Furthermore, the service engineer's annual maintenance report for the Snow Hill office air conditioning shows there were no fugitive emissions over the years 2024/25 or 2023/24.

The voluntary disclosure of indirect emissions relates to non-UK MSC offices rented by MSC across the globe, for which the emissions are calculated on a pro-rata basis, based on employee numbers at each overseas location, of the emissions made at MSC's head office in London.

The UK Government GHG Conversion Factors for Company Reporting is used to convert the energy use (kWh) into tonnes CO2 equivalent.

The voluntary disclosure of Scope 3 indirect emissions represents the emissions arising from business travel necessary for delivering MSC's charitable activities. The travel reported by MSC's UK travel agent uses the UK Defra framework to calculate tonnes CO2 equivalent. Other travel, not captured by the UK travel agent, is converted via the MyClimate.org carbon calculator, which states "the emission calculations and assumptions are in line with the European standard DIN EN 16258".

As an international organisation, travel for business is an inherent feature of our day-to-day operations for many staff, but we seek always to ensure we only undertake necessary journeys and to do so in a way which minimises our carbon emissions. Where possible, video conference technology is used if a viable alternative to a physical meeting.

MSC will offset the total emissions made during the year. Offset options are investigated by an employee working group who make a recommendation concerning the offset project they would like the MSC to support to the Executive Committee for their approval.

During the year MSC has used a number of long established but ongoing energy-saving initiatives designed to minimise our energy consumption and environmental impact, an important consideration for an environmental organisation such as MSC. These include:

- Electricity supplies are sourced from certified green energy suppliers for our UK headquarters, using an energy broker to generate efficiencies and cost savings.
- encouraging employees to use public transport where they need to travel for meetings, and to consider video-conferencing as an effective alternative to travel
- recycling arrangements available in all offices
- installation of energy efficient elements for refurbishment and replacement projects
- introduction of light sensors in many of the communal areas of our headquarters office, and encouragement of efficient use of electricity and water by all staff
- encouragement and support for internal greening initiatives instigated by our employees.

MAINTAINING A REPUTATION FOR HIGH STANDARDS

As an organisation, we operate within a robust governance framework which underpins and enables all aspects of our decision making. Further details on this can be found on page 3.

MSC's Fisheries Standard is compliant with the highest globally recognised standards laid down by bodies such as the UN's Food and Agriculture Organisation (FAO), the Global Sustainable Seafood Initiative (GSSI) and ISEAL, the international body for credible standard setters. Indeed, the MSC is the only global wild-capture fisheries certification program that simultaneously meets best practice requirements set by the UN FAO and has been independently evaluated against ISEAL's Codes of Good Practice.

In order to ensure the highest standards and the credibility of our third-party certification program, the MSC has set in place a robust assurance system:

- fishery assessments are carried out by independent accredited conformity assessment bodies (CABs) with teams of experts in fisheries science and management who are independent of the fishery and the MSC, and the process also includes an independent peer review to check the expert judgement within fishery assessments
- assessment reports are transparent and are published on our Track a Fishery website
- a similar independent, third-party approach is also used for our chain of custody certification program

- as an additional safeguard, MSC has appointed Assurance Services International (ASI) as an external oversight body for CABs
- we also ensure assessors follow ISO17065, an international Standard used in many sectors including food safety, to ensure that assessment teams operate in a competent, consistent and impartial manner
- and we provide mandatory online training and relevant qualification requirements for assessors.

Most importantly, the MSC receives no money for fishery or chain of custody assessments or certifications.

OBJECTIVES AND ACTIVITIES

PUBLIC BENEFIT

The MSC is an international organisation which partners with the environmental, science and funder communities and the seafood industry to pursue an overall charitable purpose of the advancement of environmental improvement, using its fishery certification and eco-labelling program. It does so by recognising and rewarding sustainable fishing practices, influencing the choices people make when buying seafood and working with partners to help to transform the seafood market to a sustainable basis. The MSC believes its work delivers positive environmental impacts for the marine environment, which in turn provides a significant benefit to the public and to the local communities that depend on fishing.

The application of the MSC's certification program and eco-label empowers seafood buyers, both major retailer buyers and individual consumers, to make better and more informed choices when buying seafood. The effect is one that rewards in the marketplace those fisheries that follow responsible practices. In turn, this creates the incentives for fisheries around the world to meet the MSC's standard for environmentally responsible and sustainable fishing. In doing so they will have to demonstrate to third party certifiers that they are operating in a way that helps to ensure the long-term sustainability of the fish stocks they are targeting, and that they respect the ecosystems in which they operate. As the reach of the MSC's program expands globally, the public will, increasingly, be able to identify the best environmental choice in seafood and will be more empowered to play their role in creating a sustainable marine environment. With the marine environment under considerable threat, particularly in the face of climate change, all those that value and derive benefit from the oceans and marine resources stand to benefit from the work of the MSC.

Community groups and other sub-sets of the public that are dependent on the long-term resilience of fisheries and the resulting creation of sustainable livelihoods, in particular, stand to benefit from the realisation of the MSC's aims through increased economic development, food security and resilience in the face of climate change.

The Trustees confirm that they have complied with their duty in Section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission of England and Wales. The Trustees further confirm that the activities of the Charity are carried out, in line with its objects, for the public benefit as described above.

STRATEGIC REPORT

ACHIEVEMENT AND PERFORMANCE

The expenditure for charitable activities during the current year can be viewed in Note 5 of the accounts, where the charitable activities are grouped together under four activity headings: development of policy and the maintenance of the standards, education and raising awareness of the issue of over fishing and MSC's role as one of the potential solutions, servicing fisheries and commercial partners that are already engaged in the program as well as outreach to potential new partners in developing regions and beyond, and logo licensing, which increases the transparency in the supply chain allowing consumers to choose seafood caught sustainably and so incentivise sustainability.

We continue to place particular emphasis on maintaining our strong outreach with fisheries, and retailers, and increasing our engagement with governments and non-government organisations around key areas for change. The MSC's certification program and eco-label have made it easier for major seafood buyers and consumers to choose certified sustainable seafood, providing both a reward and an incentive for fisheries to harvest sustainably—our theory of change. With our many partners, the MSC continues to pursue the goal of healthy oceans and sustainable seafood markets globally.

By the end of March 2025, 18.9% of the global wild caught seafood is certified to the MSC Fisheries Standard, an increase from 18% at 31 March 2024, and a total of 20.6% of global wild caught seafood representing over 16 million tonnes is engaged in the MSC Program. The species groups with the greatest catch volume by MSC engaged fisheries include 'cods, hakes and haddocks' and 'tunas, bonitos and billfishes'.

A growing global market for MSC-certified seafood is demonstrably rewarding environmentally responsible fisheries and providing incentives for more to join the program and make changes in their practices where necessary. At the end of March 2025, over 21,800 MSC labelled products (consumer facing) were actively on sale in over 100 countries, an increase of almost 1000 new active products compared to the previous year (approx 20,850 active products). The net increase in volume labelled products has been led by a significant increase in labelled tuna products, as well as general growth in North America, Asia, Southern Europe, and Central Europe for labelling frozen, chilled, and canned products containing whitefish, tuna, and pelagic species. This growth was offset by a stabilisation of growth in saturated North and Western European markets, and the loss of labelled products containing seafood from fisheries that lost certification (including mackerel and herring)

The total number of fisheries engaged in the program (i.e. certified, suspended, in assessment or in ITM) at 1,379 is similar to that of the previous year (1,361) with a further 69 fisheries in full assessment.

Chain of Custody Standard

The MSC Chain of Custody (CoC) program is the backbone of seafood traceability in the MSC Program. For products to be sold with the MSC ecolabel, every company in the supply chain must be certified against the MSC Chain of Custody Standard. The Standard provides assurance that all seafood sold with the MSC ecolabel comes from a fishery that has been certified as sustainable. At each stage of the supply chain, MSC certified seafood must be easily identifiable and kept separate from uncertified products. Companies handling MSC certified seafood are also required to have a management system capable of proving the product is certified at the point of purchase, and eligible for sale as certified.

The total number of Chain of Custody certificate holders has grown, increasing from 2,549 in 2013 to 5,944 at March 2024 but remained steady at 5,962 at March 2025. This annual growth rate has steadily diminished from around 13% between 2016 and 2018, to 2.5% between 2022 and 2024. China continues to have the most certificate holders, followed by the USA, Japan, Germany France and Spain all ahead of the UK in 7th place.

The MSC's current CoC Standard is widely considered to be good practice and continues to ensure that key risks such as product substitution are controlled, monitored and minimised. Our vision is to ensure that the MSC's CoC system has improved accessibility and efficiency of engagement for all levels of the supply chain. During 2025/2026 we are undertaking a Supply Chain Standard Review which aims to improve the accessibility of the Chain of Custody Standard by reducing complexity and clarifying requirements for different supply chain actors.

Fishery Standard

As of 31 March 2025, 1,175 units of certification¹ in 63 countries had been certified as sustainable to the MSC Fisheries Standard (up from 1,118 at 31 March 2024), demonstrating certified fisheries' commitment to healthy ecosystems and the long-term sustainability of fish stocks. A further 69 units were in assessment. As of 31 March 2025, more than 2300 sustainability improvements had been made by MSC fisheries over the years, with 558 improvements alone being made over the preceding three years to 2025.

In addition, hundreds of fisheries around the world are engaged in Fishery Improvement Projects (FIPs), including MSC's own Pathway projects and MSC Improvement Program. MSC's Pathways projects help to move fisheries along the path towards greater sustainability and ultimately, where possible, certification as part of our commitment to work with drive sustainable fishing on a wider scale (see also below Ocean Stewardship Fund).

This year marked the formal launch of the MSC Improvement Program (formerly In-Transition to MSC Program) which supports fisheries of all sizes and all locations that are committed to achieving certification, but not yet ready to enter assessment against the Fisheries Standard. The program requires fisheries to seek regular independent verification of the improvements being made as they progress towards meeting the Standard. This enables fisheries to demonstrate the credibility of their commitment to sustainability. Financial Year 2024/25 marked a key milestone with the first fishery achieving certification after entering the Improvement Program in 2020/21.

Fisheries that are new entrants to the MSC Program are able to use version 2.01 of the Fisheries Standards until July 2026, and existing fisheries have until November 2030 to adopt the updated version 3.1. The exception to the timeline extension is fisheries applying Section SE focused on harvest control rules, which must apply Version 3.1 at their next assessment.

We continue to monitor carefully the implementation of the updated Standard (v3.1) and to undertake targeted revisions to ensure the Standard achieves the outcomes intended.

Underpinning all this work, is our fundamental focus on achieving MSC's mission of ending overfishing, by recognising and rewarding sustainable fishing practises through our ecolabel and fishery certification program.

¹ A unit of certification refers to the target stock(s) combined with the fishing method/gear and practice (including vessel/s) pursuing that stock.

Growth of the MSC's Ocean Stewardship Fund

The MSC Ocean Stewardship Fund (OSF) aims to increase the proportion of global fisheries operating in a sustainable way by providing financial support in the form of grants or other financial instruments to certified fisheries and for fisheries in MSC's Improvement Program. The OSF was first announced in November 2018, along with a £1 million seed fund allocated from MSC's unrestricted reserves to help kickstart the Fund. The Board of Trustees then formally approved the OSF on 30 July 2019 and agreed to designate 5% of MSC's annual volume royalties to the OSF for the foreseeable future.

Since its inception, the Ocean Stewardship Fund has mobilised £10.5 million (77% from MSC Royalties and 23% from external donor contributions), awarded and committed £7.4 million and is supporting 200 Fisheries and projects worldwide, 90 of these in developing economies.

In 2024/25 OSF made 72 awards (supporting 85 fisheries and projects) at a value of £1.8 million, and a significant increase compared to 2023/24 (40 awards at a value of £1.4million). This was made possible by a generous donation from the Hans Wilsdorf Foundation, which had been carried over since 2021.

CHARITABLE FUNDRAISING

The MSC employs an international staff of five full time employees who are tasked with delivering MSC's fundraising plan, stewarding philanthropic income, and managing and administering the Ocean Stewardship Fund (OSF).

The MSC is registered with the UK Fundraising Regulator and voluntarily observes the UK Charity Commission's Code of best practices. This includes complying with any relevant statutory accounting and reporting requirements on fundraising. Fundraising staff at the MSC are overseen and monitored by both senior management. The Development Committee of the Board of Trustees provides strategic advice on an ad hoc basis. The MSC does not employ external commercial fundraising consultants or similar commercial services, nor did the MSC receive any complaints around fundraising, or the staff engaged in fundraising in 2024/25.

The MSC undertook no active fundraising from the general public requiring disclosure under S162A of the Charities Act 2011 in the past financial year (2024/25) and had no campaigns or other active attempts to fundraise from the general public. The majority of MSC's charitable income continues to come from institutional sources (foundations/trusts and government bodies) that are not domiciled in the United Kingdom (see below). While the MSC does not actively fundraise from individuals, the organisation does receive a small number of donations and is in full compliance with the General Data Protection Regulation (GDPR) rules in respect of personal data.

Support from Funders

The MSC is very grateful for our many charitable donors across the globe for the support they have given us this past year and since our founding. This year we continue to implement projects that have received generous support in previous years from the Walton Family Foundation for work in Mexico and on social policy; the A.G. Leventis Foundation for work in Greece; the Remmer Foundation for a grant to work with small-scale fisheries in Kenya; Triad Foundation to support Canadian Pathways, and Holzer Family Foundation. Our new capital markets programme receives generous support from the ISEAL Innovations

Fund, and our work with Certifications and Ratings collaboration is supported by the Aquaculture Stewardship Council.

We are grateful for financial support received through the Global Environment Facility (GEF) that enables work on strengthening the management of tuna fisheries in the Pacific region under the Common Oceans Tuna Project led by UN Food and Agriculture Organization (UN FAO). Finally, we are grateful for support from DEFRA (Fisheries and Seafood Scheme) and Fishmongers' Company's Charitable Trust's support to MSC UK & Ireland activities and Project UK, as well as support from the UK retail sector and members of the supply chain.

The MSC Ocean Stewardship Fund continues to support and monitor the progress of projects supported by generous grants in previous years made with support from the MAVA Foundation to help small-scale fisheries in the Mediterranean and West Africa; from the Walton Family Foundation to establish a loan guarantee facility, and from the Hans Wilsdorf Foundation. We would also like to thank Carrefour Italy and Delicius for their generous support towards research projects that will continue to be implemented throughout 2025/26.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Total group income in 2024/25 was £33.73 million compared to £33.08 million in the previous year. Income from charitable activities (that is, largely logo licensing royalty and annual fee revenue) amounted to 93.6% of total income (2023/24 92.8%).

Income from donations and legacies was £0.25 million in 2024/25, down 72% from the £0.91 million received in 2023/24. A new Director of Fundraising was appointed towards the end of 2024 following the untimely passing of their predecessor in August 23, leading to expectations for donated income to start to increase once more in the future. Note 2 to the accounts shows a further breakdown of voluntary income.

Income from charitable activities, consisting largely of royalty income and annual fees, increased overall by 2.9% from £30.7 million in 2023/24 to £31.59 million in 2024/25. Annual fees increased by 1% to £3.03 million (2023/24 £3.00 million). Volume royalty increased by 3.3% to £28.25 million (2023/24 £27.34 million).

Income from investments was £1.19 million (2023/24 £0.77 million). The net gain on the investment portfolio (that is, the increase in market valuation of the investments at the year-end) amounting to £0.44 million (2023/24 gain £1.56 million) are excluded from investment income and are disclosed separately on the Statement of Financial Activities as "Gains / (Losses) on revaluation of fixed asset investments".

Expenditure totalled £34.82 million in 2024/25, up 11% from £31.37 million in 2023/24.

Staff costs increased by 8.8% to £18.64 million from £17.14 million. The average number of employees in the year increased to 267 in 2024/25 (2023/24 255).

Expenditure on raising funds for the MSC's fundraising activities increased by 15.9% to £0.80 million (2023/24 £0.69 million), the increase arising from the recruitment of the Fundraising Director in the autumn of 2024.

Note 5 to these accounts provides a breakdown of costs incurred in furtherance of the Charity's objectives and shows a year-on-year increase in spend on the MSC's charitable activities of 10.9% to £34.02 million (2023/24 £30.68 million).

Governance costs increased by 3% to £0.99 million (2023/24 £0.96 million). Governance costs also include the audit fee, the cost of holding Board meetings and other Board relevant costs (such as legal fees on corporate wide legal issues) as well as an allocation of relevant staff salary costs. Governance costs are 2.8% of total MSC income.

Losses upon revaluation of foreign assets amounted to £0.06 million (2023/24 loss £0.14 million). This gain or loss arises from the revaluation of the net assets held by the MSC's overseas subsidiaries.

The MSC ended the year in a sound financial position.

The overall deficit for the year of £0.7 million decreased total reserves going forward to £44.56 million. £1.45 million of this carry forward reserve are restricted funds, reducing by £1.08m over the year, £3.55 million are funds designated to OSF and Fishery Standard version 3 implementation activities and £39.55 million are unrestricted. The surplus in the year on unrestricted reserves was £015 million.

Cash balances (including cash investments of £5.03 million) totalled £10.23 million (2023/24 £12.84 million).

RISK MANAGEMENT

The Trustees address at least annually the risks that face the Company and adopt responses to minimise the risks identified.

The major risks identified are:

- Global biological change (climate change) undermines the productivity and resilience of marine ecosystems, and the enabling environment for fisheries to be managed sustainably, increasing the risk of fisheries' suspension from the MSC program. This can be partially mitigated by ensuring the Fisheries Standard evolves to reflect global climate change. MSC has carried out carrying out its own research upon climate resilient fisheries management, with a view to informing the design of its future policy development and advocacy interventions; creating an enabling environment for more climate-ready fisheries in the Program to showcase and share their learning, frameworks and data with other fisheries; and its collaboration with, and monitoring the work of, other organisations in the climate space.
- Vulnerability of the MSC's program to external events beyond its control (such as a failure of Regional Fisheries Management Organisations (RFMOs) to reach agreement on harvest control rules leading to fishery suspensions and withdrawals) reducing MSC's ability to drive change on the water. This can be partially mitigated by the maintenance of a "heatmap" to give early anticipation and identification of fishery suspension risk, the active implementation of an RFMO strategy and continued outreach effort.
- Global political change and increased nationalism / trade wars presents limitations to the ability of the MSC program to scale. This can be partially mitigated by continued, systematic engagement with governments (EU / US / Asia) and relevant intergovernmental organisations.
- Dependency on a single charging point for 90% of MSC's revenue and the vulnerability of the current business model to external events beyond MSC's control, ie climate change, geopolitical tensions. This will be mitigated by the launch of the MSC Improvement Program and other opportunities to diversify MSC offering, i.e. an MSC offer for capital markets.

- Significant adverse reaction to Version 3 of the Fishery Standard, released in 2023, by many fisheries. This is being mitigated by derogation, and a holistic review program. Implementation of Targeted Revisions to v3.1 are designed to ensure update of the revised Standard and increased confidence from fisheries partners.

The Trustees review the risks regularly, and they believe that there are adequate systems in place to minimise them.

RESERVES POLICY

The Trustees believe that it is generally good practice to hold reserves to protect against funding and other financial difficulties.

As an international non-profit organisation, the Board has recognised that the underlying operational risks MSC is facing are increasing. Fishing supply chains are complex and global and can be undermined by geopolitical uncertainty (i.e. regional conflicts). Global warming further disrupts traditional patterns of fishing which can undermine regional agreements concerning levels of catch. Consumer preference for sustainably caught seafood can be undermined by economic turmoil resulting in high food price inflation.

This is important because certified fish entering the supply chain is the fuel that facilitates the generation of ecolabel royalty income for the MSC, via its trading subsidiary MSCI. While royalty income is therefore diversified across many certified fisheries, MSC certification can be lost or withdrawn. Similarly, royalty income is dependent upon the use of the MSC's ecolabel on a pack, which is an entirely voluntary decision made by the brand owner, not the MSC. Should royalty income unexpectedly decline, it may be necessary to realign expenditure to income. Reserves are therefore held to allow time for this realignment to take place and to cover the costs of such a fundamental restructuring in the event of a major downturn.

While royalty income makes up the overwhelming majority of MSC's incoming resources MSC does strive to be awarded voluntary grants and donations from a relatively small number of supportive trusts, foundations and statutory funders. The financial impact should a donor decide to phase out its support could still be material. The MSC is striving to diversify its charitable donor base resulting in speculative and, more often than not, restricted income being included in the MSC's budgets. Holding reserves ensures confidence that such target income can be given time to be nurtured without detrimentally affecting the MSC's operations.

The reserves also cover the exchange rate risk implicit in the MSC's income and expenditure patterns, as well as the risk of losses arising from liquidating fund investments that form a major part of the MSC's unrestricted reserves, in the unlikely circumstance that these investments are needed to fund day to day operational expenditure. Finally, the MSC's short term cash flow requirements (i.e., its "working capital") are also covered by reserves.

The Board has quantified the makeup of reserves against each of the above-named risks and concluded, in total, the unrestricted "free" reserve should be set between a minimum of 9 months and a maximum of 12 months of the following year's budgeted expenditure.

Should an excess of "free" reserve be building up above the 12-month ceiling, the Board will give consideration to investing all the surplus free reserves, or an appropriate proportion, in the following areas:

- a) MSC's Ocean Stewardship Fund, looking to support progress of fisheries towards sustainability, as well as rewarding long term certified fisheries with support for recertification costs.
- b) designated projects identified by the Board, which could be, but certainly not limited to, a capital project which the Board deems appropriate for the furtherance of the MSC's mission and charitable objects.
- c) marketing – magnifying the impact of already planned marketing activities.

This reserves policy was adopted by the Board of Trustees in March 2024 and its appropriateness is continually monitored.

The MSC ended the year with unrestricted reserves of £39.55 million (see note 20). Once intangible assets and tangible fixed assets of £4.2 million (see notes 10 and 11), free reserves amounted to £35.35 million (2023/24 £34.8 million). This equates to 12.15 months of the Board approved unrestricted expenditure budget for 2025/26 (£34.9 million), down from 12.6 months reported for the previous year.

INVESTMENT POLICY

The general objective of holding investments is so the MSC's reserves generate a return that would be greater than the return that could be obtained if the reserves were held as interest bearing cash deposits. Over the two funds, the expected return is approximately 6%, while at the time of writing the actual return since inception is 6% for Northern Trust managed funds and 7.4% for UBS managed funds.

Fixed asset investments are held in investment funds managed by Northern Trust and UBS. The intention is for these investments to be held long term, within a balanced and diversified portfolio, and that the MSC will not need to liquidate the investment in the foreseeable future. Both investment managers have delegated authority to make investment decisions, within a framework of pre-defined portfolio parameters, in response to market movements.

The Northern Trust portfolio covers equities, fixed income securities, real estate, and commodities. The equity element (the majority of the investment) is invested in Socially Responsible Investment (SRI) funds. The SRI funds mirror Morgan Stanley Capital International Ethical, Social and Governance indexes (namely the MSCI World ESG index and the MSCI US IMI index) to guide investment opportunities in equities screened for ESG criteria.

The investment fund managed by UBS consists of a mix of fixed income securities and equities, weighted towards equities. UBS use third party rating providers MSCI Research, Inrate or Oekom to allocate to each holding an ESG score and to provide MSC with a portfolio with an overall sustainability profile.

Current asset investments are all held as cash deposits.

PLANS FOR FUTURE PERIODS

MSC's goal of sustainable fisheries supporting healthy and productive ocean ecosystems remains unchanged, and we believe that our existing goal of engaging over a third of global landings in the MSC program by 2030, is not only achievable, but essential. Achievement of this ambitious goal through the engagement and leadership of our partners will make a significant contribution to the delivery of the United Nations Sustainable Development Goal 14 targets.

In 2023, we launched our fourth Integrated Strategic Plan, which defines the organisation's priorities and activities until 2030 towards the achievement of our 2030 goal. Under this Plan, the MSC will continue to maintain world-leading Standards for sustainable fishing while expanding market opportunities that incentivise more sustainable fishing globally.

To help fisheries fund their continuous improvement, the MSC is expanding its Ocean Stewardship Fund while also opening up its MSC Improvement Program to all fisheries. In addition, we are accelerating progress and increasing the number of sustainable fisheries worldwide by funding innovative research and supporting fisheries at all stages on the path to sustainability.

REFERENCE AND ADMINISTRATION

Trustees and Directors of the Marine Stewardship Council (MSC):

Mr Giles Bolton	Chair	Appointed as Chair February 24
Ms Birgit Cameron		Appointed April 24
Ms Maria Damanaki	Development Committee Chair	Appointed July 19
Mr Kristjan Th. Davidsson	Treasurer and Finance Committee Chair	Appointed July 21
Ms Mikel Durham	MSCI Board Chair	Appointed July 23
Dr Darian McBain		Appointed July 23
Mr Edward Njoroge	Audit & Risk Committee Chair	Appointed July 23
Dr Kevin Stokes		Appointed July 20
Dr Sergio Espejo Yaksic		Appointed July 23

The Trustees of the MSC are the charity's Trustees under charity law and are the directors of the charitable company.

Principal Office & Registered Office: Marine House, 1 - 3 Snow Hill, London, EC1A 2DH

Principal Officers – the Executive Committee

Mr Rupert Howes	Chief Executive Officer
Dr Alene Wilton	Chief Operating Officer
Dr Rohan Currey	Chief Science & Standards Officer (resigned 21 June 24)
Mr Nicolas Guichoux	Chief Program Officer
Ms Ishbel Matheson	Chief Communications Officer

Advisers

Auditors: Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW

Bankers: HSBC Plc, 165 Fleet Street, London, EC4A 2DY

Solicitors: DAC Beachcroft LLP, 25 Walbrook, London EC4N 8AF
Bird & Bird LLP, 12 New Fetter Lane, London, EC4A 1JP

Investment managers:

Northern Trust Company, 50 South LaSalle Street, Chicago, IL 60680, USA
UBS, 1 Finsbury Avenue, London, EC2M 2AN

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report, the Strategic Report, and the financial statements in accordance with applicable laws and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its net incoming resources for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

S 418 CONFIRMATION

Each of the Trustees at the date of approval of this report confirms that:

- so far as the Trustee is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 under Companies Act 2006.

This Annual Report of the Trustees, under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of Trustees on 29 July 2025 including approving in their capacity as company directors the Strategic Report contained therein, and is signed as authorised on its behalf by:



Mr Giles Bolton
Chair of the Board of Trustees

Date 29 July 2025

Independent Auditor's Report to the Members of Marine Stewardship Council

Opinion

We have audited the financial statements of Marine Stewardship Council ('the charitable company') and its subsidiaries ('the group') for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, Charity Statement of Financial Activities, Consolidated and Charity Balance Sheets, Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and the charitable company's affairs as at 31 March 2025 and of the group's and the charitable company's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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.

Auditor's 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 an auditor's report 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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 auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit

procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation, employment legislation and taxation legislation. We also considered compliance with local legislation for the group's overseas operating segments.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition and classification of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance. In respect of the recognition and classification of income, substantive sample testing was undertaken to ensure that the transactions occurred, were recognized accurately, completely, in the correct financial year and classified correctly in the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 auditor's 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.



Julia Poulter
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor

London

9 September 2025

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	UNRESTRICTED FUNDS				UNRESTRICTED FUNDS			
		General	Designated	Restricted Funds	Total Funds	General	Designated	Restricted Funds	Total Funds
		£'000	£'000	£'000	2025 £'000	£'000	£'000	£'000	2024 £'000
Income									
Donations and legacies	2	10	0	243	253	446	21	439	906
Income from charitable activities		31,591	0	0	31,591	30,707	0	0	30,707
Income from investments	3	1,194	0	0	1,194	737	24	12	773
Other trading activities		696	0	0	696	694	0	0	694
Total Income		33,491	0	243	33,734	32,584	45	451	33,080
Expenditure									
Expenditure on raising funds	4	774	17	5	796	609	81	0	690
Expenditure on charitable activities	5	31,010	1,758	1,255	34,023	28,877	1,326	473	30,676
Total Expenditure		31,784	1,775	1,260	34,819	29,486	1,407	473	31,366
Net income before transfers and other gains and losses		1,707	(1,775)	(1,017)	(1,085)	3,098	(1,362)	(22)	1,714
Gain / (Loss) on revaluation of fixed asset investments	12	442	0	0	442	1,563	0	0	1,563
Net income before transfers		2,149	(1,775)	(1,017)	(643)	4,661	(1,362)	(22)	3,277
Gain / (Loss) on revaluation of foreign assets		(62)	0	0	(62)	(144)	0	0	(144)
Transfers between funds		(1,935)	1,993	(58)	0	(2,878)	2,842	36	0
Net movement in funds		152	218	(1,075)	(705)	1,639	1,480	14	3,133
Funds at 31st March 2024 (31st March 2023)		39,402	3,336	2,525	45,263	37,763	1,856	2,511	42,130
Funds at 31st March 2025 (31st March 2024)		39,554	3,554	1,450	44,558	39,402	3,336	2,525	45,263

There were no recognised gains or losses other than those included in the Statement of Financial Activities.
All Income and Expenditure derive from continuing activity.

**CHARITY STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2025**

	Notes	UNRESTRICTED FUNDS			Total Funds 2025 £'000	UNRESTRICTED FUNDS			Total Funds 2024 £'000
		General £'000	Designated £'000	Restricted Funds £'000		General £'000	Designated £'000	Restricted Funds £'000	
Income									
Donations and legacies		1	0	215	216	439	21	387	847
GiftAid received from trading subsidiary		17,307	0	0	17,307	16,721	0	0	16,721
Income from charitable activities		8,564	0	0	8,564	8,256	0	0	8,256
Income from investments		1,194	0	0	1,194	737	24	36	797
Other trading activities		31	0	0	31	18	0	0	18
Total Income		27,097	0	215	27,312	26,171	45	423	26,639
Expenditure									
Expenditure on raising funds		774	17	5	796	609	81	0	690
Expenditure on charitable activities		24,863	1,758	1,090	27,711	20,078	1,326	2,957	24,361
Total Expenditure		25,637	1,775	1,095	28,507	20,687	1,407	2,957	25,051
Net income before transfers and other gains and losses		1,460	(1,775)	(880)	(1,195)	5,484	(1,362)	(2,534)	1,588
Gain / (Loss) on revaluation of fixed asset investments		442	0	0	442	1,563	0	0	1,563
Net income before transfers		1,902	(1,775)	(880)	(753)	7,047	(1,362)	(2,534)	3,151
Transfers between funds		(1,935)	1,993	(58)	0	(2,878)	2,842	36	0
Net movement in funds		(33)	218	(938)	(753)	4,169	1,480	(2,498)	3,151
Funds at 31st March 2024 (31st March 2023)		39,291	3,336	2,458	45,085	35,122	1,856	4,956	41,934
Funds at 31st March 2025 (31st March 2024)		39,258	3,554	1,520	44,332	39,291	3,336	2,458	45,085

There were no recognised gains or losses other than those included in the Statement of Financial Activities.
All Income and Expenditure derive from continuing activity.

CONSOLIDATED AND CHARITY BALANCE SHEET
as at 31 March 2025

	Note	Group 2025 £'000	Group 2025 £'000	Group 2024 £'000	Group 2024 £'000	Charity 2025 £'000	Charity 2024 £'000
Fixed Assets							
Intangible	10	921		1,247		921	1,247
Tangible assets	11	3,288		3,331		3,274	3,322
Investments	12	22,621		21,212		22,764	21,355
			26,830		25,790	26,959	25,924
Current Assets							
Investments	13	5,032		5,729		5,032	5,729
Debtors	14	11,771		10,777		13,358	13,299
Cash at bank and in hand		5,199		7,108		1,831	2,633
		22,002		23,614		20,221	21,661
Creditors: Amounts falling due within one year	15	(4,093)		(3,676)		(2,702)	(2,078)
Net current assets			17,909		19,938	17,519	19,583
Creditors: Amounts falling due after more than one year	16		(181)		(465)	(146)	(422)
Total assets less total liabilities			44,558		45,263	44,332	45,085
Funds							
Unrestricted funds - General Funds			39,554		39,402	39,258	39,291
Unrestricted funds - Designated Funds			3,554		3,336	3,554	3,336
Restricted funds			1,450		2,525	1,520	2,458
Total Funds			44,558		45,263	44,332	45,085

The financial statements on pages 23 to 41 were approved and authorised for issue by the Trustees on 29th July 2025 and signed on their behalf by:



Mr Giles Bolton
Company Registration Number 3322023

Chair of the Board of Trustees

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE GROUP
FOR THE YEAR ENDED 31 MARCH 2025**

	2025	2024
	£'000	£'000
Statement of cash flows		
Cash flows from operating activities:		
<i>Net cash provided by (used in) operating activities</i>	<u>(1,924)</u>	<u>2,785</u>
Cash flows from investing activities:		
Dividends, interest and rents from investments	1,194	773
Proceeds from the sales of property, plant and equipment	0	1
Purchase of property, plant and equipment	(655)	(574)
Proceeds from sale of investments	4,780	2,907
Purchase of investments	(6,001)	(3,434)
Net cash (used in)/ provided by investing activities	<u>(682)</u>	<u>(327)</u>
Cash flows from financing activities:		
repayments of borrowings	0	0
Net cash provided by (used in) financing activities	<u>0</u>	<u>0</u>
 Change in cash and cash equivalents in the reporting period	 (2,606)	 2,458
Cash and cash equivalents at the beginning of the reporting period	<u>12,837</u>	<u>10,379</u>
Cash and cash equivalents at the end of the reporting period	<u>10,231</u>	<u>12,837</u>
 Reconciliation of net income / (expenditure) to net cash flow from operating activities		
	2025	2024
	£'000	£'000
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(705)	3,133
Adjustments for:		
Amortisation and depreciation charges	1,025	811
FX on Foreign Assets	186	156
Net unrealised (gain) / loss and other movements on investment	(374)	(1,730)
Dividends, interest and rents from investments	(1,194)	(773)
(Profit) / Loss on the sale of fixed assets	(1)	0
(Increase) / decrease in debtors	(994)	1,200
Increase / (decrease) in creditors	133	(12)
Net cash (used in) / provided by operating activities	<u>(1,924)</u>	<u>2,785</u>
 Analysis of cash and cash equivalents		
	2025	2024
	£'000	£'000
Cash in hand	5,199	7,108
Notice deposits (less than 3 months)	5,032	5,729
Total cash and cash equivalents	<u>10,231</u>	<u>12,837</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

1. Accounting policies

Marine Stewardship Council is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 17th December 1997 (company number 3322023) and registered as a charity on 10th December 1997 (charity number 1066806).

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association (amended July 2014).

In the event of the company being wound up members are required to contribute an amount not exceeding £1 each.

The registered office is Marine House, 1-3 Snow Hill, London, EC1A 2DH.

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Charity's financial statements.

Basis of accounting: The consolidated financial statements have been prepared under the historical cost convention, except that fixed asset investments are stated at market value, and in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the 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 1st January 2019. MSC is a Public Benefit entity for FRS 102.

These financial statements consolidate the results of the charity and its five wholly owned subsidiaries, Marine Stewardship Council International Limited (which is incorporated in the UK), Marine Stewardship Council Limited (which is incorporated in the United States), Marine Stewardship Council Trust (which is incorporated in Australia), Marine Stewardship Council Asia Ltd (which is incorporated in Singapore), and Ippan Shadan Hojin MSC Japan (which is incorporated in Japan) on a line by line basis.

MSCI also has a Chinese registered subsidiary, An Hai Xu Fishery Certification Consulting (Beijing) Ltd Co (known as MSC China), the activities of which help fulfil MSC's charitable mission in China.

Towards the end on March 25 the MSC was able to register as a Representative Office in Shenzhen Province of China. This registration remained dormant at the end of the financial year.

The functional currency of the Charity and its subsidiaries is GBP because that is the currency of the primary economic environment in which the group operates. The consolidated financial statements are also presented in GBP.

MSC's overseas subsidiaries are converted into GBP and consolidated into the group accounts using the year end exchange rate, with the foreign exchange gain or loss arising reported as gains or losses arising upon revaluation of foreign assets in the SOFA. Fixed assets held in the overseas subsidiaries are immaterial.

Going Concern: The Trustees approve the annual budgets and periodic forecasts to ensure there is sufficient working capital to meet the charity's obligations over the subsequent 12 months. The charity meets its ordinary working capital requirements through its existing cash balances. Having regard to the above, the current cash position and the expected cashflow over the following 12 months the Trustees believe it appropriate to adopt a going concern basis of accounting in preparing the financial statements.

After reviewing the group's forecast and projections, the Trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. This view is supported by the level of free reserves held at the year-end (equivalent to 12 months expenditure). The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Critical accounting judgements and key sources of estimation uncertainty: In the application of the accounting policies directors are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historic experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The critical estimate involves accruing for royalty income, with around 2% to 10% of the total royalty accrued each year being based upon historic trends only, rather than information received post Year End from the license holder relating to actual labelled sales for the period of the accrual. This arises because turnover declaration returns of labelled product sales are submitted by license holders in arrears. As a result, labelled product sales data covering reporting periods ending 31st March are received after the financial year end. At the point the accounts are drafted, not all license holders may have reported their labelled sales data (even though the license agreement obligates them to submit their turnover declaration by one month after the end of the reporting period in question). For these license holders, the level of labelled sales (and hence royalty income to be accrued) are estimated based on historic trends.

Judgements are also made for bad debts provisions, based upon reviewing debts older than 90 days at the year end, and for certain contracts of service, whereby the fee to be received by MSC for services delivered continue to be subject to negotiation after the year end.

Fixed Assets:

Intangible fixed assets

Intangible fixed assets represent software costs capitalised in accordance with FRS102. These are stated at historic cost and amortised on a straight-line basis over the period which revenue is expected to be generated (typically 4 years). Items costing less than £500 are expensed in the year of purchase.

Tangible fixed assets

Tangible fixed assets are recorded at cost or, in cases where tangible fixed assets have been donated to Marine Stewardship Council, at valuation at the time of acquisition. Tangible fixed assets are capitalised in the balance sheet at cost, except for items costing less than £2500 which are expensed in the year of purchase.

Depreciation: Depreciation for UK entities has been provided at the following rates in order to write down cost or valuation, less estimated residual value, of all tangible assets by equal annual instalments over their expected useful lives.

Furniture, Fittings & IT equipment	25%
Refurbishment costs of Snow Hill	over 7 years
London Virtual Freehold Property	Building cost over 99 years
Freehold Land	Not depreciated

Incoming resources: Grants and donations are recognised as income when it is clear MSC has entitlement to the income, that the donation is reasonably certain to occur and that the value of the donation can be measured. Logo license royalty income is accounted for in the period in which the labelled products were sold by our trading partners. Similarly, fixed fee income, such as the North American Subscription Program, is recognised as income for the contracted period, requiring a deferral of income if the fixed fee for a financial year is raised in advance. Service fees, such as Peer Review College fees or ASCI fees, is accounted for in the period the services were delivered. No amounts are included in the financial statements for the services donated by volunteers.

Expenditure: Resources expended are included in the Statement of Financial Activities on an accrual basis, inclusive of VAT which cannot be recovered. Since 1st February 2009, the Charity has been registered within a VAT group consisting of itself and its UK based trading subsidiary, Marine Stewardship Council International. From 1st February 2009, therefore, input tax can be partially recovered based upon a business: non-business model.

Expenditure on raising funds comprise expenditure incurred in encouraging others to make contributions to the charity and include staff costs directly attributable to that activity. Expenditure on charitable activities comprise direct expenses incurred on the defined charitable purpose of the charity, and include staff costs directly attributable to the charitable activities. Where costs could not be directly attributed to any particular function or activity (i.e., costs classified in MSC's ledger as relating to senior staff and office, IT, HR, finance, premises support type costs), they have been allocated by applying bases consistent with the use of the resource. Senior staff costs are apportioned to charitable activities in relation to an estimate of time that that senior member will focus on a specific charitable activity. Head Quarter support costs are allocated to charitable activities in proportion to the staff costs sitting in that charitable activity. Local office support costs are allocated based on an estimation of charitable activity focus of that local office (that is, across servicing and outreach and education and awareness only).

In Kind income and expenditure: Where donated services and facilities (i.e. in kind supplies) are received, MSC will value the income and corresponding expenditure based on the value of the gift as identified either by the donor or, if appropriate, by the assumptions set out in any contract underpinning the commercial relationship between the donor and MSC.

Cash and bank and current asset investments: Cash balances held in interest bearing deposit accounts (business reserve accounts or time deposits) are classified as current asset investments in the balance sheet. All other cash balances held at bank or in hand are classified as cash at bank or in hand in the balance sheet.

Investment income: Investment income is recognised in the accounts when it is receivable and is allocated to the appropriate fund.

Investments: The charity has five wholly owned subsidiary undertakings.

- Marine Stewardship Council International Limited is a trading subsidiary and receives royalties from logo licensing fees as well as income from the sale of merchandise.
- Marine Stewardship Council Limited is a subsidiary incorporated in the United States and promotes the aims of the parent there.
- Marine Stewardship Council Asia Pacific Pty Ltd is a subsidiary incorporated in Australia and promotes the aims of the parent there and in South East Asia generally.
- Marine Stewardship Council Asia is a subsidiary incorporated in Singapore and promotes the aims of the parent there and in Asia generally.
- Ippan Shadan Hojin (known as MSC Japan) is a subsidiary incorporated in Japan and promotes the aims of the parent there.

Marine Stewardship Council International has a wholly owned subsidiary, An Hai Xu Fishery Certification Consulting (Beijing) Ltd Co (known as MSC China), which received its business license 2 February 2016.

Investments in the subsidiaries are stated at cost.

Fixed asset investments are held in a portfolio covering equities, fixed income securities, real estate, and commodities, which is managed by Northern Trust, and a second fund, managed by UBS, focused upon fixed income securities. The equity element of the Northern Trust fund is invested in Socially Responsible Investment (SRI) funds. The SRI funds mirror Morgan Stanley Capital International Ethical, Social and Governance indexes (namely the MSCI World ESG index and the MSCI US IMI index) to guide investment opportunities in equities screened for ESG criteria. The UBS fund focuses on lower risk investments consisting of gilts and corporate paper. Fixed asset investments are reported in the financial statements at their market value on the balance sheet date, including the effect of any unrealised gains and losses as of that date.

Foreign exchange: Assets and liabilities denominated in foreign currencies are translated at year end exchange rates. Exchange differences are included in the statement of financial activities. Transactions during the year are recorded at the prevailing rates.

Financial assets and liabilities: Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument. Additionally, all financial assets and liabilities are classified according to the substance of the contractual arrangements entered into.

Financial assets and liabilities are initially measured at transaction price (including transaction cost) and are subsequently re-measured where applicable at amortised cost except for forward rate currency contracts which are subsequently measured at fair value with gains and losses recognised in the Statement of Financial Activities. Assets and liabilities held in a foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

The Group enters into forward rate currency contracts to manage its exposure to fluctuations in exchange rates throughout the year. These contracts are recognised at fair value with gains or losses recognised in the Profit and Loss account.

Pension costs: In the UK, the charity operates a defined contribution group personal pension scheme for the benefit of any employees wishing to join. Defined contribution schemes also operate for overseas based employees in other, non-UK, jurisdictions in line with local legislation. The contributions payable under the schemes are charged in the income & expenditure account, and the assets are managed by an independent organisation.

Taxation: Marine Stewardship Council is a registered charity, and therefore is not liable for income tax or corporation tax on income derived from its charitable activities since it falls within the various exemptions available to registered charities.

Operating lease assets: Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Fund accounting: The general fund comprises those monies which may be used towards meeting the charitable objectives of the charity at the discretion of the directors. The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor-imposed conditions.

2 Donations & legacies	2025	2024
	£'000	£'000
Grants from other charitable bodies	136	693
Grants from government organisations	91	140
Donations from companies	24	71
Other donations	2	2
	<u>253</u>	<u>906</u>

3 Investment income	2025	2024
	£'000	£'000
Bank and investment funds interest and dividends receivable	1,194	773

4 Expenditure on raising funds	2025	2024
	£'000	£'000
General fundraising activities:		
salaries	413	383
other running costs	85	40
investment managers fees	113	102
support	185	165
	<u>796</u>	<u>690</u>

5 Expenditure on charitable activities	Activities undertaken directly	Support costs	Governance costs	2025	Activities undertaken directly	Support costs	Governance costs	2024
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Policy & maintenance of standards	6,166	1,922	296	8,384	5,124	1,655	287	7,066
Education & awareness	8,665	1,849	296	10,810	8,159	1,653	287	10,099
Servicing & outreach to fisheries and commercial sector	7,831	2,709	295	10,835	7,319	2,483	287	10,089
Logo licensing costs	1,525	497	99	2,121	1,494	426	96	2,016
Ocean Stewardship Fund	1,873	0	0	1,873	1,406	0	0	1,406
	<u>26,060</u>	<u>6,977</u>	<u>986</u>	34,023	<u>23,502</u>	<u>6,217</u>	<u>957</u>	30,676

6 Support cost breakdown by activity

	Raising Funds	Policy & standards	Education & awareness	Servicing & outreach	Logo licensing	Total 2025	Total 2024
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Office services	39	406	390	572	105	1,512	1,429
IT services	97	1,014	976	1,429	262	3,778	3,302
Finance services	13	123	118	174	32	460	335
Human Resources	24	250	241	353	65	933	871
Premises	12	129	124	181	33	479	445
	<u>185</u>	<u>1,922</u>	<u>1,849</u>	<u>2,709</u>	<u>497</u>	7,162	<u>6,382</u>

Support costs have been allocated to activities in line with salary spend, this is a reasonable approximation of the resource usage within each activity.

7 Net income / expenditure

	2025	2024
	£'000	£'000
The group's net income / expenditure is stated after or charging:		
Fees payable to the parent charity's auditors for the audit of the charity's and UK subsidiary accounts	37	33
Fees payable to the component auditors for the audit of the charity's overseas subsidiaries	11	36
Total fees payable to auditors for auditing services	48	69
Fees payable to the parent charity's auditors for tax and other services	17	8
Operating lease charges - land and building	680	629
Operating lease charges - office equipment	5	5
(Profit) / Loss on fixed asset disposal	(1)	0
Depreciation	1,025	811

8 Trustee / directors and employees

Staff costs, including directors' remuneration, were as follows:	2025	2024
	£'000	£'000
Wages and salaries	15,113	13,899
Social security costs	1,925	1,760
Pension	1,606	1,478
	<u>18,644</u>	<u>17,137</u>

Included in the above wages and salaries value is £192,755 (2023/24 £46,955) paid as compensation for redundancy and /or termination of employment contracts.

The number of staff employed by the charity during the year was as follows:	2025	2024
	number	number
Number of staff during the year	267	255

The number of employees whose emoluments amounted to over £60,000 in the year was as follows:

	2025	2024
£60,000 - £69,999	26	25
£70,000 - £79,999	23	19
£80,000 - £89,999	14	13
£90,000 - £99,999	5	5
£100,000 - £109,999	2	3
£110,000 - £119,999	2	2
£120,000 - £129,999	1	2
£130,000 - £139,999	1	1
£140,000 - £149,999	1	3
£150,000 - £159,999	2	1
£160,000 - £169,999	1	0
£180,000 - £189,999	1	0
£240,000 - £249,999	0	0
£280,000 - £289,999	0	1
£320,000 - £329,999	1	0

Key management personnel are defined as those who are designated as members of the MSC Executive Committee. Salary, pension contributions and other benefits received during 2024/25 by the five Executive Committee members amounted to £1,171,981 (2023/24 £1,025,343).

The banding for the highest paid employee shown above includes employers pension contribution paid as salary. This treatment was adopted as mitigation to the tapering of the annual pension contribution allowance. The emoluments reported in all other bands exclude employers pension contribution

MSC paid pension contributions and other benefits on behalf of staff totalling £1,585,102 (2023/24: £1,485,000). For the 80 members of staff whose emoluments were greater than £60,000 the MSC paid pension contributions and other benefits totalling £853,487 (2023/24: £801,403).

9 Trustees' remuneration and expenses

The chair of the charitable company, Giles Bolton, who is also a Trustee under Charity law, received or was entitled to receive emoluments of £25,000 during the year for professional services rendered (2023/24: £4,167).

Kevin Stokes, a board member of Marine Stewardship Council (MSC), provided consultancy services amounting to £37,493 during the year (2023/24: £8,068).

Darian McBain, a board member of Marine Stewardship Council (MSC), provided consultancy services amounting to £6,750 during the year (2023/24: £0).

These payments were made in line with criteria laid down in the Memorandum and Articles of Association of the company and were approved by the full Board. The Charity has met travel and subsistence expenses incurred by the nine Trustees in the Charity's business totalling £83,671 (2023/24: £71,584)

The Charity has also paid for the indemnity insurance cost for the trustees (who are also directors) and its key employees with regard to their actions on behalf of the charity.

10 Intangible assets

	Group Trademark £'000	Group Software and database £'000	Group Total £'000	Charity £'000
Cost				
At 1st April 2024	0	6,518	6,518	6,133
Additions	0	643	643	643
Disposals / write offs	0	0	0	0
At 31 March 2025	0	7,161	7,161	6,776
Depreciation				
At 1st April 2024	0	5,271	5,271	4,886
Charge for the year	0	969	969	969
Disposals / write offs	0	0	0	0
At 31 March 2025	0	6,240	6,240	5,855
Net book value				
At 31 March 2025	0	921	921	921
At 31 March 2024	0	1,247	1,247	1,247

Trademark intangible asset represents the £1 purchase cost to buy the MSC logo trademark from Marine Stewardship Council International.

The amortisation charge of intangible assets has been allocated equally across Policy and maintenance of standards, Education and awareness, Servicing and outreach to fisheries and commercial sector, and Logo licensing costs.

11 Tangible fixed assets

	Group Long Leasehold Property £'000	Group Furniture, fittings and IT equipment £'000	Group Total £'000	Charity £'000
Cost				
At 1st April 2024	3,700	1,137	4,837	4,703
Additions	0	12	12	0
Disposals / write offs	0	24	24	0
At 31 March 2025	3,700	1,173	4,873	4,703
Depreciation				
At 1st April 2024	484	1,022	1,506	1,381
Charge for the year	38	18	56	48
Disposals / write offs	0	23	23	0
At 31 March 2025	522	1,063	1,585	1,429
Net book value				
At 31 March 2025	3,178	110	3,288	3,274
At 31 March 2024	3,216	115	3,331	3,322

12a Investment in Group Companies

	Group Shares in Subsidiary £'000	Charity Shares in Subsidiary £'000
Cost		
At 1 April 2024	0	145
Additions	0	0
At 31 March 2025	<u>0</u>	<u>145</u>
Net book value		
At 31 March 2025	0	145
At 31 March 2024	0	145

The company's subsidiaries during the year were as follows:

Company Name	Ownership	Country of incorporation	Activity
Marine Stewardship Council International (CN 3486485)	MSC UK is the sole shareholder	UK	Commercial activities of Marine Stewardship Council (UK trading subsidiary)
Marine Stewardship Council Ltd (EIN 91-2018427)	MSC UK is the sole member	USA	Achieve the objectives of MSC (US charitable subsidiary)
Marine Stewardship Council Trust (ABN 69 517 984 605)	MSC UK is the sole member	Australia	Achieve the objectives of MSC (Australian charitable subsidiary)
Marine Stewardship Council Asia Ltd (CN 201215612M)	MSC UK is the sole member	Singapore	Achieve the objectives of MSC (Singaporean charitable subsidiary)
MSC Japan - GIA	MSC UK is the sole member	Japan	Achieve the objectives of MSC (Japan GIA subsidiary)
An Hai Xu Fishery Certification Consulting (Beijing) Ltd Co (CN 9111015MA003GWWGIC)	MSCI is the sole shareholder	China	Achieve the objectives of MSC (Chinese trading subsidiary of MSCI)

	MSCI Ltd	MSC Ltd	MSC Asia Pacific Pty Ltd	MSC Asia Ltd	An Hai Xu Fishery Certification Consulting (Beijing) Ltd Co	MSC Japan
	£'000	£'000	£'000	£'000	£'000	£'000
Income:						
Donations and legacies	0	36	0	0	0	0
Income from charitable activities	32,155	0	5	0	11	0
Income from investments	0	0	0	0	0	0
Other trading activities	0	0	0	0	0	0
Grants from UK Charity	0	4,425	2,628	87	612	479
Total income	32,155	4,461	2,633	87	623	479
Expenditure:						
Expenditure on charitable activities	14,830	4,424	2,416	94	641	524
Foreign exchange (gain) / loss	17	14	21	2	16	0
Total Expenditure	14,847	4,438	2,437	96	657	524
Net Income / (Expenditure)	17,308	23	196	(9)	(34)	(45)
Gift Aid to UK Charity	17,308	0	0	0	0	0
Funds at 1st April 2024	131	179	(121)	19	(14)	46
Funds at 1st April 2025	131	202	75	10	(48)	1
Fixed Assets & Intangible Fixed Assets	0	6	8	0	0	0
Investments in subsidiary	179	0	0	0	0	0
Debtors	(1,641)	30	4	2	12	6
Cash at bank and in hand	2,578	410	245	10	120	6
Total current assets	937	440	249	12	132	12
Creditors: Amounts falling due with one year	(985)	(244)	(146)	(2)	(1)	(11)
Net current assets (liabilities)	(48)	196	103	10	131	1
Long term liabilities	0	0	(36)	0	0	0
Total assets less total liabilities	131	202	75	10	131	1
Represented by:						
Share Capital	145	0	0	0	179	0
Unrestricted funds	(14)	202	75	10	(48)	1
Restricted funds	0	0	0	0	0	0
	131	202	75	10	131	1

12b Fixed Asset Investments

	2025		2024
	£'000		£'000
Balance at beginning of year	21,212		19,111
Addition of principal cash	0		0
Sale of investments	(4,780)		(2,907)
Purchase of investments	6,001		3,434
Cash generated by sale / (purchase) of investments	(1,221)		(527)
Gain / (loss) on investment	627		1,719
Dividend and interest income	1,081		640
Investment managers fees	(113)		(102)
Foreign exchange revaluation	(186)	1,409	(156)
	<u>22,621</u>		<u>21,212</u>

The historic cost of the investment made is £12,258,971.

Asset Classes of Fixed Asset investments are:

	2025		2024
	£'000		£'000
Equity Funds	17,207		15,854
Fixed Income Securities	4,269		4,197
Real Estate funds	269		238
Commodities	478		544
Money Market funds	398		379
	<u>22,621</u>		<u>21,212</u>

13 Current Asset Investments

These are comprised of cash deposits held for investment purposes

	Group	Group	Charity	Charity
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Balance at beginning of year	5,729	3,972	5,729	3,972
(Reductions) / additions	(697)	1,757	(697)	1,757
Closing value at end of year	<u>5,032</u>	<u>5,729</u>	<u>5,032</u>	<u>5,729</u>

14 Debtors

	Group	Group	Charity	Charity
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Trade Debtors	1,516	1,188	160	130
Other Debtors	338	332	309	273
Prepayments and accrued income	9,917	9,257	906	717
Amounts due from Subsidiary undertakings	0	0	11,983	12,179
	<u>11,771</u>	<u>10,777</u>	<u>13,358</u>	<u>13,299</u>

15 Creditors: amounts falling due within one year

	Group 2025 £'000	Group 2024 £'000	Charity 2025 £'000	Charity 2024 £'000
Trade Creditors	1,467	1,513	967	790
Tax and social security creditor	422	431	220	202
Other creditors	583	588	369	383
Accruals and deferred income	1,621	1,144	1,146	703
	<u>4,093</u>	<u>3,676</u>	<u>2,702</u>	<u>2,078</u>

Movement on deferred income:

	Group 2025 £'000	Charity 2025 £'000
Deferred income at 1 April 2024	0	0
Released to income in year	0	0
Income deferred in year	<u>0</u>	<u>0</u>
Deferred income at 31 March 2025	<u>0</u>	<u>0</u>

16 Creditors: amounts falling due after more than one year

	Group 2025 £'000	Group 2024 £'000	Charity 2025 £'000	Charity 2024 £'000
Ocean Stewardship Fund	146	422	146	422
Other Creditors	35	43	0	0
Total falling due after more than one year	<u>181</u>	<u>465</u>	<u>146</u>	<u>422</u>

The Ocean Stewardship Fund consists of the Recertification Assistance Fund, which supports the costs of recertification for fisheries that are at their second or subsequent recertification; the Transition Assistance Fund, which supports fisheries to make the necessary improvements to become certified; the Science and Research Fund, which supports research projects with an emphasis upon condition closure; the Innovation Fund, which supports strategically important research. The OSF is reported as designated funds on the face of the SOFA

17a Funds - Group

	Note	Balance					Balance
		1st April 2024 £'000	Income £'000	Expenditure £'000	Gains and losses £'000	Transfers £'000	31st March 2025 £'000
D&L Packard Foundation	1	48	0	0	0	0	48
Canadian Pathway	2	112	20	(39)	0	0	93
HWF Angola pathways project	3	0	0	0	0	28	28
HWF Benthic pathways project	4	0	0	0	0	30	30
HWF Canada Pathways project	5	0	0	0	0	40	40
HWF China Pathways project	6	0	0	0	0	140	140
HWF Peru pathways project	7	0	0	0	0	15	15
HWF Greece pathways project	8	0	0	(50)	0	50	0
HWF India pathways project	9	0	0	0	0	46	46
HWF Indonesia pathways project	10	0	0	(7)	0	80	73
HWF Kenya pathways project	11	0	0	0	0	40	40
HWF Mexico pathways project	12	0	0	0	0	30	30
HWF Portugal pathways project	13	0	0	0	0	57	57
HWF Spain Alboran pathways project	14	0	0	(42)	0	42	0
HWF Spain Galicia pathways project	15	0	0	0	0	18	18
HWF Spain Octopus pathways project	16	0	0	0	0	21	21
HWF Toothfish pathways project	17	0	0	0	0	30	30
HWF Hans Wildorf Foundation	18	722	0	0	0	(722)	0
ETP OOS Data Limited Assessmnt Tool	19	29	0	(20)	0	(9)	0
OSF Climate Change	20	100	0	(56)	0	0	44
Marine Management Organisation (MMO)	21	0	43	(94)	0	51	0
Portugal PPA, OSF	22	27	0	(19)	0	0	8
ETP US Benchmarking	23	13	0	(4)	0	(9)	0
Iseal Alliance	24	0	18	(16)	0	0	2
Italy PPA, OSF	25	38	0	0	0	0	38
Loan Gaurantee, Walton	26	809	0	(488)	0	0	321
MAVA OSF Medit	27	0	0	4	0	0	4
Remmer Foundation, Kenya	28	8	8	(12)	0	0	4
Nephrop Research UK	29	3	0	0	0	(3)	0
Levantis Hellasfish	30	15	26	(45)	0	26	22
Project UK 1 - 3	31	202	24	(83)	0	(51)	92
Pacific SIDS Tuna, FAO	32	116	48	(86)	0	0	78
Multiplier - Certifications & Ratings	33	6	56	(26)	0	0	36
Social Project, Walton	34	103	0	(95)	0	(8)	0
Threadfin Bream, Certification & Ratings	35	12	0	(12)	0	0	0
MAVA Medpath	36	1	0	(1)	0	0	0
Walton Mexico	37	161	0	(69)	0	0	92
Total Restricted		2,525	243	(1,260)	0	(58)	1,450
Unrestricted:							
General purpose fund		39,402	33,491	(31,784)	380	(1,935)	39,554
Designated	38	3,336	0	(1,775)	0	1,993	3,554
Total Group Funds		45,263	33,734	(34,819)	380	0	44,558

Exchange gains and losses arising from the revaluation of foreign currency assets held overseas have been set against expenditure.

Transfers between unrestricted funds and restricted funds represents MSC's match funding contributions required to fulfil the donors restricted grant contract expectations. Transfers of unrestricted funds into designated funds relate to the designation of funds for the Ocean Stewardship Fund (see below) and for the Fishery Standard Review V3 implementation fund.

Notes:

- 1) Capacity building; 2) Canadian Pathway Project; 3-17) Hans Wildorf Foundation, OSF; 18) Hans Wildorf Foundation;
19) ETP OOS Data Limited Assessmnt Tool; 20) OSF Climate Change; 21) Marine Management Organisation);
22) Portugal PPA, OSF; 23) ETP US Benchmarking; 24) Iseal Alliance; 25) Italy PPA, OSF ; 26) Walton Family Foundation, Loan Guarantee;
27) MAVA, OSF, Mediterranean; 28) Remmer Foundation, Kenya; 29) Nephrop Research UK; 30) Levantis Hellasfish;
31) Project UK, Corporate Funders; 32) Pacific SIDS Tuna, FAO; 33) Multiplier, Certifications & Ratings; 34) Social Project, Walton Family Foundation;
35) Threadfin Bream, Certification & Ratings; 36) MAVA Medpath; 37) Walton Family Foundation, Mexico;
38) The OSF is a designated fund with a 3 fold objective of supporting fisheries transitioning towards MSC, funding science and research projects that will benefit MSC's sustainability agenda and a recertification strand, helping to contribute to the audit cost of fisheries being certified for the third time (2nd recertification). The V3 implementation designated fund was created by the Board in 2023/24 to fund the cost of activities that support the successful transition to version 3 of the Fishery Standard. Note 17b gives more detail on designated funds.

For prior year comparatives, see note 22

17b Movement on Designated Funds

	Group 2025 Fishery Standard Review V3 Fund GBP 000	Group 2025 OSF Transition Assistance Fund GBP 000	Group 2025 OSF Recertification Assistance Fund GBP 000	Group 2025 OSF Science Research Fund GBP 000	Group 2025 OSF Student Research Grants GBP 000	Group 2025 OSF Innovation Fund GBP 000	Group 2025 OSF Seed Fund GBP 000	Group 2025 OSF Administration Fund GBP 000	Group 2025 Total Designated GBP 000
Designated Funds 31 March 24	1386	233	1,054	130	44	252	0	237	3,336
Designations made in the year	500	546	547	192	50	21	0	137	1,993
Expenditure in year	(499)	0	0	0	0	0	0	(134)	(633)
Grants awarded during the year	0	(150)	(586)	(315)	(46)	(45)	0	0	(1,142)
Designated Funds 31 March 25	1,387	629	1,015	7	48	228	0	240	3,554

	Charity 2025 Fishery Standard Review V3 Fund GBP 000	Charity 2025 OSF Transition Assistance Fund GBP 000	Charity 2025 OSF Recertification Assistance Fund GBP 000	Charity 2025 OSF Science Research Fund GBP 000	Charity 2025 OSF Student Research Grants GBP 000	Charity 2025 OSF Innovation Fund GBP 000	Charity 2025 OSF Seed Fund GBP 000	Charity 2025 OSF Administration Fund GBP 000	Charity 2025 Total Designated GBP 000
Designated Funds 31 March 24	1386	233	1,054	130	44	252	0	237	3,336
Designations made in the year	500	546	547	192	50	21	0	137	1,993
Expenditure in year	(499)	0	0	0	0	0	0	(134)	(633)
Grants awarded during the year	0	(150)	(586)	(315)	(46)	(45)	0	0	(1,142)
Designated Funds 31 March 25	1,387	629	1,015	7	48	228	0	240	3,554

18 Funds - Charity

	Note	Balance				Transfers £'000	Balance
		1st April 2024	Income	Expenditure	Gains and losses		31st March 2025
		£'000	£'000	£'000	£'000		£'000
D&L Packard Foundation	1	48	0	0	0	0	48
HWF Angola pathways project	2	0	0	0	0	28	28
HWF Benthic pathways project	3	0	0	0	0	30	30
HWF Canada Pathways project	4	0	0	0	0	40	40
HWF China Pathways project	5	0	0	0	0	140	140
HWF Peru pathways project	6	0	0	0	0	15	15
HWF Greece pathways project	7	0	0	(50)	0	50	0
HWF India pathways project	8	0	0	0	0	46	46
HWF Indonesia pathways project	9	0	0	(7)	0	80	73
HWF Kenya pathways project	10	0	0	0	0	40	40
HWF Mexico pathways project	11	0	0	0	0	30	30
HWF Portugal pathways project	12	0	0	0	0	57	57
HWF Spain Alboran pathways project	13	0	0	(42)	0	42	0
HWF Spain Galicia pathways project	14	0	0	0	0	18	18
HWF Spain Octopus pathways project	15	0	0	0	0	21	21
HWF Toothfish pathways project	16	0	0	0	0	30	30
HWF Hans Wildorf Foundation	17	722	0	0	0	(722)	0
Marine Management Organisation (MMO)	18	0	43	(94)	0	51	0
Nephrop Research Proj UK	19	3	0	0	0	(3)	0
ETP US Benchmarking	20	13	0	(4)	0	(9)	0
Iseal Alliance	21	0	18	(16)	0	0	2
Canadian Pathway Project	22	69	0	0	0	0	69
Levantis Hellasfish	23	15	26	(45)	0	26	22
UK Project Stage 1	24	32	0	(10)	0	0	22
UK Project Stage 2	25	92	0	(68)	0	0	24
UK Project Stage 3	26	78	24	(5)	0	(51)	46
ETP OOS Data Limited Assessment Tool	27	29	0	(20)	0	(9)	0
Multiplier - Certifications & Ratings	28	(30)	56	(8)	0	0	18
Remmer Foundation - Kenya	29	0	0	(12)	0	0	(12)
MAVA Medpath	30	2	0	(2)	0	0	0
Walton - Loan Guarantee	31	809	0	(488)	0	0	321
MAVA OSF Medit	32	0	0	4	0	0	4
Mexico Walton 2022	33	165	0	0	0	0	165
FAO Climate Change	34	100	0	(56)	0	0	44
OSF Portugal	35	26	0	(19)	0	0	7
Italy PPA	36	38	0	0	0	0	38
Pacific SIDS Tuna, FAO	37	132	48	(67)	0	0	113
Social Project Walton	38	103	0	(74)	0	(8)	21
Threadfin Bream Project	39	12	0	(12)	0	0	0
Total Restricted		2,458	215	(1,095)	0	(58)	1,520
Unrestricted:							
General purpose fund		39,291	27,097	(25,637)	442	(1,935)	39,258
Designated - OSF	40	3,336	0	(1,775)	0	1,993	3,554
Total Group Funds		45,085	27,312	(28,507)	442	0	44,332

Exchange gains and losses arising from the revaluation of foreign currency assets held overseas have been set against expenditure.

Transfers between unrestricted funds and restricted funds represents MSC's match funding contributions required to fulfil the donors restricted grant contract expectations.

Transfers of unrestricted funds into designated funds relate to the designation of funds for the Ocean Stewardship Fund (see below) and for the Fishery Standard Review V3 implementation fund.

1) Capacity building; 2-16) Hans Wildorf Foundation, OSF; 17) Hans Wildorf Foundation; 18) Marine Management Organisation (MMO);

19) Nephrops Research Project, OSF; 20) OSF IVF ETP US Benchmarking; 21) Iseal Alliance;

22) Canadian Pathway; 23) Levantis, Greece; 24-26) UK Project Inshore; 27) OSF IVF ETP OOS Data Limited, Greece;

28) Multiplier, Certifications & Ratings; 29) Remmer Foundation, Kenya; 30) MAVA Medpath

31) Walton Family Foundation, Loan Guarantee; 32) MAVA OSF Medit; 33) Walton Mexico 2022;

34) FAO Climate Change; 35) OSF Portugal; 36) PPA, Italy; 37) FAO Pacific SIDS Tuna; 38) Walton, Social Project; 39) Threadfin Bream

40) The OSF is a designated fund with a 3 fold objective of supporting fisheries transitioning towards MSC, funding science and research projects that will benefit MSC's sustainability agenda and a recertification strand, helping to contribute to the audit cost of fisheries being certified for the third time (2nd recertification). The V3 implementation designated fund was created by the Board in 2023/24 to fund the cost of activities that support the successful transition to version 3 of the Fishery Standard. Note 17b gives more detail on designated funds.

For prior year comparatives, see note 23.

19 Financial Commitments

	Group	Group	Group	Group
	Land & Buildings	Other	Land & Buildings	Other
Expiry Date	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
less than 1 year	477	2	489	5
Two to five years	645	2	875	3
Total	1,122	4	1,364	8

	Charity	Charity	Charity	Charity
	Land & Buildings	Other	Land & Buildings	Other
Expiry Date	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
less than 1 year	270	0	229	0
Two to five years	370	0	381	0
Total	640	0	610	0

20 Analysis of net assets between funds

	2025	2025	2025	2025	2024	2024	2024	2024
	Unrestricted	Designated	Restricted	Total	Unrestricted	Designated	Restricted	Total
	Funds	Funds	Funds	Funds	Funds	Funds	Funds	Funds
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fund balances at 31 March as represented by:								
Tangible fixed assets & investments	25,909	0	0	25,909	24,541	0	0	24,541
Intangible fixed assets	921	0	0	921	1,247	0	0	1,247
Net current assets	12,905	3,554	1,450	17,909	14,079	3,336	2,525	19,940
Long term liabilities	(181)	0	0	(181)	(465)	0	0	(465)
Total net assets	39,554	3,554	1,450	44,558	39,402	3,336	2,525	45,263

21 Related party transactions

The Marine Stewardship Council's related parties as defined by the Financial Reporting Standard 102, and the nature of the relationship, are summarised below:

Marine Stewardship Council International Limited (MSCI)

During the financial year MSC charged MSCI 15% of its office, premises and HR costs, 50% of its IT costs, and an allocation of salary of the MSC's Finance Director and Governance Secretary totalling £1,766,908 (2024: £1,831,228). Allocations of key management salaries totalled £311,212 (2024: £299,247).

Gift aid payable for the year amounted to £17,308,184 (2024: £16,721,390) and the royalty payable by MSCI to MSC for the right to exploit MSC's ecolabel amounted to £8,475,612 (2024: £8,202,635). At 31st March 2025, MSCI owed £11,982,622 in total to the parent charity (2024: £8,202,635).

This amount includes the amount payable by MSCI to MSC as royalty for the right to exploit the Charities intellectual property (i.e. the MSC ecolabel) and the gift aid due to the Charity of MSCI's accounting surplus for the year.

The ultimate controlling party of the Charity is its members who are also the Directors and Trustees.

22 Funds - Group

		Balance					Balance
	Note	1st April 2023	Income	Expenditure	Gains and losses	Transfers	31st March 2024
		£'000	£'000	£'000	£'000	£'000	£'000
D&L Packard Foundation	1	48	0	0	0	0	48
Canadian Pathway	2	23	20	0	0	69	112
Evidence Requirement Framework, OSF	3	39	0	(39)	0	0	0
ETP OOS Data Limited Assessment Tool	4	0	0	(11)	0	40	29
OSF Climate Change	5	173	0	(73)	0	0	100
OSF Core Strategic	6	855	0	0	0	(855)	0
Portugal PPA, OSF	7	44	0	(17)	0	0	27
ETP US Benchmarking	8	0	0	(27)	0	40	13
HWF Pathways Project	9	0	12	6	0	704	722
Benguela Pathway	10	8	0	(8)	0	0	0
Italy PPA, OSF	11	0	0	0	0	38	38
Loan Guarantee, Walton	12	769	0	40	0	0	809
MAVA OSF Medit	13	4	0	(4)	0	0	0
Remmer Foundation, Kenya	14	0	8	0	0	0	8
East Asia Sea - Vena	15	23	0	(23)	0	0	0
Nephrop Research UK	16	4	0	(1)	0	0	3
Levantis Hellasfish	17	58	0	(43)	0	0	15
Project UK 1 - 3	18	222	72	(92)	0	0	202
Pacific SIDS Tuna, FAO	19	0	140	(24)	0	0	116
Multiplier - Certifications & Ratings	20	36	0	(30)	0	0	6
Social Project, Walton	21	0	103	0	0	0	103
Threadfin Bream, Certification & Ratings	22	0	12	0	0	0	12
MAVA Medpath	23	61	0	(60)	0	0	1
Walton Mexico	24	144	84	(67)	0	0	161
Total Restricted		2,511	451	(473)	0	36	2,525
Unrestricted:							
General purpose fund		37,763	32,584	(29,486)	1,419	(2,878)	39,402
Designated	25	1,856	45	(1,407)	0	2,842	3,336
Total Group Funds		42,130	33,080	(31,366)	1,419	0	45,263

Exchange gains and losses arising from the revaluation of foreign currency assets held overseas have been set against expenditure.

Transfers between unrestricted funds and restricted funds represents MSC's match funding contributions required to fulfil the donors restricted grant contract expectations.

The movement between OSF Core Strategic and the HWF Pathways project in 23/24 is purely a renaming of the restricted fund to reflect its intended use.

Transfers of unrestricted funds into designated funds relate to the designation of funds for the Ocean Stewardship Fund (see below) and for the Fishery Standard Review V3 implementation fund.

Notes:

- 1) Capacity building; 2) Canadian Pathway Project; 3) Evidence Requirement Framework, OSF;
- 4) ETP OOS Data Limited Assessment Tool; 5) OSF Climate Change; 6) OSF Strategic (Hans Wildorf Foundation);
- 7) Portugal PPA, OSF; 8) ETP US Benchmarking; 9) Hans Wildorf Foundation, Pathways Project;
- 10) Benguela Pathway; 11) Italy PPA, OSF ; 12) Walton Family Foundation, Loan Guarantee;
- 13) MAVA, OSF, Mediterranean; 14) Remmer Foundation, Kenya; 15) Vena Energy, East Asia Sea; 16) Nephrop Research UK; 17) Levantis Hellasfish;
- 18) Project UK, Corporate Funders; 19) Pacific SIDS Tuna, FAO; 20) Multiplier, Certifications & Ratings; 21) Social Project, Walton Family Foundation;
- 22) Threadfin Bream, Certification & Ratings; 23) MAVA Medpath; 24) Walton Family Foundation, Mexico;
- 25) The OSF is a designated fund with a 3 fold objective of supporting fisheries transitioning towards MSC, funding science and research projects that will benefit MSC's sustainability agenda and a recertification strand, helping to contribute to the audit cost of fisheries being certified for the third time (2nd recertification). The V3 implementation designated fund was created by the Board in 2023/24 to fund the cost of activities that support the successful transition to version 3 of the Fishery Standard. Note 17b gives more detail on designated funds.

MSC have received £4,197,393 from the Netherlands based Nationale Postcode Loterij over a period of 10 years since 1st April 2013. These contributions arose from multi-year partnerships.

23 Funds - Charity

	Note	Balance 1st April 2023 £'000	Income £'000	Expenditure £'000	Gains and losses £'000	Transfers £'000	Balance 31st March 2024 £'000
	1	48	0	0	0	0	48
D&L Packard Foundation							
Dutch Postcode Lottery	2	150	0	(150)	0	0	0
MAVA, PPAMP	3	2	0	(2)	0	0	0
Nephrop Research Proj UK	4	3	0	0	0	0	3
ETP US Benchmarking	5	0	0	(27)	0	40	13
D&L Packard Foundation	6	535	0	(535)	0	0	0
Canadian Pathway Project	7	0	0	0	0	69	69
Levantis Hellasfish	8	58	0	(43)	0	0	15
UK Project Stage 1	9	42	0	(26)	0	16	32
UK Project Stage 2	9	175	0	(67)	0	(16)	92
UK Project Stage 3	9	6	72	0	0	0	78
ETP OOS Data Limited Assessment Tool	10	0	0	(11)	0	40	29
Multiplier - Certifications & Ratings	11	(1)	0	(29)	0	0	(30)
Packard Foundation - East Asia Sea	12	138	0	(138)	0	0	0
Benguela - Pathways Project	13	(20)	0	20	0	0	0
MAVA Medpath	14	62	0	(60)	0	0	2
WAFIC	15	6	0	(6)	0	0	0
MAVA, LEAD 2	16	1	0	(1)	0	0	0
Walton - Loan Guarantee	17	769	0	40	0	0	809
Walton Foundation	18	788	0	(788)	0	0	0
D&L Packard Foundation - Japan	19	651	0	(651)	0	0	0
Entwicklungsgesellschaft (DEG)	20	61	0	(61)	0	0	0
Kingfisher	21	6	0	(6)	0	0	0
MIDATLANTIC	22	9	0	(9)	0	0	0
Walton Foundation - Mexico	23	163	0	(163)	0	0	0
MAVA OSF Medit	24	5	0	(5)	0	0	0
MAVA OSF West Africa	25	(1)	0	1	0	0	0
Mexico Walton 2022	26	166	84	(85)	0	0	165
HWF Pathways Project	27	0	12	6	0	704	722
FAO Climate Change	28	173	0	(73)	0	0	100
East Asia Sea - Vena	29	23	0	(23)	0	0	0
OSF Evidence Requirement Framework	30	40	0	(40)	0	0	0
OSF Core Strategic	31	855	0	0	0	(855)	0
OSF Portugal	32	43	0	(17)	0	0	26
Italy PPA	33	0	0	0	0	38	38
Pacific SIDS Tuna, FAO	34	0	140	(8)	0	0	132
Social Project Walton	35	0	103	0	0	0	103
Threadfin Bream Project	36	0	12	0	0	0	12
Total Restricted		4,956	423	(2,957)	0	36	2,458
Unrestricted:							
General purpose fund		35,122	26,171	(20,687)	1,563	(2,878)	39,291
Designated - OSF	37	1,856	45	(1,407)	0	2,842	3,336
Total Group Funds		41,934	26,639	(25,051)	1,563	0	45,085

Exchange gains and losses arising from the revaluation of foreign currency assets held overseas have been set against expenditure.

Transfers between unrestricted funds and restricted funds represents MSC's match funding contributions required to fulfil the donors restricted grant contract expectations.

The movement between OSF Core Strategic and the HWF Pathways project in 23/24 is purely a renaming of the restricted fund to reflect its intended use.

Transfers of unrestricted funds into designated funds relate to the designation of funds for the Ocean Stewardship Fund (see below) and for the Fishery Standard Review V3 implementation fund.

1) Capacity building; 2) Dutch Post Code Lottery Fish For Good; 3) MAVA PPAMP;

4) Nephrops Research Project, OSF; 5) OSF IVF ETP US Benchmarking; 6) Japan Programme, Packard Foundation;

7) Canadian Pathway; 8) Levantis, Greece; 9) UK Project Inshore; 10) OSF IVF ETP OOS Data Limited, Greece;

11) Multiplier, Certifications & Ratings; 12) Packard, East Asia Sea; 13) Benguela, Pathways Projects

14) MAVA Medpath; 15) Western Australian Fishing Industry Council ; 16) MAVA, LEAD 2; 17) Walton Family Foundation, Loan Guarantee; 18) Walton Foundation, 2019 - 2021

19) Packard Foundation, Japan; 20) Entwicklungsgesellschaft (DEG); 21) KDE project, kingfisher; 22) Midatlantic

23) Walton Family Foundation, Mexico; 24) MAVA, OSF Mediterranean; 25) MAVA, OSF, West Africa; 26) Walton Family Foundation 2022, Mexico; 27) Hans Wildorf Foundation, Pathways Project;

28) FAO, Climate Change; 29) Vena Energy, East Asia Sea; 30) OSF, Evidence Requirement Framework; 31) OSF, Core Strategic (Hans Wildorf Foundation); 32) OSF, Portugal Pathway Project;

33) OSF & Federpesca, Italy PPA; 34) FAO, Pacific SIDS Tuna; 35) Walton Foundation, Social Project; 36) Multiplier, Threadfin Bream, India

37) The OSF is a designated fund with a 3 fold objective of supporting fisheries transitioning towards MSC, funding science and research projects that will benefit MSC's sustainability agenda and a recertification strand, helping to contribute to the audit cost of fisheries being certified for the third time (2nd recertification). The V3 implementation designated fund was created by the Board in 2023/24 to fund the cost of activities that support the successful transition to version 3 of the Fishery Standard. Note 17b gives more detail on designated funds.

MSC have received £4,197,393 from the Netherlands based Nationale Postcode Loterij over a period of 10 years since 1st April 2013. These contributions arose from multi-year partnerships.

MARINE STEWARDSHIP COUNCIL

England & Wales - Charity number 1066806

Accounts



MARINE STEWARDSHIP COUNCIL

(A company limited by guarantee)

TRUSTEES' REPORT AND CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2024

Registered Charity No: 1066806

Registered Company: 3322023

Registered Office: Marine House
1-3 Snow Hill
London
EC1A 2DH

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TRUSTEES' REPORT AND STRATEGIC REPORT

The Trustees of The Marine Stewardship Council (MSC) present their Annual Report for the year ended 31 March 2024 under the Charities Act 2011 and the Companies Act 2006, including the Directors' Report and the Strategic Report under the 2006 Act, together with the audited financial statements for the year.

STRUCTURE, GOVERNANCE AND MANAGEMENT

INTRODUCTION

The (MSC) is a company limited by guarantee (company number 3322023) and is registered as a charity with the Charity Commission (number 1066806). The Charity is constituted through a Memorandum and Articles of Association dated 17 February 1997, as amended.

The overall objectives of the MSC as set out in the Memorandum are "to conserve the marine and freshwater environments for the benefit of the public and to advance public education in the principles and practices of conservation, particularly, but not exclusively by:

- conserving marine and freshwater fish populations and the environment on which they depend
- promoting, for the public benefit, effective management of fisheries and ensuring the sustainability of global fish stocks and the health of aquatic ecosystems generally
- establishing and promoting the application of a broad set of principles, standards and criteria for sustainable fishing".

The MSC's mission is to use its fishery certification program and eco-label to contribute to the health of the world's oceans by recognising and rewarding sustainable fishing practices, influencing the choices people make when buying seafood and working with a range of partners to transform the seafood market to a sustainable basis.

The Trustees have prepared this report in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102) – effective 1st January 2019.

THE TRUSTEES' MANAGEMENT AND STRUCTURE

The MSC is governed by a Board of up to nine Trustees, elected by the Board. Members are appointed based on expertise and skills identified as key to the Board's successful operation, also taking into account a range of demographic considerations. A Board Code of Conduct and Conflict and Declaration of Interest Policy is in place.

The Executive (and thence the Board) receives advice from two advisory bodies that are an integral part of the MSC's governance structure. The Technical Advisory Board is made up of scientists and technical experts and provides the Board and Executive with advice on setting, reviewing and implementing the organisation's standards for sustainable fisheries and chain of custody and related issues. The Stakeholder Advisory Council comprises up to 17 members including representatives from the seafood industry, conservation community, market sector and academia. It provides advice to the Executive and the Board and input into the MSC's review processes, ensuring these are representative of a wide range of views and opinions.

Many Trustees are involved in the specialist aspects of the MSC's program and work. The Board delegates some of its work to standing committees and ad hoc work groups. The Finance Committee oversees MSC's financial operations, examining periodic management accounts and recommending the annual budget to the Board; it also reviews the MSC's investments and certain fundraising activities. The Development Committee's focus is to help shape fundraising strategy and identify fundraising opportunities. A Governance Committee has been established to provide advice to the MSC Board regarding governance arrangements for the Board of Trustees, Technical Advisory Board and Stakeholder Advisory Council and MSC's subsidiary companies. The Audit & Risk Committee is responsible to the MSC Board for ensuring that the MSC has in place a robust framework for financial accountability and financial control, suitably qualified external auditors, and an adequate and effective corporate risk management and assurance framework, and also that MSC is compliant with relevant financial and audit regulations. It also fulfils this function for MSC's subsidiary boards.

The range of these committees provides for robust governance and is vital to the complex and sensitive work of the organisation.

The Board seeks new Trustees through a transparent external recruitment process as vacancies arise, through open, public advertisement and formal interview of shortlisted candidates. The Governance Committee of the Board scrutinises the applications (i.e. CV and covering letter) and the outcomes of the candidates' interviews, before making a recommendation to the Board.

Upon appointment, Trustees receive a Trustees' Induction pack, including documents such as the latest published financial statements, the Memorandum Articles and of Association, an explanation of Trustees' roles and responsibilities, the Charity Commission's guidance on public benefit and fiduciary duty etc. The Board of Trustees also adopted a Code of Conduct for all members of the Board, which the members agree to follow upon appointment to the Board.

MSC wholly owns a subsidiary company, Marine Stewardship Council International Limited (MSCI), which carries out its trading activities, most notably those related to logo licensing. MSC wholly owns a further three subsidiaries (MSC Ltd, MSC Asia Ltd, MSC Asia Pacific Pty) the activities of which help fulfil MSC's charitable mission in the Americas, South East Asia and Australia, New Zealand and the wider Pacific. MSCI also has a Chinese registered subsidiary, An Hai Xu Fishery Certification Consulting (Beijing) Ltd Co (known as MSC China), the activities of which help fulfil MSC's charitable mission in China. In 2020, MSC established a non-profit General incorporated association (GIA), Ippan Shadan Hojin MSC Japan, to support its charitable mission in Japan.

The day-to-day operational management of the MSC is delegated by the Board to the Chief Executive Officer (CEO) and the senior executive team (collectively comprising the Executive Committee). The key management team is considered to be the Executive Committee which consists of the CEO, Chief Science & Standards Officer, Chief Operating Officer, Chief Program Officer, and Chief Communications Officer.

The remuneration of the CEO is set jointly by the Chair of the Board and the Chair of the Finance Committee, referencing appropriate market data. The remuneration of the rest of the Executive Committee is set by the CEO in consultation with the Board Executive Committee, based upon independent market data provided by a third-party consultancy.

THE CHARITY CODE OF GOVERNANCE

The MSC takes its governance responsibilities seriously and, as an international charity, aims to have a governance framework that is fit for purpose, compliant and efficient. In 2017 the new Charity Code of Governance was launched and updated in 2020, with a recommendation that charities review their level of application and to explain any aspects of the code they were not applying. In our review, MSC carried out a detailed examination of each element of the updated Code:

- Organisational purpose
- Leadership
- Integrity
- Decision making, risk and control
- Board effectiveness
- Equality, diversity and inclusion
- Openness and accountability

This review found that MSC applies the Code in all material aspects. Further, as part of its ongoing consideration of the Code and in order to build on its compliance with the Code and maintain governance best practice, over the current year, the Board has implemented range of governance evolutions. A key element of this best practice progression was a comprehensive review and update of the Charity's Articles of Association, which was completed during the year.

The principles of equality, diversity and inclusion are embedded within the MSC and its work, through the leadership of the Board. The Trustees particularly recognise the importance and value of a diverse Board, taking account of this in their Board succession planning and recruitment processes. To this end, a number of newly appointed Trustees joined the Board from July 2023. The new Trustees bring wide-ranging, relevant experience to the MSC and come from diverse backgrounds: these appointments will serve to enrich the diversity of the composition of the Board of Trustees.

BOARD OF TRUSTEE DUTIES UNDER SECTION 172 OF THE UK COMPANIES ACT

DUTIES & RESPONSIBILITIES

The responsibilities of the Board of Trustees under section 172 are summarised as follows:

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company and have regard (amongst other matters) to:

- a) the likely consequences of any decision in the long term
- b) the interests of the company's employees
- c) the need to foster the company's relationships with stakeholders and suppliers,
- d) the impact of the company's operations on the environment
- e) desirability of the company maintaining a high reputation for high standards of business conduct.

On joining the MSC Board, all new Trustees are briefed on their duties, and Trustees also receive relevant training and information throughout the period of their term of appointment.

It is important to recognise that the Trustees partly fulfil their duties through a governance framework (including a formal Scheme of Delegated Authorities) that delegates day to day

decision-making to the Executive Committee of the Charity. Details of our governance arrangements are outlined in the Trustees Management and Structure on page 3.

The MSC Trustees consider that they have fulfilled their obligations under section 172. The following summarises how this has been achieved.

RISK MANAGEMENT

We operate in an uncertain and challenging environment, from which emerge a range of risks, many of which are beyond our direct control. It is therefore vital that we effectively identify, evaluate, manage and mitigate the risks we face.

The Board has set in place a robust risk management framework, enabling it to assess and manage both its risk appetite and its current risks and their mitigation. The Audit & Risk Committee is responsible to the MSC Board for ensuring that the MSC has in place an adequate and effective corporate risk management and assurance framework.

For details of our principal risks and uncertainties, see the Risk section of the Finance Report on page 15.

STATEMENT OF ENGAGEMENT WITH OUR EMPLOYEES

As a 'knowledge-based' organisation, our employees and our 'Better Together' culture are critical to the success of the MSC. With this in mind, development and investment in our people is integral to our charity.

Key people initiatives we have set in place, and continue to progress include:

- biannual survey of all employees (reported to the Board), which consistently engenders almost universal participation, with the results demonstrating the continual highly positive engagement of our staff
- development and delivery of a Learning & Development Strategy
- robust staff performance management systems
- development and delivery of a diversity, equity and inclusion action plan
- policies and procedures to support the full HR lifecycle of our employees
- policies, tools and systems to enable staff to fulfil their roles, to ensure their health and safety, and to support their well-being.

STATEMENT OF MSC'S RELATIONSHIPS WITH STAKEHOLDERS & SUPPLIERS

Independence, transparency, impartiality and multi-stakeholder governance are central to the MSC's values and commitment to maintain and strengthen world-leading standards.

We work hard to ensure our standards, strategy and decision-making take account of the views, expertise and experience of a wide range of perspectives, from academia and government, the fishery and market sectors, and the environmental NGO community.

Our governance structure therefore involves a wide range of individuals with different perspectives to ensure that the MSC's decisions are balanced, reflecting many sectors and interests. Stakeholders are included in the membership of the MSC Board itself, the Technical Advisory Board, and Stakeholder Advisory Council (STAC). Indeed, the STAC was specifically established to provide advice and stakeholder perspectives to the Board and Executive. Its membership includes representatives from the seafood industry, conservation

community, market sector and academia, and reflects the diverse expertise, experiences, geographies and interests in relation to the work of the MSC.

In addition to our governance bodies, other stakeholder engagement initiatives and activities include:

- stakeholders are invited to participate in consultations on our standards and requirements
- the fisheries certification process encompasses formal opportunities in which stakeholders are encouraged to participate in the third-party assessment of a fishery against MSC Fisheries Standard
- day to day informal, regular interaction with stakeholders across all sectors.

We also value all our suppliers (all of whom are selected through robust procurement processes) and the contributions that they make to our organisation.

MSC'S ENVIRONMENTAL PERFORMANCE

The following table sets out MSC's GHGe (Greenhouse Gas emissions).

	Direct	Indirect	Organisation actions	2023/24	2022/23
Energy use (kWh)	119,868	167,816	0	287,684	286,108
Associated greenhouse gas emissions (tonnes CO2 equivalent) (TCO2e)	27	38	703	768	855
Intensity ratio (TCO2e/number employees)				3.01	3.46

Direct emissions relate to the energy use of MSC's London offices at Snow Hill, which are owned by the Charity. Indirect emissions relate to the energy use of MSC's other offices across the globe and are calculated on a pro-rata basis (based on the physical location of employees) of the emissions made in Snow Hill. Organisation actions represent the emissions arising from employee and governance global business travel.

As an international organisation, travel for business is an inherent feature of our day-to-day operations for many staff, but we seek always to ensure we only undertake necessary journeys and to do so in a way which minimises our carbon emissions. Where possible, video conference technology is used if a viable alternative to a physical meeting. MSC will investigate options to offset the emissions made.

MSC use a number of energy-saving initiatives designed to minimise our energy consumption and environmental impact, an important consideration for an environmental organisation such as MSC. These include:

- 100% certified green energy in our UK headquarters, and all other offices globally where this is possible, using an energy broker to generate efficiencies and cost savings
- encouraging employees to use public transport where they need to travel for meetings, and to consider video-conferencing as an effective alternative to travel
- recycling arrangements available in all offices
- installation of energy efficient elements for refurbishment and replacement projects

- introduction of light sensors in many of the communal areas of our headquarters office, and encouragement of efficient use of electricity and water by all staff
- encouragement and support for internal greening initiatives instigated by our employees.

MAINTAINING A REPUTATION FOR HIGH STANDARDS

As an organisation, we operate within a robust governance framework which underpins and enables all aspects of our decision making. Further details on this can be found on page 3.

MSC's Fisheries Standard is compliant with the highest globally recognised standards laid down by bodies such as the UN's Food and Agriculture Organisation (FAO), the Global Sustainable Seafood Initiative (GSSI) and ISEAL, the international body for credible standard setters. Indeed, the MSC is the only global wild-capture fisheries certification program that simultaneously meets best practice requirements set by the UN FAO and has been independently evaluated against ISEAL's Codes of Good Practice.

In order to ensure the highest standards and the credibility of our third-party certification program, the MSC has set in place a robust assurance system:

- fishery assessments are carried out by independent accredited conformity assessment bodies (CABs) with teams of experts in fisheries science and management who are independent of the fishery and the MSC, and the process also includes an independent peer review to check the expert judgement within fishery assessments
- assessment reports are transparent and are published on our Track a Fishery website
- a similar independent, third-party approach is also used for our chain of custody certification program
- as an additional safeguard, MSC has appointed Assurance Services International (ASI) as an external oversight body for CABs
- we also ensure assessors follow ISO17065, an international Standard used in many sectors including food safety, to ensure that assessment teams operate in a competent, consistent and impartial manner
- and we provide mandatory online training and relevant qualification requirements for assessors.

Most importantly, the MSC receives no money for fishery or chain of custody assessments or certifications.

OBJECTIVES AND ACTIVITIES

PUBLIC BENEFIT

The MSC is an international organisation which partners with the environmental, science and funder communities and the seafood industry to pursue an overall charitable purpose of the advancement of environmental improvement, using its fishery certification and eco-labelling program. It does so by recognising and rewarding sustainable fishing practices, influencing the choices people make when buying seafood and working with partners to help to transform the seafood market to a sustainable basis. The MSC believes its work delivers positive environmental impacts for the marine environment, which in turn provides a significant benefit to the public and to the local communities that depend on fishing.

The application of the MSC's certification program and eco-label empowers seafood buyers, both major retailer buyers and individual consumers, to make better and more informed choices when buying seafood. The effect is one that rewards in the marketplace those fisheries that follow responsible practices. In turn, this creates the incentives for fisheries around the world to meet the MSC's standard for environmentally responsible and sustainable fishing. In doing so they will have to demonstrate to third party certifiers that they are operating in a way that helps to ensure the long-term sustainability of the fish stocks they are targeting, and that they respect the ecosystems in which they operate. As the reach of the MSC's program expands globally, the public will, increasingly, be able to identify the best environmental choice in seafood and will be more empowered to play their role in creating a sustainable marine environment. With the marine environment under considerable threat, particularly in the face of climate change, all those that value and derive benefit from the oceans and marine resources stand to benefit from the work of the MSC.

Community groups and other sub-sets of the public that are dependent on the long-term resilience of fisheries and the resulting creation of sustainable livelihoods, in particular, stand to benefit from the realisation of the MSC's aims through increased economic development, food security and resilience in the face of climate change.

The Trustees confirm that they have complied with their duty in Section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission of England and Wales. The Trustees further confirm that the activities of the Charity are carried out, in line with its objects, for the public benefit as described above.

STRATEGIC REPORT

ACHIEVEMENT AND PERFORMANCE

The expenditure for charitable activities during the current year can be viewed in Note 5 of the accounts, where the charitable activities are grouped together under four activity headings: development of policy and the maintenance of the standards, education and raising awareness of the issue of over fishing and MSC's role as one of the potential solutions, servicing fisheries and commercial partners that are already engaged in the program as well as outreach to potential new partners in developing regions and beyond, and logo licensing, which increases the transparency in the supply chain allowing consumers to choose seafood caught sustainably and so incentivise sustainability.

The MSC's charitable funding has faced difficult challenges in the past several years due to the twin shocks of the COVID-19 pandemic and the ongoing war in Ukraine. While the effects of the pandemic have waned, the war in Ukraine has continued to impact supply chains sourcing Russian-caught fish directly in this fiscal year and in addition, the conflict contributed inflationary strains to the fishing and consumer retail industries. Despite these challenges, we continue to place particular emphasis on maintaining our strong outreach with retailers and consumers and increasing our engagement with governments and non-government organisations around key areas for change. The MSC's certification program and eco-label have made it easier for major seafood buyers and consumers to choose certified sustainable seafood, providing both a reward and an incentive for fishers to fish sustainably—our theory of change. With our many partners, the MSC continues to pursue the goal of healthy oceans and sustainable seafood markets globally.

Over the last financial year, we are pleased to report that the number of units of certification rose by almost 10% from 1,018 to 1,118, while the total number of fisheries engaged in the program (i.e. certified, suspended, in assessment or in ITM) rose to 1,379 from 1,283. There

were also an additional 85 fisheries in full assessment this year versus 28 in 2022/23. As of 31 March 2024, the total MSC engaged catch amounted to 15,48 million MT (compared with 15,02 million MT as of 31 March 2023).

A growing global market for MSC-certified seafood is demonstrably rewarding environmentally responsible fisheries and providing incentives for more to join the program and make changes in their practices where necessary. At the end of the year 20,850 MSC labelled products (consumer facing) were actively on sale in over 100 countries, compared with 20,780 active products in 2022/23, an increase of 0.3%. This limited growth is explained by the negative impact of inflation on seafood sales, translating into less product development. In the meantime, de-listing of some herring products and concomitant increase in the number of tuna products labelled has netted out to ensure the total number of labelled products remains stable. In spite of wider trading conditions, the quantity of sold MSC labelled seafood (by product weight), has continued to increase globally to over 1.28 million MT (compared to 1.21 million MT in 2022/23).

Other relevant indicators of the MSC's impact and growth include:

- Over 18% of global wild caught seafood now comes from fisheries certified under the MSC Fisheries Standard, increasing from 17% in 2022/23 (with 19.5% of all wild marine catch certified, in assessment, suspended or in transition to the MSC). Global collaboration has doubled sustainable MSC catch and more than tripled chain of custody commitment since 2010.
- Our presence in developing economies continues to see strong growth: There are now 160 MSC units of certification in developing economies (up from 126 in 2022/23, 108 in 2021/22 and 73 in 2020/21), with a further 41 currently in assessment.
- Globally, stocks targeted by MSC certified fisheries continue to show sustainable levels of stock biomass and in many regions, stocks show higher biomass after MSC certification occurred.
- And in the supply chain, DNA testing results continue to show levels of mislabelling of <1% for MSC certified products.

Chain of Custody Standard

The MSC Chain of Custody (CoC) program grew again in 2023/24 with the number of certificate holders rising to 5,944, up from 5,872 in 2022/23, 5,665 in 2021/22 and 5,437 in 2020/21 (and note that the baseline in 2010 was 1,099). China overtook the United States in 2019/20 for the first time and it continued in 2023/24 to have the most certificate holders, with the US still in second place and Japan now in third, replacing France (now in 4th place), while Spain completes the top 5.

As in previous years, there has been a notable continuous growth in Asia Pacific, particularly China and Japan, but the majority of certificates are still held in Europe. In 2023, MSC celebrated the 10th anniversary of its opening an office in Poland and has observed a significant raise of the industry engagement in its Program, which has resulted in nearly a 14-fold increase in the sales of MSC-certified products on Polish market. Currently, more than 120 Polish companies are engaged in the MSC Program's supply chain and the sales of certified seafood in Poland amount to nearly 24,000 tons annually.

The MSC's current CoC Standard is widely considered best in class, and our vision is to ensure that the MSC's CoC system has improved accessibility and efficiency of engagement

for all levels of the supply chain which continues to ensure that key risks such as product substitution are controlled, monitored and minimised.

Fishery Standard

As of 31 March 2024, 1,118 units of certification in 54 countries had been certified as sustainable to the MSC Fisheries Standard (up from 1018 in 2022/23), demonstrating their commitment to healthy ecosystems and the long-term sustainability of fish stocks. Another 85 units were in assessment. As of 31 March 2024, more than 2000 sustainability improvements had been made by MSC fisheries over the years, with over 95% of MSC certified fisheries having made improvements in fishing practices.

In addition, hundreds of fisheries around the world are engaged in Fishery Improvement Projects (FIPs), including MSC's own Pathway projects and In-Transition to MSC (ITM) program. MSC's Pathways projects help to move fisheries along the path towards greater sustainability and ultimately, where possible, certification as part of our commitment to work with drive sustainable fishing on a wider scale (see also below Ocean Stewardship Fund).

This fiscal year marked the last year of the In-Transition to MSC (ITM) program pilot phase before full deployment as a program of the MSC. The In-Transition to MSC program supports fisheries of all sizes and all locations that are committed to achieving certification, but not yet ready to enter assessment against the Fisheries Standard. The program requires fisheries to seek regular independent verification of the improvements being made as they progress towards meeting the Standard. This enables fisheries to demonstrate the credibility of their commitment to sustainability.

After the scope of the ITM program was extended to all fisheries last year, a revised version of the ITM requirements (v2.0) was published in 2023/24. ITM fisheries started being listed on the Track a Fishery website when they adhere to v2.0 of the ITM requirements, increasing the transparency and the visibility of the program. There are currently 24 fisheries in ITM, out of which 19 are listed on the Track a Fishery website. This year, the first ITM fishery entered full assessment against the MSC Fisheries Standard, delivering proof of concept for the program.

Every five years the MSC initiates a Fisheries Standard Review (FSR). The FSR is an opportunity to consider potential improvements to the Fisheries Standard by reviewing issues raised by stakeholders and by our own monitoring and evaluation processes, and where appropriate, to incorporate widely accepted new science and fisheries management best practice.

The latest version of our Standard (version 3.0) was published in October 2022, following the most comprehensive Review to date. The Fisheries Standard 3.0 contains significant improvements to help address some of the most difficult issues facing the oceans, including better protections for marine biodiversity and incentivising stronger ocean governance.

Although the Fisheries Standard 3.0 was the result of a four-year intensive process of consultation and policy development, with important progress on a number of environmental areas, significant challenges have arisen in its implementation. Concerns include the ability of fisheries to meet the prescribed data and information requirements, and that management agencies might not have all of the required data sets to satisfy the requirements of the new Evidence Requirements Framework.

The MSC is currently working to address these challenges which have been identified from the practical application of Version 3 of the Standard. This will include issuing an amended Standard in July 2024, followed by a more comprehensive workplan which will encompass a more holistic review (see Risk below).

Although fisheries can continue to choose to be assessed against the updated Standard, timelines have been extended for all fisheries to enable the necessary changes to be made and thoroughly tested. Most new entrants will be able use the current Version 2.01 until July 2026, and existing fisheries have until November 2030 to adopt the updated version. The exception to the timeline extension is fisheries applying Section SE focused on harvest control rules, which must apply Version 3.1 at their next assessment. We will continue to monitor carefully the implementation of the updated Standard to ensure it achieves the outcomes intended.

Underpinning all this work, is our fundamental focus on achieving MSC's mission of ending overfishing, by recognising and rewarding sustainable fishing practises through our ecolabel and fishery certification program.

Growth of the MSC's Ocean Stewardship Fund

The MSC Ocean Stewardship Fund (OSF) aims to increase the proportion of global fisheries operating in a sustainable way by providing financial support in the form of grants or other financial instruments to both certified fisheries and for fisheries in MSC's ITM program. The OSF was first announced in November 2018, along with a £1 million seed fund allocated from MSC's unrestricted reserves to help kickstart the Fund. The Board of Trustees then formally approved the OSF on 30 July 2019 and agreed to designate 5% of MSC's annual volume royalties to the OSF for the foreseeable future.

As of 31 March 2024, OSF has secured a total of £9,298,970 in income, from a mix of MSC royalty contributions and third-party philanthropic funding. Some £1,571,000 of this funding was received in 2023/24, most of which originated from the MSC through volume royalty hypothecations. Since 2019/20, the OSF has awarded 145 grants totalling £5.25 million across 34 countries, 58 of which have supported fisheries and projects in developing economies. The 40 grants approved by MSC in 2023/24 totalled £1,365,000. Eighteen grants went to fisheries in developing economies: that is 45% of the total number of grants awarded in 2023/24. Grants were awarded to fisheries in 6 continents across the world.

Following the expansion in scope of the In-Transition to MSC (ITM) Program in 2022, the scope of the Transition Assistance Fund (TAF) was expanded to welcome applications from all fisheries, without any restriction of size or geography.

A separate "Pathways" strand was also created under the OSF in 2023/24 and seeded with the unrestricted donation of £750,589 received from the Hans Wilsdorf Foundation in 2022/23 as a first step towards the deployment of a dedicated fund for supporting work with fisheries engaged in MSC Pathway Projects. An operating framework for this strand is in the process of being developed.

The balance of the US\$1,000,000 (£750,589) donated by the Walton Family Foundation in 2022/23 to provide a Loan Guarantee Facility (LGF) for selected fisheries is still at £769,000. No contingent liabilities have been recorded against this fund and no loan guarantees have been approved as of 31 March 2024.

CHARITABLE FUNDRAISING

The MSC employs an international fundraising staff of five full time employees who are tasked with delivering MSC's fundraising plan as articulated by the Board and senior management and managing the Ocean Stewardship Fund (OSF). The position of OSF and Partnerships Director has been vacant since August 2023 but, as of 31 March 2024, the recruitment for this position is underway and it is hoped that the appointee will join the MSC by later 2024. The MSC is registered with the UK Fundraising Regulator and voluntarily observes the UK Charity Commission's Code of best practices. This includes complying with any relevant statutory accounting and reporting requirements on fundraising. Fundraising staff at the MSC are overseen and monitored by both senior management and the Development Committee of the Board of Trustees. The MSC worked with the Swiss-based independent investment advisory company Clarmondial around fundraising for the OSF in 2023/24 as part of a grant from the MAVA Foundation pour la Nature awarded in 2022/23, but does not otherwise employ outside fundraising consultants or similar commercial services, nor did the MSC receive any complaints around fundraising, or the staff engaged in fundraising in 2023/24.

The MSC undertook no active fundraising from the general public requiring disclosure under S162A of the Charities Act 2011 in the past financial year (2023/2024) and had no campaigns or other active attempts to fundraise from the general public. The majority of MSC's charitable income continues to come from institutional sources (foundations/trusts and government bodies) that are not domiciled in the United Kingdom (see below). While the MSC does not in the main fundraise from individuals, the organisation is in full compliance with the General Data Protection Regulation (GDPR) rules in respect of personal data.

Support from Funders

The MSC is very grateful for our many charitable donors across the globe for the support they have given us this past year and since our founding. This year we have received generous support from the Walton Family Foundation for work in Mexico and on social policy, the Adessium Foundation for our work in the Mediterranean; the A.G. Leventis Foundation for work in Greece; and the Remmer Foundation for a grant to work with small-scale fisheries in Kenya. We have also continued receiving generous core funding from the Dutch Postcode Lottery, and thank it especially for its years of support, in particular to our work with fisheries in developing economies.

We are grateful for financial support received from the Global Environment Facility (GEF) that enables work on strengthening the management of tuna fisheries in the Pacific region under the Common Oceans Tuna Project led by UN Food and Agriculture Organization (UN FAO). We also continue to receive generous contributions from the Triad Foundation, the David and Lucile Packard Foundation, and Holzer Family Foundation. Finally, we are grateful for the Fishmongers' Company's Charitable Trust's support to MSC UK & Ireland activities and Project UK, as well as support from the UK retail sector and members of the supply chain.

In addition to the valuable support given to MSC's projects, we continue to utilise significant ongoing support from funders towards our Ocean Stewardship Fund. This includes generous grants from the MAVA Foundation to help small-scale fisheries in the Mediterranean and West Africa; from the Walton Family Foundation to establish a loan guarantee facility, enabling fisheries working towards sustainable management practices to access additional financing; and from the Hans Wilsdorf Foundation. We would also like to thank Carrefour Italy and Delicieux for their generous support towards research projects that will be implemented in 2024/2025.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Total group income in 2023/24 was £33.08 million compared to £32.73 million in the previous year. Income from charitable activities (that is, largely logo licensing royalty and annual fee revenue) amounted to 92.8% of total income (2022/23 89%).

Income from donations and legacies was £0.91 million in 2023/24, down 60% from the £2.27 million received in 2022/23. This decline was heightened as a result of the untimely passing of MSC Director of Fundraising in August 23, but is also indicative of the reduced opportunities for accessing charitable donations from Trusts and Foundations. Note 2 to the accounts shows a further breakdown of voluntary income.

Income from charitable activities, consisting largely of royalty income and annual fees, increased overall by 3.5% from £29.05 million in 2022/23 to £30.07 million in 2023/24. Annual fees increased by 39% to £3.00 million (2022/23 £2.16 million) as a result of the introduction in April 2023 of a new annual fee scale, which also adjusted the fee rates for multiple years of historic inflation. Volume royalty increased by 2.7% to £27.34 million (2022/23 £26.61 million).

Income from investments of £0.77 million decreased very slightly compared to the previous year (2022/23 £0.79 million). The net gain on the investment portfolio (that is, the increase in market valuation of the investments at the year-end) amounting to £1.56 million (2022/23 loss £0.77 million) are excluded from investment income and are disclosed separately on the Statement of Financial Activities as "Gains / (Losses) on revaluation of fixed asset investments".

Expenditure totalled £31.37 million in 2023/24, up 2.6% from £30.57 million in 2022/23.

Staff costs increased by 9.5% to £17.14 million from £15.65 million. The average number of employees in the year increased to 255 in 2023/24 (2022/23 247).

Expenditure on raising funds for the MSC's fundraising activities decreased by 6.8% to £0.69 million (2022/23 £0.74 million).

Note 5 to these accounts provides a breakdown of costs incurred in furtherance of the Charity's objectives and shows a year-on-year increase in spend on the MSC's charitable activities of 2.9% to £30.68 million (2022/23 £29.82 million).

Governance costs increased by 26% to £0.96 million (2022/23 £0.76 million) as the Board and other governance committees resumed travel to hold much needed in person meetings after a couple of years of no or extremely limited travel due to the pandemic lockdown restrictions. Governance costs also include the audit fee, the cost of holding Board meetings and other Board relevant costs (such as legal fees on corporate wide legal issues) as well as an allocation of relevant staff salary costs. Governance costs are only 2.9% of total MSC income, which feels low for an organisation which is very complex and has a truly global reach.

Losses upon revaluation of foreign assets amounted to £0.14 million (2022/23 gain £0.02 million). This gain or loss arises from the revaluation of the net assets held by the MSC's overseas subsidiaries.

The MSC ended the year in a sound financial position.

The overall surplus for the year of £3.13 million increased total reserves going forward to £45.26 million. £2.52 million of this carry forward reserve are restricted funds, £3.34 million are funds designated to OSF and version 3 implementation activities and £39.40 million are unrestricted. The surplus in the year on unrestricted reserves was £1.64 million.

Cash balances (including cash investments of £5.7 million) totalled £12.84 million (2022/23 £10.38 million).

RISK MANAGEMENT

The Trustees address from time to time the risks that face the Company and adopt responses to minimise the risks identified.

The major risks identified are:

- Global biological change (climate change) undermines the productivity and resilience of marine ecosystems, and the enabling environment for fisheries to be managed sustainably, increasing the risk of fisheries' suspension from the MSC program. This can be partially mitigated by ensuring the Fisheries Standard evolves to reflect global climate change. MSC is also carrying out its own research upon climate resilient fisheries management, with a view to informing the design of its policy development, as well as collaboration with, and monitoring the work of, other organisations in the climate space.
- Vulnerability of the MSC's program to external events beyond its control (such as a failure of Regional Fisheries Management Organisations (RFMOs) to reach agreement on harvest control rules leading to fishery suspensions and withdrawals) reducing MSC's ability to drive change on the water. This can be partially mitigated by the maintenance of a "heatmap" to give early anticipation and identification of fishery suspension risk, the active implementation of an RFMO strategy and continued outreach effort.
- Global political change (for example, the conflict in Ukraine) and increased nationalism / trade wars presents limitations to the ability of the MSC program to scale. This can be partially mitigated by continued, systematic engagement with governments (EU / US / Asia) and relevant intergovernmental organisations.
- Dependency on a single charging point for 90% of MSC's revenue and the vulnerability of the current business model to external events beyond MSC's control, ie climate change, geopolitical tensions. This will be mitigated by the launch of the MSC Improvement Program and other opportunities to diversify MSC offering, i.e. an MSC offer for capital markets.
- Significant adverse reaction to Version 3 of the Fishery Standard, released in 2023, by many fisheries. This will be mitigated by derogation, and a holistic review program. This will include an independent evaluation of the Evidence Requirements Framework, and a review of the Risk Based Framework. There will also be an external evaluation of the process which led to Version 3, with recommendations for simplifying both the structure of the Standard and the Standard setting process going forward, as well as identifying and addressing any further problems.

The Trustees review the risks regularly, and they believe that there are adequate systems in place to minimise them.

RESERVES POLICY

The Trustees believe that it is generally good practice to hold reserves to protect against funding and other financial difficulties.

As an international non-profit organisation, the Board has recognised that the underlying operational risks MSC is facing are increasing. Fishing supply chains are complex and global and can be undermined by geopolitical uncertainty (i.e. regional conflicts). Global warming further disrupts traditional patterns of fishing which can undermine regional agreements concerning levels of catch. Consumer preference for sustainably caught seafood can be undermined by economic turmoil resulting in high food price inflation.

This is important because certified fish entering the supply chain is the fuel that facilitates the generation of ecolabel royalty income for the MSC, via its trading subsidiary MSCI. While royalty income is therefore diversified across many certified fisheries, MSC certification can be lost or withdrawn. Similarly, royalty income is dependent upon the use of the MSC's ecolabel on a pack, which is an entirely voluntary decision made by the brand owner, not the MSC. Should royalty income unexpectedly decline, it may be necessary to realign expenditure to income. Reserves are therefore held to allow time for this realignment to take place and to cover the costs of such a fundamental restructuring in the event of a major downturn.

While royalty income makes up the overwhelming majority of MSC's incoming resources MSC does strive to be awarded voluntary grants and donations from a relatively small number of supportive trusts, foundations and statutory funders. The financial impact should a donor decide to phase out its support could still be material. The MSC is striving to diversify its charitable donor base resulting in speculative and, more often than not, restricted income being included in the MSC's budgets. Holding reserves ensures confidence that such target income can be given time to be nurtured without detrimentally affecting the MSC's operations.

The reserves also cover the exchange rate risk implicit in the MSC's income and expenditure patterns, as well as the risk of losses arising from liquidating fund investments that form a major part of the MSC's unrestricted reserves, in the unlikely circumstance that these investments are needed to fund day to day operational expenditure. Finally, the MSC's short term cash flow requirements (i.e., its "working capital") are also covered by reserves.

The Board has quantified the makeup of reserves against each of the above-named risks and concluded, in total, the unrestricted "free" reserve should be set between a minimum of 9 months and a maximum of 12 months of the following year's budgeted expenditure.

Should an excess of "free" reserve be building up above the 12-month ceiling, the Board will give consideration to investing all the surplus free reserves, or an appropriate proportion, in the following areas:

- a) MSC's Ocean Stewardship Fund, looking to support progress of fisheries towards sustainability, as well as rewarding long term certified fisheries with support for recertification costs.
- b) Designated projects identified by the Board, which could be, but certainly not limited to, a capital project which the Board deems appropriate for the furtherance of the MSC's mission and charitable objects.
- c) Marketing – magnifying the impact of already planned marketing activities.

This reserves policy was adopted by the Board of Trustees in March 2024 and its appropriateness is continually monitored.

The MSC ended the year with unrestricted reserves of £39.40 million (see note 20). Once intangible assets and tangible fixed assets of £4.6 million (see notes 10 and 11), free reserves amounted to £34.8 million (2022/23 £33.0 million). This equates to 12.6 months of the Board approved unrestricted expenditure budget for 2024/25 (£33.2 million), down from 12.7 months reported for the previous year.

INVESTMENT POLICY

The general objective of holding investments is so the MSC's reserves generate a return that would be greater than the return that could be obtained if the reserves were held as interest bearing cash deposits. Over the two funds, the expected return is approximately 6%, while at the time of writing the actual return since inception is 6% for Northern Trust managed funds and 7.4% for UBS managed funds.

Fixed asset investments are held in investment funds managed by Northern Trust and UBS. The intention is for these investments to be held long term, within a balanced and diversified portfolio, and that the MSC will not need to liquidate the investment in the foreseeable future. Both investment managers have delegated authority to make investment decisions, within a framework of pre-defined portfolio parameters, in response to market movements.

The Northern Trust portfolio covers equities, fixed income securities, real estate, and commodities. The equity element (the majority of the investment) is invested in Socially Responsible Investment (SRI) funds. The SRI funds mirror Morgan Stanley Capital International Ethical, Social and Governance indexes (namely the MSCI World ESG index and the MSCI US IMI index) to guide investment opportunities in equities screened for ESG criteria.

The investment fund managed by UBS consists of a mix of fixed income securities and equities, weighted towards equities. UBS use third party rating providers MSCI Research, Inrate or Oekom to allocate to each holding an ESG score and to provide MSC with a portfolio with an overall sustainability profile.

Current asset investments are all held as cash deposits.

PLANS FOR FUTURE PERIODS

MSC's goal of sustainable fisheries supporting healthy and productive ocean ecosystems remains unchanged, and we believe that our existing goal of engaging over a third of global landings in the MSC program by 2030, is not only achievable, but essential. Achievement of this ambitious goal through the engagement and leadership of our partners will make a significant contribution to the delivery of the United Nations Sustainable Development Goal 14 targets.

In 2023, we launched our fourth Integrated Strategic Plan, which will guide the organisation's priorities and activities from 2023 to 2030 towards the achievement of our 2030 goal. Under this Plan, the MSC will continue to maintain world-leading Standards for sustainable fishing while expanding market opportunities that incentivise more sustainable fishing globally. This new strategy will see an increased focus on research efforts which support MSC certified fisheries and those on their journey to sustainability.

To help fisheries fund their continuous improvement, the MSC is expanding its Ocean Stewardship Fund while also opening up its In-Transition to MSC (ITM) program to all fisheries. In addition, we are accelerating progress and increasing the number of sustainable

fisheries worldwide by funding innovative research and supporting fisheries at all stages on the path to sustainability.

REFERENCE AND ADMINISTRATION

Trustees and Directors of the Marine Stewardship Council (MSC):

Mr Giles Bolton	Chair	Appointed as Chair February 24
Ms Birgit Cameron		Appointed April 24
Ms Maria Damanaki	Development Committee Chair	Appointed July 19
Mr Kristjan Th. Davidsson	Treasurer and Finance Committee Chair	Appointed July 21
Ms Mikel Durham	MSCI Board Chair	Appointed July 23
Dr Darian McBain		Appointed July 23
Mr Edward Njoroge	Audit & Risk Committee Chair	Appointed July 23
Dr Kevin Stokes		Appointed July 20
Dr Sergio Espejo Yaksic		Appointed July 23
Dr Werner Kiene	Chair	Resigned January 24
Mr David Lock	Audit & Risk Committee Chair	Resigned July 23
Dr Hartwig Schafer		Appointed April 23, deceased May 23
Mr Paul Uys	MSCI Board Chair	Resigned July 23

The Trustees of the MSC are the charity's Trustees under charity law and are the directors of the charitable company.

Principal Office & Registered Office: Marine House, 1 - 3 Snow Hill, London, EC1A 2DH

Principal Officers – the Executive Committee

Mr Rupert Howes	Chief Executive Officer
Dr Alene Wilton	Chief Operating Officer
Mr Rohan Currey	Chief Science & Standards Officer (resigned 21 st June 24)
Mr Nicolas Guichoux	Chief Program Officer
Ms Ishbel Matheson	Chief Communications Officer

Advisers

Auditors: Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW

Bankers: HSBC Plc, 165 Fleet Street, London, EC4A 2DY

Solicitors: DAC Beachcroft LLP, 100 Fetter Lane, London, EC4A 1BN
Bird & Bird LLP, 12 New Fetter Lane, London, EC4A 1JP

Investment managers:

Northern Trust Company, 50 South Lasalle Street, Chicago, IL 60680, USA
UBS, 1 Finsbury Avenue, London, EC2M 2AN

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report, the Strategic Report, and the financial statements in accordance with applicable laws and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its net incoming resources for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

S 418 CONFIRMATION

Each of the Trustees at the date of approval of this report confirms that:

- so far as the Trustee is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 under Companies Act 2006.

This Annual Report of the Trustees, under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of Trustees on 30 July 2024 including approving in their capacity as company directors the Strategic Report contained therein, and is signed as authorised on its behalf by:



Mr Giles Bolton
Chair of the Board of Trustees

Date 30 July 2024

Independent Auditor's Report to the Members of Marine Stewardship Council

Opinion

We have audited the financial statements of Marine Stewardship Council ('the charitable company') and its subsidiaries ('the group') for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, Charity Statement of Financial Activities, Consolidated and Charity Balance Sheets, Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and the charitable company's affairs as at 31 March 2024 and of the group's and the charitable company's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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.

Auditor's 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 an auditor's report 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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 auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit

procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation, employment legislation and taxation legislation. We also considered compliance with local legislation for the group's overseas operating segments.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition and classification of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance. In respect of the recognition and classification of income, substantive sample testing was undertaken to ensure that the transactions occurred, were recognized accurately, completely, in the correct financial year and classified correctly in the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 auditor's 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.



Julia Poulter

Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor

London

Date: 7 August 2024

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2024**

	Notes	UNRESTRICTED FUNDS				UNRESTRICTED FUNDS			
		General	Designated	Restricted Funds	Total Funds	General	Designated	Restricted Funds	Total Funds
		£'000	£'000	£'000	2024 £'000	£'000	£'000	£'000	2023 £'000
Income									
Donations and legacies	2	446	21	439	906	433	0	1,840	2,273
Income from charitable activities		30,707	0	0	30,707	29,045	0	0	29,045
Income from investments	3	737	24	12	773	774	0	21	795
Other trading activities		694	0	0	694	621	0	0	621
Total Income		32,584	45	451	33,080	30,873	0	1,861	32,734
Expenditure									
Expenditure on raising funds	4	609	81	0	690	615	125	1	741
Expenditure on charitable activities	5	28,877	1,326	473	30,676	26,867	930	2,031	29,828
Total Expenditure		29,486	1,407	473	31,366	27,482	1,055	2,032	30,569
Net income before transfers and other gains and losses		3,098	(1,362)	(22)	1,714	3,391	(1,055)	(171)	2,165
Gain / (Loss) on revaluation of fixed asset investments		1,563	0	0	1,563	(773)	0	0	(773)
Net income before transfers		4,661	(1,362)	(22)	3,277	2,618	(1,055)	(171)	1,392
Gain / (Loss) on revaluation of foreign assets		(144)	0	0	(144)	22	0	0	22
Transfers between funds		(2,878)	2,842	36	0	(1,208)	905	303	0
Net movement in funds		1,639	1,480	14	3,133	1,432	(150)	132	1,414
Funds at 31st March 2023 (31st March 2022)		37,763	1,856	2,511	42,130	36,331	2,006	2,379	40,716
Funds at 31st March 2024 (31st March 2023)		39,402	3,336	2,525	45,263	37,763	1,856	2,511	42,130

There were no recognised gains or losses other than those included in the Statement of Financial Activities.
All Income and Expenditure derive from continuing activity.

CHARITY STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2024

	UNRESTRICTED FUNDS				UNRESTRICTED FUNDS				
	Notes	General	Designated	Restricted Funds	Total Funds	General	Designated	Restricted Funds	Total Funds
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income									
Donations and legacies		439	21	387	847	437	0	1,750	2,187
GiftAid received from trading subsidiary		16,721	0	0	16,721	15,905	0	0	15,905
Income from charitable activities		8,256	0	0	8,256	8,016	0	0	8,016
Income from investments		737	24	36	797	772	0	21	793
Other trading activities		18	0	0	18	0	0	0	0
Total Income		26,171	45	423	26,639	25,130	0	1,771	26,901
Expenditure									
Expenditure on raising funds		609	81	0	690	615	125	1	741
Expenditure on charitable activities		20,078	1,326	2,957	24,361	21,311	930	1,808	24,049
Total Expenditure		20,687	1,407	2,957	25,051	21,926	1,055	1,809	24,790
Net income before transfers and other gains and losses		5,484	(1,362)	(2,534)	1,588	3,204	(1,055)	(38)	2,111
Gain / (Loss) on revaluation of fixed asset investments		1,563	0	0	1,563	(773)	0	0	(773)
Net income before transfers		7,047	(1,362)	(2,534)	3,151	2,431	(1,055)	(38)	1,338
Transfers between funds		(2,878)	2,842	36	0	(1,194)	905	289	0
Net movement in funds		4,169	1,480	(2,498)	3,151	1,237	(150)	251	1,338
Funds at 31st March 2023 (31st March 2022)		35,122	1,856	4,956	41,934	33,885	2,006	4,705	40,596
Funds at 31st March 2024 (31st March 2023)		39,291	3,336	2,458	45,085	35,122	1,856	4,956	41,934

There were no recognised gains or losses other than those included in the Statement of Financial Activities.

All Income and Expenditure derive from continuing activity.

CONSOLIDATED AND CHARITY BALANCE SHEET
as at 31 March 2024

	Note	Group 2024 £'000	Group 2024 £'000	Group 2023 £'000	Group 2023 £'000	Charity 2024 £'000	Charity 2023 £'000
Fixed Assets							
Intangible	10	1,247		1,393		1,247	1,394
Tangible assets	11	3,331		3,421		3,322	3,404
Investments	12	21,210		19,111		21,355	19,255
			25,788		23,925	25,924	24,053
Current Assets							
Investments	13	5,729		3,972		5,729	3,972
Debtors	14	10,778		11,978		13,299	13,786
Cash at bank and in hand		7,108		6,407		2,633	2,821
		23,615		22,357		21,661	20,579
Creditors: Amounts falling due within one year	15	(3,675)		(3,816)		(2,078)	(2,396)
Net current assets			19,940		18,541	19,583	18,183
Creditors: Amounts falling due after more than one year	16	(465)	(465)		(336)	(422)	(302)
Total assets less total liabilities			<u>45,263</u>		<u>42,130</u>	<u>45,085</u>	<u>41,934</u>
Funds							
Unrestricted funds - General Funds			39,402		37,763	39,291	35,122
Unrestricted funds - Designated Funds			3,336		1,856	3,336	1,856
Restricted funds			2,525		2,511	2,458	4,956
Total Funds			<u>45,263</u>		<u>42,130</u>	<u>45,085</u>	<u>41,934</u>

The financial statements on pages 23 to 41 were approved and authorised for issue by the Trustees on 30th July 2024 and signed on their behalf by:



Mr Giles Bolton
Company Registration Number 3322023

Chair of the Board of Trustees

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE GROUP
FOR THE YEAR ENDED 31 MARCH 2024**

	2024	2023
	£'000	£'000
Statement of cash flows		
Cash flows from operating activities:		
<i>Net cash provided by (used in) operating activities</i>	<u>2,785</u>	<u>1,338</u>
Cash flows from investing activities:		
Dividends, interest and rents from investments	773	795
Proceeds from the sales of property, plant and equipment	1	0
Purchase of property, plant and equipment	(574)	(619)
Proceeds from sale of investments	2,907	3,518
Purchase of investments	(3,434)	(5,051)
Net cash (used in)/ provided by investing activities	<u>(327)</u>	<u>(1,357)</u>
Cash flows from financing activities:		
repayments of borrowings	0	0
Net cash provided by (used in) financing activities	<u>0</u>	<u>0</u>
 <i>Change in cash and cash equivalents in the reporting period</i>	 2,458	 (19)
Cash and cash equivalents at the beginning of the reporting period	<u>10,379</u>	<u>10,398</u>
Cash and cash equivalents at the end of the reporting period	<u>12,837</u>	<u>10,379</u>
 Reconciliation of net income / (expenditure) to net cash flow from operating activities		
	2024	2023
	£'000	£'000
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	3,133	1,414
Adjustments for:		
Amortisation and depreciation charges	811	884
FX on Foreign Assets	156	(538)
Net unrealised (gain) / loss and other movements on investment	(1,730)	2,182
Dividends, interest and rents from investments	(773)	(795)
(Profit) / Loss on the sale of fixed assets	0	1
decrease / (increase) in debtors	1,200	(1,112)
(decrease) in creditors	(12)	(698)
Net cash provided by (used in) operating activities	<u>2,785</u>	<u>1,338</u>
 Analysis of cash and cash equivalents		
	2024	2023
	£'000	£'000
Cash in hand	7,108	6,407
Notice deposits (less than 3 months)	5,729	3,972
Total cash and cash equivalents	<u>12,837</u>	<u>10,379</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

1. Accounting policies

Marine Stewardship Council is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 17th December 1997 (company number 3322023) and registered as a charity on 10th December 1997 (charity number 1066806).

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association (amended July 2014).

In the event of the company being wound up members are required to contribute an amount not exceeding £1 each.

The registered office is Marine House, 1-3 Snow Hill, London, EC1A 2DH.

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Charity's financial statements.

Basis of accounting: The consolidated financial statements have been prepared under the historical cost convention, except that fixed asset investments are stated at market value, and in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the 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 1st January 2019. MSC is a Public Benefit entity for FRS 102.

These financial statements consolidate the results of the charity and its five wholly owned subsidiaries, Marine Stewardship Council International Limited (which is incorporated in the UK), Marine Stewardship Council Limited (which is incorporated in the United States), Marine Stewardship Council Trust (which is incorporated in Australia), Marine Stewardship Council Asia Ltd (which is incorporated in Singapore), and Ippan Shadan Hojin MSC Japan (which is incorporated in Japan) on a line by line basis.

MSCI also has a Chinese registered subsidiary, An Hai Xu Fishery Certification Consulting (Beijing) Ltd Co (known as MSC China), the activities of which help fulfil MSC's charitable mission in China.

The functional currency of the Charity and its subsidiaries is GBP because that is the currency of the primary economic environment in which the group operates. The consolidated financial statements are also presented in GBP.

MSC's overseas subsidiaries are converted into GBP and consolidated into the group accounts using the year end exchange rate, with the foreign exchange gain or loss arising reported as gains or losses arising upon revaluation of foreign assets in the SOFA. Fixed assets held in the overseas subsidiaries are immaterial.

Going Concern: The Trustees approve the annual budgets and periodic forecasts to ensure there is sufficient working capital to meet the charity's obligations over the subsequent 12 months. The charity meets its ordinary working capital requirements through its existing cash balances. Having regard to the above, the current cash position and the expected cashflow over the following 12 months the Trustees believe it appropriate to adopt a going concern basis of accounting in preparing the financial statements.

After reviewing the group's forecast and projections, the Trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. This view is supported by the level of free reserves held at the year-end (equivalent to 12 months expenditure). The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Critical accounting judgements and key sources of estimation uncertainty: In the application of the accounting policies directors are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historic experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The critical estimate involves accruing for royalty income, with around 2% to 10% of the total royalty accrued each year being based upon historic trends only, rather than information received post Year End from the license holder relating to actual labelled sales for the period of the accrual. This arises because turnover declaration returns of labelled product sales are submitted by license holders in arrears. As a result, labelled product sales data covering reporting periods ending 31st March are received after the financial year end. At the point the accounts are drafted, not all license holders may have reported their labelled sales data (even though the license agreement obligates them to submit their turnover declaration by one month after the end of the reporting period in question). For these license holders, the level of labelled sales (and hence royalty income to be accrued) are estimated based on historic trends.

Judgements are also made for bad debts provisions, based upon reviewing debts older than 90 days at the year end, and for certain contracts of service, whereby the fee to be received by MSC for services delivered continue to be subject to negotiation after the year end.

Fixed Assets:**Intangible fixed assets**

Intangible fixed assets represent software costs capitalised in accordance with FRS102. These are stated at historic cost and amortised on a straight-line basis over the period which revenue is expected to be generated (typically 4 years). Items costing less than £500 are expensed in the year of purchase.

Tangible fixed assets

Tangible fixed assets are recorded at cost or, in cases where tangible fixed assets have been donated to Marine Stewardship Council, at valuation at the time of acquisition. Tangible fixed assets are capitalised in the balance sheet at cost, except for items costing less than £2500 which are expensed in the year of purchase.

Depreciation: Depreciation for UK entities has been provided at the following rates in order to write down cost or valuation, less estimated residual value, of all tangible assets by equal annual instalments over their expected useful lives.

Furniture, Fittings & IT equipment	25%
Refurbishment costs of Snow Hill	over 7 years
London Virtual Freehold Property	Building cost over 99 years
Freehold Land	Not depreciated

Incoming resources: Grants and donations are recognised as income when it is clear MSC has entitlement to the income, that the donation is reasonably certain to occur and that the value of the donation can be measured. Logo license royalty income is accounted for in the period in which the labelled products were sold by our trading partners. Similarly, fixed fee income, such as the North American Subscription Program, is recognised as income for the contracted period, requiring a deferral of income if the fixed fee for a financial year is raised in advance. Service fees, such as Peer Review College fees or ASCI fees, is accounted for in the period the services were delivered. No amounts are included in the financial statements for the services donated by volunteers.

Expenditure: Resources expended are included in the Statement of Financial Activities on an accrual basis, inclusive of VAT which cannot be recovered. Since 1st February 2009, the Charity has been registered within a VAT group consisting of itself and its UK based trading subsidiary, Marine Stewardship Council International. From 1st February 2009, therefore, input tax can be partially recovered based upon a business: non-business model.

Expenditure on raising funds comprise expenditure incurred in encouraging others to make contributions to the charity and include staff costs directly attributable to that activity. Expenditure on charitable activities comprise direct expenses incurred on the defined charitable purpose of the charity, and include staff costs directly attributable to the charitable activities. Where costs could not be directly attributed to any particular function or activity (i.e., costs classified in MSC's ledger as relating to senior staff and office, IT, HR, finance, premises support type costs), they have been allocated by applying bases consistent with the use of the resource. Senior staff costs are apportioned to charitable activities in relation to an estimate of time that that senior member will focus on a specific charitable activity. Head Quarter support costs are allocated to charitable activities in proportion to the staff costs sitting in that charitable activity. Local office support costs are allocated based on an estimation of charitable activity focus of that local office (that is, across servicing and outreach and education and awareness only).

In Kind income and expenditure: Where donated services and facilities (i.e. in kind supplies) are received, MSC will value the income and corresponding expenditure based on the value of the gift as identified either by the donor or, if appropriate, by the assumptions set out in any contract underpinning the commercial relationship between the donor and MSC.

Cash and bank and current asset investments: Cash balances held in interest bearing deposit accounts (business reserve accounts or time deposits) are classified as current asset investments in the balance sheet. All other cash balances held at bank or in hand are classified as cash at bank or in hand in the balance sheet.

Investment income: Investment income is recognised in the accounts when it is receivable and is allocated to the appropriate fund.

Investments: The charity has five wholly owned subsidiary undertakings.

- Marine Stewardship Council International Limited is a trading subsidiary and receives royalties from logo licensing fees as well as income from the sale of merchandise.
- Marine Stewardship Council Limited is a subsidiary incorporated in the United States and promotes the aims of the parent there.
- Marine Stewardship Council Asia Pacific Pty Ltd is a subsidiary incorporated in Australia and promotes the aims of the parent there and in South East Asia generally.
- Marine Stewardship Council Asia is a subsidiary incorporated in Singapore and promotes the aims of the parent there and in Asia generally.
- Ippan Shadan Hojin (known as MSC Japan) is a subsidiary incorporated in Japan and promotes the aims of the parent there.

Marine Stewardship Council International has a wholly owned subsidiary, An Hai Xu Fishery Certification Consulting (Beijing) Ltd Co (known as MSC China), which received its business license 2 February 2016.

Investments in the subsidiaries are stated at cost.

Fixed asset investments are held in a portfolio covering equities, fixed income securities, real estate, and commodities, which is managed by Northern Trust, and a second fund, managed by UBS, focused upon fixed income securities. The equity element of the Northern Trust fund is invested in Socially Responsible Investment (SRI) funds. The SRI funds mirror Morgan Stanley Capital International Ethical, Social and Governance indexes (namely the MSCI World ESG index and the MSCI US IMI index) to guide investment opportunities in equities screened for ESG criteria. The UBS fund focuses on lower risk investments consisting of gilts and corporate paper. Fixed asset investments are reported in the financial statements at their market value on the balance sheet date, including the effect of any unrealised gains and losses as of that date.

Foreign exchange: Assets and liabilities denominated in foreign currencies are translated at year end exchange rates. Exchange differences are included in the statement of financial activities. Transactions during the year are recorded at the prevailing rates.

Financial assets and liabilities: Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument. Additionally, all financial assets and liabilities are classified according to the substance of the contractual arrangements entered into.

Financial assets and liabilities are initially measured at transaction price (including transaction cost) and are subsequently re-measured where applicable at amortised cost except for forward rate currency contracts which are subsequently measured at fair value with gains and losses recognised in the Statement of Financial Activities. Assets and liabilities held in a foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

The Group enters into forward rate currency contracts to manage its exposure to fluctuations in exchange rates throughout the year. These contracts are recognised at fair value with gains or losses recognised in the Profit and Loss account.

Pension costs: In the UK, the charity operates a defined contribution group personal pension scheme for the benefit of any employees wishing to join. Defined contribution schemes also operate for overseas based employees in other, non-UK, jurisdictions in line with local legislation. The contributions payable under the schemes are charged in the income & expenditure account, and the assets are managed by an independent organisation.

Taxation: Marine Stewardship Council is a registered charity, and therefore is not liable for income tax or corporation tax on income derived from its charitable activities since it falls within the various exemptions available to registered charities.

Operating lease assets: Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Fund accounting: The general fund comprises those monies which may be used towards meeting the charitable objectives of the charity at the discretion of the directors. The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor-imposed conditions.

2 Donations & legacies	2024	2023
	£'000	£'000
Grants from other charitable bodies	693	2,041
Grants from government organisations	140	103
Donations from companies	71	127
Other donations	2	2
	<u>906</u>	<u>2,273</u>

Grants from other charitable bodies includes an in kind donation of £45,000 from Fishmongers Hall.

3 Investment income	2024	2023
	£'000	£'000
Bank and investment funds interest and dividends receivable	773	795
4 Expenditure on raising funds	2024	2023
	£'000	£'000
General fundraising activities:		
salaries	383	409
other running costs	40	62
investment managers fees	102	95
support	165	175
	<u>690</u>	<u>741</u>

5 Expenditure on charitable activities	Activities undertaken directly	Support costs	Governance costs	2024	Activities undertaken directly	Support costs	Governance costs	2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Policy & maintenance of standards	5,124	1,655	287	7,066	4,725	1,450	229	6,404
Education & awareness	8,159	1,653	287	10,099	7,969	1,520	229	9,718
Servicing & outreach to fisheries and commercial sector	7,319	2,483	287	10,089	8,110	2,313	228	10,651
Logo licensing costs	1,494	426	96	2,016	1,534	393	76	2,003
Ocean Stewardship Fund	1,406	0	0	1,406	1,052	0	0	1,052
	<u>23,502</u>	<u>6,217</u>	<u>957</u>	<u>30,676</u>	<u>23,390</u>	<u>5,676</u>	<u>762</u>	<u>29,828</u>

6 Support cost breakdown by activity

	Raising Funds	Policy & standards	Education & awareness	Servicing & outreach	Logo licensing	Total 2024	Total 2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Office services	37	371	370	556	95	1,429	1,456
IT services	86	856	855	1,284	221	3,302	3,034
Finance services	8	87	87	131	22	335	207
Human Resources	22	226	226	339	58	871	726
Premises	12	115	115	173	30	445	428
	<u>165</u>	<u>1,655</u>	<u>1,653</u>	<u>2,483</u>	<u>426</u>	<u>6,382</u>	<u>5,851</u>

Support costs have been allocated to activities in line with salary spend, this is a reasonable approximation of the resource usage within each activity.

7 Net income / expenditure

	2024	2023
	£'000	£'000
The group's net income / expenditure is stated after or charging:		
Fees payable to the parent charity's auditors for the audit of the charity's and UK subsidiary account	33	31
Fees payable to the component auditors for the audit of the charity's overseas subsidiaries	36	19
Total fees payable to auditors for auditing services	69	50
Fees payable to the parent charity's auditors for tax and other services	8	3
Operating lease charges - land and building	629	576
Operating lease charges - office equipment	5	7
(Profit) / Loss on fixed asset disposal	0	0
Depreciation	811	885

8 Trustee / directors and employees

	2024	2023
	£'000	£'000
Staff costs, including directors' remuneration, were as follows:		
Wages and salaries	13,899	12,817
Social security costs	1,760	1,624
Pension	1,478	1,207
	<u>17,137</u>	<u>15,648</u>

	2024	2023
	number	number
The number of staff employed by the charity during the year was as follows:		
Number of staff during the year	255	247

The number of employees whose emoluments amounted to over £60,000 in the year was as follows:

	2024	2023
£60,000 - £69,999	25	21
£70,000 - £79,999	19	20
£80,000 - £89,999	13	11
£90,000 - £99,999	5	5
£100,000 - £109,999	3	2
£110,000 - £119,999	2	1
£120,000 - £129,999	2	4
£130,000 - £139,999	1	2
£140,000 - £149,999	3	0
£150,000 - £159,999	1	2
£160,000 - £169,999	0	0
£240,000 - £249,999	0	1
£280,000 - £289,999	1	0

Key management personnel are defined as those who are designated as members of the MSC Executive Committee. Salary, pension contributions and other benefits received during 2023/24 by the five Executive Committee members amounted to £1,025,343 (2022/23 £1,004,699).

The banding for the highest paid employee shown above includes employers pension contribution paid as salary. This treatment was adopted as mitigation to the tapering of the annual pension contribution allowance. The emoluments reported in all other bands exclude employers pension contribution

MSC paid pension contributions and other benefits on behalf of staff totalling £1,485,000 (2022/23: £1,207,246). For the 75 members of staff whose emoluments were greater than £60,000 the MSC paid pension contributions and other benefits totalling £801,403 (2022/23: £651,045).

9 Trustees' remuneration and expenses

The former chair of the charitable company, Dr Werner Kiene, who is also a Trustee under Charity law, received or was entitled to receive emoluments of USD 79,000 during the year for professional services rendered (2022/23: USD 50,000).

The current chair of the charitable company, Giles Bolton, who is also a Trustee under Charity law, received or was entitled to receive emoluments of £4,167 during the year for professional services rendered (2022/23: £0).

Kevin Stokes, a board member of Marine Stewardship Council (MSC), provided consultancy services amounting to £8,068 during the year (2023: £10,636).

These payments were made in line with criteria laid down in the Memorandum and Articles of Association of the company and were approved by the full Board. The Charity has met travel and subsistence expenses incurred by the fourteen Trustees in the Charity's business totalling £71,584 (2022/23: £77,509).

The Charity has also paid for the indemnity insurance cost for the trustees (who are also directors) and its key employees with regard to their actions on behalf of the charity.

10 Intangible assets

	Group Trademark £'000	Group Software and database £'000	Group Total £'000	Charity £'000
Cost				
At 1st April 2023	0	5,950	5,950	5,565
Additions	0	568	568	568
Disposals / write offs	0	0	0	0
At 31 March 2024	0	6,518	6,518	6,133
Depreciation				
At 1st April 2023	0	4,556	4,556	4,171
Charge for the year	0	715	715	715
Disposals / write offs	0	0	0	0
At 31 March 2024	0	5,271	5,271	4,886
Net book value				
At 31 March 2024	0	1,247	1,247	1,247
At 31 March 2023	0	1,394	1,394	1,394

Trademark intangible asset represents the £1 purchase cost to buy the MSC logo trademark from Marine Stewardship Council International.

The amortisation charge of intangible assets has been allocated equally across Policy and maintenance of standards, Education and awareness, Servicing and outreach to fisheries and commercial sector, and Logo licensing costs.

£291,742 of the £1,246,000 group software and database net book value relates to the capitalised development cost of the Enhanced Traceability Project presently under construction and is not yet being depreciated.

11 Tangible fixed assets

	Group Long Leasehold Property £'000	Group Furniture, fittings and IT equipment £'000	Group Total £'000	Charity £'000
Cost				
At 1st April 2023	3,700	1,131	4,831	4,703
Additions	0	6	6	0
Disposals / write offs	0	0	0	0
At 31 March 2024	3,700	1,137	4,837	4,703
Depreciation				
At 1st April 2023	447	963	1,410	1,299
Charge for the year	37	59	96	82
Disposals / write offs	0	0	0	0
At 31 March 2024	484	1,022	1,506	1,381
Net book value				
At 31 March 2024	3,216	115	3,331	3,322
At 31 March 2023	3,253	168	3,421	3,404

12a Investment in Group Companies

	Group Shares in Subsidiary £'000	Charity Shares in Subsidiary £'000
Cost		
At 1 April 2023	0	145
Additions	0	0
At 31 March 2024	0	145
Net book value		
At 31 March 2024	0	145
At 31 March 2023	0	145

The company's subsidiaries during the year were as follows:

Company Name	Ownership	Country of incorporation	Activity
Marine Stewardship Council International (CN 3486485)	MSC UK is the sole shareholder	UK	Commercial activities of Marine Stewardship Council (UK trading subsidiary)
Marine Stewardship Council Ltd (EIN 91-2018427)	MSC UK is the sole member	USA	Achieve the objectives of MSC (US charitable subsidiary)
Marine Stewardship Council Trust (ABN 69 517 984 605)	MSC UK is the sole member	Australia	Achieve the objectives of MSC (Australian charitable subsidiary)
Marine Stewardship Council Asia Ltd (CN 201215612M)	MSC UK is the sole member	Singapore	Achieve the objectives of MSC (Singaporean charitable subsidiary)
MSC Japan - GIA	MSC UK is the sole member	Japan	Achieve the objectives of MSC (Japan GIA subsidiary)
An Hai Xu Fishery Certification Consulting (Beijing) Ltd Co (CN 9111015MA003GWGIC)	MSCI is the sole shareholder	China	Achieve the objectives of MSC (Chinese trading subsidiary of MSCI)

	MSCI Ltd	MSC Ltd	MSC Asia Pacific Pty Ltd	MSC Asia Ltd	An Hai Xu Fishery Certification Consulting (Beijing) Ltd Co	MSC Japan
	£'000	£'000	£'000	£'000	£'000	£'000
Income:						
Donations and legacies	0	39	0	0	0	0
Income from charitable activities	31,326	0	0	0	0	0
Income from investments	0	0	0	0	0	0
Other trading activities	0	0	0	0	0	0
Grants from UK Charity	0	4,138	1,127	106	735	633
Total income	31,326	4,177	1,127	106	735	633
Expenditure:						
Expenditure on charitable activities	14,363	4,315	1,068	99	640	531
Foreign exchange (gain) / loss	242	47	25	3	(8)	76
Total Expenditure	14,605	4,362	1,093	102	632	607
Net Income / (Expenditure)	16,721	(185)	34	4	103	26
Gift Aid to UK Charity	16,721	0	0	0	0	0
Funds at 1st April 2023	131	364	(72)	15	(117)	20
Funds at 1st April 2024	131	179	(38)	19	(14)	46
Fixed Assets & Intangible Fixed Assets	0	7	3	0	0	0
Investments in subsidiary	179	0	0	0	0	0
Debtors	9,605	19	13	4	12	5
Cash at bank and in hand	3,730	379	112	21	177	57
Total current assets	13,335	398	125	25	189	62
Creditors: Amounts falling due with one year	(13,383)	(226)	(122)	(6)	(24)	(16)
Net current assets (liabilities)	(48)	172	3	19	165	46
Long term liabilities	0	0	(44)	0	0	0
Total assets less total liabilities	131	179	(38)	19	165	46
Represented by:						
Share Capital	145	0	0	0	179	0
Unrestricted funds	(14)	179	(38)	19	(14)	46
Restricted funds	0	0	0	0	0	0
	131	179	(38)	19	165	46

12b Fixed Asset Investments

	2024		2023	
	£'000		£'000	
Balance at beginning of year		19,111		19,222
Addition of principal cash		0		0
Sale of investments	(2,907)		(3,518)	
Purchase of investments	3,434		5,051	
Cash generated by sale / (purchase) of investm	(527)		(1,533)	
Gain / (loss) on investment	1,719		(1,310)	
Dividend and interest income	640		756	
Investment managers fees	(102)		(95)	
Foreign exchange revaluation	(156)	2,101	538	(111)
		<u>21,212</u>		<u>19,111</u>

The historic cost of the investment made is £12,258,971.

Asset Classes of Fixed Asset investments are:

	2024		2023	
	£'000		£'000	
Equity Funds		15,854		14,007
Fixed Income Securities		4,197		4,022
Real Estate funds		238		188
Commodities		544		410
Money Market funds		379		484
		<u>21,212</u>		<u>19,111</u>

13 Current Asset Investments

These are comprised of cash deposits held for investment purposes

	Group		Charity	
	2024	2023	2024	2023
	£'000		£'000	
Balance at beginning of year	3,972	3,544	3,972	3,421
Additions/(reductions)	1,757	428	1,757	551
Closing value at end of year	<u>5,729</u>	<u>3,972</u>	<u>5,729</u>	<u>3,972</u>

14 Debtors

	Group		Charity	
	2024	2023	2024	2023
	£'000		£'000	
Trade Debtors	1,189	1,358	130	120
Other Debtors	332	244	273	196
Prepayments and accrued income	9,257	10,376	717	773
Amounts due from Subsidiary undertakings	0	0	12,179	12,697
	<u>10,778</u>	<u>11,978</u>	<u>13,299</u>	<u>13,786</u>

15 Creditors: amounts falling due within one year

	Group 2024 £'000	Group 2023 £'000	Charity 2024 £'000	Charity 2023 £'000
Trade Creditors	1,512	1,324	790	892
Tax and social security creditor	431	540	202	176
Other creditors	588	596	383	336
Accruals and deferred income	1,144	1,356	703	992
	<u>3,675</u>	<u>3,816</u>	<u>2,078</u>	<u>2,396</u>

Movement on deferred income:	Group 2024 £'000	Charity 2024 £'000
Deferred income at 1 April 2023	0	0
Released to income in year	0	0
Income deferred in year	0	0
Deferred income at 31 March 2024	<u>0</u>	<u>0</u>

16 Creditors: amounts falling due after more than one year

	Group 2024 £'000	Group 2023 £'000	Charity 2024 £'000	Charity 2023 £'000
Ocean Stewardship Fund	422	302	422	302
Other Creditors	43	34	0	0
Total falling due after more than one year	<u>465</u>	<u>336</u>	<u>422</u>	<u>302</u>

The Ocean Stewardship Fund consists of the Recertification Assistance Fund, which supports the costs of recertification for fisheries that are at their second or subsequent recertification; the Transition Assistance Fund, which supports fisheries to make the necessary improvements to become certified; the Science and Research Fund, which supports research projects with an emphasis upon condition closure; the Innovation Fund, which supports strategically important research. The OSF is reported as designated funds on the face of the SOFA

17a Funds - Group

		Balance					Balance
	Note	1st April 2023	Income	Expenditure	Gains and losses	Transfers	31st March 2024
		£'000	£'000	£'000	£'000	£'000	£'000
D&L Packard Foundation	1	48	0	0	0	0	48
Canadian Pathway	2	23	20	0	0	69	112
Evidence Requirement Framework, OSF	3	39	0	(39)	0	0	0
ETP OOS Data Limited Assessment Tool	4	0	0	(11)	0	40	29
OSF Climate Change	5	173	0	(73)	0	0	100
OSF Core Strategic	6	855	0	0	0	(855)	0
Portugal PPA, OSF	7	44	0	(17)	0	0	27
ETP US Benchmarking	8	0	0	(27)	0	40	13
HWF Pathways Project	9	0	12	6	0	704	722
Benguela Pathway	10	8	0	(8)	0	0	0
Italy PPA, OSF	11	0	0	0	0	38	38
Loan Guarantee, Walton	12	769	0	40	0	0	809
MAVA OSF Medit	13	4	0	(4)	0	0	0
Remmer Foundation, Kenya	14	0	8	0	0	0	8
East Asia Sea - Vena	15	23	0	(23)	0	0	0
Nephrop Research UK	16	4	0	(1)	0	0	3
Levantis Hellasfish	17	58	0	(43)	0	0	15
Project UK 1 - 3	18	222	72	(92)	0	0	202
Pacific SIDS Tuna, FAO	19	0	140	(24)	0	0	116
Multiplier - Certifications & Ratings	20	36	0	(30)	0	0	6
Social Project, Walton	21	0	103	0	0	0	103
Threadfin Bream, Certification & Ratings	22	0	12	0	0	0	12
MAVA Medpath	23	61	0	(60)	0	0	1
Walton Mexico	24	144	84	(67)	0	0	161
Total Restricted		2,511	451	(473)	0	36	2,525
Unrestricted:							
General purpose fund		37,763	32,584	(29,486)	1,419	(2,878)	39,402
Designated - OSF	25	1,856	45	(1,407)	0	2,842	3,336
Total Group Funds		42,130	33,080	(31,366)	1,419	0	45,263

Exchange gains and losses arising from the revaluation of foreign currency assets held overseas have been set against expenditure.

Transfers between unrestricted funds and restricted funds represents MSC's match funding contributions required to fulfil the donors restricted grant contract expectations.

The movement between OSF Core Strategic and the HWF Pathways project in 23/24 is purely a renaming of the restricted fund to reflect its intended use.

Transfers of unrestricted funds into designated funds relate to the designation of funds for the Ocean Stewardship Fund (see below) and for the Fishery Standard Review V3 implementation fund.

Notes:

1) Capacity building; 2) Canadian Pathway Project; 3) Evidence Requirement Framework, OSF;

4) ETP OOS Data Limited Assessment Tool; 5) OSF Climate Change; 6) OSF Strategic (Hans Wildorf Foundation);

7) Portugal PPA, OSF; 8) ETP US Benchmarking; 9) Hans Wildorf Foundation, Pathways Project;

10) Benguela Pathway; 11) Italy PPA, OSF ; 12) Walton Family Foundation, Loan Guarantee;

13) MAVA, OSF, Mediterranean; 14) Remmer Foundation, Kenya; 15) Vena Energy, East Asia Sea; 16) Nephrop Research UK; 17) Levantis Hellasfish;

18) Project UK, Corporate Funders; 19) Pacific SIDS Tuna, FAO; 20) Multiplier, Certifications & Ratings; 21) Social Project, Walton Family Foundation;

22) Threadfin Bream, Certification & Ratings; 23) MAVA Medpath; 24) Walton Family Foundation, Mexico;

25) The OSF is a designated fund with a 3 fold objective of supporting fisheries transitioning towards MSC, funding science and research projects that will benefit MSC's sustainability agenda and a recertification strand, helping to contribute to the audit cost of fisheries being certified for the third time (2nd recertification). The V3 implementation designated fund was created by the Board in 2023/24 to fund the cost of activities that support the successful transition to version 3 of the Fishery Standard. Note 17b gives more detail on designated funds.

MSC have received £4,197,393 from the Netherlands based Nationale Postcode Loterij over a period of 10 years since 1st April 2013. These contributions arose from multi-year partnerships.

For prior year comparatives, see note 23

17b Movement on Designated Funds

	Group 2024 Fishery Standard Review V3 Fund GBP 000	Group 2024 OSF Transition Assistance Fund GBP 000	Group 2024 OSF Recertification Assistance Fund GBP 000	Group 2024 OSF Science Research Fund GBP 000	Group 2024 OSF Student Research Grants GBP 000	Group 2024 OSF Innovation Fund GBP 000	Group 2024 OSF Seed Fund GBP 000	Group 2024 OSF Administration Fund GBP 000	Group 2024 Total Designated GBP 000
Designated Funds 31 March 23	0	427	1,087	0	0	0	0	341	1,855
Designations made in the year	1500	250	500	125	50	240	44	0	2,709
Incoming resources	0	0	0	0	15	27	0	3	45
Transfers between funds	0	0	0	0	0	44	(44)	0	0
Grant admin expenditure	0	0	0	0	0	0	0	(107)	(107)
Grants awarded during the year	(114)	(444)	(533)	5	(21)	(59)	0	0	(1,166)
Designated Funds 31 March 24	1,386	233	1,054	130	44	252	0	237	3,336

	Charity 2024 Fishery Standard Review V3 Fund GBP 000	Charity 2024 OSF Transition Assistance Fund GBP 000	Charity 2024 OSF Recertification Assistance Fund GBP 000	Charity 2024 OSF Science Research Fund GBP 000	Charity 2024 OSF Student Research Grants GBP 000	Charity 2024 OSF Innovation Fund GBP 000	Charity 2024 OSF Seed Fund GBP 000	Charity 2024 OSF Administration Fund GBP 000	Charity 2024 Total Designated GBP 000
Designated Funds 31 March 23	0	427	1,087	0	0	0	0	341	1,855
Designations made in the year	1500	250	500	125	50	240	44	0	2,709
Incoming resources	0	0	0	0	15	27	0	3	45
Transfers between funds	0	0	0	0	0	44	(44)	0	0
Grant admin expenditure	0	0	0	0	0	0	0	(107)	(107)
Grants awarded during the year	(114)	(444)	(533)	5	(21)	(59)	0	0	(1,166)
Designated Funds 31 March 24	1,386	233	1,054	130	44	252	0	237	3,336

18 Funds - Charity

	Note	Balance					Balance
		1st April 2023	Income	Expenditure	Gains and losses	Transfers	31st March 2024
		£'000	£'000	£'000	£'000	£'000	£'000
D&L Packard Foundation	1	48	0	0	0	0	48
Dutch Postcode Lottery	2	150	0	(150)	0	0	0
MAVA, PPAMP	3	2	0	(2)	0	0	0
Nephrop Research Proj UK	4	3	0	0	0	0	3
ETP US Benchmarking	5	0	0	(27)	0	40	13
D&L Packard Foundation	6	535	0	(535)	0	0	0
Canadian Pathway Project	7	0	0	0	0	69	69
Levantis Hellasfish	8	58	0	(43)	0	0	15
UK Project Stage 1	9	42	0	(26)	0	16	32
UK Project Stage 2	9	175	0	(67)	0	(16)	92
UK Project Stage 3	9	6	72	0	0	0	78
ETP OOS Data Limited Assessment Tool	10	0	0	(11)	0	40	29
Multiplier - Certifications & Ratings	11	(1)	0	(29)	0	0	(30)
Packard Foundation - East Asia Sea	12	138	0	(138)	0	0	0
Benguela - Pathways Project	13	(20)	0	20	0	0	0
MAVA Medpath	14	62	0	(60)	0	0	2
WAFIC	15	6	0	(6)	0	0	0
MAVA, LEAD 2	16	1	0	(1)	0	0	0
Walton - Loan Guarantee	17	769	0	40	0	0	809
Walton Foundation	18	788	0	(788)	0	0	0
D&L Packard Foundation - Japan	19	651	0	(651)	0	0	0
Entwicklungsgesellschaft (DEG)	20	61	0	(61)	0	0	0
Kingfisher	21	6	0	(6)	0	0	0
MIDATLANTIC	22	9	0	(9)	0	0	0
Walton Foundation - Mexico	23	163	0	(163)	0	0	0
MAVA OSF Medit	24	5	0	(5)	0	0	0
MAVA OSF West Africa	25	(1)	0	1	0	0	0
Mexico Walton 2022	26	166	84	(85)	0	0	165
HWF Pathways Project	27	0	12	6	0	704	722
FAO Climate Change	28	173	0	(73)	0	0	100
East Asia Sea - Vena	29	23	0	(23)	0	0	0
OSF Evidence Requirement Framework	30	40	0	(40)	0	0	0
OSF Core Strategic	31	855	0	0	0	(855)	0
OSF Portugal	32	43	0	(17)	0	0	26
Italy PPA	33	0	0	0	0	38	38
Pacific SIDS Tuna, FAO	34	0	140	(8)	0	0	132
Social Project Walton	35	0	103	0	0	0	103
Threadfin Bream Project	36	0	12	0	0	0	12
Total Restricted		4,956	423	(2,957)	0	36	2,458
Unrestricted:							
General purpose fund		35,122	26,171	(20,687)	1,563	(2,878)	39,291
Designated - OSF	37	1,856	45	(1,407)	0	2,842	3,336
Total Group Funds		41,934	26,639	(25,051)	1,563	0	45,085

Exchange gains and losses arising from the revaluation of foreign currency assets held overseas have been set against expenditure.

Transfers between unrestricted funds and restricted funds represents MSC's match funding contributions required to fulfil the donors restricted grant contract expectations. The movement between OSF Core Strategic and the HWF Pathways project in 23/24 is purely a renaming of the restricted fund to reflect its intended use.

Transfers of unrestricted funds into designated funds relate to the designation of funds for the Ocean Stewardship Fund (see below) and for the Fishery Standard Review V3 implementation fund.

1) Capacity building; 2) Dutch Post Code Lottery Fish For Good; 3) MAVA PPAMP;

4) Nephrops Research Project, OSF; 5) OSF IVF ETP US Benchmarking; 6) Japan Programme, Packard Foundation;

7) Canadian Pathway; 8) Levantis, Greece; 9) UK Project Inshore; 10) OSF IVF ETP OOS Data Limited, Greece;

11) Multiplier, Certifications & Ratings; 12) Packard, East Asia Sea; 13) Benguela, Pathways Projects

14) MAVA Medpath; 15) Western Australian Fishing Industry Council ; 16) MAVA, LEAD 2; 17) Walton Family Foundation, Loan Guarantee; 18) Walton Foundation, 2019 - 2021

19) Packard Foundation, Japan; 20) Entwicklungsgesellschaft (DEG); 21) KDE project, kingfisher; 22) Midatlantic

23) Walton Family Foundation, Mexico; 24) MAVA, OSF Mediterranean; 25) MAVA, OSF, West Africa; 26) Walton Family Foundation 2022, Mexico; 27) Hans Wildorf Foundation, Pathways Proj

28) FAO, Climate Change; 29) Vena Energy, East Asia Sea; 30) OSF, Evidence Requirement Framework; 31) OSF, Core Strategic (Hans Wildorf Foundation); 32) OSF, Portugal Pathway Project;

33) OSF & Federpesca, Italy PPA; 34) FAO, Pacific SIDS Tuna; 35) Walton Foundation, Social Project; 36) Multiplier, Threadfin Bream, India

37) The OSF is a designated fund with a 3 fold objective of supporting fisheries transitioning towards MSC, funding science and research projects that will benefit MSC's sustainability agenda and a recertification strand, helping to contribute to the audit cost of fisheries being certified for the third time (2nd recertification). The V3 implementation designated fund was created by the Board in 2023/24 to fund the cost of activities that support the successful transition to version 3 of the Fishery Standard. Note 17b gives more detail on designated funds.

MSC have received £4,197,393 from the Netherlands based Nationale Postcode Loterij over a period of 10 years since 1st April 2013. These contributions arose from multi-year partnerships.

For prior year comparatives, see note 24.

19 Financial Commitments

	Group	Group	Group	Group
	Land & Buildings	Other	Land & buildings	Other
	2024	2024	2023	2023
	£'000	£'000	£'000	£'000
Expiry Date				
less than 1 year	489	5	351	0
Two to five years	875	3	565	5
Total	1,364	8	916	5

	Charity	Charity	Charity	Charity
	Land & Buildings	Other	Land & Buildings	Other
	2024	2024	2023	2023
	£'000	£'000	£'000	£'000
Expiry Date				
less than 1 year	229	0	159	0
Two to five years	381	0	27	0
Total	610	0	186	0

20 Analysis of net assets between funds

	2024	2024	2024	2024	2023	2023	2023	2023
	Unrestricted	Designated	Restricted	Total	Unrestricted	Designated	Restricted	Total
	Funds	Funds	Funds	Funds	Funds	Funds	Funds	Funds
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fund balances at 31 March as represented by:								
Tangible fixed assets & investments	24,541	0	0	24,541	22,532	0	0	22,532
Intangible fixed assets	1,247	0	0	1,247	1,393	0	0	1,393
Net current assets	14,079	3,336	2,525	19,940	14,174	1,856	2,511	18,541
Long term liabilities	(465)	0	0	(465)	(336)	0	0	(336)
Total net assts	39,402	3,336	2,525	45,263	37,763	1,856	2,511	42,130

21 Related party transactions

The Marine Stewardship Council's related parties as defined by the Financial Reporting Standard 102, and the nature of the relationship, are summarised below:

Marine Stewardship Council International Limited (MSCI)

During the financial year MSC charged MSCI 15% of its office, premises and HR costs, 50% of its IT costs, and an allocation of salary of the MSC's Finance Director and Governance Secretary totalling £1,831,228 (2023: £1,616,190). Allocations of key management salaries totalled £299,247 (2023: £263,379). Gift aid payable for the year amounted to £16,721,390 (2023: £15,904,446) and the royalty payable by MSCI to MSC for the right to exploit MSC's ecolabel amounted to £8,202,635 (2023: £7,972,734). At 31st March 2024, MSCI owed £12,179,845 in total to the parent charity company. This amount includes the amount payable by MSCI to MSC as royalty for the right to exploit the Charities intellectual property (i.e. the MSC ecolabel) and the gift aid due to the Charity of MSCI's accounting surplus for the year.

The ultimate controlling party of the Charity is its members who are also the Directors and Trustees.

22 In-kind income and expenditure

Income from charitable activities includes £0 (22/23 £13k) of in-kind income related to marketing support, the cost of which is reported under education and awareness.

Income from charitable activities includes £45K (22/23 £0) of in-kind income from Fishmongers Hall, the cost of which is reported under donations and legacies.

23 Funds - Group

		Balance					Balance
	Note	1st April 2022	Income	Expenditure	Gains and losses	Transfers	31st March 2023
		£'000	£'000	£'000	£'000	£'000	£'000
D&L Packard Foundation	1	52	0	(4)	0	0	48
Canadian Pathway	2	0	23	0	0	0	23
Evidence Requirement Framework, OSF	3	0	0	0	0	39	39
FAO Climate change	4	0	77	(77)	0	0	0
OSF Climate Change	5	0	0	(27)	0	200	173
OSF Core Strategic	6	0	855	0	0	0	855
Portugal PPA, OSF	7	0	0	0	0	44	44
Science Week	8	0	11	(27)	0	16	0
FAO, Cabo Verde	9	0	17	(17)	0	0	0
Benguela Pathway	10	0	20	(12)	0	0	8
MAVA, Lead 2	11	40	14	(58)	0	4	0
Loan Gaurantee, Walton	12	751	19	(1)	0	0	769
MAVA OSF Medit	13	279	17	(292)	0	0	4
MAVA OSF West Africa	14	277	51	(328)	0	0	0
East Asia Sea - Vena	15	0	23	0	0	0	23
Nephrop Research UK	16	62	6	(64)	0	0	4
Levantis Hellasfish	17	76	0	(18)	0	0	58
Project UK 1 - 3	18	225	107	(110)	0	0	222
Cephs & Chefs	19	0	(2)	0	0	2	0
Multiplier - Certifications & Ratings	20	0	70	(34)	0	0	36
Packard Foundation - East Asia Sea	21	134	0	(134)	0	0	0
Multiplier - Surimi	22	5	0	(5)	0	0	0
MAVA Medpath	23	41	304	(284)	0	0	61
MAVA, West Africa	24	2	83	(83)	0	(2)	0
Walton Mexico	25	0	166	(22)	0	0	144
Walton Foundation	26	435	0	(435)	0	0	0
Total Restricted		2,379	1,861	(2,032)	0	303	2,511
Unrestricted:							
General purpose fund		36,331	30,873	(27,482)	(751)	(1,208)	37,763
Designated - OSF	27	2,006	0	(1,055)	0	905	1,856
Total Group Funds		40,716	32,734	(30,569)	(751)	0	42,130

Exchange gains and losses arising from the revaluation of foreign currency assets held overseas have been set against expenditure.

Transfers between funds represent transfers of unrestricted funds into restricted funded activities as match funding contributions contributions. Transfers of unrestricted funds into designated funds relate to the Ocean Stewardship Fund (see below).

Notes:

1) Capacity building; 2) Canadian Pathway Project; 3) Evidence Requirement Framework, OSF;
4) FAO Climate Change; 5) OSF Climate Change; 6) OSF Strategic;
7) Portugal PPA, OSF; 8) National Science Week, Australian Government; 9) FAO, Cabo Verde;
10) Benguela Pathway; 11) MAVA, LEAD 2 ; 12) Walton, Loan Guarantee;
13) MAVA, OSF, Mediterranean; 14) MAVA, OSF, West Africa; 15) Vena Energy, East Asia Sea; 16) Nephrop Research UK; 17) Levantis Hellasfish
18) Project UK, Corporate Funders; 19) EU, Cephs & Chefs; 20) Multiplier, Certifications & Ratings; 21) Packard, East Asia Sea
22) Multiplier, Surimi; 23) MAVA Medpath; 24) MAVA, Medpath; 25) Walton Mexico; 26) Walton Foundation 19-20 to 21-22
27) Ocean Stewardship Fund (OSF). A designated fund with a 3 fold objective of supporting fisheries transitioning towards MSC, funding science and research projects that will benefit MSC's sustainability agenda and a recertification strand, helping to contribute to the audit cost of fisheries being certified for the third time (2nd recertification). The timeline for fully spending the £1 million initial designation is likely to be between 3 and 4 years.

24 Funds - Charity

	Note	Balance				Transfers £'000	Balance
		1st April 2022 £'000	Income £'000	Expenditure £'000	Gains and losses £'000		31st March 2023 £'000
D&L Packard Foundation	1	52	0	(4)	0	0	48
Dutch Postcode Lottery	2	150	0	0	0	0	150
MAVA, PPAMP	3	2	83	(83)	0	0	2
Nephrop Research Proj UK	4	61	6	(64)	0	0	3
D&L Packard Foundation	6	535	0	0	0	0	535
Multiplier - Surimi	7	6	0	(6)	0	0	0
Levantis Hellasfish	8	75	0	(17)	0	0	58
UK Project Stage 1	9	50	41	(49)	0	0	42
UK Project Stage 2	9	172	64	(61)	0	0	175
UK Project Stage 3	9	4	2	0	0	0	6
Cephs & Chefs	10	0	(2)	0	0	2	0
Multiplier - Certifications & Ratings	11	0	33	(34)	0	0	(1)
Packard Foundation - East Asia Sea	12	183	0	(45)	0	0	138
Benguela - Pathways Project	13	(8)	0	(12)	0	0	(20)
MAVA Medpath	14	42	304	(284)	0	0	62
WAFIC	15	6	0	0	0	0	6
MAVA, LEAD 2	16	40	14	(57)	0	4	1
Walton - Loan Guarantee	17	751	19	(1)	0	0	769
Walton Foundation	18	1,138	0	(350)	0	0	788
D&L Packard Foundation - Japan	19	651	0	0	0	0	651
Entwicklungsgesellschaft (DEG)	20	61	0	0	0	0	61
Kingfisher	21	6	0	0	0	0	6
MIDATLANTIC	22	9	0	0	0	0	9
Walton Foundation - Mexico	23	163	0	0	0	0	163
MAVA OSF Medit	24	280	17	(292)	0	0	5
MAVA OSF West Africa	25	276	51	(328)	0	0	(1)
Mexico Walton 2022	26	0	166	0	0	0	166
OSF Climate Change	27	0	78	(78)	0	0	0
FAO Climate Change	28	0	0	(27)	0	200	173
East Asia Sea - Vena	29	0	23	0	0	0	23
OSF Evidence Requirement Framework	30	0	0	0	0	40	40
OSF Core Strategic	31	0	855	0	0	0	855
OSF Portugal	32	0	0	0	0	43	43
FAO Cabo Verde	33	0	17	(17)	0	0	0
Total Restricted		4,705	1,771	(1,809)	0	289	4,956
Unrestricted:							
General purpose fund		33,885	25,130	(21,926)	(773)	(1,194)	35,122
Designated - OSF	34	2,006	0	(1,055)	0	905	1,856
Total Group Funds		40,596	26,901	(24,790)	(773)	0	41,934

Exchange gains and losses arising from the revaluation of foreign currency assets held overseas have been set against expenditure.

Transfers between funds represent transfers of unrestricted funds into restricted funded activities as match funding contributions. Transfers of unrestricted funds into designated funds relate to the Ocean Stewardship Fund (see below).

1) Capacity building; 2) Dutch Post Code Lottery Fish For Good; 3) MAVA PPAMP;
 4) European Maritime & Fisheries Fund (EMFF); 5) Sustainable Octopus project;
 6) Japan Programme, Packard; 7) Multiplier, Surimi; 8) Levantis, Greece; 9) UK Project Inshore 1; 10) UK Project Inshore 2, Greece; 11) UK Project Inshore 3;
 9) UK Project Inshore 1 - 3; 10) EU, Cephs & Chefs; 11) Multiplier, Certifications & Ratings; 12) Packard, East Asia Sea; 13) Benguela, Pathways Projects
 14) MAVA Medpath; 15) Western Australian Fishing Industry Council; 16) MAVA, LEAD 2; 17) Walton, Loan Guarantee; 18) Walton Foundation, 2019 - 2021
 19) Packard Foundation, Japan; 20) Entwicklungsgesellschaft (DEG); 21) KDE project, kingfisher; 22) Midatlantic
 23) Walton support for the MSC programme 2019-22; 24) MAVA, OSF Mediterranean; 25) MAVA, OSF, West Africa; 26) Walton, Mexico; 27) OSF, Climate Change;
 28) FAO, Climate Change; 29) Vena Energy, East Asia Sea; 30) OSF, Evidence Requirement Framework; 31) OSF, Core Strategic; 32) OSF, Portugal Pathway Project; 33) FAO, Cabo Verde
 34) Ocean Stewardship Fund (OSF). A designated fund with a 3 fold objective of supporting fisheries transitioning towards MSC, funding science and research projects that will benefit MSC's sustainability agenda and a recertification strand, helping to contribute to the audit cost of fisheries being certified for the third time (2nd recertification). The timeline for fully spending the £1 million initial designation is likely to be between 3 and 4 years.

MARINE STEWARDSHIP COUNCIL

England & Wales - Charity number 1066806

Accounts



MARINE STEWARDSHIP COUNCIL

(A company limited by guarantee)

TRUSTEES' REPORT AND CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2023

Registered Charity No: 1066806
Registered Company: 3322023

Registered Office: Marine House
1-3 Snow Hill
London
EC1A 2DH

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TRUSTEES' REPORT AND STRATEGIC REPORT

The Trustees of The Marine Stewardship Council (MSC) present their Annual Report for the year ended 31 March 2023 under the Charities Act 2011 and the Companies Act 2006, including the Directors' Report and the Strategic Report under the 2006 Act, together with the audited financial statements for the year.

STRUCTURE, GOVERNANCE AND MANAGEMENT

INTRODUCTION

The (MSC) is a company limited by guarantee (company number 3322023) and is registered as a charity with the Charity Commission (number 1066806). The Charity is constituted through a Memorandum and Articles of Association dated 17 February 1997, as amended.

The overall objectives of the MSC as set out in the Memorandum are "to conserve the marine and freshwater environments for the benefit of the public and to advance public education in the principles and practices of conservation, particularly, but not exclusively by:

- conserving marine and freshwater fish populations and the environment on which they depend
- promoting, for the public benefit, effective management of fisheries and ensuring the sustainability of global fish stocks and the health of aquatic ecosystems generally
- establishing and promoting the application of a broad set of principles, standards and criteria for sustainable fishing".

The MSC's mission is to use its fishery certification program and eco-label to contribute to the health of the world's oceans by recognising and rewarding sustainable fishing practices, influencing the choices people make when buying seafood and working with a range of partners to transform the seafood market to a sustainable basis.

The Trustees have prepared this report in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102) – effective 1st January 2019.

THE TRUSTEES' MANAGEMENT AND STRUCTURE

The MSC is governed by a Board of up to fifteen Trustees, elected by the Board, taking into account a balance amongst interested groups: fishing companies, processors and retailers, NGOs and marine (fisheries) scientists, and the need for suitable geographical representation (MSC is a global organisation). Two seats each are set aside for representatives of the fishing industry (harvesting and processing), commercial sector, and the conservation sector, as well as two seats for marine scientists. The remaining seven seats are not allocated to specific interest groups. The Articles of Association provide for ex officio positions on the Board for each of the co-chairs of the Stakeholder Advisory Council, the chair of the Technical Advisory Board, and the chair of the MSCCI (see below for descriptions of these bodies). A Board Code of Conduct and Conflict and Declaration of Interest Policy is in place.

The Board and Executive receive advice from two advisory bodies that are an integral part of the MSC's governance structure. The Technical Advisory Board is made up of scientists and technical experts and provides the Board and Executive with advice on setting,

reviewing and implementing the organisation's standards for sustainable fisheries and chain of custody and related issues. The Stakeholder Advisory Council comprises up to 17 members including representatives from the seafood industry, conservation community, market sector and academia. It provides advice to the Executive and the Board and input into the MSC's review processes, ensuring these are representative of a wide range of views and opinions.

Many Trustees are involved in the specialist aspects of the MSC's program and work. The Board delegates some of its work to standing committees and ad hoc work groups. The Finance Committee oversees MSC's financial operations, examining periodic management accounts and recommending the annual budget to the Board; it also reviews the MSC's investments and certain fundraising activities. The Development Committee's focus is to help shape fundraising strategy and identify fundraising opportunities. A Governance Committee has been established to provide advice to the MSC Board regarding governance arrangements for the Board of Trustees, Technical Advisory Board and Stakeholder Advisory Council and MSC's subsidiary companies. The Audit & Risk Committee is responsible to the MSC Board for ensuring that the MSC has in place a robust framework for financial accountability and financial control, suitably qualified external auditors, and an adequate and effective corporate risk management and assurance framework, and also that MSC is compliant with relevant financial and audit regulations. It also fulfils this function for MSC's subsidiary boards.

The range of these committees provides for robust governance and is vital to the complex and sensitive work of the organisation.

The Board seeks new Trustees through a transparent external recruitment process as vacancies arise, through open, public advertisement and formal interview of shortlisted candidates. The Governance Committee of the Board scrutinises the applications (i.e. CV and covering letter) and the outcomes of the candidates' interviews, before making a recommendation to the Board.

Upon appointment, Trustees receive a Trustees' Induction pack, including documents such as the latest published financial statements, the Memorandum Articles and of Association, an explanation of Trustees' roles and responsibilities, the Charity Commission's guidance on public benefit and fiduciary duty etc. The Board of Trustees also adopted a Code of Conduct for all members of the Board in 2017.

MSC wholly owns a subsidiary company, Marine Stewardship Council International Limited (MSCI), which carries out its trading activities, most notably those related to logo licensing. MSC wholly owns a further three subsidiaries (MSC Ltd, MSC Asia Ltd, MSC Asia Pacific Pty) the activities of which help fulfil MSC's charitable mission in the Americas, South East Asia and Australia, New Zealand and the wider Pacific. MSCI also has a Chinese registered subsidiary, An Hai Xu Fishery Certification Consulting (Beijing) Ltd Co (known as MSC China), the activities of which help fulfil MSC's charitable mission in China. In 2020, MSC established a non-profit General incorporated association (GIA), Ippan Shadan Hojin MSC Japan, to support its charitable mission in Japan.

The day-to-day operational management of the MSC is delegated by the Board to the Chief Executive Officer (CEO) and the senior executive team (collectively comprising the Executive Committee). The key management team is considered to be the Executive Committee which consists of the CEO, Chief Science & Standards Officer, Chief Operating Officer, Chief Program Officer, and Chief Communications Officer.

The remuneration of the CEO is set jointly by the Chair of the Board and the Chair of the Finance Committee, referencing appropriate market data. The remuneration of the rest of

the Executive Committee is set by the CEO in consultation with the Board Executive Committee, based upon independent market data provided by a third-party consultancy.

THE CHARITY CODE OF GOVERNANCE

The MSC takes its governance responsibilities seriously and, as an international charity, aims to have a governance framework that is fit for purpose, compliant and efficient. In 2017 the new Charity Code of Governance was launched and updated in 2020, with a recommendation that charities review their level of application and to explain any aspects of the code they were not applying. In our review, MSC carried out a detailed examination of each element of the updated Code:

- Organisational purpose
- Leadership
- Integrity
- Decision making, risk and control
- Board effectiveness
- Equality, diversity and inclusion
- Openness and accountability

This review found that MSC applies the Code in all material aspects. Further, in order to build on its compliance with the Code and maintain governance best practice, over the current year, the Board has implemented range of governance evolutions. A key element of this best practice progression is a review and update of the Charity's Articles of Association, which is currently close to completion.

The principles of equality, diversity and inclusion are embedded within the MSC and its work, through the leadership of the Board. The Trustees particularly recognise the importance and value of a diverse Board, taking account of this in their Board succession planning and recruitment processes. To this end, a number of newly appointed Trustees will join the Board from July 2023. The new Trustees bring wide-ranging, relevant experience to the MSC and come from diverse backgrounds: these appointments will serve to enrich the diversity of the composition of the Board of Trustees.

BOARD OF TRUSTEE DUTIES UNDER SECTION 172 OF THE UK COMPANIES ACT

DUTIES & RESPONSIBILITIES

The responsibilities of the Board of Trustees under section 172 are summarised as follows:

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company and have regard (amongst other matters) to:

- a) the likely consequences of any decision in the long term
- b) the interests of the company's employees
- c) the need to foster the company's relationships with stakeholders and suppliers,
- d) the impact of the company's operations on the environment
- e) desirability of the company maintaining a high reputation for high standards of business conduct.

On joining the MSC Board, all new Trustees are briefed on their duties, and Trustees also receive relevant training and information throughout the period of their term of appointment.

It is important to recognise that the Trustees partly fulfil their duties through a governance framework (including a formal Scheme of Delegated Authorities) that delegates day to day decision-making to the Executive Committee of the Charity. Details of our governance arrangements are outlined in the Trustees Management and Structure on page 3.

The MSC Trustees consider that they have fulfilled their obligations under section 172. The following summarises how this has been achieved.

RISK MANAGEMENT

We operate in an uncertain and challenging environment, from which emerge a range of risks, many of which are beyond our direct control. It is therefore vital that we effectively identify, evaluate, manage and mitigate the risks we face.

The Board has set in place a robust risk management framework, enabling it to assess and manage both its risk appetite and our current risks and their mitigation. The Audit & Risk Committee is responsible to the MSC Board for ensuring that the MSC has in place an adequate and effective corporate risk management and assurance framework.

For details of our principal risks and uncertainties, see the Risk section of the Finance Report on page 14.

STATEMENT OF ENGAGEMENT WITH OUR EMPLOYEES

As a 'knowledge-based' organisation, our employees and our 'Better Together' culture are critical to the success of the MSC. With this in mind, development and investment in our people is integral to our charity.

Key people initiatives we have set in place, and continue to progress include:

- biannual survey of all employees (reported to the Board), which consistently engenders almost universal participation, with the results demonstrating the continual highly positive engagement of our staff
- development and delivery of a Learning & Development Strategy
- robust staff performance management systems
- development and delivery of a diversity, equity and inclusion action plan
- policies and procedures to support the full HR lifecycle of our employees
- policies, tools and systems to enable staff to fulfil their roles, to ensure their health and safety, and to support their well-being.

STATEMENT OF MSC'S RELATIONSHIPS WITH STAKEHOLDERS & SUPPLIERS

Independence, transparency, impartiality and multi-stakeholder governance are central to the MSC's values and commitment to maintain and strengthen world-leading standards.

We work hard to ensure our standards, strategy and decision-making take account of the views, expertise and experience of a wide range of perspectives, from academia and government, the fishery and market sectors, and the environmental NGO community.

Our governance structure therefore involves a wide range of individuals with different perspectives to ensure that the MSC's decisions are balanced, reflecting many sectors and interests. Stakeholders are included in the membership of the MSC Board itself, the Technical Advisory Board, and Stakeholder Advisory Council (STAC). Indeed, the STAC was specifically established to provide advice and stakeholder perspectives to the Board and

Executive. Its membership includes representatives from the seafood industry, conservation community, market sector and academia, and reflects the diverse expertise, experiences, geographies and interests in relation to the work of the MSC.

In addition to our governance bodies, other stakeholder engagement initiatives and activities include:

- stakeholders are invited to participate in consultations on our standards and requirements
- the fisheries certification process encompasses formal opportunities in which stakeholders are encouraged to participate in the third-party assessment of a fishery against MSC Fisheries Standard
- day to day informal, regular interaction with stakeholders across all sectors.

We also value all our suppliers (all of whom are selected through robust procurement processes) and the contributions that they make to our organisation. Our effective working relationships with our suppliers served us very well during the COVID-19 pandemic, particularly that with our outsourced IT partner, which worked closely with us to ensure we were able to continue to operate fully and maintain organisational cohesiveness throughout extended lockdowns across the world.

MSC'S ENVIRONMENTAL PERFORMANCE

The following table sets out MSC's GHGe (Green House Gas emissions). 2022/23 is considered as MSC's "base" year for GHGe reporting.

	2022/23
Energy use (kWh hrs)	131,847
Associated greenhouse gas emissions (tonnes CO2 equivalent) (TCO2e)	67
Intensity ratio (TCO2e/number employees)	0.27

CO2 emissions arising from work travel (including commuting to the office) are estimated to be 788 TCO2e. As an international organisation, overseas travel is an inherent feature of our day-to-day operations for many staff, but we seek always to ensure we only undertake necessary journeys, and to do so in a way which minimises our carbon emissions. MSC will investigate options to offset the emissions made.

We have also introduced a number of energy-saving initiatives designed to minimise our energy consumption and environmental impact, an important consideration for an environmental organisation such as MSC. These include:

- 100% certified green energy in our UK headquarters, and all other offices globally where this is possible, using an energy broker to generate efficiencies and cost savings
- encouraging employees to use public transport where they need to travel for meetings, and to consider video-conferencing as an effective alternative to travel
- recycling arrangements available in all offices
- installation of energy efficient elements for refurbishment and replacement projects
- introduction of light sensors in many of the communal areas of our headquarters office, and encouragement of efficient use of electricity and water by all staff
- encouragement and support for internal greening initiatives instigated by our employees.

MAINTAINING A REPUTATION FOR HIGH STANDARDS

As an organisation, we operate within a robust governance framework which underpins and enables all aspects of our decision making. Further details on this can be found on page 3.

MSC's Fisheries Standard is compliant with the highest globally recognised standards laid down by bodies such as the UN's Food and Agriculture Organisation (FAO), the Global Sustainable Seafood Initiative (GSSI) and ISEAL, the international body for credible standard setters. Indeed, the MSC is the only global wild-capture fisheries certification program that simultaneously meets best practice requirements set by the UN FAO and has been independently evaluated against ISEAL's Codes of Good Practice.

In order to ensure the highest standards and the credibility of our third-party certification program, the MSC has set in place a robust assurance system:

- fishery assessments are carried out by independent accredited conformity assessment bodies (CABs) with teams of experts in fisheries science and management who are independent of the fishery and the MSC, and the process also includes an independent peer review to check the expert judgement within fishery assessments
- assessment reports are transparent and are published on our Track a Fishery website
- a similar independent, third-party approach is also used for our chain of custody certification program
- as an additional safeguard, MSC has appointed Assurance Services International (ASI) as an external oversight body for CABs
- we also ensure assessors follow ISO17065, an international Standard used in many sectors including food safety, to ensure that assessment teams operate in a competent, consistent and impartial manner
- and we provide mandatory online training and relevant qualification requirements for assessors.

Most importantly, the MSC receives no money for fishery or chain of custody assessments or certifications.

OBJECTIVES AND ACTIVITIES

PUBLIC BENEFIT

The MSC is an international organisation which partners with the environmental, science and funder communities and the seafood industry to pursue an overall charitable purpose of the advancement of environmental improvement, using its fishery certification and eco-labelling program. It does so by recognising and rewarding sustainable fishing practices, influencing the choices people make when buying seafood and working with partners to help to transform the seafood market to a sustainable basis. The MSC believes its work delivers positive environmental impacts for the marine environment, which in turn provides a significant benefit to the public and to the local communities that depend on fishing.

The application of the MSC's certification program and eco-label empowers seafood buyers, both major retailer buyers and individual consumers, to make better and more informed choices when buying seafood. The effect is one that rewards in the marketplace those fisheries that follow responsible practices. In turn, this creates the incentives for fisheries around the world to meet the MSC's standard for environmentally responsible and sustainable fishing. In doing so they will have to demonstrate to third party certifiers that they are operating in a way that helps to ensure the long-term sustainability of the fish stocks they are targeting, and that they respect the ecosystems in which they operate. As the reach of the MSC's program expands globally, the public will, increasingly, be able to identify the best environmental choice in seafood and will be more empowered to play their role in creating a sustainable marine environment. With the marine environment under considerable threat, particularly in the face of climate change, all those that value and derive benefit from the oceans and marine resources stand to benefit from the work of the MSC.

Community groups and other sub-sets of the public that are dependent on the long-term resilience of fisheries and the resulting creation of sustainable livelihoods, in particular, stand to benefit from the realisation of the MSC's aims through increased economic development, food security and resilience in the face of climate change.

The Trustees confirm that they have complied with their duty in Section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission of England and Wales. The Trustees further confirm that the activities of the Charity are carried out, in line with its objects, for the public benefit as described above.

STRATEGIC REPORT

ACHIEVEMENT AND PERFORMANCE

The expenditure for charitable activities during the current year can be viewed in Note 5 of the accounts, where the charitable activities are grouped together under four activity headings: development of policy and the maintenance of the standards, education and raising awareness of the issue of over fishing and MSC's role as one of the potential solutions, servicing fisheries and commercial partners that are already engaged in the program as well as outreach to potential new partners in developing regions and beyond, and logo licensing, which increases the transparency in the supply chain allowing consumers to choose seafood caught sustainably and so incentivise sustainability.

The MSC's charitable funding has faced difficult challenges in the past several years due to the twin shocks of the COVID-19 pandemic and the ongoing war in Ukraine. While the effects of the pandemic have gradually lessened, the war in Ukraine continued to impact

supply chains sourcing Russian-caught fish directly in this fiscal year and in addition, the conflict contributed inflationary strains to the fishing and consumer retail industries. It is likely that the war in the Ukraine will continue into the next fiscal year, and as the situation is as yet still too unpredictable to know with certainty what the effects of war in Ukraine will be ultimately on the MSC program.

Despite these challenges, we continue to place particular emphasis on maintaining our strong outreach with retailers and consumers and increasing our engagement with governments and non-government organisations around key areas for change. The MSC's certification program and eco-label have made it easier for major seafood buyers and consumers to choose certified sustainable seafood, providing both a reward and an incentive for fishers to fish sustainably—our theory of change. With our many partners, the MSC continues to pursue the goal of healthy oceans and sustainable seafood markets globally.

Over the last financial year, we are pleased to report that the number of units of certification rose by almost 7% from 950 to 1018, while the total number of fisheries engaged in the program (i.e. certified or in assessment) fell to 1,046 from 1,067 (i.e. an additional 28 were in full assessment this year versus 117 last year). A growing global market for MSC-certified seafood is demonstrably rewarding environmentally responsible fisheries and providing incentives for more to join the program and make changes in their practices where necessary. At the end of the year 20,780 MSC labelled products (consumer facing) were actively on sale in over 100 countries, compared with 20,544 active products in 2021/22, an increase of 1.15%.

Other relevant indicators of the MSC's impact and growth include:

- Over 17% of global wild caught seafood now comes from fisheries certified under the MSC Fisheries Standard (with over 19% of all wild marine catch was engaged with the MSC): global collaboration has doubled sustainable MSC catch and more than tripled chain of custody commitment since 2010.
- Our presence in developing economies to see strong growth: There are now 126 MSC units of certification in developing economies (up from 108 in 2021/22, 73 in 2020/21 and 66 in 2019/20), with a further 19 in assessment.
- The quantity of sold MSC labelled seafood (by product weight), has globally increased to over 1.21 million MT. Globally, stocks targeted by MSC certified fisheries continue to show sustainable levels of stock biomass and in many regions, stocks show higher biomass after MSC certification occurred.
- And in the supply chain, DNA testing results continue to show levels of mislabelling of <1% for MSC certified products.

Chain of Custody Standard

The MSC Chain of Custody (CoC) program grew again in 2022/23, albeit at a slower pace than in previous years, with the number of certificate holders rising to 5,665, up from 5,437 in 2020/21, 5,170 in 2019/20 and 4,729 in 2018/19 (and note that the baseline in 2010 was 1,099 in 2010). China overtook the United States in 2019/20 for the first time and it continued in 2022/23 to have the most certificate holders despite the COVID-19 pandemic, with the US still in second place and France now in third, replacing Germany.

As in 2021/22, the majority of certificates are still held in Europe, but with notable growth in Asia Pacific, particularly China as noted, and in the category the "rest of the world," which captures CoC mainly in developing economies. In 2023, MSC will celebrate the 10th anniversary of its opening an office in China and during this time, the number of MSC labelled products in the country has increased from 10 to more than 200. The MSC has also

seen considerable growth in the number of Chinese supply chain companies, retailers and fisheries engaging in the MSC program.

The MSC's current CoC Standard is widely considered best in class, and our vision is to ensure that the MSC's CoC system has improved accessibility and efficiency of engagement for all levels of the supply chain which continues to ensure that key risks such as product substitution are controlled, monitored and minimised.

Fishery Standard

As of 31 March 2023, 1044 units of certification in 36 countries had been certified as sustainable to the MSC Fisheries Standard (up from 950 in 2021/22), demonstrating their commitment to healthy ecosystems and the long-term sustainability of fish stocks. Another 28 units were in assessment. Some 2,000 sustainability improvements were made by MSC fisheries in 2022/23 with over 95% of MSC certified fisheries having made improvements in fishing practices.

In addition, hundreds of fisheries around the world are engaged in Fishery Improvement Projects (FIPs), including MSC's own Pathway to Sustainability projects and In-Transition to MSC (ITM) program. MSC's Pathways projects help to move fisheries along the path towards greater sustainability and ultimately, where possible, certification as part of our commitment to work with small scale and/or fisheries in developing economies (see below under Ocean Stewardship Fund).

Every five years the MSC initiates a Fisheries Standard Review (FSR). The FSR is an opportunity to consider potential improvements to the Fisheries Standard by reviewing issues raised by stakeholders and by our own monitoring and evaluation processes, and where appropriate, to incorporate widely accepted new science or fisheries management best practice.

The latest version of our Standard (version 3.0) was published in October 2022, following the most comprehensive Review to date. The Fisheries Standard 3.0 contains significant improvements to help address some of the most difficult issues facing the oceans, including better protections for marine biodiversity and incentivising stronger ocean governance. We have also clarified language, refined existing tools and developed new guidance to ensure our Standard can be applied efficiently and is increasingly accessible to all fisheries.

Specifically, the latest review FSR worked to:

- incorporate improved and generally accepted global scientific understanding and fishery management practice into the Fisheries Standard
- enhance program credibility and legitimacy by reviewing issues identified in previous versions of the Standard or fisheries assessment process
- improve fisheries data collection to enable rigorous monitoring and evaluation
- increase standard applicability and accessibility for fisheries from emerging economies
- reduce Standard complexity to reduce barriers for new fisheries.

Growth of the MSC's Ocean Stewardship Fund

The MSC Ocean Stewardship Fund (OSF) aims to increase the proportion of global fisheries operating in a sustainable way by providing financial support in the form of grants or other financial instruments to both certified fisheries and for fisheries in MSC's ITM program. The OSF was first announced in November 2018, along with a £1 million seed fund allocated from MSC's unrestricted reserves to help kickstart the Fund. The Board of Trustees then formally approved the OSF on 30 July 2019 and agreed to designate 5% of MSC's annual volume royalties to the OSF for the foreseeable future.

As of 31 March 2023, OSF has secured a total of £7,727,970 in income, from a mix of MSC royalty contributions and third-party philanthropic funding. Some £2,041,395 of this funding was received in 2022/23. Since 2019/20, the OSF has awarded 107 grants totalling almost £4 million across 30 countries, 40 of which have supported fisheries and projects in developing economies. The 44 grants approved by MSC in 2022/23 totalled approximately £1,723,000.

As part of the support received in 2022/23, the OSF continued to expand with an unrestricted donation of €1 million in June 2022 from the Hans Wilsdorf Foundation, which will enable OSF to fund a broad range of projects that are of strategic importance to MSC's vision and mission as a whole. Work has now begun on developing the criteria and processes that will be used to award this unrestricted funding.

In addition, funding provided by the MAVA Foundation amounting to a total of €750,000 (£639,443) was granted out in this past fiscal year. All funds from this grant were awarded to fishery improvement projects in the Mediterranean and West Africa by the end of the MAVA grant (31 October 2022). Additional support of US\$1,000,000 (£750,589) was donated by the Walton Family Foundation to provide a Loan Guarantee Facility (LGF) for selected fisheries.

Finally, in addition to supporting fisheries directly with certification, the OSF also started to fund larger MSC-led projects in 2022/23 in areas such as climate change and MSC Pathway Projects.

CHARITABLE FUNDRAISING

The MSC employs an international fundraising staff of five full time employees who are tasked with delivering MSC's fundraising plan as articulated by the Board and senior management and managing the Ocean Stewardship Fund (OSF); the MSC is registered with the UK Fundraising Regulator and voluntarily observes the UK Charity Commission's Code of best practices. This includes complying with any relevant statutory accounting and reporting requirements on fundraising. Fundraising staff at the MSC are overseen and monitored by both senior management and the Development Committee of the Board of Trustees. The MSC worked with the Swiss-based independent investment advisory company Clarmondial around fundraising for the OSF in 2022/23 as part of a grant from the MAVA Foundation pour la Nature, but does not otherwise employ outside fundraising consultants or similar commercial services, nor did the MSC receive any complaints around fundraising, or the staff engaged in fundraising in 2022/23.

The MSC undertook no active fundraising from the general public requiring disclosure under S162A of the Charities Act 2011 in the past financial year (2022/2023) and had no campaigns or other active attempts to fundraise from the general public. The majority of MSC's charitable income continues to come from institutional sources (foundations/trusts and government bodies) that are not domiciled in the United Kingdom (see below). While the

MSC does not in the main fundraise from individuals, the organisation is in full compliance with the General Data Protection Regulation (GDPR) rules in respect of personal data.

Support from Funders

The MSC is very grateful for our many charitable donors across the globe for the support they have given us this past year and since our founding. This year the MSC received significant new and generous support from both the Hans Wilsdorf Foundation, Walton Foundation, and the MAVA Foundation for our Ocean Stewardship Fund, and from the MAVA Foundation specifically for our work both in the Mediterranean, western Africa and around enabling financing for fishery improvements. In addition, the MSC continued to receive generous core support from the Dutch Postcode Lottery and Holzer Family Foundation, as well as continued support from the Adessium Foundation and Leventis Foundations for our work in the Mediterranean and the Remmer Family Foundation for our work in southern Africa. We would also like to thank the Triad Foundation for their generous support of our Pathway project in Canada.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Total group income in 2022/23 was £32.73 million compared to £29.79 million in the previous year. Income from charitable activities (that is, largely logo licensing royalty and annual fee revenue) amounted to 89% of total income (2021/22 88%).

Income from donations and legacies was £2.27 million in 2022/23, down 5% from the £2.41 million received in 2021/22. Note 2 to the accounts shows a further breakdown of voluntary income.

Income from charitable activities, consisting largely of royalty income and annual fees, increased overall by 11.2% from £26.13 million in 2021/22 to £29.05 million in 2022/23. Annual fees increased by 4% to £2.16 million (2021/22 £2.07 million). Volume royalty increased by 11.9% to £26.61 million (2021/22 £23.77 million).

Income from investments of £0.79 million increased compared to the previous year (2021/22 £0.74 million). The net losses on the investment portfolio (that is, the reduction in market valuation of the investments at the year-end) amounting to £0.77 million (2021/22 gain £0.95 million) are excluded from investment income and are disclosed separately on the Statement of Financial Activities as "Gains / (Losses) on revaluation of fixed asset investments".

Expenditure totalled £30.57 million in 2022/23, up 6.6% from £28.67 million in 2021/22.

Staff costs increased by 4% to £15.65 million from £15.03 million. The average number of employees in the year decreased to 247 in 2022/23 (2021/22 251).

Expenditure on raising funds for the MSC's fundraising activities increased by 19% to £0.74 million (2021/22 £0.62 million).

Note 5 to these accounts provides a breakdown of costs incurred in furtherance of the Charity's objectives and shows a year-on-year increase in spend on the MSC's charitable activities of 6% to £29.82 million (2021/22 £28.05 million).

Governance costs increased by 8% to £0.76 million (2021/22 £0.7 million) as the Board and other governance committees increased travel to meet in person after the global relaxation

of pandemic lockdown restrictions. These costs also include the audit fee, the cost of holding Board meetings as well as other Board relevant costs and an allocation of relevant staff salary costs. Governance costs are only 2.3% of total MSC income, welcomingly low for an organisation which is very complex and has a truly global reach.

Gains upon revaluation of foreign assets amounted to £0.02 million (2021/22 loss £0.15 million). This gain or loss arises from the revaluation of the net assets held by the MSC's overseas subsidiaries.

The MSC ended the year in a sound financial position.

The overall surplus for the year of £1.41 million increased total reserves going forward to £42.13 million. £2.51 million of this carry forward reserve are restricted funds, £1.86 million are funds designated to OSF activities and £37.76 million unrestricted. The surplus in the year on unrestricted reserves was £1.43 million.

Cash balances (including cash investments of £3.9 million) totalled £10.38 million (2021/22 £10.4 million).

RISK MANAGEMENT

The Trustees address from time to time the risks that face the Company and adopt responses to minimise the risks identified.

The major risks identified are:

- Global biological change (climate change) undermines the productivity and resilience of marine ecosystems, and the enabling environment for fisheries to be managed sustainably, increasing the risk of fisheries' suspension from the MSC program. This can be partially mitigated by ensuring the Fisheries Standard evolves to reflect global climate change.
- Vulnerability of the MSC's program to external events beyond its control (such as a failure of Regional Fisheries Management Organisations (RFMOs) to reach agreement on harvest control rules leading to fishery suspensions and withdrawals) reducing MSC's ability to drive change on the water. This can be partially mitigated by the maintenance of a "heatmap" to give early anticipation and identification of fishery suspension risk, the implementation of an RFMO strategy and continued outreach effort.
- Global political change (for example, the conflict in Ukraine) and increased nationalism / trade wars presents limitations to the ability of the MSC program to scale. This can be partially mitigated by continued, systematic engagement with governments (EU / US / Asia).

The Trustees review the risks regularly, and they believe that there are adequate systems in place to minimise them.

The impact of Brexit continues to be a risk, with ongoing uncertainty over the changing distribution patterns of raw material inputs into UK and European supply chains. A global perspective of the MSC highlights that much larger volumes of MSC certified fish supplies come from outside Brexit affected geographies, thus mitigating the potential downside impact of Brexit on MSC royalty income. The conclusion is that Brexit is unlikely to become an existential crisis.

The war in Ukraine presents potential risks to the MSC caused by disruption to global supply chains and impacts on financial markets. MSC continues to monitor the situation and engage actively with supply chain partners.

RESERVES POLICY

The Trustees believe that it is generally good practice to hold reserves to protect against funding and other financial difficulties.

The MSC raises the majority of its voluntary income from a relatively small number of supportive trusts and foundations and consequently the financial impact should a donor decide to phase out its support would be material. The MSC is striving to diversify its charitable donor base. As a result, more speculative income and more restricted income may be included in the MSC's budgets. Holding reserves ensures confidence that such target income can be given time to be nurtured without detrimentally affecting the MSC's operations.

Certified fish entering the supply chain is the fuel that facilitates the generation of ecolabel royalty income for the MSC, via its trading subsidiary MSCI. While royalty income is therefore diversified across many certified fisheries, MSC certification can be lost or withdrawn. Similarly, royalty income is dependent upon the use of the MSC's ecolabel on a pack, which is an entirely voluntary decision made by the brand owner, not the MSC. Should royalty income unexpectedly decline, it may be necessary to realign expenditure to income. Reserves are therefore held to allow time for this realignment to take place and to cover the costs of such a fundamental restructuring in the event of a major downturn.

The reserves also cover the exchange rate risk implicit in the MSC's income and expenditure patterns, as well as the risk of losses arising from liquidating fund investments that form a major part of the MSC's unrestricted reserves, in the unlikely circumstance that these investments are needed to fund day to day operational expenditure. Finally, the MSC's short term cash flow requirements (i.e., its "working capital") are also covered by reserves.

The Board has quantified the makeup of reserves against each of the above-named risks and concluded, in total, the unrestricted "free" reserve should be set between a minimum of 9 months and a maximum of 12 months of the following year's budgeted expenditure.

Should the maximum reserves ceiling be habitually exceeded (defined as being two continuous years in succession), the Board will consider strategically whether the MSC's capacity to generate royalty revenue remains appropriate and in line with its current and predicted expenditure requirements, or whether the success of the MSC licensing program has resulted in royalty income being generated at rates in excess of the organisation's ability to spend it over the longer term.

Alongside any such strategic consideration, within a financial year that any breach in the maximum reserves ceiling is identified, the Board will give consideration to investing all the surplus free reserves, or an appropriate proportion, in the following areas:

- a) Ocean Stewardship Fund: Transition Assistance strand – with the objective of enabling prospect fishery partners to overcome generic obstacles to achieve certification.
- b) Ocean Stewardship Fund: Science & Research strand with the objective of commissioning additional scientific research that would benefit multiple fisheries which could enable existing certified fisheries to maintain their certifications.
- c) Marketing – magnifying the impact of already planned marketing activities.

- d) Any capital project which the Board deems appropriate for the furtherance of the MSC's mission and charitable objects.

This reserves policy was adopted by the Board of Trustees in June 2019 and its appropriateness is continually monitored.

The MSC ended the year with unrestricted reserves of £37.8 million (see note 20). Once intangible assets and tangible fixed assets of £4.8 million (see notes 10 and 11), free reserves amounted to £33.0 million (2021/22 £31.2 million). This equates to 12.75 months of the Board approved unrestricted expenditure budget for 2023/24 (£31.05 million), up from 12.3 months reported for the previous year.

INVESTMENT POLICY

The general objective of holding investments is so the MSC's reserves generate a return that would be greater than the return that could be obtained if the reserves were held as interest bearing cash deposits.

Fixed asset investments are held in investment funds managed by Northern Trust and UBS. The intention is for these investments to be held long term, within a balanced and diversified portfolio, and that the MSC will not need to liquidate the investment in the foreseeable future. Both investment managers have delegated authority to make investment decisions, within a framework of pre-defined portfolio parameters, in response to market movements.

The Northern Trust portfolio covers equities, fixed income securities, real estate, and commodities. The equity element (the majority of the investment) is invested in Socially Responsible Investment (SRI) funds. The SRI funds mirror Morgan Stanley Capital International Ethical, Social and Governance indexes (namely the MSCI World ESG index and the MSCI US IMI index) to guide investment opportunities in equities screened for ESG criteria.

The investment fund managed by UBS consists of a mix of fixed income securities and equities, weighted towards equities. UBS use third party rating providers MSCI Research, Inrate or Oekom to allocate to each holding an ESG score and to provide MSC with a portfolio with an overall sustainability profile.

Current asset investments are all held as cash deposits.

PLANS FOR FUTURE PERIODS

2022 marked the 25th anniversary of the establishment of the MSC. Having reached this milestone, our goal of sustainable fisheries supporting healthy and productive ocean ecosystems remains unchanged, and we believe that our existing goal of engaging over a third of global landings in the MSC program by 2030, is not only achievable, but essential. Achievement of this ambitious goal through the engagement and leadership of our partners will make a significant contribution to the delivery of the United Nations Sustainable Development Goal 14 targets.

In 2022, we developed our fourth Integrated Strategic Plan, which will guide the organisation's priorities and activities from 2023 to 2030 towards the achievement of our 2030 goal. Under this Plan, the MSC will continue to maintain world-leading Standards for sustainable fishing while expanding market opportunities that incentivise more sustainable fishing globally. This new strategy will see an increased focus on research efforts which support MSC certified fisheries and those on their journey to sustainability.

To help fisheries fund their continuous improvement, the MSC is expanding its Ocean Stewardship Fund while also opening up its In-Transition to MSC (ITM) program to all fisheries. In addition, we are accelerating progress and increasing the number of sustainable fisheries worldwide by funding innovative research and supporting fisheries at all stages on the path to sustainability.

In order to enable this, the MSC has set an ambitious goal to mobilise US\$100 million to help safeguard the ocean and sustainable seafood supplies over the next decade. The announcement marks a significant expansion of the MSC's Ocean Stewardship Fund (see above) which aims to end overfishing. Philanthropic organisations, businesses and governments are encouraged to contribute to the fund, which has already delivered more than 100 grants, including almost 40 in emerging economies. These funds assist a wide range of fisheries and invest in research and innovation to improve fishing practices on the water.

REFERENCE AND ADMINISTRATION

Trustees and Directors of the Marine Stewardship Council (MSC):

Dr Werner Kiene	Chair	Appointed October 12
Mr Giles Bolton		Appointed January 19
Ms Maria Damanaki	Development Committee Chair	Appointed July 19
Mr Kristjan Th. Davidsson	Treasurer and Finance Committee Chair	Appointed July 21
Mr David Lock	Audit & Risk Committee Chair	Appointed November 18
Dr Kevin Stokes		Appointed July 20
Mr Paul Uys	MSCI Board Chair	Appointed August 15
Mr Stuart Green		Resigned March 23
Dr Christopher Zimmermann	Technical Advisory Board Chair (to January 23)	Resigned January 23
Mr Jim Leape		Resigned July 22
Ms Amanda Nickson	Stakeholder Advisory Council Co-Chair	Resigned July 22
Ms Stefanie Moreland	Stakeholder Advisory Council Co-Chair	Resigned May 22

The Trustees of the MSC are the charity's Trustees under charity law and are the directors of the charitable company.

Principal Office & Registered Office: Marine House, 1 - 3 Snow Hill, London, EC1A 2DH

Principal Officers – the Executive Committee

Mr Rupert Howes	Chief Executive Officer
Dr Alene Wilton	Chief Operating Officer
Dr Rohan Currey	Chief Science & Standards Officer
Mr Nicolas Guichoux	Chief Program Officer
Ms Ishbel Matheson	Chief Communications Officer

Advisers

Auditors: Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW

Bankers: HSBC Plc, 165 Fleet Street, London, EC4A 2DY

Solicitors: DAC Beachcroft LLP, 100 Fetter Lane, London, EC4A 1BN
Bird & Bird LLP, 12 New Fetter Lane, London, EC4A 1JP

Investment managers:

Northern Trust Company, 50 South LaSalle Street, Chicago, IL 60680, USA
UBS, 1 Finsbury Avenue, London, EC2M 2AN

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report, the Strategic Report, and the financial statements in accordance with applicable laws and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its net incoming resources for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

S 418 CONFIRMATION

Each of the Trustees at the date of approval of this report confirms that:

- so far as the Trustee is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 under Companies Act 2006.

This Annual Report of the Trustees, under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of Trustees on 27 July 2023 including approving in their capacity as company directors the Strategic Report contained therein, and is signed as authorised on its behalf by:

A handwritten signature in black ink, appearing to read 'Werner Kiene', written in a cursive style.

Dr Werner Kiene
Chairman of the Board of Trustees

Date 27 July 2023

Independent Auditor's Report to the Members of Marine Stewardship Council

Opinion

We have audited the financial statements of Marine Stewardship Council ('the charitable company') and its subsidiaries ('the group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, Charity Statement of Financial Activities, Consolidated and Charity Balance Sheets, Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the groups and the charitable company's affairs as at 31 March 2023 and of the group's and the charitable company's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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.

Auditor's 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 an auditor's report 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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 auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit

procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation, employment legislation and taxation legislation. We also considered compliance with local legislation for the group's overseas operating segments.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition and classification of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance. In respect of the recognition and classification of income, substantive sample testing was undertaken to ensure that the transactions occurred, were recognized accurately, completely, in the correct financial year and classified correctly in the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 auditor's 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.



Julia Poulter
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

Date: 25th August 2023

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	UNRESTRICTED FUNDS				UNRESTRICTED FUNDS			
		General	Designated	Restricted Funds	Total Funds	General	Designated	Restricted Funds	Total Funds
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income									
Donations and legacies	2	433	0	1,840	2,273	468	6	1,932	2,406
Income from charitable activities		29,045	0	0	29,045	26,132	0	0	26,132
Income from investments	3	774	0	21	795	744	0	0	744
Other trading activities		621	0	0	621	507	0	0	507
Total Income		30,873	0	1,861	32,734	27,851	6	1,932	29,789
Expenditure									
Expenditure on raising funds	4	615	125	1	741	621	0	0	621
Expenditure on charitable activities	5	26,867	930	2,031	29,828	25,023	751	2,274	28,048
Total Expenditure		27,482	1,055	2,032	30,569	25,644	751	2,274	28,669
Net income before transfers and other gains and losses		3,391	(1,055)	(171)	2,165	2,207	(745)	(342)	1,120
Gain / (Loss) on revaluation of fixed asset investments		(773)	0	0	(773)	947	0	0	947
Net income before transfers		2,618	(1,055)	(171)	1,392	3,154	(745)	(342)	2,067
Gain / (Loss) on revaluation of foreign assets		22	0	0	22	(149)	0	0	(149)
Transfers between funds		(1,208)	905	303	0	(1,268)	1,126	142	0
Net movement in funds		1,432	(150)	132	1,414	1,737	381	-200	1,918
Funds at 31st March 2022 (31st March 2021)		36,331	2,006	2,379	40,716	34,594	1,625	2,579	38,798
Funds at 31st March 2023 (31st March 2022)		37,763	1,856	2,511	42,130	36,331	2,006	2,379	40,716

There were no recognised gains or losses other than those included in the Statement of Financial Activities.
All Income and Expenditure derive from continuing activity.

**CHARITY STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	UNRESTRICTED FUNDS				UNRESTRICTED FUNDS			
		Unrestricted	Designated	Restricted	Total Funds	Unrestricted	Designated	Restricted	Total Funds
		Funds	Funds	Funds	2023	Funds	Funds	Funds	2022
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income									
Donations and legacies		437	0	1,750	2,187	430	6	1,932	2,368
GiftAid received from trading subsidiary		15,905	0	0	15,905	13,379	0	0	13,379
Income from charitable activities		8,016	0	0	8,016	7,216	0	0	7,216
Income from investments		772	0	21	793	744	0	0	744
Other trading activities		0	0	0	0	6	0	0	6
Total Income		25,130	0	1,771	26,901	21,775	6	1,932	23,713
Expenditure									
Expenditure on raising funds		615	125	1	741	621	0	0	621
Expenditure on charitable activities		21,311	930	1,808	24,049	19,457	750	1,806	22,013
Total Expenditure		21,926	1,055	1,809	24,790	20,078	750	1,806	22,634
Net income before transfers and other gains and losses		3,204	(1,055)	(38)	2,111	1,697	(744)	126	1,079
Gain / (Loss) on revaluation of fixed asset investments		(773)	0	0	(773)	947	0	0	947
Net income before transfers		2,431	(1,055)	(38)	1,338	2,644	(744)	126	2,026
Transfers between funds		(1,194)	905	289	0	(1,243)	1,126	117	0
Net movement in funds		1,237	(150)	251	1,338	1,401	382	243	2,026
Funds at 31st March 2022 (31st March 2021)		33,885	2,006	4,705	40,596	32,484	1,624	4,462	38,570
Funds at 31st March 2023 (31st March 2022)		35,122	1,856	4,956	41,934	33,885	2,006	4,705	40,596

There were no recognised gains or losses other than those included in the Statement of Financial Activities.
All Income and Expenditure derive from continuing activity.

CONSOLIDATED AND CHARITY BALANCE SHEET
as at 31 March 2023

	Note	Group 2023 £'000	Group 2023 £'000	Group 2022 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Fixed Assets							
Intangible	10	1,393		1,564		1,394	1,563
Tangible assets	11	3,421		3,516		3,404	3,494
Investments	12	19,111		19,222		19,255	19,368
			23,925		24,302	24,053	24,425
Current Assets							
Investments	13	3,972		3,544		3,972	3,421
Debtors	14	11,978		10,866		13,786	12,535
Cash at bank and in hand		6,407		6,854		2,821	2,791
		22,357		21,264		20,579	18,747
Creditors: Amounts falling due within one year	15	(3,816)		(4,650)		(2,396)	(2,388)
Net current assets			18,541		16,614	18,183	16,359
Creditors: Amounts falling due after more than one year	16	(336)	(336)		(200)	(302)	(188)
Total assets less total liabilities			<u>42,130</u>		<u>40,716</u>	<u>41,934</u>	<u>40,596</u>
Funds							
Unrestricted funds - General Funds			37,763		36,331	35,122	33,885
Unrestricted funds - Designated Funds			1,856		2,006	1,856	2,006
Restricted funds			2,511		2,379	4,956	4,705
Total Funds			<u>42,130</u>		<u>40,716</u>	<u>41,934</u>	<u>40,596</u>

The financial statements on pages 24 to 40 were approved and authorised for issue by the Trustees on 27 July 2023 and signed on their behalf by:



Dr Werner Kiene
Company Registration Number 3322023

Chairman of the Board of Trustees

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE GROUP
FOR THE YEAR ENDED 31 MARCH 2023**

	2023 £'000	2022 £'000
Statement of cash flows		
Cash flows from operating activities:		
<i>Net cash provided by (used in) operating activities</i>	<u>1,338</u>	<u>1,720</u>
Cash flows from investing activities:		
Dividends, interest and rents from investments	795	744
Proceeds from the sales of property, plant and equipment	0	0
Purchase of property, plant and equipment	(619)	(1,413)
Proceeds from sale of investments	3,518	6,315
Purchase of investments	(5,051)	(5,975)
<i>Net cash provided by (used in) investing activities</i>	<u>(1,357)</u>	<u>(329)</u>
Cash flows from financing activities:		
repayments of borrowings	0	0
<i>Net cash provided by (used in) financing activities</i>	<u>0</u>	<u>0</u>
 <i>Change in cash and cash equivalents in the reporting period</i>	 (19)	 1,391
Cash and cash equivalents at the beginning of the reporting period	<u>10,398</u>	<u>9,007</u>
<i>Cash and cash equivalents at the end of the reporting period</i>	<u>10,379</u>	<u>10,398</u>
 Reconciliation of net income / (expenditure) to net cash flow from operating activities		
	2023 £'000	2022 £'000
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	1,414	1,918
Adjustments for:		
Amortisation and depreciation charges	884	1,183
FX on Foreign Assets	(538)	(382)
Net unrealised loss (gain) and other movements on investment	2,182	(1,552)
Dividends, interest and rents from investments	(795)	(744)
(Profit) / Loss on the sale of fixed assets	1	5
(increase) / decrease in debtors	(1,112)	115
Increase / (decrease) in creditors	(698)	1,177
Net cash provided by (used in) operating activities	<u>1,338</u>	<u>1,720</u>
 Analysis of cash and cash equivalents		
	2023 £'000	2022 £'000
Cash in hand	6,407	6,854
Notice deposits (less than 3 months)	3,972	3,544
Total cash and cash equivalents	<u>10,379</u>	<u>10,398</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

1. *Accounting policies*

Marine Stewardship Council is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 17th December 1997 (company number 3322023) and registered as a charity on 10th December 1997 (charity number 1066806).

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association (amended July 2014).

In the event of the company being wound up members are required to contribute an amount not exceeding £1 each.

The registered office is Marine House, 1-3 Snow Hill, London, EC1A 2DH.

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Charity's financial statements.

Basis of accounting: The consolidated financial statements have been prepared under the historical cost convention, except that fixed asset investments are stated at market value, and in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the 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 1st January 2019.

These financial statements consolidate the results of the charity and its five wholly owned subsidiaries, Marine Stewardship Council International Limited (which is incorporated in the UK), Marine Stewardship Council Limited (which is incorporated in the United States), Marine Stewardship Council Trust (which is incorporated in Australia), Marine Stewardship Council Asia Ltd (which is incorporated in Singapore), and Ippan Shadan Hojin MSC Japan (which is incorporated in Japan) on a line by line basis.

MSCI also has a Chinese registered subsidiary, An Hai Xu Fishery Certification Consulting (Beijing) Ltd Co (known as MSC China), the activities of which help fulfil MSC's charitable mission in China.

The functional currency of the Charity and its subsidiaries is GBP because that is the currency of the primary economic environment in which the group operates. The consolidated financial statements are also presented in GBP.

MSC's overseas subsidiaries are converted into GBP and consolidated into the group accounts using the year end exchange rate, with the foreign exchange gain or loss arising reported as gains or losses arising upon revaluation of foreign assets in the SOFA. Fixed assets held in the overseas subsidiaries are immaterial.

Going Concern: The Trustees approve the annual budgets and periodic forecasts to ensure there is sufficient working capital to meet the charity's obligations over the subsequent 12 months. The charity meets its ordinary working capital requirements through its existing cash balances. The Covid-19 impact has not had a material impact on the charity's financial operations. Having regard to the above, the current cash position and the expected cashflow over the following 12 months the Trustees believe it appropriate to adopt a going concern basis of accounting in preparing the financial statements.

After reviewing the group's forecast and projections, the Trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. This view is supported by the level of free reserves held at the year-end (equivalent to 12 months expenditure). The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Critical accounting judgements and key sources of estimation uncertainty: In the application of the accounting policies directors are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historic experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The critical estimate involves accruing for royalty income, with around 2% to 10% of the total royalty accrued each year being based upon historic trends only, rather than information received post Year End from the license holder relating to actual labelled sales for the period of the accrual. This arises because turnover declaration returns of labelled product sales are submitted by license holders in arrears. As a result, labelled product sales data covering reporting periods ending 31st March are received after the financial year end. At the point the accounts are drafted, not all license holders may have reported their labelled sales data (even though the license agreement obligates them to submit their turnover declaration by one month after the end of the reporting period in question). For these license holders, the level of labelled sales (and hence royalty income to be accrued) are estimated based on historic trends.

Judgements are also made for bad debts provisions, based upon reviewing debts older than 90 days at the year end, and for certain contracts of service, whereby the fee to be received by MSC for services delivered continue to be subject to negotiation after the year end.

Fixed Assets:**Intangible fixed assets**

Intangible fixed assets represent software costs capitalised in accordance with FRS102. These are stated at historic cost and amortised on a straight-line basis over the period which revenue is expected to be generated (typically 4 years). Items costing less than £500 are expensed in the year of purchase.

Tangible fixed assets

Tangible fixed assets are recorded at cost or, in cases where tangible fixed assets have been donated to Marine Stewardship Council, at valuation at the time of acquisition. Tangible fixed assets are capitalised in the balance sheet at cost, except for items costing less than £2500 which are expensed in the year of purchase.

Depreciation: Depreciation for UK entities has been provided at the following rates in order to write down cost or valuation, less estimated residual value, of all tangible assets by equal annual instalments over their expected useful lives.

Furniture, Fittings & IT equipment	25%
Refurbishment costs of Snow Hill	over 7 years
London Virtual Freehold Property	Building cost over 99 years

Incoming resources: Grants and donations are recognised as income when it is clear MSC has entitlement to the income, that the donation is reasonably certain to occur and that the value of the donation can be measured. Logo license royalty income is accounted for in the period in which the labelled products were sold by our trading partners. Similarly, fixed fee income, such as the North American Subscription Program, is recognised as income for the contracted period, requiring a deferral of income if the fixed fee for a financial year is raised in advance. Service fees, such as Peer Review College fees or ASCI fees, is accounted for in the period the services were delivered. Donated services and facilities are included at the value to the charity where this can be quantified. No amounts are included in the financial statements for the services donated by volunteers.

Expenditure: Resources expended are included in the Statement of Financial Activities on an accrual basis, inclusive of VAT which cannot be recovered. Since 1st February 2009, the Charity has been registered within a VAT group consisting of itself and its UK based trading subsidiary, Marine Stewardship Council International. From 1st February 2009, therefore, input tax can be partially recovered based upon a business: non-business model.

Expenditure on raising funds comprise expenditure incurred in encouraging others to make contributions to the charity and include staff costs directly attributable to that activity. Expenditure on charitable activities comprise direct expenses incurred on the defined charitable purpose of the charity, and include staff costs directly attributable to the charitable activities. Where costs could not be directly attributed to any particular function or activity (i.e., costs classified in MSC's ledger as relating to senior staff and office, IT, HR, finance, premises support type costs), they have been allocated by applying bases consistent with the use of the resource. Senior staff costs are apportioned to charitable activities in relation to an estimate of time that that senior member will focus on a specific charitable activity. Head Quarter support costs are allocated to charitable activities in proportion to the staff costs sitting in that charitable activity. Local office support costs are allocated based on an estimation of charitable activity focus of that local office (that is, across servicing and outreach and education and awareness only).

In Kind income and expenditure: Where in kind supplies are received MSC will value the income and corresponding expenditure based on the value of the gift as identified either by the donor or, if appropriate, by the assumptions set out in any contract underpinning the commercial relationship between the donor and MSC.

Cash and bank and current asset investments: Cash balances held in interest bearing deposit accounts (business reserve accounts or time deposits) are classified as current asset investments in the balance sheet. All other cash balances held at bank or in hand are classified as cash at bank or in hand in the balance sheet.

Investment income: Investment income is recognised in the accounts when it is receivable and is allocated to the appropriate fund.

Investments: The charity has four wholly owned subsidiary undertakings.

- Marine Stewardship Council International Limited is a trading subsidiary and receives royalties from logo licensing fees as well as income from the sale of merchandise.
- Marine Stewardship Council Limited is a subsidiary incorporated in the United States and promotes the aims of the parent there.
- Marine Stewardship Council Asia Pacific Pty Ltd is a subsidiary incorporated in Australia and promotes the aims of the parent there and in South East Asia generally.
- Marine Stewardship Council Asia is a subsidiary incorporated in Singapore and promotes the aims of the parent there and in Asia generally.

Marine Stewardship Council International has a wholly owned subsidiary, An Hai Xu Fishery Certification Consulting (Beijing) Ltd Co (known as MSC China), which received its business license 2 February 2016. In 2020, MSC established a non-profit General incorporated association (GIA), Ippan Shadan Hojin MSC Japan, to support its charitable mission in Japan.

Investments in the subsidiaries are stated at cost.

Fixed asset investments are held in a portfolio covering equities, fixed income securities, real estate, and commodities, which is managed by Northern Trust, and a second fund, managed by UBS, focused upon fixed income securities. The equity element of

the Northern Trust fund is invested in Socially Responsible Investment (SRI) funds. The SRI funds mirror Morgan Stanley Capital International Ethical, Social and Governance indexes (namely the MSCI World ESG index and the MSCI US IMI index) to guide investment opportunities in equities screened for ESG criteria. The UBS fund focuses on lower risk investments consisting of gilts and corporate paper. Fixed asset investments are reported in the financial statements at their market value on the balance sheet date, including the effect of any unrealised gains and losses as of that date.

Foreign exchange: Assets and liabilities denominated in foreign currencies are translated at year end exchange rates. Exchange differences are included in the statement of financial activities. Transactions during the year are recorded at the prevailing rates.

Financial assets and liabilities: Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument. Additionally, all financial assets and liabilities are classified according to the substance of the contractual arrangements entered into.

Financial assets and liabilities are initially measured at transaction price (including transaction cost) and are subsequently re-measured where applicable at amortised cost except for forward rate currency contracts which are subsequently measured at fair value with gains and losses recognised in the Statement of Financial Activities. Assets and liabilities held in a foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

The Group enters into forward rate currency contracts to manage its exposure to fluctuations in exchange rates throughout the year. These contracts are recognised at fair value with gains or losses recognised in the Profit and Loss account.

Pension costs: In the UK, the charity operates a defined contribution group personal pension scheme for the benefit of any employees wishing to join. Defined contribution schemes also operate for overseas based employees in other, non-UK, jurisdictions in line with local legislation. The contributions payable under the schemes are charged in the income & expenditure account, and the assets are managed by an independent organisation.

Taxation: Marine Stewardship Council is a registered charity, and therefore is not liable for income tax or corporation tax on income derived from its charitable activities since it falls within the various exemptions available to registered charities.

Operating lease assets: Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Fund accounting: The general fund comprises those monies which may be used towards meeting the charitable objectives of the charity at the discretion of the directors. The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor-imposed conditions.

2 Donations & legacies	2023	2022
	£'000	£'000
Grants from other charitable bodies	2,041	2,170
Grants from government organisations	103	0
Donations from companies	127	232
Other donations	2	4
	<u>2,273</u>	<u>2,406</u>

3 Investment income	2023	2022
	£'000	£'000
Bank and investment funds interest and dividends receivable	795	744

4 Expenditure on raising funds	2023	2022
	£'000	£'000
General fundraising activities:		
salaries	409	343
other running costs	62	18
investment managers fees	95	96
support	175	164
	<u>741</u>	<u>621</u>

5 Expenditure on charitable activities	Activities undertaken directly	Support costs	Governance costs	2023	Activities undertaken directly	Support costs	Governance costs	2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Policy & maintenance of standards	4,725	1,450	229	6,404	4,041	1,418	211	5,670
Education & awareness	7,969	1,520	229	9,718	8,362	1,704	211	10,277
Servicing & outreach to fisheries and commercial sector	8,110	2,313	228	10,651	7,049	2,449	211	9,709
Logo licensing costs	1,534	393	76	2,003	1,157	414	70	1,641
Ocean Stewardship Fund	1,052	0	0	1,052	751	0	0	751
	<u>23,390</u>	<u>5,676</u>	<u>762</u>	<u>29,828</u>	<u>21,360</u>	<u>5,985</u>	<u>703</u>	<u>28,048</u>

6 Support cost breakdown by activity

	Raising Funds	Policy & standards	Education & awareness	Servicing & outreach	Logo licensing	Total 2023	Total 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Office services	43	361	378	576	98	1,456	1,445
IT services	91	752	788	1,199	204	3,034	3,342
Finance services	6	51	54	82	14	207	89
Human Resources	22	180	189	287	48	726	885
Premises	13	106	111	169	29	428	388
	<u>175</u>	<u>1,450</u>	<u>1,520</u>	<u>2,313</u>	<u>393</u>	<u>5,851</u>	<u>6,149</u>

Support costs have been allocated to activities in line with total expenditure within each office function, this is a reasonable approximation of the resource usage within each activity).

7 Net income / expenditure

	2023 £'000	2022 £'000
The group's net income / expenditure is stated after or charging:		
Fees payable to the parent charity's auditors for the audit of the charity's and UK subsidiary accounts	31	25
Fees payable to the component auditors for the audit of the charity's overseas subsidiaries	19	21
Total fees payable to auditors for auditing services	50	46
Fees payable to the parent charity's auditors for tax and other services	3	4
Operating lease charges - land and building	576	484
Operating lease charges - office equipment	7	6
(Profit) / Loss on fixed asset disposal	0	0
Depreciation	885	1,183

8 Trustee / directors and employees

	2023 £'000	2022 £'000
Staff costs, including directors' remuneration, were as follows:		
Wages and salaries	12,817	12,210
Social security costs	1,624	1,669
Pension	1,207	1,154
	15,648	15,033

	2023 number	2022 number
The number of staff employed by the charity during the year was as follows:		
Number of staff during the year	247	251

The number of employees whose emoluments amounted to over £60,000 in the year was as follows:

	2023	2022
£60,000 - £69,999	21	20
£70,000 - £79,999	20	16
£80,000 - £89,999	11	3
£90,000 - £99,999	5	5
£100,000 - £109,999	2	5
£110,000 - £119,999	1	1
£120,000 - £129,999	4	1
£130,000 - £139,999	2	1
£150,000 - £159,999	2	0
£210,000 - £219,999	0	0
£230,000 - £239,999	0	1
£240,000 - £249,999	1	0

Key management personnel are defined as those who are designated as members of the MSC Executive Committee. Salary, pension contributions and other benefits received during 2022/23 by the five Executive Committee members amounted to £1,004,699 (2021/22 £921,338).

The banding for the highest paid employee shown above includes employers pension contribution paid as salary. This treatment was adopted as mitigation to the tapering of the annual pension contribution allowance. The emoluments reported in all other bands exclude employers pension contribution

MSC paid pension contributions and other benefits on behalf of staff totalling £1,207,246 (2021/22: £1,154,244). For the 71 members of staff whose emoluments were greater than £60,000 the MSC paid pension contributions and other benefits totalling £651,045 (2021/22: £459,548).

9 Trustees' remuneration and expenses

The chair of the charitable company, Dr Werner Kiene, who is also a Trustee under Charity law, received or was entitled to receive emoluments of USD 50,000 during the year for professional services rendered (2021/22: USD 48,000). These payments were made in line with criteria laid down in the Memorandum and Articles of Association of the company and were approved by the full Board. The Charity has met travel and subsistence expenses incurred by the fourteen Trustees in the Charity's business totalling £77,509 (2021/22: £6,666).

The Charity has also paid for the indemnity insurance cost for the trustees (who are also directors) and its key employees with regard to their actions on behalf of the charity.

10 Intangible assets

	Group Trademark £'000	Group Software and database £'000	Group Total £'000	Charity £'000
Cost				
At 1st April 2022	0	5,331	5,331	4,946
Additions	0	619	619	619
Disposals / write offs	0	0	0	0
At 31 March 2023	0	5,950	5,950	5,565
Depreciation				
At 1st April 2022	0	3,767	3,767	3,383
Charge for the year	0	789	789	788
Disposals / write offs	0	0	0	0
At 31 March 2023	0	4,556	4,556	4,171
Net book value				
At 31 March 2023	0	1,394	1,394	1,394
At 31 March 2022	0	1,564	1,564	1,563

Trademark intangible asset represents the £1 purchase cost to buy the MSC logo trademark from Marine Stewardship Council International.

The amortisation charge of intangible assets has been allocated equally across Policy and maintenance of standards, Education and awareness, Servicing and outreach to fisheries and commercial sector, and Logo licensing costs.

£121,186 of the £1,394,000 group software and database net book value relates to the capitalised development cost of the Enhanced Traceability Project presently under construction.

11 Tangible fixed assets

	Group Long Leasehold Property £'000	Group Furniture, fittings and IT equipment £'000	Group Total £'000	Charity £'000
Cost				
At 1st April 2022	3,700	1,131	4,831	4,703
Additions	0	0	0	0
Disposals / write offs	0	0	0	0
At 31 March 2023	3,700	1,131	4,831	4,703
Depreciation				
At 1st April 2022	410	905	1,315	1,209
Charge for the year	37	58	95	90
Disposals / write offs	0	0	0	0
At 31 March 2023	447	963	1,410	1,299
Net book value				
At 31 March 2023	3,253	168	3,421	3,404
At 31 March 2022	3,290	226	3,516	3,494

12a Investment in Group Companies

	Group Shares in Subsidiary £'000	Charity Shares in Subsidiary £'000
Cost		
At 1 April 2022	0	145
Additions	0	0
At 31 March 2023	<u>0</u>	<u>145</u>
Net book value		
At 31 March 2023	0	145
At 31 March 2022	0	145

The company's subsidiaries during the year were as follows:

Company Name	Ownership	Country of incorporation	Activity
Marine Stewardship Council International (CN 3486485)	MSC UK is the sole shareholder	UK	Commercial activities of Marine Stewardship Council (UK trading subsidiary)
Marine Stewardship Council Ltd (EIN 91-2018427)	MSC UK is the sole member	USA	Achieve the objectives of MSC (US charitable subsidiary)
Marine Stewardship Council Trust (ABN 69 517 984 605)	MSC UK is the sole member	Australia	Achieve the objectives of MSC (Australian charitable subsidiary)
Marine Stewardship Council Asia Ltd (CN 201215612M)	MSC UK is the sole member	Singapore	Achieve the objectives of MSC (Singaporean charitable subsidiary)
MSC Japan - GIA	MSC UK is the sole member	Japan	Achieve the objectives of MSC (Japan GIA subsidiary)
An Hai Xu Fishery Certification Consulting (Beijing) Ltd Co (CN 9111015MA003GWGIC)	MSCI is the sole shareholder	China	Achieve the objectives of MSC (Chinese trading subsidiary of MSCI)

	MSCI Ltd	MSC Ltd	MSC Asia Pacific Pty Ltd	MSC Asia Ltd	An Hai Xu Fishery Certification Consulting (Beijing) Ltd Co	MSC Japan
Income:						
Donations and leagacies	0	76	15	0	0	0
Income from charitable activities	29,621	0	0	0	0	0
Income from investments	0	0	0	0	0	0
Other trading activities	0	0	0	0	0	0
Grants from UK Charity	0	4,353	985	117	717	588
Total income	<u>29,621</u>	<u>4,429</u>	<u>1,000</u>	<u>117</u>	<u>717</u>	<u>588</u>
Expenditure:						
Expenditure on charitable activities	13,562	4,244	1,149	115	687	605
Foreign exchange (gain) / loss	154	(48)	2	2	5	15
Total Expenditure	<u>13,716</u>	<u>4,196</u>	<u>1,151</u>	<u>117</u>	<u>692</u>	<u>620</u>
Net Income / (Expenditure)	15,905	233	(151)	0	25	(32)
Gift Aid to UK Charity	15,905	0	0	0	0	0
Funds at 1st April 2022	131	131	79	15	(142)	52
Funds at 1st April 2023	<u>131</u>	<u>364</u>	<u>(72)</u>	<u>15</u>	<u>(117)</u>	<u>20</u>
Fixed Assets & Intangible Fixed Assets	0	11	5	1	0	0
Investments in subsidiary	179	0	0	0	0	0
Debtors	10,824	13	24	4	14	5
Cash at bank and in hand	2,813	552	112	16	69	24
Total current assets	<u>13,637</u>	<u>565</u>	<u>136</u>	<u>20</u>	<u>83</u>	<u>29</u>
Creditors: Amounts falling due with one year	<u>(13,685)</u>	<u>(212)</u>	<u>(179)</u>	<u>(6)</u>	<u>(21)</u>	<u>(9)</u>
Net current assets (liabilities)	(48)	353	(43)	14	62	20
Long term liabilities	0	0	(34)	0	0	0
Total assets less total liabilities	<u>131</u>	<u>364</u>	<u>(72)</u>	<u>15</u>	<u>62</u>	<u>20</u>
Represented by:						
Share Capital	145	0	0	0	179	0
Unrestricted funds	(14)	364	(72)	15	(117)	20
Restricted funds	0	0	0	0	0	0
	<u>131</u>	<u>364</u>	<u>(72)</u>	<u>15</u>	<u>62</u>	<u>20</u>

12b Fixed Asset Investments

	2023		2022	
	£'000		£'000	
Balance at beginning of year		19,222		17,628
Addition of principal cash		0		0
Sale of investments	(3,518)		(6,315)	
Purchase of investments	5,051		5,975	
Cash generated by sale / (purchase) of investments	(1,533)		340	
Gain / (loss) on investment	(1,310)		564	
Dividend and interest income	756		744	
Investment managers fees	(95)		(96)	
Foreign exchange revaluation	538	(111)	382	1,594
		<u>19,111</u>		<u>19,222</u>

The historic cost of the investment made is £12,258,971.

Asset Classes of Fixed Asset investments are:

	2023		2022	
	£'000		£'000	
Equity Funds		14,007		14,345
Fixed Income Securities		4,022		2,962
Real Estate funds		188		156
Commodities		410		469
Money Market funds		484		1,290
		<u>19,111</u>		<u>19,222</u>

13 Current Asset Investments

These are comprised of cash deposits held for investment purposes

	Group		Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Balance at beginning of year	3,544	2,975	3,421	2,859
Additions/(reductions)	428	569	551	562
Closing value at end of year	<u>3,972</u>	<u>3,544</u>	<u>3,972</u>	<u>3,421</u>

14 Debtors

	Group		Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Trade Debtors	1,358	2,140	120	143
Other Debtors	244	270	196	189
Prepayments and accrued income	10,376	8,456	773	643
Amounts due from Subsidiary undertakings	0	0	12,697	11,552
	<u>11,978</u>	<u>10,866</u>	<u>13,786</u>	<u>12,527</u>

15 Creditors: amounts falling due within one year

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Trade Creditors	1,324	1,671	892	1,030
Tax and social security creditor	540	376	176	163
Other creditors	596	1,186	336	297
Accruals and deferred income	1,356	1,417	992	897
	<u>3,816</u>	<u>4,650</u>	<u>2,396</u>	<u>2,387</u>

Movement on deferred income:	Group 2023 £'000	Charity 2023 £'000
Deferred income at 1 April 2022	386	0
Released to income in year	(386)	0
Income deferred in year	<u>0</u>	<u>0</u>
Deferred income at 31 March 2023	<u>0</u>	<u>0</u>

16 Creditors: amounts falling due after more than one year

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Recertification fund liability	0	11	0	0
Ocean Stewardship Fund	302	189	302	188
Other Creditors	34	0	0	0
Total falling due after more than one year	<u>336</u>	<u>200</u>	<u>302</u>	<u>188</u>

The Recertification Fund is now closed and balances accrued into it are being drawn down as claims are made. The Recertification Fund mechanism has been replaced by the Recertification Assistance Fund, one of the strands of the Ocean Stewardship Fund (OSF). The OSF consists of the Recertification Assistance Fund, which supports the costs of recertification for fisheries that are at their second or subsequent recertification; the Transition Assistance Fund, which supports fisheries to make the necessary improvements to become certified; the Science and Research Fund, which supports research projects with an emphasis upon condition closure; the Innovation Fund, which supports strategically important research. The OSF is reported as designated funds on the face of the SOFA

Movement on recertification fund:	Group 2023 £'000	Charity 2023 £'000
Recertification fund 1 April 22	66	0
Disbursements in year	(16)	0
Write off of overprovision	<u>(40)</u>	<u>0</u>
Recertification fund 31 March 23	<u>10</u>	<u>0</u>

The £10,000 balance on the recertification fund is included in note 15 - Creditors: amounts falling due within one year "Other Creditors"

17a Funds - Group

		Balance					Balance
	Note	1st April 2022 £'000	Income £'000	Expenditure £'000	Gains and losses £'000	Transfers £'000	31st March 2023 £'000
D&L Packard Foundation	1	52	0	(4)	0	0	48
Canadian Pathway	2	0	23	0	0	0	23
Evidence Requirement Framework, OSF	3	0	0	0	0	39	39
FAO Climate change	4	0	77	(77)	0	0	0
OSF Climate Change	5	0	0	(27)	0	200	173
OSF Core Strategic	6	0	855	0	0	0	855
Portugal PPA, OSF	7	0	0	0	0	44	44
Science Week	8	0	11	(27)	0	16	0
FAO, Cabo Verde	9	0	17	(17)	0	0	0
Benguela Pathway	10	0	20	(12)	0	0	8
MAVA, Lead 2	11	40	14	(58)	0	4	0
Loan Gaurantee, Walton	12	751	19	(1)	0	0	769
MAVA OSF Medit	13	279	17	(292)	0	0	4
MAVA OSF West Africa	14	277	51	(328)	0	0	0
East Asia Sea - Vena	15	0	23	0	0	0	23
Nephrop Research UK	16	62	6	(64)	0	0	4
Levantis Hellasfish	17	76	0	(18)	0	0	58
Project UK 1 - 3	18	225	107	(110)	0	0	222
Cephs & Chefs	19	0	(2)	0	0	2	0
Multiplier - Certifications & Ratings	20	0	70	(34)	0	0	36
Packard Foundation - East Asia Sea	21	134	0	(134)	0	0	0
Multiplier - Surimi	22	5	0	(5)	0	0	0
MAVA Medpath	23	41	304	(284)	0	0	61
MAVA, West Africa	24	2	83	(83)	0	(2)	0
Walton Mexico	25	0	166	(22)	0	0	144
Walton Foundation	26	435	0	(435)	0	0	0
Total Restricted		2,379	1,861	(2,032)	0	303	2,511
Unrestricted:							
General purpose fund		36,331	30,873	(27,482)	(751)	(1,208)	37,763
Designated - OSF	27	2,006	0	(1,055)	0	905	1,856
Total Group Funds		40,716	32,734	(30,569)	(751)	0	42,130

Exchange gains and losses arising from the revaluation of foreign currency assets held overseas have been set against expenditure.

Transfers between funds represent transfers of unrestricted funds into restricted funded activities as match funding contributions contributions. Transfers of unrestricted funds into designated funds relate to the Ocean Stewardship Fund (see below).

Notes:

1) Capacity building; 2) Canadian Pathway Project; 3) Evidence Requirement Framework, OSF;

4) FAO Climate Change; 5) OSF Climate Change; 6) OSF Strategic;

7) Portugal PPA, OSF; 8) National Science Week, Australian Government; 9) FAO, Cabo Verde;

10) Benguela Pathway; 11) MAVA, LEAD 2 ; 12) Walton, Loan Guarantee;

13) MAVA, OSF, Mediterranean; 14) MAVA, OSF, West Africa; 15) Vena Energy, East Asia Sea; 16) Nephrop Research UK; 17) Levantis Hellasfish

18) Project UK, Corporate Funders; 19) EU, Cephs & Chefs; 20) Multiplier, Certifications & Ratings; 21) Packard, East Asia Sea

22) Multiplier, Surimi; 23) MAVA Medpath; 24) MAVA, Medpath; 25) Walton Mexico; 26) Walton Foundation 19-20 to 21-22

27) Ocean Stewardship Fund (OSF). A designated fund with a 3 fold objective of supporting fisheries transitioning towards MSC, funding science and research projects that will benefit MSC's sustainability agenda and a recertification strand, helping to contribute to the audit cost of fisheries being certified for the third time (2nd recertification).

The timeline for fully spending the £1 million initial designation is likely to be between 3 and 4 years.

For prior year comparatives, see note 23

17b Movement on Designated Ocean Stewardship Fund

	Group 2023	Group 2023	Group 2023	Group 2023	Group 2023	Group 2023	Group 2023	Group 2023
	Transition Assistance Fund	Recertification Assistance Fund	Science Research Fund	Student Research Grants	Innovatio n Fund	Seed Fund	Administration Fund	Total
	GBP 000	GBP 000	GBP 000	GBP 000	GBP 000	GBP 000	GBP 000	GBP 000
Ocean Stewardship Fund 31 March 22	549	868	0	0	0	371	219	2,007
Designations made in the year	238	475	119	0	0	0	357	1,189
Incoming resources	0	0	0	0	0	(3)	0	(3)
Transfers between funds	(209)	0	208	23	65	(84)	(3)	0
Grant admin expenditure	0	0	0	0	0	0	(232)	(232)
Grants awarded during the year	(151)	(256)	(327)	(23)	(65)	(284)	0	(1,105)
Ocean Stewardship Fund 31 March 23	427	1,087	0	0	0	(0)	341	1,856

	Group 2022	Group 2022	Group 2022	Group 2022	Group 2022	Group 2022	Group 2022	Group 2022
	Transition Assistance Fund	Recertification Assistance Fund	Science Research Fund	Student Research Grants	Innovatio n Fund	Seed Fund	Administration Fund	Total
	GBP 000	GBP 000	GBP 000	GBP 000	GBP 000	GBP 000	GBP 000	GBP 000
Ocean Stewardship Fund 31 March 21	368	503	0	0	0	601	153	1,625
Designations made in the year	464	464	116	0	0	0	116	1,160
Incoming resources	0	0	0	0	0	6	0	6
Transfers between funds	0	0	167	0	36	(203)	0	0
Grant admin expenditure	0	0	0	0	0	0	(50)	(50)
Grants awarded during the year	(283)	(99)	(283)	0	(36)	(33)	0	(734)
Ocean Stewardship Fund 31 March 22	549	868	0	0	0	371	219	2,007

	Charity 2023	Charity 2023	Charity 2023	Charity 2023	Charity 2023	Charity 2023	Charity 2023	Charity 2023
	Transition Assistance Fund	Recertification Assistance Fund	Science Research Fund	Student Research Grants	Innovatio n Fund	Seed Fund	Administration Fund	Total
	GBP 000	GBP 000	GBP 000	GBP 000	GBP 000	GBP 000	GBP 000	GBP 000
Ocean Stewardship Fund 31 March 22	549	868	0	0	0	371	219	2,007
Designations made in the year	238	475	119	0	0	0	357	1,189
Incoming resources	0	0	0	0	0	(3)	0	(3)
Transfers between funds	(209)	0	208	23	65	(84)	(3)	0
Grant admin expenditure	0	0	0	0	0	0	(232)	(232)
Grants awarded during the year	(151)	(256)	(327)	(23)	(65)	(284)	0	(1,105)
Ocean Stewardship Fund 31 March 23	427	1,087	0	0	0	(0)	341	1,856

	Charity 2022	Charity 2022	Charity 2022	Charity 2022	Charity 2022	Charity 2022	Group 2022	Charity 2022
	Transition Assistance Fund	Recertification Assistance Fund	Science Research Fund	Student Research Grants	Innovatio n Fund	Seed Fund	Administration Fund	Total
	GBP 000	GBP 000	GBP 000	GBP 000	GBP 000	GBP 000	GBP 000	GBP 000
Ocean Stewardship Fund 31 March 21	368	503	0	0	0	601	153	1,625
Designations made in the year	464	464	116	0	0	0	116	1,160
Incoming resources	0	0	0	0	0	6	0	6
Transfers between funds	0	0	167	0	36	(203)	0	0
Grant admin expenditure	0	0	0	0	0	0	(50)	(50)
Grants awarded during the year	(283)	(99)	(283)	0	(36)	(33)	0	(734)
Ocean Stewardship Fund 31 March 22	549	868	0	0	0	371	219	2,007

18 Funds - Charity

	Note	Balance				Transfers	Balance
		1st April 2022	Income	Expenditure	Gains and losses		31st March 2023
		£'000	£'000	£'000	£'000	£'000	£'000
D&L Packard Foundation	1	52	0	(4)	0	0	48
Dutch Postcode Lottery	2	150	0	0	0	0	150
MAVA, PPAMP	3	2	83	(83)	0	0	2
Nephrop Research Proj UK	4	61	6	(64)	0	0	3
D&L Packard Foundation	6	535	0	0	0	0	535
Multiplier - Surimi	7	6	0	(6)	0	0	0
Levantis Hellasfish	8	75	0	(17)	0	0	58
UK Project Stage 1	9	50	41	(49)	0	0	42
UK Project Stage 2	9	172	64	(61)	0	0	175
UK Project Stage 3	9	4	2	0	0	0	6
Cephs & Chefs	10	0	(2)	0	0	2	0
Multiplier - Certifications & Packard Foundation - East Asia	11	0	33	(34)	0	0	(1)
Benguela - Pathways Project	12	183	0	(45)	0	0	138
MAVA Medpath	13	(8)	0	(12)	0	0	(20)
WAFIC	14	42	304	(284)	0	0	62
MAVA, LEAD 2	15	6	0	0	0	0	6
Walton - Loan Guarantee	16	40	14	(57)	0	4	1
Walton Foundation	17	751	19	(1)	0	0	769
D&L Packard Foundation - Japan	18	1,138	0	(350)	0	0	788
Entwicklungsgesellschaft (DEG)	19	651	0	0	0	0	651
Kingfisher	20	61	0	0	0	0	61
MIDATLANTIC	21	6	0	0	0	0	6
Walton Foundation - Mexico	22	9	0	0	0	0	9
MAVA OSF Medit	23	163	0	0	0	0	163
MAVA OSF West Africa	24	280	17	(292)	0	0	5
Mexico Walton 2022	25	276	51	(328)	0	0	(1)
OSF Climate Change	26	0	166	0	0	0	166
FAO Climate Change	27	0	78	(78)	0	0	0
East Asia Sea - Vena	28	0	0	(27)	0	200	173
OSF Evidence Requirement Framew	29	0	23	0	0	0	23
OSF Core Strategic	30	0	0	0	0	40	40
OSF Portugal	31	0	855	0	0	0	855
FAO Cabo Verde	32	0	0	0	0	43	43
	33	0	17	(17)	0	0	0
Total Restricted		4,705	1,771	(1,809)	0	289	4,956
Unrestricted:							
General purpose fund		33,885	25,130	(21,926)	(773)	(1,194)	35,122
Designated - OSF	34	2,006	0	(1,055)	0	905	1,856
Total Group Funds		40,596	26,901	(24,790)	(773)	0	41,934

Exchange gains and losses arising from the revaluation of foreign currency assets held overseas have been set against expenditure.

Transfers between funds represent transfers of unrestricted funds into restricted funded activities as match funding contributions. Transfers of unrestricted funds into designated funds relate to the Ocean Stewardship Fund (see below).

1) Capacity building; 2) Dutch Post Code Lottery Fish For Good; 3) MAVA PPAMP;
4) European Maritime & Fisheries Fund (EMFF); 5) Sustainable Octopus project;
6) Japan Programme, Packard; 7) Multiplier, Surimi; 8) Levantis, Greece; 9) UK Project Inshore 1; 10) UK Project Inshore 2, Greece; 11) UK Project Inshore 3;
9) UK Project Inshore 1 - 3; 10) EU, Cephs & Chefs; 11) Multiplier, Certifications & Ratings; 12) Packard, East Asia Sea; 13) Benguela, Pathways Projects
14) MAVA Medpath; 15) Western Australian Fishing Industry Council; 16) MAVA, LEAD 2; 17) Walton, Loan Guarantee; 18) Walton Foundation, 2019 - 2021
19) Packard Foundation, Japan; 20) Entwicklungsgesellschaft (DEG); 21) KDE project, kingfisher; 22) Midatlantic
23) Walton support for the MSC programme 2019-22; 24) MAVA, OSF Mediterranean; 25) MAVA, OSF, West Africa; 26) Walton, Mexico; 27) OSF, Climate Change;
28) FAO, Climate Change; 29) Vena Energy, East Asia Sea; 30) OSF, Evidence Requirement Framework; 31) OSF, Core Strategic; 32) OSF, Portugal Pathway Project; 33) FAO, Cabo Verde
34) Ocean Stewardship Fund (OSF). A designated fund with a 3 fold objective of supporting fisheries transitioning towards MSC, funding science and research projects that will benefit MSC's sustainability agenda and a recertification strand, helping to contribute to the audit cost of fisheries being certified for the third time (2nd recertification). The timeline for fully spending the £1 million initial designation is likely to be between 3 and 4 years.

For prior year comparatives, see note 24.

19 Financial Commitments

	Group		Group	
	Land & Buildings	Other	Land & buildings	Other
Expiry Date	2023	2023	2022	2022
	£'000	£'000	£'000	£'000
less than 1 year	351	0	345	0
Two to five years	565	5	655	7
Total	916	5	1,000	7

	Charity		Charity	
	Land & Buildings	Other	Land & Buildings	Other
Expiry Date	2023	2023	2022	2022
	£'000	£'000	£'000	£'000
less than 1 year	159	0	0	0
Two to five years	27	0	0	0
Total	186	0	0	0

20 Analysis of net assets between funds

	2023		2023		2022		2022	
	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fund balances at 31 March as represented by:								
Tangible fixed assets & investments	22,532	0	0	22,532	22,738	0	0	22,738
Intangible fixed assets	1,393	0	0	1,393	1,564	0	0	1,564
Net current assets	14,174	1,856	2,511	18,541	11,848	2,387	2,379	16,614
Long term liabilities	(336)	0	0	(336)	(200)	0	0	(200)
Total net assts	37,763	1,856	2,511	42,130	35,950	2,387	2,379	40,716

21 Related party transactions

The Marine Stewardship Council's related parties as defined by the Financial Reporting Standard 102, and the nature of the relationship, are summarised below:

Marine Stewardship Council International Limited (MSCI)

During the financial year MSC charged MSCI 15% of its office, premises and HR costs, 50% of its IT costs, and an allocation of salary of the MSC's Finance Director and Governance Secretary totalling £1,616,190 (2022: £1,864,761). Allocations of key management salaries totalled £263,379 (2022: £163,569). Gift aid payable for the year amounted to £15,904,446 (2022: £13,379,005) and the royalty payable by MSCI to MSC for the right to exploit MSC's ecolabel amounted to £7,972,734 (2022: £7,137,544). At 31st March 2023, MSCI owed £12,697,495 in total to the parent charity company. This amount includes the amount payable by MSCI to MSC as royalty for the right to exploit the Charities intellectual property (i.e. the MSC ecolabel) and the gift aid due to the Charity of MSCI's accounting surplus for the year.

The ultimate controlling party of the Charity is its members who are also the Directors and Trustees.

Kevin Stokes, a board member of Marine Stewardship Council (MSC), provided consultancy services amounting to £10,636 during the year.

22 In-kind income and expenditure

Income from charitable activities includes £13k (21/22 £293k) of in-kind income related to marketing support, the cost of which is reported under education and awareness.

23 Funds - Group

	Note	Balance 1st April 2021 £'000	Income £'000	Expenditure £'000	Gains and losses £'000	Transfers £'000	Balance 31st March 2022 £'000
D&L Packard Foundation	1	52	0	0	0	0	52
Dutch Postcode Lottery	2	0	0	(39)	0	39	0
MAVA, Fondation pour la Nature	3	40	0	0	0	0	40
Loan Gaurantee, Walton, Resitcted	4	0	788	(37)	0	0	751
MAVA OSF Medit	5	0	300	(21)	0	0	279
MAVA OSF West Africa	6	0	306	(29)	0	0	277
D&L Packard Foundation	7	165	0	(165)	0	0	0
D&L Packard Foundation	8	108	1	(133)	0	24	0
Nephrop Research UK	9	0	30	(1)	0	33	62
Adessium Foundation, Carasso Foundation, Resource legacies Fund (Sustainable Fisheries Fund)	10	0	23	(65)	0	42	0
MAVA HellasFish	11	0	89	(89)	0	0	0
Levantis Hellasfish	12	52	25	(1)	0	0	76
Various funders	13	162	196	(133)	0	0	225
Cephs & Chefs	14	0	-2	(2)	0	4	0
Multiplier - Certifications & Ratings	15	8	28	(36)	0	0	0
Packard Foundation - East Asia Sea	16	215	0	(81)	0	0	134
Multiplier - Surimi	17	0	5	0	0	0	5
MAVA Medpath	18	91	55	(105)	0	0	41
WAFIC	19	0	0	0	0	0	0
MAVA, Fondation pour la Nature	20	0	88	(86)	0	0	2
WWF Sweden (SWIOCEPH)	21	0	0	0	0	0	0
Remmer Foundation	22	8	0	(8)	0	0	0
Walton Foundation	23	1,678	0	(1,243)	0	0	435
Total Restricted		2,579	1,932	(2,274)	0	142	2,379
Unrestricted:							
General purpose fund		34,594	27,851	(25,644)	798	(1,268)	36,331
Designated - OSF	24	1,625	6	(751)	0	1,126	2,006
Total Group Funds		38,798	29,789	(28,669)	798	0	40,716

Exchange gains and losses arising from the revaluation of foreign currency assets held overseas have been set against expenditure.

Transfers between funds represent transfers of unrestricted funds into restricted funded activities as match funding contributions contributions. Transfers of unrestricted funds into designated funds relate to the Ocean Stewardship Fund (see below).

Notes:

- 1) Capacity building; 2) Dutch Post Code Lottery Fish For Good; 3) MAVA LEAD 2;
- 4) Benguela pathway project; 5) MAVA OSF Medit; 6) MAVA OSF West Africa
- 7) Data Limited Phase 2; 8) Japan Expansion 2019 - 2021; 9) Nephrop Research UK
- 10) Project Mediterranean; 11) MAVA, Fondation pour la Nature, Greece; 12) Levantis, Greece;
- 13) UK Project Inshore; 14) European Union, Chephs & Chefs; 15) Multiplier - Ratings Collaboration; 16) Packard East Asia Sea Project; 17) Multiplier - Surimi
- 18) MAVA MedPath; 19) Western Australian Fishing Industry Council; 20) MAVA West Africa; 21) WWF Sweden - SWIOCEPH
- 22) Remmer Foundation; 23) Walton support for the MSC programme 2019-22
- 24) Ocean Stewardship Fund (OSF). A designated fund with a 3 fold objective of supporting fisheries transitioning towards MSC, funding science and research projects that will benefit MSC's sustainability agenda and a recertification strand, helping to contribute to the audit cost of fisheries being certified for the third time (2nd recertification). The timeline for fully spending the £1 million initial designation is likely to be between 3 and 4 years.

24 Funds - Charity

	Note	Balance				Transfers	Balance
		1st April 2021	Income	Expenditure	Gains and losses		31st March 2022
		£'000	£'000	£'000	£'000		£'000
D&L Packard Foundation	1	52	0	0	0	0	52
Dutch Postcode Lottery	2	148	0	(37)	0	39	150
MAVA, PPAMP	3	1	88	(87)	0	0	2
Nephrop Research Proj UK	4	0	30	(1)	0	32	61
Deutsche Gesellschaft fur Internationale Zusammenarbei (GIZ)	5	0	0	0	0	0	0
D&L Packard Foundation	6	165	0	(165)	0	0	0
D&L Packard Foundation	7	536	0	(1)	0	0	535
Multiplier - Surimi	8	0	6	0	0	0	6
Adessium Foundation, Carasso Foundation, Resource legacies Fund (Sustainable Fisheries Fund)	9	0	23	(65)	0	42	0
MAVA, Greece	10	0	89	(89)	0	0	0
Levantis Hellasfish	11	52	25	(2)	0	0	75
UK Project Stage 1	12	15	86	(51)	0	0	50
UK Project Stage 2	12	147	72	(47)	0	0	172
UK Project Stage 3	12	0	38	(34)	0	0	4
Cephs & Chefs	13	0	-2	(2)	0	4	0
Multiplier - Certifications & Ratings	14	8	28	(36)	0	0	0
Packard Foundation - East Asia Sea	15	215	0	(32)	0	0	183
Benguela - Pathways Project	16	0	0	(8)	0	0	(8)
MAVA Medpath	17	91	55	(104)	0	0	42
WAFIC	18	6	0	0	0	0	6
MAVA, LEAD 2	19	40	0	0	0	0	40
Walton - Loan Guarantee	20	0	788	(37)	0	0	751
Walton Foundation	21	2,096		(958)	0	0	1,138
D&L Packard Foundation	22	651	0	0	0	0	651
Entwicklungsgesellschaft (DEG)	23	61	0	0	0	0	61
Kingfisher	24	6	0	0	0	0	6
MIDATLANTIC	25	9	0	0	0	0	9
Walton Foundation	26	144	0	0	0	0	144
Walton Foundation	27	19	0	0	0	0	19
MAVA OSF Medit	28	0	301	(21)	0	0	280
MAVA OSF West Africa	29	0	305	(29)	0	0	276
Total Restricted		4,462	1,932	(1,806)	0	117	4,705

Unrestricted:							
General purpose fund		32,484	21,775	(20,078)	947	(1,243)	33,885
Designated - OSF	30	1,624	6	(750)		1,126	2,006
Total Group Funds		38,570	23,713	(22,634)	947	0	40,596

Exchange gains and losses arising from the revaluation of foreign currency assets held overseas have been set against expenditure.

Transfers between funds represent transfers of unrestricted funds into restricted funded activities as match funding contributions. Transfers of unrestricted funds into designated funds relate to the Ocean Stewardship Fund (see below).

1) Capacity building; 2) Dutch Post Code Lottery Fish For Good; 3) MAVA PPAMP;
4) European Maritime & Fisheries Fund (EMFF); 5) Sustainable Octopus project;
6) Data Limited Phase 2; 7) Japan Expansion 2019 - 2021; 8) Support for MSC's programme in Sweden NESUFISH
9) Project Mediterranean; 10) MAVA, Fondation pour la Nature, Greece; 11) Levantis, Greece;
12) UK Project Inshore; 13) European Union, Chephs & Chefs; 14) Multiplier - Ratings Collaboration; 15) Packard East Asia Sea Project; 16) Benguela Pathways Project
17) MAVA MedPath; 18) Western Australian Fishing Industry Council; 19) MAVA Lead 2; 20) WWF Sweden - SWIOCEPH
21) Walton support for the MSC programme 2019-22; 22) Packard Japan Expansion Phase 1; 23) DEG DongShan; 24) KDE Kingfisher; 25) MidAtlantic
26) Walton support for the MSC programme 2016-19; 27) Walton Mexico; 28) Mava Medit OSF; 29) MAVA OSF West Africa
30) Ocean Stewardship Fund (OSF). A designated fund with a 3 fold objective of supporting fisheries transitioning towards MSC, funding science and research projects that will benefit MSC's sustainability agenda and a recertification strand, helping to contribute to the audit cost of fisheries being certified for the third time (2nd recertification). The timeline for fully spending the £1 million initial designation is likely to be between 3 and 4 years.

MARINE STEWARDSHIP COUNCIL

England & Wales - Charity number 1066806

Accounts



MARINE STEWARDSHIP COUNCIL

(A company limited by guarantee)

TRUSTEES' REPORT AND CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2022

Registered Charity No: 1066806

Registered Company: 3322023

**Registered Office: Marine House
1-3 Snow Hill
London
EC1A 2DH**

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TRUSTEES' REPORT AND STRATEGIC REPORT

The Trustees of The Marine Stewardship Council (MSC) present their Annual Report for the year ended 31 March 2022 under the Charities Act 2011 and the Companies Act 2006, including the Directors' Report and the Strategic Report under the 2006 Act, together with the audited financial statements for the year.

STRUCTURE, GOVERNANCE AND MANAGEMENT

INTRODUCTION

The (MSC) is a company limited by guarantee (company number 3322023) and is registered as a charity with the Charity Commission (number 1066806). The Charity is constituted through a Memorandum and Articles of Association dated 17 February 1997, as amended.

The overall objectives of the MSC as set out in the Memorandum are “to conserve the marine and freshwater environments for the benefit of the public and to advance public education in the principles and practices of conservation, particularly, but not exclusively by:

- conserving marine and freshwater fish populations and the environment on which they depend
- promoting, for the public benefit, effective management of fisheries and ensuring the sustainability of global fish stocks and the health of aquatic ecosystems generally
- establishing and promoting the application of a broad set of principles, standards and criteria for sustainable fishing”.

The MSC's mission is to use its fishery certification program and eco-label to contribute to the health of the world's oceans by recognising and rewarding sustainable fishing practices, influencing the choices people make when buying seafood and working with a range of partners to transform the seafood market to a sustainable basis.

The Trustees have prepared this report in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102) – effective 1st January 2015.

THE TRUSTEES' MANAGEMENT AND STRUCTURE

The MSC is governed by a Board of up to fifteen Trustees, elected by the Board, taking into account a balance amongst interested groups: fishing companies, processors and retailers, NGOs and marine (fisheries) scientists, and the need for suitable geographical representation (MSC is a global organisation). Two seats each are set aside for representatives of the fishing industry (harvesting and processing), commercial sector, and the conservation sector, as well as two seats for marine scientists. The remaining seven seats are not allocated to specific interest groups. The Articles of Association provide for ex officio positions on the Board for each of the co-chairs of the Stakeholder Advisory Council, the chair of the Technical Advisory Board, and the chair of the MSC (see below for descriptions of these bodies). A Board Code of Conduct and Conflict and Declaration of Interest Policy is in place.

The Board receives advice from two advisory bodies that are an integral part of the MSC's governance structure. The Technical Advisory Board is made up of scientists and technical experts and provides the Board with advice on setting, reviewing and implementing the organisation's standards for sustainable fisheries and chain of custody and related issues. The Stakeholder Advisory Council comprises up to 17 members including representatives from the seafood industry, conservation community, market sector and academia. It provides advice to the Board and input into the MSC's review processes, ensuring these are representative of a wide range of views and opinions.

Many Trustees are involved in the specialist aspects of the MSC's program and work. The Board delegates some of its work to standing committees and ad hoc work groups. The Finance Committee examines periodic management accounts and recommends the budget to the Board; it also reviews the MSC's

investments and certain fundraising activities. The Development Committee's focus is to help shape fundraising strategy and identify fundraising opportunities. A Governance Committee has been established to provide advice to the MSC Board regarding governance arrangements for the Board of Trustees, Technical Advisory Board and Stakeholder Advisory Council and MSC's subsidiary companies. The Audit & Risk Committee is responsible to the MSC Board for ensuring that the MSC has in place a robust framework for financial accountability and financial control, suitably qualified external auditors, and an adequate and effective corporate risk management and assurance framework, and also that MSC is compliant with relevant financial and audit regulations. It also fulfils this function for MSC's subsidiary boards.

The range of these committees provides for robust governance and is vital to the complex and sensitive work of the organisation.

The Board seeks new Trustees through a transparent external recruitment process as vacancies arise, through open, public advertisement and formal interview of shortlisted candidates. The Governance Committee of the Board scrutinises the applications (i.e. CV and covering letter) and the outcomes of the candidates' interviews, before making a recommendation to the full Board.

Upon appointment, Trustees receive a Trustees' Induction pack, including documents such as the latest published financial statements, the Articles and Memorandum of Association, an explanation of Trustees' roles and responsibilities, the Charity Commission's guidance on public benefit and fiduciary duty etc. The Board of Trustees also adopted a Code of Conduct for all members of the Board and of other governance bodies in 2017.

MSC wholly owns a subsidiary company, Marine Stewardship Council International Limited (MSCI), which carries out its trading activities, most notably those related to logo licensing. MSC wholly owns a further three subsidiaries (MSC Ltd, MSC Asia Ltd, MSC Asia Pacific Pty) the activities of which help fulfil MSC's charitable mission in the Americas, South East Asia and Australia, New Zealand and the wider Pacific. MSCI also has a Chinese registered subsidiary, An Hai Xu Fishery Certification Consulting (Beijing) Ltd Co (known as MSC China), the activities of which help fulfil MSC's charitable mission in China. In 2020, MSC established a non-profit General incorporated association (GIA), Ippan Shadan Hojin MSC Japan, to support its charitable mission in Japan.

The day to day operational management of the MSC is delegated by the Board to the Chief Executive Officer (CEO) and the senior executive team (collectively comprising the Executive Committee). The key management team is considered to be the Executive Committee which consists of the CEO, Chief Science & Standards Officer, Chief Operating Officer, Chief Program Officer, and Chief Communications Officer.

The remuneration of the CEO is set jointly by the Chair of the Board and the Chair of the Finance Committee, referencing appropriate market data. The remuneration of the rest of the Executive Committee is set by the CEO in consultation with the Board Executive Committee, based upon independent market data provided by a third-party consultancy.

THE CHARITY CODE OF GOVERNANCE

The MSC takes its governance responsibilities seriously and, as an international charity, aims to have a governance framework that is fit for purpose, compliant and efficient. In 2017 the new Charity Code of Governance was launched, with a recommendation that charities review their level of application and to explain any aspects of the code they were not applying. In our review, MSC carried out a detailed examination of each element of the code:

- Organisational purpose
- Leadership
- Integrity
- Decision making, risk and control
- Board effectiveness
- Equality, Diversity and Inclusion

- Openness and accountability

This review found that MSC applies the Code in all material aspects.

The principles of equality, diversity and inclusion are embedded within the MSC and its work, through the leadership of the Board. The Trustees particularly recognise the importance and value of a diverse Board, taking account of this in their Board succession planning and recruitment processes. The Board is currently evolving its approach to diversity in the context of its composition and operations.

OBJECTIVES AND ACTIVITIES

PUBLIC BENEFIT

The MSC is an international organisation which partners with the environmental, science and funder communities and the seafood industry to pursue an overall charitable purpose of the advancement of environmental improvement, using its fishery certification and eco-labelling program. It does so by recognising and rewarding sustainable fishing practices, influencing the choices people make when buying seafood and working with partners to help to transform the seafood market to a sustainable basis. The MSC believes its work delivers positive environmental impacts for the marine environment, which in turn provides a significant benefit to the public and to the local communities that depend on fishing.

The application of the MSC's certification program and eco-label empowers seafood buyers, both major retailer buyers and individual consumers, to make better and more informed choices when buying seafood. The effect is one that rewards in the marketplace those fisheries that follow responsible practices. In turn, this creates the incentives for fisheries around the world to meet the MSC's standard for environmentally responsible and sustainable fishing. In doing so they will have to demonstrate to third party certifiers that they are operating in a way that helps to ensure the long-term sustainability of the fish stocks they are targeting, and that they respect the ecosystems in which they operate. As the reach of the MSC's program expands globally, the public will, increasingly, be able to identify the best environmental choice in seafood and will be more empowered to play their role in creating a sustainable marine environment. With the marine environment under considerable threat, particularly in the face of climate change, all those that value and derive benefit from the oceans and marine resources stand to benefit from the work of the MSC.

Community groups and other sub-sets of the public that are dependent on the long-term resilience of fisheries and the resulting creation of sustainable livelihoods, in particular, stand to benefit from the realisation of the MSC's aims through increased economic development, food security and resilience in the face of climate change.

The Trustees confirm that they have complied with their duty in Section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission of England and Wales. The Trustees further confirm that the activities of the Charity are carried out, in line with its objects, for the public benefit as described above.

STRATEGIC REPORT

ACHIEVEMENT AND PERFORMANCE

The expenditure for charitable activities during the current year can be viewed in Note 5 of the accounts, where the charitable activities are grouped together under four activity headings: development of policy and the maintenance of the standards, education and raising awareness of the issue of over fishing and MSC's role as one of the potential solutions, servicing fisheries and commercial partners that are already engaged in the program as well as outreach to potential new partners in developing regions and beyond, and logo licensing, which increases the transparency in the supply chain allowing consumers to choose seafood caught sustainably and so incentivise sustainability.

The past two years have been ones of enormous challenge for MSC as the world has faced both the COVID-19 pandemic and in February 2022 the Russian invasion of Ukraine. The pandemic has affected every aspect of the seafood industry in all parts of the globe, while the war in Ukraine has directly impacted supply chains sourcing Russian-caught fish. In the case of COVID-19, we are pleased that this has not resulted in any major disengagement from the MSC program – rather, fisheries, supply chain companies, retailers and consumers have maintained their commitment to sustainability and their engagement with the MSC program, as outlined below. It is still too early to know what the effects of war in Ukraine will be on the MSC program.

MSC has proven to be very adaptable over the past two years and responded to the pandemic by issuing a number of temporary changes to its requirements, known as derogations. These have enabled us to respond to the critical challenges posed by COVID-19 without having to revise our Standards or guidance documents. These derogations have permitted greater use of remote and desk-based audits, and although the same level of performance is needed, fisheries have also been given more time to carry out the required improvements associated with MSC certification. However, unlike 2020, we did see a drop in the number of assessments carried out in 2021, likely due to COVID's continuing effects.

Notwithstanding this, we continue to place particular emphasis on maintaining our strong outreach with retailers and consumers and increasing our engagement with governments and non-government organisations around key areas for change. The MSC's certification program and eco-label have made it easier for major seafood buyers and consumers to choose certified sustainable seafood, providing both a reward and an incentive for fishers to fish sustainably—our theory of change. With our many partners, the MSC continues to pursue the goal of healthy oceans and sustainable seafood markets globally.

Over the last financial year, and despite these twin exogenous shocks, the number of units of certification rose by over 10% from 859 to 950, while the total number of fisheries engaged in the program (i.e. certified or in assessment) fell slightly to 1,067 from 1,073 (i.e. an additional 117 were in full assessment this year versus 214 last year). A growing global market for MSC-certified seafood is demonstrably rewarding environmentally responsible fisheries and providing incentives for more to join the programme and make changes in their practices where necessary. At the end of the year over 51,000 (51,551) MSC labelled products (consumer facing) were on sale in over 100 countries.

Other relevant indicators of the MSC's impact and growth include:

- Over 15% of global wild caught seafood now comes from fisheries certified under the MSC Fisheries Standard (with 19% of all wild marine catch was engaged with the MSC): global collaboration has doubled sustainable MSC catch and more than tripled chain of custody commitment since 2010.
- Our presence in developing economies to see strong growth: There are now 108 MSC units of certification in developing economies (up from 73 in 2020/21 and 66 in 2019/20), with a further 24 units in assessment.
- The quantity of sold MSC labelled seafood (by product weight), has globally increased to over 1.11 million MT, well above the ISP goal of 981,788 MT by 2020 and representing an increase of 50% over the baseline of 744,920MT in 2016/17.
- Globally, stocks targeted by MSC certified fisheries continue to show sustainable levels of stock biomass and in many regions, stocks show higher biomass after MSC certification occurred.
- And in the supply chain, DNA testing results continue to show levels of mislabelling of <1% for MSC certified products.

Chain of Custody Standard

The MSC Chain of Custody (CoC) program grew again in 2021/22, albeit at a slower pace than in previous years, with the number of certificate holders rising to 5,665, up from 5,437 in 2020/21, 5,170 in 2019/20 and

4,729 in 2018/19 (and note that the baseline in 2010 was 1,099 in 2010). China overtook the United States in 2019/20 for the first time and it continued in 2021 to have the most certificate holders despite the COVID-19 pandemic, with the US still in second place and France now in third, replacing Germany. As in 2020/21, the majority of certificates are still held in Europe, but with notable growth in Asia Pacific, such as Korea and Japan, and in the category the “rest of the world,” which captures CoC mainly in developing economies.

The MSC's current CoC Standard is widely considered best in class, and our vision is to ensure that the MSC's CoC system has improved accessibility and efficiency of engagement for all levels of the supply chain which continues to ensure that key risks such as product substitution are controlled, monitored and minimised.

Fishery Standard

As of 31 March 2022, 950 units of certification in 36 countries had been certified as sustainable to the MSC Fisheries Standard, demonstrating their commitment to healthy ecosystems and the long-term sustainability of fish stocks. Another 117 units were in assessment. In addition, hundreds of fisheries around the world are engaged in Fishery Improvement Projects (FIPs). Many of these FIPs will use the MSC's benchmarking tools and other resources to guide their journey towards sustainability. In addition, MSC's own Pathways to Sustainability projects are helping move fisheries along the path towards greater sustainability and ultimately, where possible, certification as part of our commitment to work with small scale and/or fisheries in developing economies(see below).

The first iteration of the MSC Fisheries Standard, then called the MSC Principles and Criteria, was published in 1999. Since then, it has been continually developed and improved to reflect the most up-to-date understanding of internationally accepted fisheries science and best practice management, informed through consultation with stakeholders around the globe.

Every five years the MSC initiates a Fisheries Standard Review (FSR). The FSR is an opportunity to consider potential improvements to the Fisheries Standard by reviewing issues raised by stakeholders and by our own monitoring and evaluation processes, and where appropriate, to incorporate widely accepted new science or fisheries management best practice.

The latest review started in 2018 and will run until June 2022. Potential revisions continue to be developed for the Board-approved topic areas. Significant progress has been made in the project, and proposals are being subject to in-depth impact assessment. Impact assessments include input through research consultancy and pilot assessments by Conformity Assessment Bodies (CABs). We are now in the final stages of the project, with the final draft Standard due to be presented to the Technical Advisory Board and Stakeholder Advisory Council in May 2022. The MSC Board of Trustees will be asked to make a final decision on approving the standard in June 2022.

The FSR has worked to:

- incorporate improved and generally accepted global scientific understanding and fishery management practice into the Fisheries Standard
- enhance program credibility and legitimacy by reviewing issues identified in previous versions of the Standard or fisheries assessment process
- improve fisheries data collection to enable rigorous monitoring and evaluation
- increase standard applicability and accessibility for fisheries Developing Regions
- reduce Standard complexity to reduce barriers for new fisheries.

In January 2022, the MSC Board approved the draft Standard and Fisheries Certification Process (FCP) to be released for public consultation. This began on 1 February 2022 and ran until 4 April 2022 (64 days, an ISEAL requirement). Two webinars spread across different time zones were held at the start of the public consultation to present stakeholders with the outcomes of the Review to date. There were over 800 attendees at these webinars, and there has been unprecedented levels of stakeholder engagement with

the public consultation: 164 survey responses were received, plus an additional 48 letters submitted to the Executive. These submissions will help to inform the final draft Standard and FCP presented to the Technical Advisory Board, Stakeholder Advisory Council and ultimately, the Board, for consideration.

Focus on Developing Regions and Small-Scale Fisheries

MSC continued its increased focus on fisheries in developing regions in Asia, Africa and Latin America, many of them small-scale fisheries. These fisheries often have significant challenges around engagement with our program but are key to driving MSC's growth in the future. As noted above, there are at the end of 2021/22, 108 MSC units of certification in developing economies (up from 73 in 2020/21 and 66 in 2019/20), with a further 24 units in assessment.

Fisheries in developing regions are often vital to local food security, livelihoods and economic development, so it is especially critical that they are managed sustainably. Equally, many of these regions are ones that will be most affected by climate change, leading the MSC to approach this work with a sense of urgency. Small scale fisheries, especially tropical fisheries, will face critical problems in maintain sustainability as fish stocks move from their traditional geographies. The MSC worked in 2021/22 to scale our Pathways to Sustainability projects and related In Transition to MSC (ITM) program to directly help these fisheries become more sustainable and resilient.

Pathway projects seek to map the fishery space in targeted geographical regions in order to understand what is being caught, where and by whom, identify fisheries with the potential to move forward towards improvements, and then work with these fisheries to develop action plans that will lead to sustainability and eventual MSC certification. In 2021/22, we had Pathways projects in Namibia (the Benguela Current Project), in Western Africa in Senegal, Mauritania, the Ivory Coast and Cape Verde, and in the Mediterranean in France, Italy, Spain and Greece (Project MedFish/MedPath) and in the East Asia Sea (South Korea, Japan, and China).

In addition, the first fisheries from Indonesia, Mexico and South Africa that were included in the Fish for Good project, generously funded by the Dutch Postcode Lottery, moved into the ITM program, where they are eligible to receive direct funding for sustainability improvements over a 5-year time frame, as long as they continue to make progress against the MSC Fishery Standard. This support is funded through our Ocean Stewardship Fund (OSF) via the Transition Assistance Fund.

Finally, we continue to pioneer new approaches to understand and help mitigate the effects of climate change on fisheries, as well as lower the cost of certification by developing tools such as our Data-Limited Methods (DLM) project for data poor fisheries, which are often in Developing regions.

CHARITABLE FUNDRAISING

The MSC employs a professional fundraising staff of four full time employees who are tasked with delivering MSC's fundraising plan as articulated by the Board and senior management and managing our own Ocean Stewardship Fund (OSF); the MSC is registered with the UK Fundraising Regulator and voluntarily observes the UK Charity Commission's Code of best practices. This includes complying with any relevant statutory accounting and reporting requirements on fundraising. Fundraising staff at the MSC are overseen and monitored by both senior management and the Development Committee of the Board of Trustees. The MSC worked with the Swiss-based independent investment advisory company Clarmondial around fundraising for the OSF in 2021/22 as part of a grant from the Mava Foundation, but does not otherwise employ outside fundraising consultants or similar commercial services, nor did the MSC receive any complaints around fundraising, or the staff engaged in fundraising in 2021/22.

The MSC undertook no active fundraising from the general public requiring disclosure under S162A of the Charities Act 2011 in the past financial year (2021/2022) and had no campaigns or other active attempts to fundraise from the general public. The majority of MSC's charitable income continues to come from institutional sources (foundations/trusts and government bodies) that are not domiciled in the United

Kingdom (see below). While the MSC does not in the main fundraise from individuals, the organisation is in full compliance with the General Data Protection Regulation (GDPR) rules in respect of personal data.

Support from Funders

The MSC would especially like to thank our many charitable donors across the globe for the significant support they have given us since our founding. This year was no exception in the continuation of this valued support, as the MSC received significant new and generous support from both the Mava Foundation and Walton Family Foundation for our Ocean Stewardship Fund, and from the Mava Foundation specifically for our work both in the Mediterranean, western Africa and around enabling financing for fishery improvements. In addition, the David and Lucille Packard Foundation continued to support us with both a generous unrestricted grant, support for our work in Japan, and support to our Pathway Project in the East Asia Sea. We would also like to thank the Walton Family Foundation for supporting work around our FSR and projects in Indonesia, Latin America, and the United States. In addition, the MSC continues to receive generous core support from the Dutch Postcode Lottery, Triad Foundation and Holzer Family Foundation, as well as continued support from the Adessium Foundation and Leventis Foundations for our work in the Mediterranean and the Remmer Family Foundation for our work in southern Africa.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR.

Total group income in 2021/22 was £29.8 million compared to £30.1 million in the previous year. Income from charitable activities (that is, largely logo licensing royalty and annual fee revenue) amounted to 88% of total income (2020/21 85%).

Income from donations and legacies was £2.4 million in 2021/22, down 31% from the £3.46 million received in 2020/21. Note 2 to the accounts shows a further breakdown of voluntary income.

Income from charitable activities, consisting largely of royalty income and annual fees, increased overall by 2% from £25.62 million in 2020/21 to £26.13 million in 2021/22. Annual fees increased by 5% to £2.07 million (2020/21 £1.97 million). Volume royalty was stable at £23.77 million (2020/21 £23.65 million).

Income from investments of £0.74 million increased compared to the previous year (2020/21 £0.42 million). The net gains on the investment portfolio (that is, the increase in market valuation of the investments at the year-end) amounting to £0.95 million (2020/21 gain £3.21 million) are excluded from investment income and are disclosed separately on the Statement of Financial Activities as "Gains / (Losses) on fixed asset investments".

Expenditure totalled £28.67 million in 2021/22, up 5% from £27.24 million in 2020/21. While expenditure has increased year on year, the expenditure reported for 2021/22 was much lower than the level of expenditure budgeted for the year. The global lockdowns in place as a response to COVID-19 severely restricted expenditure on travel, meetings and events and some other planned activities than could not be delivered virtually. Staff costs, on the other hand, were unaffected by COVID-19 since no employees were furloughed or made redundant due to the pandemic.

Staff costs increased by 3% to £15.03 million from £14.59 million. The average number of employees in the year decreased to 251 in 2021/22 (2020/21 277).

Expenditure on raising funds for the MSC's fundraising activities was increased by 2.8% to £0.62 million (2020/21 £0.60 million).

Note 5 to these accounts provides a breakdown of costs incurred in furtherance of the Charity's objectives and shows a year-on-year increase in spend on the MSC's charitable activities of 5.3% to £28.05 million (2020/21 £26.64 million).

Governance costs increased by 21.6% to £0.7 million, the increase being driven by the extra costs incurred for developing the new integrated strategic plan. These costs also include the audit fee, the cost of holding Board meetings as well as other Board relevant costs and an allocation of relevant staff salary costs. Governance costs are only 2.4% of total MSC income, welcomingly low for an organisation which is very complex and has a truly global reach.

Losses upon revaluation of foreign assets amounted to £0.15 million (2020/21 loss £0.13 million). This gain or loss arises from the revaluation of the net assets held by the MSC's overseas subsidiaries.

The MSC ended the year in a sound financial position.

The overall surplus for the year of £1.9 million increased total reserves going forward to £40.7 million. £2.38 million of this carry forward reserve are restricted funds, £2.01 million are funds designated to OSF activities and £36.33 million unrestricted. The surplus in the year on unrestricted reserves was £1.74 million.

Cash balances (including cash investments of £3.5 million) totalled £10.4 million (2020/21 £9 million).

RISK MANAGEMENT

The Trustees address from time to time the risks that face the Company and adopt responses to minimise the risks identified.

The major risks identified are:

- Global biological change (climate change) undermines the productivity and resilience of marine ecosystems, and the enabling environment for fisheries to be managed sustainably, increasing the risk of fisheries' suspension from the MSC program. This can be partially mitigated by ensuring the Fisheries Standard evolves to reflect global climate change.
- Vulnerability of the MSC's program to external events beyond its control (such as a failure of Regional Fisheries Management Organisations (RFMOs) to reach agreement on harvest control rules leading to fishery suspensions and withdrawals) reducing MSC's ability to drive change on the water. This can be partially mitigated by the maintenance of a "heatmap" to give early anticipation and identification of fishery suspension risk, the implementation of an RFMO strategy and continued outreach effort.
- Global political change and increased nationalism / trade wars presents limitations to the ability of the MSC program to scale. This can be partially mitigated by engagement with governments (EU / US / Asia) more systematically.

The Trustees review the risks regularly, and they believe that there are adequate systems in place to minimise them.

The impact of Brexit continues to be a risk, with ongoing uncertainty over the changing distribution patterns of raw material inputs into UK and European supply chains. A global perspective of the MSC highlights that much larger volumes of MSC certified fish supplies come from outside Brexit affected geographies, thus mitigating the potential downside impact of Brexit on MSC royalty income. The conclusion is that Brexit is unlikely to become an existential crisis.

MSC has been lucky so far to have travelled through the COVID-19 pandemic materially unaffected in terms of incoming resources: royalty income was robust and charitable donors were supportive in terms of any delays in project outputs arising because of the global lockdown. Certain activities, specifically those that required travel, have had to be postponed where it was impossible to complete them virtually, while the shift towards digital marketing was accelerated. More generally, the organisation moved to adapt to remote working quickly and successfully.

The war in Ukraine presents potential risks to the MSC caused by disruption to global supply chains and impacts on financial markets – it is still too early to assess the direct effect of these on the organisation, but MSC continues to monitor the situation and engage actively with supply chain partners.

The reader should note the MSC Board are in the process of reviewing how MSC identify and categorise strategic risks.

RESERVES POLICY

The Trustees believe that it is generally good practice to hold reserves to protect against funding and other financial difficulties.

The MSC raises the majority of its voluntary income from a relatively small number of supportive trusts and foundations and consequently the financial impact should a donor decide to phase out its support would be material. The MSC is striving to diversify its charitable donor base. As a result, more speculative income and more restricted income may be included in the MSC's budgets. Holding reserves ensures confidence that such target income can be given time to be nurtured without detrimentally effecting the MSC's operations.

Certified fish entering the supply chain is the fuel that facilitates the generation of ecolabel royalty income for the MSC, via its trading subsidiary MSCI. While royalty income is therefore diversified across many certified fisheries, MSC certification can be lost or withdrawn. Similarly, royalty income is dependent upon the use of the MSC's ecolabel on a pack, which is an entirely voluntary decision made by the brand owner, not the MSC. Should royalty income unexpectedly decline, it may be necessary to realign expenditure to income. Reserves are therefore held to allow time for this realignment to take place and to cover the costs of such a fundamental restructuring in the event of a major downturn.

The reserves also cover the exchange rate risk implicit in the MSC's income and expenditure patterns, as well as the risk of losses arising from liquidating fund investments that form a major part of the MSC's unrestricted reserves, in the unlikely circumstance that these investments are needed to fund day to day operational expenditure. Finally, the MSC's short term cash flow requirements (i.e., its "working capital") are also covered by reserves.

The Board has quantified the makeup of reserves against each of the above-named risks and concluded, in total, the unrestricted "free" reserve should be set between a minimum of 9 months and a maximum of 12 months of the following year's budgeted expenditure.

Should the maximum reserves ceiling be habitually exceeded (defined as being two continuous years in succession), the Board will consider strategically whether the MSC's capacity to generate royalty revenue remains appropriate and in line with its current and predicted expenditure requirements, or whether the success of the MSC licensing program has resulted in royalty income being generated at rates in excess of the organisation's ability to spend it over the longer term.

Alongside any such strategic consideration, within a financial year that any breach in the maximum reserves ceiling is identified, the Board will give consideration to investing all the surplus free reserves, or an appropriate proportion, in the following areas:

- a) Ocean Stewardship Fund: Transition Assistance strand – with the objective of enabling prospect fishery partners to overcome generic obstacles to achieve certification.
- b) Ocean Stewardship Fund: Science & Research strand with the objective of commissioning additional scientific research that would benefit multiple fisheries which could enable existing certified fisheries to maintain their certifications.
- c) Marketing – magnifying the impact of already planned marketing activities.
- d) Any capital project which the Board deems appropriate for the furtherance of the MSC's mission and charitable objects.

This reserves policy was adopted by the Board of Trustees in June 2019 and its appropriateness is continually monitored.

The MSC ended the year with unrestricted reserves of £36.3 million (see note 20). Once intangible assets and tangible fixed assets of £5.1 million (see notes 10 and 11), free reserves amounted to £31.2 million (2020/21 £29.7 million). This equates to 12.3 months of the Board approved unrestricted expenditure budget for 2022/23 (£30.4 million), up from 11.5 months reported for the previous year.

INVESTMENT POLICY

The general objective of holding investments is so the MSC's reserves generate a return that would be greater than the return that could be obtained if the reserves were held as interest bearing cash deposits.

Fixed asset investments are held in investment funds managed by Northern Trust and UBS. The intention is for these investments to be held long term, within a balanced and diversified portfolio, and that the MSC will not need to liquidate the investment in the foreseeable future. Both investment managers have delegated authority to make investment decisions, within a framework of pre-defined portfolio parameters, in response to market movements.

The Northern Trust portfolio covers equities, fixed income securities, real estate, and commodities. The equity element (the majority of the investment) is invested in Socially Responsible Investment (SRI) funds. The SRI funds mirror Morgan Stanley Capital International Ethical, Social and Governance indexes (namely the MSCI World ESG index and the MSCI US IMI index) to guide investment opportunities in equities screened for ESG criteria.

The investment fund managed by UBS consists of a mix of fixed income securities and equities, weighted towards equities. UBS use third party rating providers MSCI Research, Inrate or Oekom to allocate to each holding an ESG score and to provide MSC with a portfolio with an overall sustainability profile.

Current asset investments are all held as cash deposits.

PLANS FOR FUTURE PERIODS

The MSC has successfully finished the final year of its current Integrated Strategic Plan (ISP) and has now turned towards developing a new ISP to guide the organisation from 2022 for the next five years.

This next iteration of the ISP will address organisational issues related to MSC's growth and evolution as a fully global institution, so that we can continue to support fisheries, supply chains and markets that are engaged in the MSC program. A major feature of our development over the coming years will thus be the use of digital technologies across all parts of the organisation. We expect that this will include several related strands, including developing new systems around digital traceability of certified seafood through the supply, upgrading of our auditing and assessment systems, as well as a review of our current chain of custody (CoC).

Increasingly as well, the MSC is looking at how our own Ocean Stewardship Fund (OSF) can act as a vehicle to support fisheries in their pathway to sustainability. We are accelerating progress and increasing the number of sustainable fisheries worldwide by funding innovative research and supporting fisheries at all stages on the path to sustainability. Over £2.1 million has been dedicated to 64 fisheries and projects around the world through the OSF. In 2021/22, £700,000 was awarded to projects including satellite tagging stingrays, translocating sea urchins and developing deep-sea cameras. At least half of the grants will support fisheries in developing economies, such as Indonesia, Mexico and India, that are transitioning to sustainable practices.

In part to fund this, the MSC has committed 5% of annual royalties from MSC certified product sales to the Ocean Stewardship Fund. In 2021/22, we are expanded the fund by combining the MSC's own contributions with external funding from third-party donors. In 2021/22, we were successful in efforts to raise money for the OSF from third-party donors, including from the Mava Foundation and Walton Family Foundation, and mobilised over £2.3 million (or US\$3.2 million) from both sources.

MSC is also moving to understand the impact of climate change on certified fisheries and sustainable fishing in general and will work to develop new tools and approaches to mitigate the impact of climate change on certified fisheries and the communities that depend on these fisheries. Conversely, the MSC will also seek to understand the potential benefits of moving to certification and sustainable fishing around reducing fishing's carbon footprint.

REFERENCE AND ADMINISTRATION

Trustees and Directors of the Marine Stewardship Council (MSC):

Dr Werner Kiene	Chair	Appointed October 12
Mr Kristjan Th. Davidsson	Treasurer and Finance Committee Chair	Appointed July 21
Mr Giles Bolton		Appointed January 19
Ms Maria Damanaki		Appointed July 19
Mr Stuart Green		Appointed June 20
Mr Jim Leape		Appointed December 15
Mr David Lock	Audit & Risk Committee Chair	Appointed November 18
Ms Amanda Nickson	Stakeholder Advisory Council Co-Chair	Appointed January 19
Dr Kevin Stokes		Appointed July 20
Mr Paul Uys	MSCI Board Chair	Appointed August 15
Dr Christopher Zimmermann	Technical Advisory Board Chair	Appointed January 21
Ms Stefanie Moreland	Stakeholder Advisory Council Co-Chair	Resigned May 22
Mr Eric Barratt		Resigned July 21

The Trustees of the MSC are the charity's Trustees under charity law and are the directors of the charitable company.

Principal Office & Registered Office: Marine House, 1 - 3 Snow Hill, London, EC1A 2DH

Principal Officers – the Executive Committee

Mr Rupert Howes	Chief Executive Officer
Dr Alene Wilton	Chief Operating Officer
Dr Rohan Currey	Chief Science & Standards Officer
Mr Nicolas Guichoux	Chief Program Officer
Ms Ishbel Matheson	Chief Communications Officer

Advisers

Auditors: Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW

Bankers: HSBC Plc, 165 Fleet Street, London, EC4A 2DY

Solicitors: DAC Beachcroft LLP, 100 Fetter Lane, London, EC4A 1BN
Bird & Bird LLP, 12 New Fetter Lane, London, EC4A 1JP

Investment managers:

Northern Trust Company, 50 South Lasalle Street, Chicago, IL 60680, USA
UBS, 1 Finsbury Avenue, London, EC2M 2AN

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report, the Strategic Report, and the financial statements in accordance with applicable laws and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its net incoming resources for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

S 418 CONFIRMATION

Each of the Trustees at the date of approval of this report confirms that:

- so far as the Trustee is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 under Companies Act 2006.

This Annual Report of the Trustees, under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of Trustees on 26 July 2022 including approving in their capacity as company directors the Strategic Report contained therein, and is signed as authorised on its behalf by:



Dr Werner Kiene
Chairman of the Board of Trustees

Date 26 July 2022

Independent Auditor's Report to the Members of Marine Stewardship Council

Opinion

We have audited the financial statements of Marine Stewardship Council ('the charitable company') and its subsidiaries ('the group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, Charity Statement of Financial Activities, Consolidated and Charity Balance Sheets, Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the groups and the charitable company's affairs as at 31 March 2022 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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.

Auditor's 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 an auditor's report 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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 auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit

procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation, employment legislation and taxation legislation. We also considered compliance with local legislation for the group's overseas operating segments.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition and classification of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and revenue, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 auditor's 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.



Julia Poulter

Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor

London

Date: 15th August 2022

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	UNRESTRICTED FUNDS				UNRESTRICTED FUNDS			
		General £'000	Designated £'000	Restricted Funds £'000	Total Funds 2022 £'000	General £'000	Designated £'000	Restricted Funds £'000	Total Funds 2021 £'000
Income									
Donations and legacies	2	468	6	1,932	2,406	1,136	0	2,321	3,457
Income from charitable activities		26,132	0	0	26,132	25,619	0	0	25,619
Income from investments	3	744	0	0	744	416	0	0	416
Other trading activities		507	0	0	507	604	0	0	604
Total Income		27,851	6	1,932	29,789	27,775	0	2,321	30,096
Expenditure									
Expenditure on raising funds	4	621	0	0	621	604	0	0	604
Expenditure on charitable activities	5	25,023	751	2,274	28,048	23,672	740	2,223	26,635
Total Expenditure		25,644	751	2,274	28,669	24,276	740	2,223	27,239
Net income before transfers and other gains and losses		2,207	(745)	(342)	1,120	3,499	(740)	98	2,857
Gain / (Loss) on revaluation of fixed asset investments		947	0	0	947	3,214	0	0	3,214
Net income before transfers		3,154	(745)	(342)	2,067	6,713	(740)	98	6,071
Gain / (Loss) on revaluation of foreign assets		(149)	0	0	(149)	(127)	0	0	(127)
Transfers between funds		(1,268)	1,126	142	0	(1,080)	1,076	4	0
Net movement in funds		1,737	381	(200)	1,918	5,506	336	102	5,944
Funds at 31st March 2021 (31st March 2020)		34,594	1,625	2,579	38,798	29,088	1,289	2,477	32,854
Funds at 31st March 2022 (31st March 2021)		36,331	2,006	2,379	40,716	34,594	1,625	2,579	38,798

There were no recognised gains or losses other than those included in the Statement of Financial Activities.
All Income and Expenditure derive from continuing activity.

**CHARITY STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	UNRESTRICTED FUNDS				UNRESTRICTED FUNDS			
		Unrestrict- ed Funds £'000	Designated Funds £'000	Restricted Funds £'000	Total Funds 2022 £'000	Unrestrict- ed Funds £'000	Designate d Funds £'000	Restricted Funds £'000	Total Funds 2021 £'000
Income									
Donations and legacies		430	6	1,932	2,368	818	0	2,313	3,131
Income from charitable activities		20,595		0	20,595	20,107	0	0	20,107
Income from investments		744	0	0	744	415	0	0	415
Other trading activities		6	0	0	6	7	0	0	7
Total Income		21,775	6	1,932	23,713	21,347	0	2,313	23,660
Expenditure									
Expenditure on raising funds		621	0	0	621	604	0	0	604
Expenditure on charitable activities		19,457	750	1,806	22,013	17,726	740	1,619	20,085
Total Expenditure		20,078	750	1,806	22,634	18,330	740	1,619	20,689
Net income before transfers and other gains and losses		1,697	(744)	126	1,079	3,017	(740)	694	2,971
Gain / (Loss) on revaluation of fixed asset investments		947	0	0	947	3,214	0	0	3,214
Net income before transfers		2,644	(744)	126	2,026	6,231	(740)	694	6,185
Transfers between funds		(1,243)	1,126	117	0	(1,080)	1,076	4	0
Net movement in funds		1,401	382	243	2,026	5,151	336	698	6,185
Funds at 31st March 2021 (31st March 2020)		32,484	1,624	4,462	38,570	27,333	1,288	3,764	32,385
Funds at 31st March 2022 (31st March 2021)		33,885	2,006	4,705	40,596	32,484	1,624	4,462	38,570

There were no recognised gains or losses other than those included in the Statement of Financial Activities.
All Income and Expenditure derive from continuing activity.

CONSOLIDATED AND CHARITY BALANCE SHEET
as at 31 March 2022

	Note	Group 2022 £'000	Group 2022 £'000	Group 2021 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Fixed Assets							
Intangible	10	1,564		1,255		1,563	1,253
Tangible assets	11	3,516		3,600		3,494	3,581
Investments	12	19,222		17,628		19,368	17,772
			24,302		22,483	24,425	22,606
Current Assets							
Investments	13	3,544		2,975		3,421	2,859
Debtors	14	10,866		10,981		12,535	13,287
Cash at bank and in hand		6,854		6,032		2,791	2,174
		21,264		19,988		18,747	18,320
Creditors: Amounts falling due within one year	15	(4,650)		(3,545)		(2,388)	(2,246)
Net current assets			16,614		16,443	16,359	16,074
Creditors: Amounts falling due after more than one year	16	(200)	(200)		(128)	(188)	(110)
Total assets less total liabilities			40,716		38,798	40,596	38,570
Funds							
Unrestricted funds - General Funds			36,331		34,594	33,885	32,484
Unrestricted funds - Designated Funds			2,006		1,625	2,006	1,624
Restricted funds			2,379		2,579	4,705	4,462
Total Funds			40,716		38,798	40,596	38,570

The financial statements on pages 20 to 38 were approved and authorised for issue by the Trustees on 26 July 2022 and signed on their behalf by:



Dr Werner Kiene
Company Registration Number 3322023

Chairman of the Board of Trustees

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE GROUP
FOR THE YEAR ENDED 31 MARCH 2022**

	2022	2021
	£'000	£'000
Statement of cash flows		
Cash flows from operating activities:		
<i>Net cash provided by (used in) operating activities</i>	1,720	3,245
Cash flows from investing activities:		
Dividends, interest and rents from investments	744	416
Proceeds from the sales of property, plant and equipment	0	0
Purchase of property, plant and equipment	(1,413)	(1,165)
Proceeds from sale of investments	6,315	5,605
Purchase of investments	(5,975)	(5,941)
Net cash provided by (used in) investing activities	(329)	(1,085)
Cash flows from financing activities:		
repayments of borrowings	0	0
Net cash provided by (used in) financing activities	0	0
Change in cash and cash equivalents in the reporting period	1,391	2,160
Cash and cash equivalents at the beginning of the reporting period	9,007	6,847
Cash and cash equivalents at the end of the reporting period	10,398	9,007
Reconciliation of net income / (expenditure) to net cash flow from operating activities		
	2022	2021
	£'000	£'000
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	1,918	5,944
Adjustments for:		
Amortisation and depreciation charges	1,183	822
FX on Foreign Assets	(382)	610
Net unrealised loss (gain) and other movements on investment	(1,552)	(3,812)
Dividends, interest and rents from investments	(744)	(416)
(Profit) / Loss on the sale of fixed assets	5	46
(increase) / decrease in debtors	115	81
Increase / (decrease) in creditors	1,177	(30)
Net cash provided by (used in) operating activities	1,720	3,245
Analysis of cash and cash equivalents		
	2022	2021
	£'000	£'000
Cash in hand	6,854	6,032
Notice deposits (less than 3 months)	3,544	2,975
Total cash and cash equivalents	10,398	9,007

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies

Marine Stewardship Council is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 17th December 1997 (company number 3322023) and registered as a charity on 10th December 1997 (charity number 1066806).

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association (amended July 2014).

In the event of the company being wound up members are required to contribute an amount not exceeding £1 each.

The registered office is Marine House, 1-3 Snow Hill, London, EC1A 2DH.

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Charity's financial statements.

Basis of accounting: The consolidated financial statements have been prepared under the historical cost convention, except that fixed asset investments are stated at market value, and in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the 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 1st January 2015.

These financial statements consolidate the results of the charity and its five wholly owned subsidiaries, Marine Stewardship Council International Limited (which is incorporated in the UK), Marine Stewardship Council Limited (which is incorporated in the United States), Marine Stewardship Council Asia Pacific Pty Limited (which is incorporated in Australia), Marine Stewardship Council Asia Ltd (which is incorporated in Singapore), and Ippan Shadan Hojin MSC Japan (which is incorporated in Japan) on a line by line basis.

MSCI also has a Chinese registered subsidiary, An Hai Xu Fishery Certification Consulting (Beijing) Ltd Co (known as MSC China), the activities of which help fulfil MSC's charitable mission in China.

The functional currency of the Charity and its subsidiaries is GBP because that is the currency of the primary economic environment in which the group operates. The consolidated financial statements are also presented in GBP.

MSC's overseas subsidiaries are converted into GBP and consolidated into the group accounts using the year end exchange rate, with the foreign exchange gain or loss arising reported as gains or losses arising upon revaluation of foreign assets in the SOFA. Fixed assets held in the overseas subsidiaries are immaterial.

Going Concern: The Trustees approve the annual budgets and periodic forecasts to ensure there is sufficient working capital to meet the charity's obligations over the subsequent 12 months. The charity meets its ordinary working capital requirements through its existing cash balances. The Covid-19 impact has not had a material impact on the charity's financial operations. Having regard to the above, the current cash position and the expected cashflow over the following 12 months the Trustees believe it appropriate to adopt a going concern basis of accounting in preparing the financial statements.

After reviewing the group's forecast and projections, the Trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. This view is supported by the level of free reserves held at the year-end (equivalent to 12 months expenditure). The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Critical accounting judgements and key sources of estimation uncertainty: In the application of the accounting policies directors are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historic experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The critical estimate involves accruing for royalty income, with around 2% to 10% of the total royalty accrued each year being based upon historic trends only, rather than information received post Year End from the license holder relating to actual labelled sales for the period of the accrual. This arises because turnover declaration returns of labelled product sales are submitted by license holders in arrears. As a result, labelled product sales data covering reporting periods ending 31st March are received after the financial year end. At the point the accounts are drafted, not all license holders may have reported their labelled sales data (even though the license agreement obligates them to submit their turnover declaration by one month after the end of the reporting period in question). For these license holders, the level of labelled sales (and hence royalty income to be accrued) are estimated based on historic trends.

Judgements are also made for bad debts provisions, based upon reviewing debts older than 90 days at the year end, and for certain contracts of service, whereby the fee to be received by MSC for services delivered continue to be subject to negotiation after the year end.

Fixed Assets:

Intangible fixed assets

Intangible fixed assets represent software costs capitalised in accordance with FRS102. These are stated at historic cost and amortised on a straight-line basis over the period which revenue is expected to be generated (typically 4 years). Items costing less than £500 are expensed in the year of purchase.

Tangible fixed assets

Tangible fixed assets are recorded at cost or, in cases where tangible fixed assets have been donated to Marine Stewardship Council, at valuation at the time of acquisition. Tangible fixed assets are capitalised in the balance sheet at cost, except for items costing less than £2500 which are expensed in the year of purchase.

Depreciation: Depreciation for UK entities has been provided at the following rates in order to write down cost or valuation, less estimated residual value, of all tangible assets by equal annual instalments over their expected useful lives.

Furniture, Fittings & IT equipment	25%
Refurbishment costs of Snow Hill	over 7 years
London Virtual Freehold Property	Building cost over 99 years

Incoming resources: Grants and donations are recognised as income when it is clear MSC has entitlement to the income, that the donation is reasonably certain to occur and that the value of the donation can be measured. Logo license royalty income is accounted for in the period in which the labelled products were sold by our trading partners. Similarly, fixed fee income, such as the North American Subscription Programme, is recognised as income for the contracted period, requiring a deferral of income if the fixed fee for a financial year is raised in advance. Service fees, such as Peer Review College fees or ASCI fees, is accounted for in the period the services were delivered. Donated services and facilities are included at the value to the charity where this can be quantified. No amounts are included in the financial statements for the services donated by volunteers.

Expenditure: Resources expended are included in the Statement of Financial Activities on an accrual basis, inclusive of VAT which cannot be recovered. Since 1st February 2009, the Charity has been registered within a VAT group consisting of itself and its UK based trading subsidiary, Marine Stewardship Council International. From 1st February 2009, therefore, input tax can be partially recovered based upon a business: non-business model.

Expenditure on raising funds comprise expenditure incurred in encouraging others to make contributions to the charity and include staff costs directly attributable to that activity. Expenditure on charitable activities comprise direct expenses incurred on the defined charitable purpose of the charity, and include staff costs directly attributable to the charitable activities. Where costs could not be directly attributed to any particular function or activity (i.e., costs classified in MSC's ledger as relating to senior staff and office, IT, HR, finance, premises support type costs), they have been allocated by applying bases consistent with the use of the resource. Senior staff costs are apportioned to charitable activities in relation to an estimate of time that that senior member will focus on a specific charitable activity. Head Quarter support costs are allocated to charitable activities in proportion to the staff costs sitting in that charitable activity. Local office support costs are allocated based on an estimation of charitable activity focus of that local office (that is, across servicing and outreach and education and awareness only).

In Kind income and expenditure: Where in kind supplies are received MSC will value the income and corresponding expenditure based on the value of the gift as identified either by the donor or, if appropriate, by the assumptions set out in any contract underpinning the commercial relationship between the donor and MSC.

Cash and bank and current asset investments: Cash balances held in interest bearing deposit accounts (business reserve accounts or time deposits) are classified as current asset investments in the balance sheet. All other cash balances held at bank or in hand are classified as cash at bank or in hand in the balance sheet.

Investment income: Investment income is recognised in the accounts when it is receivable and is allocated to the appropriate fund.

Investments: The charity has four wholly owned subsidiary undertakings.

- Marine Stewardship Council International Limited is a trading subsidiary and receives royalties from logo licensing fees as well as income from the sale of merchandise.
- Marine Stewardship Council Limited is a subsidiary incorporated in the United States and promotes the aims of the parent there.
- Marine Stewardship Council Asia Pacific Pty Ltd is a subsidiary incorporated in Australia and promotes the aims of the parent there and in South East Asia generally.
- Marine Stewardship Council Asia is a subsidiary incorporated in Singapore and promotes the aims of the parent there and in Asia generally.

Marine Stewardship Council International has a wholly owned subsidiary, An Hai Xu Fishery Certification Consulting (Beijing) Ltd Co (known as MSC China), which received its business license 2 February 2016. In 2020, MSC established a non-profit General incorporated association (GIA), Ippan Shadan Hojin MSC Japan, to support its charitable mission in Japan.

Investments in the subsidiaries are stated at cost.

Fixed asset investments are held in a portfolio covering equities, fixed income securities, real estate, and commodities, which is managed by Northern Trust, and a second fund, managed by UBS, focused upon fixed income securities. The equity element of the Northern Trust fund is invested in Socially Responsible Investment (SRI) funds. The SRI funds mirror Morgan Stanley Capital International Ethical, Social and Governance indexes (namely the MSCI World ESG index and the MSCI US IMI index) to guide investment opportunities in equities screened for ESG criteria. The UBS fund focuses on lower risk investments consisting of gilts and corporate paper. Fixed asset investments are reported in the financial statements at their market value on the balance sheet date, including the effect of any unrealised gains and losses as of that date.

Foreign exchange: Assets and liabilities denominated in foreign currencies are translated at year end exchange rates. Exchange differences are included in the statement of financial activities. Transactions during the year are recorded at the prevailing rates.

Financial assets and liabilities: Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument. Additionally, all financial assets and liabilities are classified according to the substance of the contractual arrangements entered into.

Financial assets and liabilities are initially measured at transaction price (including transaction cost) and are subsequently re-measured where applicable at amortised cost except for forward rate currency contracts which are subsequently measured at fair value with gains and losses recognised in the Statement of Financial Activities. Assets and liabilities held in a foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

The Group enters into forward rate currency contracts to manage its exposure to fluctuations in exchange rates throughout the year. These contracts are recognised at fair value with gains or losses recognised in the Profit and Loss account.

Pension costs: In the UK, the charity operates a defined contribution group personal pension scheme for the benefit of any employees wishing to join. Defined contribution schemes also operate for overseas based employees in other, non-UK, jurisdictions in line with local legislation. The contributions payable under the schemes are charged in the income & expenditure account, and the assets are managed by an independent organisation.

Taxation: Marine Stewardship Council is a registered charity, and therefore is not liable for income tax or corporation tax on income derived from its charitable activities since it falls within the various exemptions available to registered charities.

Operating lease assets: Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Fund accounting: The general fund comprises those monies which may be used towards meeting the charitable objectives of the charity at the discretion of the directors. The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor-imposed conditions.

2 Donations & legacies	2022	2021
	£'000	£'000
Grants from other charitable bodies	2,170	3,018
Grants from government organisations	0	289
Donations from companies	232	145
Other donations	4	5
	2,406	3,457

3 Investment income	2022	2021
	£'000	£'000
Bank and investment funds interest and dividends receivable	744	416

4 Expenditure on raising funds	2022	2021
	£'000	£'000
General fundraising activities:		
salaries	343	371
other running costs	18	0
investment managers fees	96	82
support	164	151
	621	604

5 Expenditure on charitable activities	Activities undertaken directly	Support costs	Governance costs	2022	Activities undertaken directly	Support costs	Governance costs	2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Policy & maintenance of standards	4,041	1,418	211	5,670	3,875	1,254	174	5,303
Education & awareness	8,362	1,704	211	10,277	8,197	1,561	174	9,932
Servicing & outreach to fisheries and commercial sector	7,049	2,449	211	9,709	6,418	2,101	174	8,693
Logo licensing costs	1,157	414	70	1,641	1,540	363	58	1,961
Ocean Stewardship Fund	751	0	0	751	746	0	0	746
	21,359	5,985	704	28,048	20,776	5,280	579	26,635

6 Support cost breakdown by activity

	Raising Funds	Policy & standards	Education & awareness	Servicing & outreach	Logo licensing	Total 2022	Total 2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Office services	38	333	400	575	97	1,445	1,336
IT services	89	771	926	1,331	225	3,342	2,417
Finance services	2	20	25	35	6	89	427
Human Resources	24	204	245	353	60	885	802
Premises	10	90	108	155	26	388	450
	164	1,418	1,704	2,449	414	6,149	5,431

Support costs have been allocated to activities in line with total expenditure within each office function, this is a reasonable approximation of the resource usage within each activity).

7 Net income / expenditure

	2022	2021
	£'000	£'000
The group's net income / expenditure is stated after or charging:		
Fees payable to the parent charity's auditors for the audit of the charity's annual accounts	32	27
Fees payable to the parent charity's auditors for the audit of the charity's subsidiaries	10	9
Total fees payable to the parent charity's auditors for auditing services	<u>42</u>	<u>36</u>
Fees payable to the parent charity's auditors for tax services	2	2
Operating lease charges - land and building	484	505
Operating lease charges - office equipment	6	7
(Profit) / Loss on fixed asset disposal	0	46
Depreciation	<u>1,183</u>	<u>822</u>

8 Trustee / directors and employees

Staff costs, including directors' remuneration, were as follows:	2022	2021
	£'000	£'000
Wages and salaries	12,210	12,098
Social security costs	1,669	1,486
Pension	1,154	1,015
	<u>15,033</u>	<u>14,599</u>

The number of staff employed by the charity during the year was as follows:	2022	2021
	number	number
Number of staff during the year	251	277
Full Time Equivalent (FTE) during the year	240	240

The number of employees whose emoluments amounted to over £60,000 in the year was as follows:

	2022	2021
£60,000 - £69,999	20	17
£70,000 - £79,999	16	16
£80,000 - £89,999	3	2
£90,000 - £99,999	5	3
£100,000 - £109,999	5	4
£110,000 - £119,999	1	2
£120,000 - £129,999	1	2
£130,000 - £139,999	1	1
£150,000 - £159,999	0	1
£210,000 - £219,999	0	0
£240,000 - £249,999	1	0
£250,000 - £259,999	0	1

Key management personnel are defined as those who are designated as members of the MSC Executive Committee. Salary, pension contributions and other benefits received during 2021/22 by the five Executive Committee members amounted to £921,338 (2020/21 £961,275).

The banding for the highest paid employee shown above includes employers pension contribution paid as salary. This treatment was adopted as mitigation to the tapering of the annual pension contribution allowance. The emoluments reported in all other bands exclude employers pension contribution

MSC paid pension contributions and other benefits on behalf of staff totalling £1,154,244 (2020/21: £1,014,819). For the 53 members of staff whose emoluments were greater than £60,000 the MSC paid pension contributions and other benefits totalling £459,548 (2020/21: £417,116).

9 Trustees' remuneration and expenses

The chair of the charitable company, Dr Werner Kiene, who is also a Trustee under Charity law, received or was entitled to receive emoluments of USD 48,000 during the year for professional services rendered (2020/21: USD 46,000). These payments were made in line with criteria laid down in the Memorandum and Articles of Association of the company and were approved by the full Board. The Charity has met travel and subsistence expenses incurred by the fourteen Trustees in the Charity's business totalling £6,666 (2020/21: £10,958).

The Charity has also paid for the indemnity insurance cost for the trustees (who are also directors) and its key employees with regard to their actions on behalf of the charity.

10 Intangible assets

	Group Trademark £'000	Group Software and database £'000	Group Total £'000	Charity £'000
Cost				
At 1st April 2021	0	3,933	3,933	3,548
Additions	0	1,398	1,398	1,398
Disposals / write offs	0		0	0
At 31 March 2022	0	5,331	5,331	4,946
Depreciation				
At 1st April 2021	0	2,678	2,678	2,295
Charge for the year	0	1,089	1,089	1,088
Disposals / write offs	0		0	0
At 31 March 2022	0	3,767	3,767	3,383
Net book value				
At 31 March 2022	0	1,564	1,564	1,563
At 31 March 2021	0	1,255	1,255	1,253

Trademark intangible asset represents the £1 purchase cost to buy the MSC logo trademark from Marine Stewardship Council International.

The amortisation charge of intangible assets has been allocated equally across Policy and maintenance of standards, Education and awareness, Servicing and outreach to fisheries and commercial sector, and Logo licensing costs.

£496,000 of the £1,564,000 group software and database net book value relates to assets under construction. £464,000 relates to the capitalised development costs of the Supply Chain Audit Platform, due to go live in the autumn of 2022 and a further £32,000 relates to the capitalised development costs of the Enhanced Traceability Project, currently at the proof of concept stage.

11 Tangible fixed assets

	Group Long Leasehold Property £'000	Group Furniture, fittings and IT equipment £'000	Right of Use Assets £'000	Group Total £'000	Charity £'000
Cost					
At 1st April 2021	3,700	1,180	0	4,880	4,703
Additions	0	15		15	0
Disposals / write offs	0	(64)		(64)	0
At 31 March 2022	3,700	1,131	0	4,831	4,703
Depreciation					
At 1st April 2021	373	908	0	1,281	1,122
Charge for the year	37	57	0	94	87
Disposals / write offs	0	(60)		(60)	0
At 31 March 2022	410	905	0	1,315	1,209
Net book value					
At 31 March 2022	3,290	226	0	3,516	3,494
At 31 March 2021	3,327	272	0	3,599	3,581

12a Investment in Group Companies

	Group Shares in Subsidiary £'000	Charity Shares in Subsidiary £'000
Cost		
At 1 April 2021	0	145
Additions	0	0
At 31 March 2022	<u>0</u>	<u>145</u>
Net book value		
At 31 March 2022	0	145
At 31 March 2021	0	145

The company's subsidiaries during the year were as follows:

Company Name	Ownership	Country of incorporation	Activity
Marine Stewardship Council International (CN 3486485)	MSC UK is the sole shareholder	UK	Commercial activities of Marine Stewardship Council (UK trading subsidiary)
Marine Stewardship Council Ltd (EIN 91-2018427)	MSC UK is the sole member	USA	Achieve the objectives of MSC (US charitable subsidiary)
Marine Stewardship Council Trust (ABN 69 517 984 605)	MSC UK is the sole member	Australia	Achieve the objectives of MSC (Australian charitable subsidiary)
Marine Stewardship Council Asia Ltd (CN 201215612M)	MSC UK is the sole member	Singapore	Achieve the objectives of MSC (Singaporean charitable subsidiary)
MSC Japan - GIA	MSC UK is the sole member	Japan	Achieve the objectives of MSC (Japan GIA subsidiary)
An Hai Xu Fishery Certification Consulting (Beijing) Ltd Co (CN 9111015MA003GWGIC)	MSCI is the sole shareholder	China	Achieve the objectives of MSC (Chinese trading subsidiary of MSCI)

	MSCI Ltd	MSC Ltd	MSC Asia Pacific Pty Ltd	MSC Asia Ltd	An Hai Xu Fishery Certification Consulting (Beijing) Ltd Co	MSC Japan
Income:						
Donations and legacies	0	38	0	2	0	2
Income from charitable activities	26,051	0	0	0	0	0
Income from investments	0	0	0	0	0	0
Other trading activities	500	0	0	0	0	0
Grants from UK Charity	0	3,374	1,112	117	796	656
Total income	<u>26,551</u>	<u>3,412</u>	<u>1,112</u>	<u>119</u>	<u>796</u>	<u>658</u>
Expenditure:						
Expenditure on charitable activities	13,139	3,472	1,074	151	811	547
Foreign exchange (gain)/ loss	33	82	8	2	(8)	65
Total Expenditure	<u>13,172</u>	<u>3,554</u>	<u>1,082</u>	<u>153</u>	<u>803</u>	<u>612</u>
Net Income / (Expenditure)	13,379	(142)	30	(34)	(7)	46
Gift Aid to UK Charity	13,379	0	0	0	0	0
Funds at 1st April 2021	131	273	49	49	(135)	6
Funds at 1st April 2022	<u>131</u>	<u>131</u>	<u>79</u>	<u>15</u>	<u>(142)</u>	<u>52</u>
Fixed Assets & Intangible Fixed Assets						
Investments in subsidiary	0	14	8	1	0	0
	179	0	0	0	0	0
Debtors						
Cash at bank and in hand	9,801	13	9	1	11	43
Total current assets	3,538	284	290	14	49	15
	13,339	297	299	15	60	58
Creditors: Amounts falling due with one year	(13,321)	(180)	(228)	(1)	(24)	(6)
Net current assets (liabilities)	18	117	71	14	36	52
Long term liabilities	(66)	0	0	0	0	0
Total assets less total liabilities	<u>131</u>	<u>131</u>	<u>79</u>	<u>15</u>	<u>36</u>	<u>52</u>
Represented by:						
Share Capital	145	0	0	0	179	0
Unrestricted funds	(14)	131	79	15	(143)	52
Restricted funds	0	0	0	0	0	0
Total	<u>131</u>	<u>131</u>	<u>79</u>	<u>15</u>	<u>36</u>	<u>52</u>

12b Fixed Asset Investments

	2022		2021	
	£'000		£'000	
Balance at beginning of year		17,628		14,090
Addition of principal cash		0		0
Sale of investments	(6,315)		(5,605)	
Purchase of investments	5,975		5,941	
Cash generated by sale / (purchase) of investment	340		(336)	
Gain / loss on investment	564		3,826	
Dividend and interest income	744		404	
Investment managers fees	(96)		(82)	
Foreign exchange revaluation	382	1,594	(610)	3,538
		<u>19,222</u>		<u>17,628</u>

The historic cost of the investment made is £12,258,971.

Asset Classes of Fixed Asset investments are:

	2022		2021	
	£'000		£'000	
Equity Funds		14,345		12,770
Fixed Income Securities		2,962		4,245
Real Estate funds		156		134
Commodities		469		258
Money Market funds		1,290		221
		<u>19,222</u>		<u>17,628</u>

13 Current Asset Investments

These are comprised of cash deposits held for investment purposes

	Group		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Balance at beginning of year	2,975	3,014	2,859	2,971
Additions/(reductions)	569	-39	562	-112
Closing value at end of year	<u>3,544</u>	<u>2,975</u>	<u>3,421</u>	<u>2,859</u>

14 Debtors

	Group		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade Debtors	2,140	1,418	143	85
Other Debtors	270	356	198	319
Prepayments and accrued income	8,456	9,207	643	440
Amounts due from Subsidiary undertakings	0	0	11,552	12,443
	<u>10,866</u>	<u>10,981</u>	<u>12,536</u>	<u>13,287</u>

15 Creditors: amounts falling due within one year

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Trade Creditors	1,671	1,542	1,030	1,079
Tax and social security creditor	376	328	163	168
Other creditors	1,186	563	297	224
Accruals and deferred income	1,417	1,112	897	775
	<u>4,650</u>	<u>3,545</u>	<u>2,387</u>	<u>2,246</u>

Movement on deferred income:	Group 2022 £'000	Charity 2022 £'000
Deferred income at 1 April 2021	0	0
Released to income in year	0	0
Income deferred in year	386	0
Deferred income at 31 March 2022	<u>386</u>	<u>0</u>

16 Creditors: amounts falling due after more than one year

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Recertification fund liability	11	18	0	0
Ocean Stewardship Fund	189	110	188	110
Total falling due after more than one year	<u>200</u>	<u>128</u>	<u>188</u>	<u>110</u>

The Recertification Fund is now closed and balances accrued into it are being drawn down as claims are made. The Recertification Fund mechanism has been replaced by the Recertification Assistance Fund, one of the strands of the Ocean Stewardship Fund (OSF). The OSF consists of the Recertification Assistance Fund, which supports the costs of recertification for fisheries that are at their second or subsequent recertification; the Transition Assistance Fund, which supports fisheries to make the necessary improvements to become certified; the Science and Research Fund, which supports research projects with an emphasis upon condition closure; the Innovation Fund, which supports strategically important research. The OSF is reported as designated funds on the face of the SOFA

Movement on recertification fund:	Group 2022 £'000	Charity 2022 £'000
Recertification fund 1 April 21	77	0
Disbursements in year	(11)	0
Recertification fund 31 March 22	<u>66</u>	<u>0</u>

£55,000 of the recertification fund balance is shown as other creditors falling due within one year

17a Funds - Group

		Balance				Balance	
	Note	1st April 2021	Income	Expenditure	Gains and losses	31st March 2022	
		£'000	£'000	£'000	£'000	£'000	
D&L Packard Foundation	1	52	0	0	0	52	
Dutch Postcode Lottery	2	0	0	(39)	0	0	
MAVA, Fondation pour la Nature	3	40	0		0	40	
Loan Gaurantee, Walton, Resitcted	4	0	788	(37)	0	751	
MAVA OSF Medit	5	0	300	(21)	0	279	
MAVA OSF West Africa	6	0	306	(29)	0	277	
D&L Packard Foundation	7	165	0	(165)	0	0	
D&L Packard Foundation	8	108	1	(133)	0	0	
Nephrop Research UK	9	0	30	(1)	0	62	
Adesium Foundation, Carasso							
Foundation, Resource legacies Fund (Sustainable Fisheries Fund)	10	0	23	(65)	0	0	
MAVA HellasFish	11	0	89	(89)	0	0	
Levantis Hellasfish	12	52	25	(1)	0	76	
Various funders	13	162	196	(133)	0	225	
Cephs & Chefs	14	0	-2	(2)	0	0	
Multiplier - Certifications & Ratings	15	8	28	(36)	0	0	
Packard Foundation - East Asia Sea	16	215		(81)	0	134	
Multiplier - Surimi	17	0	5	0	0	5	
MAVA Medpath	18	91	55	(105)	0	41	
WAFIC	19	0		0	0	0	
MAVA, Fondation pour la Nature	20	0	88	(86)	0	2	
WWF Sweden (SWIOCEPH)	21	0			0	0	
Remmer Foundation	22	8	0	(8)	0	0	
Walton Foundation	23	1,678		(1,243)	0	435	
Total Restricted		2,579	1,932	(2,274)	0	2,379	
Unrestricted:							
General purpose fund		34,594	27,851	(25,644)	798	(1,268)	36,331
Designated - OSF	24	1,625	6	(751)	0	1,126	2,006
Total Group Funds		38,798	29,789	(28,669)	798	0	40,716

Exchange gains and losses arising from the revaluation of foreign currency assets held overseas have been set against expenditure.

Transfers between funds represent transfers of unrestricted funds into restricted funded activities as match funding contributions contributions. Transfers of unrestricted funds into designated funds relate to the Ocean Stewardship Fund (see below).

Notes:

1) Capacity building; 2) Dutch Post Code Lottery Fish For Good; 3) MAVA LEAD 2;

4) Benguela pathway project; 5) MAVA OSF Medit; 6) MAVA OSF West Africa

7) Data Limited Phase 2; 8) Japan Expansion 2019 - 2021; 9) Nephrop Research UK

10) Project Mediterranean; 11) MAVA, Fondation pour la Nature, Greece; 12) Levantis, Greece;

13) UK Project Inshore; 14) European Union, Chephs & Chefs; 15) Multiplier - Ratings Collaboration; 16) Packard East Asia Sea Project; 17) Multiplier - Surimi

18) MAVA MedPath; 19) Western Australian Fishing Industry Council; 20) MAVA West Africa; 21) WWF Sweden - SWIOCEPH

22) Remmer Foundation; 23) Walton support for the MSC programme 2019-22

24) Ocean Stewardship Fund (OSF). A designated fund with a 3 fold objective of supporting fisheries transitioning towards MSC, funding science and research projects that will benefit MSC's sustainability agenda and a recertification strand, helping to contribute to the audit cost of fisheries being certified for the third time (2nd recertification).

The timeline for fully spending the £1 million initial designation is likely to be between 3 and 4 years.

For prior year comparatives, see note 23

17b Movement on Designated Ocean Stewardship Fund

	Group 2022 TAF GBP 000	Group 2022 RAF GBP 000	Group 2022 SRF GBP 000	Group 2022 Innovation GBP 000	Group 2022 Seed Fund GBP 000	Group 2022 OSF Admin GBP 000	Group 2022 Total GBP 000
Ocean Stewardship Fund 31 March 21	368	503	0	0	601	153	1,625
Designations made in the year	464	464	116	0	0	116	1,160
Incoming resources	0	0	0	0	6	0	6
Transfers from Seed fund	0	0	167	36	(203)	0	0
Grant admin expenditure	0	0	0	0	0	(50)	(50)
Grants awarded during the year	(283)	(99)	(283)	(36)	(33)	0	(734)
Ocean Stewardship Fund 31 March 22	549	868	0	0	371	219	2,007

	Group 2021 TAF GBP 000	Group 2021 RAF GBP 000	Group 2021 SRF GBP 000	Group 2021 Innovation GBP 000	Group 2021 Seed Fund GBP 000	Group 2021 OSF Admin GBP 000	Group 2021 Total GBP 000
Ocean Stewardship Fund 31 March 20	80	320	0	0	797	92	1,289
Designations made in the year	431	431	107	0	0	107	1,076
Transfers from Seed fund	0	0	33	163	(196)	0	0
Grant admin expenditure	0	0	0	0	0	(46)	(46)
Grants awarded during the year	(143)	(248)	(140)	(163)	0	0	(694)
Ocean Stewardship Fund 31 March 21	368	503	0	0	601	153	1,625

	Charity 2022 TAF GBP 000	Charity 2022 RAF GBP 000	Charity 2022 SRF GBP 000	Charity 2022 Innovation GBP 000	Charity 2022 Seed Fund GBP 000	Charity 2022 OSF Admin GBP 000	Charity 2022 Total GBP 000
Ocean Stewardship Fund 31 March 21	368	503	0	0	601	153	1,625
Designations made in the year	464	464	116	0	0	116	1,160
Incoming resources	0	0	0	0	6	0	6
Transfers from Seed fund	0	0	167	36	(203)	0	0
Grant admin expenditure	0	0	0	0	0	(50)	(50)
Grants awarded during the year	(283)	(99)	(283)	(36)	(33)	0	(734)
Ocean Stewardship Fund 31 March 22	549	868	0	0	371	219	2,007

	Charity 2021 TAF GBP 000	Charity 2021 RAF GBP 000	Charity 2021 SRF GBP 000	Charity 2021 Innovation GBP 000	Charity 2021 Seed Fund GBP 000	Group 2021 OSF Admin GBP 000	Charity 2021 Total GBP 000
Ocean Stewardship Fund 31 March 20	80	320	0	0	797	92	1,289
Designations made in the year	431	431	107	0	0	107	1,076
Transfers from Seed fund	0	0	33	163	(196)	0	0
Grant admin expenditure	0	0	0	0	0	(46)	(46)
Grants awarded during the year	(143)	(248)	(140)	(163)	0	0	(694)
Ocean Stewardship Fund 31 March 21	368	503	0	0	601	153	1,625

TAF is the Transition Assistance Fund and is funded by 2% of the volume royalty income generated in the previous year.

RAF is the Recertification Assistance Fund and is funded by 2% of the volume royalty income generated in the previous year.

SRF is the Science and Research Fund and is funded by 0.5% of the volume royalty income generated in the previous year.

OSF Admin is the Administration Fund, to cover OSF administration costs, and is funded by 0.5% of the volume royalty income generated in the previous year.

Innovation is the innovation fund, and is funded by allocations for unrestricted or transfers from the seed funding pot.

Seed Fund is the balance remaining of the £1m initial allocation from unrestricted funds into the OSF.

18 Funds - Charity

	Note	Balance				Transfers	Balance
		1st April 2021	Income	Expenditure	Gains and losses		31st March 2022
		£'000	£'000	£'000	£'000		£'000
D&L Packard Foundation	1	52	0	0	0	0	52
Dutch Postcode Lottery	2	148	0	(37)	0	39	150
MAVA, PPAMP	3	1	88	(87)	0	0	2
Nephrop Research Proj UK	4	0	30	(1)	0	32	61
Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ)	5	0	0	0	0	0	0
D&L Packard Foundation	6	165	0	(165)	0	0	0
D&L Packard Foundation	7	536	0	(1)	0	0	535
Multiplier - Surimi	8	0	6	0	0	0	6
Adessium Foundation, Carasso Foundation, Resource legacies Fund (Sustainable Fisheries Fund)	9	0	23	(65)	0	42	0
MAVA, Greece	10	0	89	(89)	0	0	0
Levantis Hellasfish	11	52	25	(2)	0	0	75
UK Project Stage 1	12	15	86	(51)	0	0	50
UK Project Stage 2	12	147	72	(47)	0	0	172
UK Project Stage 3	12	0	38	(34)	0	0	4
Cephs & Chefs	13	0	-2	(2)	0	4	0
Multiplier - Certifications & Ratings	14	8	28	(36)	0	0	0
Packard Foundation - East Asia Sea	15	215	0	(32)	0	0	183
Benguela - Pathways Project	16	0	0	(8)	0	0	(8)
MAVA Medpath	17	91	55	(104)	0	0	42
WAFIC	18	6	0	0	0	0	6
MAVA, LEAD 2	19	40	0	0	0	0	40
Walton - Loan Guarantee	20	0	788	(37)	0	0	751
Walton Foundation	21	2,096		(958)	0	0	1,138
D&L Packard Foundation	22	651	0	0	0	0	651
Entwicklungsgesellschaft (DEG)	23	61	0	0	0	0	61
Kingfisher	24	6	0	0	0	0	6
MIDATLANTIC	25	9	0	0	0	0	9
Walton Foundation	26	144	0	0	0	0	144
Walton Foundation	27	19	0	0	0	0	19
MAVA OSF Medit	28	0	301	(21)	0	0	280
MAVA OSF West Africa	29	0	305	(29)	0	0	276
Total Restricted		4,462	1,932	(1,806)	0	117	4,705
Unrestricted:							
General purpose fund		32,484	21,775	(20,078)	947	(1,243)	33,885
Designated - OSF	30	1,624	6	(750)		1,126	2,006
Total Group Funds		38,570	23,713	(22,634)	947	0	40,596

Exchange gains and losses arising from the revaluation of foreign currency assets held overseas have been set against expenditure.

Transfers between funds represent transfers of unrestricted funds into restricted funded activities as match funding contributions. Transfers of unrestricted funds into designated funds relate to the Ocean Stewardship Fund (see below).

- 1) Capacity building; 2) Dutch Post Code Lottery Fish For Good; 3) MAVA PPAMP;
 4) European Maritime & Fisheries Fund (EMFF); 5) Sustainable Octopus project;
 6) Data Limited Phase 2; 7) Japan Expansion 2019 - 2021; 8) Support for MSC's programme in Sweden NESUFISH
 9) Project Mediterranean; 10) MAVA, Fondation pour la Nature, Greece; 11) Levantis, Greece;
 12) UK Project Inshore; 13) European Union, Chephs & Chefs; 14) Multiplier - Ratings Collaboration; 15) Packard East Asia Sea Project; 16) Benguela Pathways Project
 17) MAVA MedPath; 18) Western Australian Fishing Industry Council; 19) MAVA Lead 2; 20) WWF Sweden - SWIOCEPH
 21) Walton support for the MSC programme 2019-22; 22) Packard Japan Expansion Phase 1; 23) DEG DongShan; 24) KDE Kingfisher; 25) MidAtlantic
 26) Walton support for the MSC programme 2016-19; 27) Walton Mexico; 28) Mava Medit OSF; 29) MAVA OSF West Africa
 30) Ocean Stewardship Fund (OSF). A designated fund with a 3 fold objective of supporting fisheries transitioning towards MSC, funding science and research projects that will benefit MSC's sustainability agenda and a recertification strand, helping to contribute to the audit cost of fisheries being certified for the third time (2nd recertification). The timeline for fully spending the £1 million initial designation is likely to be between 3 and 4 years.

For prior year comparatives, see note 24.

19 Financial Commitments

	Group		Group	
	Land & Buildings	Other	Land & Buildings	Other
	2022	2022	2021	2021
Expiry Date	£'000	£'000	£'000	£'000
less than 1 year	345	0	212	0
Two to five years	655	7	2	4
Total	1,000	7	214	4

	Charity		Charity	
	Land & Buildings	Other	Land & Buildings	Other
	2022	2022	2021	2021
Expiry Date	£'000	£'000	£'000	£'000
less than 1 year	0	0	106	0
Two to five years	0	0	0	0
Total	0	0	106	0

20 Analysis of net assets between funds

	2022	2022	2022	2022	2021	2021	2021	2021
	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fund balances at 31 March as represented by:								
Tangible fixed assets & investments	22,738	0	0	22,738	21,228	0	0	21,228
Intangible fixed assets	1,564	0	0	1,564	1,255	0	0	1,255
Net current assets	12,229	2,006	2,379	16,614	12,239	1,625	2,579	16,443
Long term liabilities	(200)	0	0	(200)	(128)	0	0	(128)
Total net assets	36,331	2,006	2,379	40,716	34,594	1,625	2,579	38,798

21 Related party transactions

The Marine Stewardship Council's related parties as defined by the Financial Reporting Standard 102, and the nature of the relationship, are summarised below:

Marine Stewardship Council International Limited (MSCI)

During the financial year MSC charged MSCI 15% of its office, premises and HR costs, 50% of its IT costs, and an allocation of salary of the MSC's Finance Director and Governance Secretary totalling £1,864,761 (2021: £1,345,936). Allocations of key management salaries totalled £163,569 (2021: £171,263). Gift aid payable for the year amounted to £13,379,005 (2021: £12,926,212) and the royalty payable by MSCI to MSC for the right to exploit MSC's ecolabel amounted to £7,137,544 (2021: £7,002,452). At 31st March 2022, MSCI owed £11,551,670 in total to the parent charity company. This amount includes the amount payable by MSCI to MSC as royalty for the right to exploit the Charities intellectual property (i.e. the MSC ecolabel) and the gift aid due to the Charity of MSCI's accounting surplus for the year.

The ultimate controlling party of the Charity is its members who are also the Directors and Trustees.

22 In-kind income and expenditure

Income from charitable activities includes £293k (20/21 £336k) of in-kind income related to marketing support, the cost of which is reported under education and awareness.

23 Funds - Group - Comparative for prior year

	Note	Balance 1st April 2020 £'000	Income £'000	Expenditure £'000	Gains and losses £'000	Transfers £'000	Balance 31st March 2021 £'000
D&L Packard Foundation	1	52	0	0	0	0	52
Dutch Postcode Lottery	2	340	0	(340)	0	0	0
MAVA, Fondation pour la Nature	3	112	0	(72)	0	0	40
European Union	4	0	6	(6)	0	0	0
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	5	18	1	0	0	(19)	0
D&L Packard Foundation	6	1	0	(1)	0	0	0
D&L Packard Foundation	7	290	0	(125)	0	0	165
D&L Packard Foundation	8	408	0	(300)	0	0	108
Swedish Institute	9	3	(5)	0	0	2	0
Adessium Foundation, Carasso Foundation, Resource legacies Fund (Sustainable Fisheries Fund)	10	64	78	(142)	0	0	0
MAVA HellasFish	11	53	38	(91)	0	0	0
Levantis Hellasfish	12	52	0	0	0	0	52
Various funders	13	114	147	(99)	0	0	162
Cephs & Chefs	14	0	6	(8)	0	2	0
Multiplier - Certifications & Ratings	15	0	31	(23)	0	0	8
Packard Foundation - East Asia Sea	16	0	215	0	0	0	215
Iseal - Pathways Project	17	0	15	(15)	0	0	0
MAVA Medpath	18	0	91	0	0	0	91
WAFIC	19	0	0	0	0	0	0
MAVA, Fondation pour la Nature	20	64	8	(72)	0	0	0
WWF Sweden (SWIOCEPH)	21	0	4	(23)	0	19	0
Remmer Foundation	22	0	8	0	0	0	8
Walton Foundation	23	906	1,678	(906)	0	0	1,678
Total Restricted		2,477	2,321	(2,223)	0	4	2,579
Unrestricted: General purpose fund		29,088	27,775	(24,276)	3,087	(1,080)	34,594
Designated - OSF	24	1,289	0	(740)	0	1,076	1,625
Total Group Funds		32,854	30,096	(27,239)	3,087	0	38,798

Exchange gains and losses arising from the revaluation of foreign currency assets held overseas have been set against expenditure.

Transfers between funds represent transfers of unrestricted funds into restricted funded activities as match funding contributions contributions. Transfers of unrestricted funds into designated funds relate to the Ocean Stewardship Fund (see below).

Notes:

1) Capacity building; 2) Dutch Post Code Lottery Fish For Good; 3) MAVA PPAMP;

4) European Maritime & Fisheries Fund (EMFF); 5) Sustainable Octopus project; 6) Packard Data Limited Phase 1

7) Data Limited Phase 2; 8) Japan Expansion 2019 - 2021; 9) Support for MSC's programme in Sweden NESUFISH

10) Project Mediterranean; 11) MAVA, Fondation pour la Nature, Greece; 12) Levantis, Greece;

13) UK Project Inshore; 14) European Union, Chephs & Chefs; 15) Multiplier - Ratings Collaboration; 16) Packard East Asia Sea Project; 17) ISEAL Pathways Project

18) MAVA MedPath; 19) Western Australian Fishing Industry Council; 20) MAVA Lead 2; 21) WWF Sweden - SWIOCEPH

22) Remmer Foundation; 23) Walton support for the MSC programme 2019-22

24) Ocean Stewardship Fund (OSF). A designated fund with a 3 fold objective of supporting fisheries transitioning towards MSC, funding science and research projects that will benefit MSC's sustainability agenda and a recertification strand, helping to contribute to the audit cost of fisheries being certified for the third time (2nd recertification).

The timeline for fully spending the £1 million initial designation is likely to be between 3 and 4 years.

24 Funds - Charity - Comparative for prior year

	Note	Balance				Transfers	Balance
		1st April 2020	Income	Expenditure	Gains and losses		31st March 2021
		£'000	£'000	£'000	£'000		£'000
D&L Packard Foundation	1	52	0	0	0	0	52
Dutch Postcode Lottery	2	474	0	(326)	0	0	148
MAVA, Fondation pour la Nature	3	66	8	(73)	0	0	1
European Union	4	0	6	(6)	0	0	0
Deutsche Gesellschaft fur Internationale Zusammenarbeit	5	19	0	0	0	(19)	0
D&L Packard Foundation	6	291	0	(126)	0	0	165
D&L Packard Foundation	7	552	0	(16)	0	0	536
Swedish Institute	8	2	(4)	0	0	2	0
Adessium Foundation, Carasso Foundation, Resource legacies Fund (Sustainable Fisheries Fund)	9	64	78	(142)	0	0	0
MAVA, Fondation pour la Nature	10	53	38	(91)	0	0	0
Levantis Hellasfish	11	52	0	0	0	0	52
Various funders	12	113	147	(99)	0	0	161
Cephs & Chefs	13	0	6	(8)	0	2	0
Multiplier - Certifications & Packard Foundation - East Asia Sea	14	0	31	(23)	0	0	8
Iseal - Pathways Project	15	0	215	0	0	0	215
Iseal - Pathways Project	16	0	15	(15)	0	0	0
MAVA Medpath	17	0	91	0	0	0	91
WAFIC	18	6	0	0	0	0	6
MAVA, Fondation pour la Nature	19	112	0	(72)	0	0	40
WWF Sweden (SWIOCEPH)	20	0	4	(23)	0	19	0
Walton Foundation	21	1,018	1,678	(599)	0	0	2,097
D&L Packard Foundation	22	651	0	0	0	0	651
Entwicklungsgesellschaft (DEG)	23	61	0	0	0	0	61
Kingfisher	24	6	0	0	0	0	6
MIDATLANTIC	25	9	0	0	0	0	9
Walton Foundation	26	144	0	0	0	0	144
Walton Foundation	27	19	0	0	0	0	19
Total Restricted		3,764	2,313	(1,619)	0	4	4,462
Unrestricted:							
General purpose fund		27,333	21,347	(18,330)	3,214	(1,080)	32,484
Designated - OSF	28	1,288	0	(740)	0	1,076	1,624
Total Group Funds		32,385	23,660	(20,689)	3,214	0	38,570
Unrestricted:							
General purpose fund		27,333	21,347	(18,330)	3,214	(1,080)	32,484
Designated - OSF	28	1,288	0	(740)	0	1,076	1,624
Total Group Funds		32,385	23,660	(20,689)	3,214	0	38,570

Exchange gains and losses arising from the revaluation of foreign currency assets held overseas have been set against expenditure.

Transfers between funds represent transfers of unrestricted funds into restricted funded activities as match funding contributions. Transfers of unrestricted funds into designated funds relate to the Ocean Stewardship Fund (see below).

- 1) Capacity building; 2) Dutch Post Code Lottery Fish For Good; 3) MAVA PPAMP;
 4) European Maritime & Fisheries Fund (EMFF); 5) Sustainable Octopus project;
 6) Data Limited Phase 2; 7) Japan Expansion 2019 - 2021; 8) Support for MSC's programme in Sweden NESUFISH
 9) Project Mediterranean; 10) MAVA, Fondation pour la Nature, Greece; 11) Levantis, Greece;
 12) UK Project Inshore; 13) European Union, Chephs & Chefs; 14) Multiplier - Ratings Collaboration; 15) Packard East Asia Sea Project; 16) ISEAL Pathways Project
 17) MAVA MedPath; 18) Western Australian Fishing Industry Council; 19) MAVA Lead 2; 20) WWF Sweden - SWIOCEPH
 21) Walton support for the MSC programme 2019-22; 22) Packard Japan Expansion Phase 1; 23) DEG DongShan; 24) KDE Kingfisher; 25) MidAtlantic
 26) Walton support for the MSC programme 2016-19; 27) Walton Mexico
 28) Ocean Stewardship Fund (OSF). A designated fund with a 3 fold objective of supporting fisheries transitioning towards MSC, funding science and research projects that will benefit MSC's sustainability agenda and a recertification strand, helping to contribute to the audit cost of fisheries being certified for the third time (2nd recertification). The timeline for fully spending the £1 million initial designation is likely to be between 3 and 4 years.

MARINE STEWARDSHIP COUNCIL

England & Wales - Charity number 1066806

Accounts



MARINE STEWARDSHIP COUNCIL

(A company limited by guarantee)

TRUSTEES' REPORT AND ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2021

Registered Charity No: 1066806
Registered Company: 3322023

Registered Office: Marine House
1-3 Snow Hill
London
EC1A 2DH

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TRUSTEES' REPORT AND STRATEGIC REPORT

The Trustees of The Marine Stewardship Council (MSC) present their Annual Report for the year ended 31 March 2021 under the Charities Act 2011 and the Companies Act 2006, including the Directors' Report and the Strategic Report under the 2006 Act, together with the audited financial statements for the year.

STRUCTURE, GOVERNANCE AND MANAGEMENT

INTRODUCTION

The (MSC) is a company limited by guarantee (Company number 3322023) and is registered as a charity with the Charity Commission (number 1066806). The Charity is constituted through a Memorandum and Articles of Association dated 17 February 1997, as amended.

The overall objectives of the MSC as set out in the Memorandum are "to conserve the marine and freshwater environments for the benefit of the public and to advance public education in the principles and practices of conservation, particularly, but not exclusively by:

- conserving marine and freshwater fish populations and the environment on which they depend
- promoting, for the public benefit, effective management of fisheries and ensuring the sustainability of global fish stocks and the health of aquatic ecosystems generally
- establishing and promoting the application of a broad set of principles, standards and criteria for sustainable fishing".

The MSC's mission is to use its fishery certification program and eco-label to contribute to the health of the world's oceans by recognising and rewarding sustainable fishing practices, influencing the choices people make when buying seafood and working with a range of partners to transform the seafood market to a sustainable basis.

The Trustees have prepared this report in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102) – effective 1st January 2015.

THE TRUSTEES' MANAGEMENT AND STRUCTURE

The MSC is governed by a Board of up to fifteen Trustees, elected by the Board, taking into account a balance amongst interested groups: fishing companies, processors and retailers, NGOs and marine (fisheries) scientists, and the need for suitable geographical representation (MSC is a global organisation). Two seats each are set aside for representatives of the fishing industry (harvesting and processing), commercial sector, and the conservation sector, as well as two seats for marine scientists. The remaining seven seats are not allocated to specific interest groups. The Articles of Association provide for ex officio positions on the Board for each of the co-chairs of the Stakeholder Advisory Council, the chair of the Technical Advisory Board, and the chair of the MSCI (see below for descriptions of these bodies). A Board Code of Conduct and Conflict and Declaration of Interest Policy is in place.

The Board receives advice from two advisory bodies that are an integral part of the MSC's governance structure. The Technical Advisory Board is made up of scientists and technical

experts and provides the Board with advice on setting, reviewing and implementing the organisation's standards for sustainable fisheries and chain of custody and related issues. The Stakeholder Advisory Council comprises up to 17 members including representatives from the seafood industry, conservation community, market sector and academia. It provides advice to the Board and input into the MSC's review processes, ensuring these are representative of a wide range of views and opinions.

Many Trustees are involved in the specialist aspects of the MSC's program and work. The Board delegates some of its work to standing committees and ad hoc work groups. The Finance Committee examines periodic management accounts and recommends the budget to the Board; it also reviews the MSC's investments and certain fundraising activities. The Development Committee's focus is to help shape fundraising strategy and identify fundraising opportunities. A Governance Committee has been established to provide advice to the MSC Board regarding governance arrangements for the Board of Trustees, Technical Advisory Board and Stakeholder Advisory Council and MSC's subsidiary companies.

The range of these committees provides for robust governance and is vital to the complex and sensitive work of the organisation.

The Board seeks new Trustees through a transparent external recruitment process as vacancies arise, through open, public advertisement and formal interview of shortlisted candidates. The Governance Committee of the Board scrutinises the applications (i.e. CV and covering letter) and the outcomes of the candidates' interviews, before making a recommendation to the full Board.

Upon appointment, Trustees receive a Trustees' Induction pack, including documents such as the latest published financial statements, the Articles and Memorandum of Association, an explanation of Trustees' roles and responsibilities, the Charity Commission's guidance on public benefit and fiduciary duty etc. The Board of Trustees also adopted a Code of Conduct for all members of the Board and of other governance bodies in 2017.

MSC wholly owns a subsidiary company, Marine Stewardship Council International Limited (MSCI), which carries out its trading activities, most notably those related to logo licensing. MSC wholly owns a further three subsidiaries (MSC Ltd, MSC Asia Ltd, MSC Asia Pacific Pty) the activities of which help fulfil MSC's charitable mission in the America, South East Asia and Australia, New Zealand and the wider Pacific. MSCI also has a Chinese registered subsidiary, An Hai Xu Fishery Certification Consulting (Beijing) Ltd Co (known as MSC China), the activities of which help fulfil MSC's charitable mission in China.

The day to day operational management of the MSC is delegated by the Board to the Chief Executive Officer (CEO) and the senior executive team (collectively comprising the Executive Committee). The key management team is considered to be the Executive Committee which consists of the CEO, Chief Science & Standards Officer, Chief Operating Officer, Chief Program Officer, and Chief Communications Officer.

The remuneration of the CEO is set jointly by the Chair of the Board and the Chair of the Finance Committee, referencing appropriate market data. The remuneration of the rest of the Executive Committee is set by the CEO in consultation with the Board Executive Committee, based upon independent market data provided by a third-party consultancy.

THE CHARITY CODE OF GOVERNANCE

The MSC takes its governance responsibilities seriously and, as an international charity, aims to have a governance framework that is fit for purpose, compliant and efficient. In 2017

the new Charity Code of Governance was launched, with a recommendation that charities review their level of application and to explain any aspects of the code they were not applying. In our review, MSC carried out a detailed examination of each element of the code:

- Organisational purpose
- Leadership
- Integrity
- Decision making, risk and control
- Board effectiveness
- Equality, Diversity and Inclusion
- Openness and accountability

This review found that MSC applies the code in all material aspects. However, the Board is currently giving focused attention to the following areas:

MSC is commissioning an external review of the Board's governance arrangements in later 2021, following a comprehensive review in 2012; it has undertaken internal biennial effectiveness reviews in the intervening period, as well as external reviews of other parts of MSC's governance structure.

The principles of equality, diversity and inclusion are embedded within the MSC and its work, through the leadership of the Board. The Trustees particularly recognise the importance and value of a diverse Board, taking account of this in their Board succession planning and recruitment processes. The Board is currently evolving its approach to diversity in the context of its composition and operations; it will take account of the newly-added elements of the Code in this area within its planned governance review.

OBJECTIVES AND ACTIVITIES

PUBLIC BENEFIT

The MSC is an international organisation which partners with the environmental, science and funder communities and the seafood industry to pursue an overall charitable purpose of the advancement of environmental improvement, using its fishery certification and eco-labelling program. It does so by recognising and rewarding sustainable fishing practices, influencing the choices people make when buying seafood and working with partners to help to transform the seafood market to a sustainable basis. The MSC believes its work delivers positive environmental impacts for the marine environment, which in turn provides a significant benefit to the public and to the local communities that depend on fishing.

The application of the MSC's certification program and eco-label empowers seafood buyers, both major retailer buyers and individual consumers, to make better and more informed choices when buying seafood. The effect is one that rewards in the marketplace those fisheries that follow responsible practices. In turn, this creates the incentives for fisheries around the world to meet the MSC's standard for environmentally responsible and sustainable fishing. In doing so they will have to demonstrate to third party certifiers that they are operating in a way that helps to ensure the long-term sustainability of the fish stocks they are targeting, and that they respect the ecosystems in which they operate. As the reach of the MSC's program expands globally, the public will, increasingly, be able to identify the best environmental choice in seafood and will be more empowered to play their role in creating a sustainable marine environment. With the marine environment under considerable threat,

particularly in the face of climate change, all those that value and derive benefit from the oceans and marine resources stand to benefit from the work of the MSC.

Community groups and other sub-sets of the public that are dependent on the long-term resilience of fisheries and the resulting creation of sustainable livelihoods, in particular, stand to benefit from the realisation of the MSC's aims through increased economic development, food security and resilience in the face of climate change.

The Trustees confirm that they have complied with their duty in Section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission of England and Wales. The Trustees further confirm that the activities of the Charity are carried out, in line with its objects, for the public benefit as described above.

STRATEGIC REPORT

ACHIEVEMENT AND PERFORMANCE

To view the expenditure for charitable activities during the current year, please refer to Note 5 of the accounts. The charitable activities are grouped together under four activity headings – development of policy and the maintenance of the standards, education and raising awareness of the issue of over fishing and MSC's role as one of the potential solutions, servicing fisheries and commercial partners that are already engaged in the program as well as outreach to potential new partners in Developing Regions and beyond, and logo licensing, which allows consumers to choose seafood caught sustainably and so incentivise sustainability across the supply chain.

The past year has been one of enormous challenge as the world has faced the COVID-19 pandemic. The pandemic has affected every aspect of the seafood industry in all parts of the globe. However, this has not resulted in any disengagement from the MSC – rather, fisheries, supply chain companies, retailers and consumers have maintained their commitment to sustainability and their engagement with the MSC program, as outlined below.

MSC itself has adapted to the exceptional circumstances and over the past year has issued a number of temporary changes to its requirements, known as derogations. These enabled us to respond to the critical challenges posed by COVID-19 without having to revise our Standards or guidance documents. These derogations have permitted greater use of remote and desk-based audits, and although the same level of performance is needed, fisheries have also been given more time to carry out the required improvements associated with MSC certification. Encouragingly, there was no significant drop in the number of assessments carried out in 2020 compared to previous years, although the time for surveillance audits to be completed increased by a month on average.

The MSC has also put particular emphasis in the past year on maintaining our strong outreach with retailers and consumers and increasing our engagement governments and non-government organisations around key areas for change. The MSC's certification program and eco-label have continued to make it easier for major seafood buyers and consumers to choose certified sustainable seafood, providing both a reward and an incentive for fishers to fish sustainably—our theory of change. With our many partners, the MSC continues to pursue the goal of healthy oceans and sustainable seafood markets globally.

Over the last financial year, and despite the pandemic, the number of certified fisheries rose by over 5% from 419 to 441 and the total number of fisheries engaged in the program rose

to 510 (i.e. an additional 69 were in full assessment). A growing global market for MSC-certified seafood is demonstrably rewarding environmentally responsible fisheries and providing incentives for more to join the programme and make changes in their practices where necessary. At the end of the year almost 50,000 (49,580) MSC labelled products (consumer facing) were on sale in over 100 countries.

Other relevant indicators of the MSC's impact and growth include:

- Over 17.4% of global wild caught seafood now comes from fisheries certified under the MSC Fisheries Standard: global collaboration has doubled sustainable MSC catch and more than tripled chain of custody commitment since 2010.
- Our presence in Developing Regions continues to see strong growth: There are now 64 MSC certified fisheries in Developing Regions (up from 53, in 2019/20 and 41 in 2018/19 and 35 in 2017/18), with a further 18 in assessment.
- The quantity of sold MSC labelled seafood (by product weight), has globally increased to over 1.47 million MT, well above the ISP goal of 981,788 MT by 2020 and representing an increase of 98% over the baseline of 744,920MT in 2016/17.
- Globally, stocks targeted by MSC certified fisheries continue to show sustainable levels of stock biomass and in many regions, stocks show higher biomass after MSC certification occurred.
- And in the supply chain, DNA testing results continue to show levels of mislabelling of <1% for MSC certified products.

Chain of Custody Standard

The MSC Chain of Custody (CoC) program grew significantly in 2020/21, with the number of certificate holders rising to 5,437, up from 5,170 in 2019/20 and 4,729 in 2018/19 (and note that the baseline in 2010 was only 1,099 in 2010). China overtook the United States in 2019/20 for the first time and now has the most certificate holders and this continued despite the COVID-19 pandemic in 2020/21, with the US still in second place and Germany in third. The majority of certificates are still held in Europe, but with notable growth in Asia Pacific, as is the case with China and also with Japan, Korea and Vietnam.

The MSC's current CoC Standard is widely considered best in class, and our vision is to ensure that the MSC's CoC system has improved accessibility and efficiency of engagement for all levels of the supply chain which continues to ensure that key risks such as product substitution are controlled, monitored and minimised.

Fishery Standard

As of March 31, 2021, 441 fisheries in 36 countries had been certified as sustainable to the MSC Fisheries Standard, demonstrating their commitment to healthy ecosystems and the long-term sustainability of fish stocks. Another 69 fisheries were in assessment. In addition, hundreds of fisheries around the world are engaged in Fishery Improvement Projects (FIPs). Many of these FIPs will use the MSC's benchmarking tools and other resources to guide their journey towards sustainability. In addition, MSC's own Pathways to Sustainability projects are helping move fisheries along the path towards greater sustainability and ultimately, where possible, certification as part of our commitment to work with small scale and/or Global South fisheries (see below).

The first iteration of the MSC Fisheries Standard, then called the MSC Principles and Criteria, was published in 1999. Since then, it has been continually developed and improved to reflect the most up-to-date understanding of internationally accepted fisheries science and best practice management, informed through consultation with stakeholders around the globe.

Every five years the MSC initiates a Fisheries Standard Review (FSR). The FSR is an opportunity to consider potential improvements to the Fisheries Standard by reviewing issues raised by stakeholders and by our own monitoring and evaluation processes, and where appropriate, to incorporate widely accepted new science or fisheries management best practice. The latest review started in 2018 and will run until 2022.

The FSR has worked to:

- incorporate improved and generally accepted global scientific understanding and fishery management practice into the Fisheries Standard
- enhance program credibility and legitimacy by reviewing issues identified in previous versions of the Standard or fisheries assessment process
- improve fisheries data collection to enable rigorous monitoring and evaluation
- increase standard applicability and accessibility for fisheries Developing Regions
- reduce Standard complexity to reduce barriers for new fisheries.

In the past year, the FSR project reached its stakeholder consultation phase. The pandemic resulted in us undertaking more online engagement than previously planned – with encouraging results. In developing our last Fisheries Standard in 2015, we received 67 responses from 36 organisations. This time, our five initial surveys received 268 responses. We also ran 11 virtual workshops with over 200 participants representing over 150 organisations from 33 countries, and in May 2020 we launched our first virtual Fisheries Standard Review conference, attended by over 400 people. The MSC will continue the consultation process over the coming months and will be carrying out impact assessments of all the proposed changes. The draft version of the new Standard will be released in early 2022, with the Board considering the final version for approval in mid-2022.

Focus on Developing Regions and Small-Scale Fisheries

A major focus of the MSC in recent years has been on increasing our engagement with fisheries in Developing Regions, many of them small-scale. These fisheries often have significant challenges around engagement with our programme but are key to meeting our ambitious goal of seeing 30% of the world's fisheries in certification or assessment by 2030. There are currently, as noted above, a total of 71 fisheries certified or in full assessment in developing economies in Africa, Latin America and Southeast Asia. Fisheries in Developing Regions are often vital to local food security, livelihoods and economic development, so it is especially critical that they are managed sustainably. This is all the more urgent given the issues of climate change that these fisheries, especially tropical fisheries, will face as fish stocks move from their traditional geographies.

The MSC has also had significant success working with small-scale fisheries, both in Developing Regions, including western Africa and Indonesia, and in the past year in the Mediterranean, thanks to our successful Pathways to Sustainability projects. These projects seek to map the fishery space in targeted geographical regions in order to understand what is being caught, where and by whom, identify fisheries with the potential to move forward towards improvements, and then work with them to develop action plans that will lead to sustainability and eventual MSC certification. In 2020/21, we had Pathways projects in

Namibia (the Benguela Current Project), Indonesia, Mexico and South Africa (the Fish for Good project), in Western Africa in Senegal, Mauritania, the Ivory Coast and Cape Verde, and in the Mediterranean in France, Italy, Spain and Greece (Project MedFish/MedPath) and in the East Asia Sea (South Korea, Japan, and China).

As part of this effort, we are also working to enable financing for fisheries improvement actions identified in the action plans that come out of Pathway Projects. Often traditional lenders are unwilling to provide financing for sustainability improvements. Thus, the MSC has launched its own Ocean Stewardship Fund (OSF) that uses a percentage of MSC's own logo licensing royalties to help fisheries in transition to MSC certification. Going forward, MSC will work to open the OSF to third party donors and broaden the scope of its funding mandate as part of our ambitious efforts to scale our work in Developing Regions.

Finally, we are working to pioneer new approaches to understand and help mitigate the effects of climate change on fisheries, as well as lower the cost of certification by developing tools such as our Data-Limited Methods (DLM) project for data poor fisheries. We are now almost finished with a process for determining and applying the most appropriate assessment and management methods for data- and capacity-limited fisheries that maximises yield and provides a high probability of achieving the sustainability levels required for certification to the MSC standard. Already, the MSC-DLM tool has received significant attention from external organisations interested in using it (e.g., UN FAO, Department of Fisheries and Oceans (DFO), Canada), showing that it is filling a key gap in management strategy development and evaluation and hopefully allowing many more small-scale fisheries to engage with us.

CHARITABLE FUNDRAISING

The MSC employs a professional fundraising staff of three full time employees who are tasked with delivering MSC's fundraising plan as articulated by the Board and senior management; the MSC is registered with the UK Fundraising Regulator and voluntarily observes the UK Charity Commission's Code of best practices. This includes complying with any relevant statutory accounting and reporting requirements on fundraising. Fundraising staff at the MSC are overseen and monitored by both senior management and the Development Committee of the Board of Trustees. The MSC does not employ outside fundraising consultants or similar commercial services, nor did the MSC receive any complaints around fundraising, or the staff engaged in fundraising in 2020/21.

The MSC undertook no active fundraising from the general public requiring disclosure under S162A of the Charities Act 2011 in the past financial year (2020/2021) and had no campaigns or other active attempts to fundraise from the general public. The majority of MSC's charitable income continues to come from institutional sources (foundations/trusts and government bodies) that are not domiciled in the United Kingdom (see below). While the MSC does not in the main fundraise from individuals, the organisation is in full compliance with the General Data Protection Regulation (GDPR) rules in respect of personal data.

Support from Funders

The MSC would especially like to thank our many charitable donors across the globe for the significant support they have given us since our founding. 2020/21 was no exception in the continuation of this valued support, as the MSC received significant new and generous support from the Mava Foundation for our work both in the Mediterranean, western Africa and around enable financing for fishery improvements. In addition, the David and Lucille

Packard Foundation supported us with both a generous core grant, support for our work in Japan, and support to our Pathway Project in the East Asia Sea. We would also like to thank the Walton Family Foundation for supporting work around our FSR and in Indonesia, Latin America, and the United States. In addition, the MSC continues to receive generous core support from the Dutch Postcode Lottery, the Remmer Family Foundation, Triad Foundation, and Holzer Family Foundation, as well as continued support from the Adessium Foundation and Leventis Foundations for our work in the Mediterranean.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR.

Total group income in 2020/21 was £30.1 million compared to £29.50 million in the previous year, an 2% increase. Income from charitable activities (that is, largely logo licensing royalty and annual fee revenue) amounted to 85% of total income (2019/20 80%).

Income from donations and legacies was £3.46 million in 2020/21, down 21% from the £4.40 million received in 2019/20. Note 2 to the accounts shows a further breakdown of voluntary income.

Income from charitable activities, consisting largely of royalty income and annual fees, increased overall by 8% from £23.73 million in 2019/20 to £25.62 million in 2020/21. Annual fees increased by 5% to £1.97 million (2019/20 £1.88 million). Volume royalty increased by 9% to £23.65 million (2019/20 £21.70 million), driven by increase in royalty generated from labelled sales of cod (Atlantic), tuna (Skipjack and Yellowfin), salmon and pollock.

Income from investments of £0.42 million declined compared to the previous year (2019/20 £0.50 million) as dividends paid by the market fell because of COVID-19. The net gains on the investment portfolio (that is, the increase in market valuation of the investments at the year-end) amounting to £3.21 million (2019/20 loss £1.72 million) are excluded from investment income and are disclosed separately on the Statement of Financial Activities as "Gains / (Losses) on fixed asset investments". These gains reflect the "bounce back" of the market following the large fall in valuation during March 20 upon the commencement of the COVID-19 pandemic.

Expenditure totalled £27.24 million in 2020/21, up just 1% from £26.91 million in 2019/20. The global lockdowns in place as a response to COVID-19 severely restricted expenditure on travel, meetings and events and some other planned activities than could not be delivered virtually. Staff costs, on the other hand, were unaffected by COVID-19 since no employees were furloughed or made redundant due to the pandemic.

Staff costs increased by 11% to £14.59 million from £13.13 million. The average number of employees in the year increased to 277 in 2020/21 (2019/20 230).

Expenditure on raising funds for the MSC's fundraising activities decreased by 27% to £0.45 million (2019/20 £0.62 million).

Note 5 to these accounts provides a breakdown of costs incurred in furtherance of the Charity's objectives and shows a year-on-year increase in spend on the MSC's charitable activities of 2% to £26.75 million (2019/20 £26.30 million). Expenditure classified as policy and maintenance of standards was stable at £5.44 million. Expenditure on education and awareness decreased by 7% to £8.64 million. Expenditure on servicing and outreach to fisheries and the commercial sector increased by 7% to £10.09 million. Logo licensing expenditure increased by 30% to £1.87 million, impacted by foreign exchange losses as sterling weakened against major currencies through the year. The Ocean Stewardship Fund (OSF) expenditure increased by 12% to £0.74 million.

Governance costs decreased by 12% to £0.32 million. These costs include the audit fee, the cost of holding Board meetings as well as other Board relevant costs and an allocation of relevant staff salary costs. Governance costs are only 1.05% of total MSC income, welcomingly low for an organisation which is very complex and has a truly global reach.

Losses upon revaluation of foreign assets amounted to £0.74 million (2019/20 loss £0.06 million). This gain or loss arises from the revaluation of the net assets held by the MSC's overseas subsidiaries and foreign currency denominated investments.

The MSC ended the year in a sound financial position.

The overall surplus for the year of £5.94 million increased total reserves going forward to £38.8 million. £2.58 million of this carry forward reserve are restricted funds, £1.62 million are funds designated to OSF activities and £34.6 million unrestricted. The surplus in the year on unrestricted reserves was £5.5 million, a surplus driven by the gain on investments (£3.2 million) and underspends arising from Covid 19 lockdown.

Cash balances (including cash investments of £2.97m) totalled £9 million (2019/20 £6.84 million).

RISK MANAGEMENT

The Trustees address from time to time the risks that face the Company and adopt responses to minimise the risks identified.

The major risks identified are:

- Global biological change (climate change) undermines the productivity and resilience of marine ecosystems, and the enabling environment for fisheries to be managed sustainably, increasing the risk of fisheries' suspension from the MSC program. This can be partially mitigated by ensuring the Fisheries Standard evolves to reflect global climate change.
- Vulnerability of the MSC's program to external events beyond its control (such as a failure of Regional Fisheries Management Organisations (RFMOs) to reach agreement on harvest control rules leading to fishery suspensions and withdrawals) reducing MSC's ability to drive change on the water. This can be partially mitigated by the maintenance of a "heatmap" to give early anticipation and identification of fishery suspension risk, the implementation of an RFMO strategy and continued outreach effort.
- Global political change and increased nationalism / trade wars presents limitations to the ability of the MSC program to scale. This can be partially mitigated by engagement with governments (EU / US / Asia) more systematically.

The Trustees review the risks regularly, and they believe that there are adequate systems in place to minimise them.

The impact of Brexit continues to be a risk, with ongoing uncertainty over the changing distribution patterns of raw material inputs into UK and European supply chains. A global perspective of the MSC highlights that much larger volumes of MSC certified fish supplies come from outside Brexit effected geographies, thus mitigating the potential downside impact of Brexit on MSC royalty income. The conclusion is that Brexit is unlikely to become an existential crisis.

MSC has been lucky so far to have travelled through the COVID-19 pandemic materially unaffected in terms of incoming resources: royalty income was robust and charitable donors were supportive in terms of any delays in project outputs arising because of the global lockdown. Certain activities, specifically those that required travel, have had to be postponed where it was impossible to complete them virtually, while the shift towards digital marketing was accelerated. More generally, the organisation moved to adapt to remote working quickly and successfully.

RESERVES POLICY

The Trustees believe that it is generally good practice to hold reserves to protect against funding and other financial difficulties.

The MSC raises the majority of its voluntary income from a relatively small number of supportive trusts and foundations and consequently the financial impact should a donor decide to phase out its support would be material. The MSC is striving to diversify its charitable donor base. As a result, more speculative income and more restricted income may be included in the MSC's budgets. Holding reserves ensures confidence that such target income can be given time to be nurtured without detrimentally affecting the MSC's operations.

Certified fish entering the supply chain is the fuel that facilitates the generation of ecolabel royalty income for the MSC, via its trading subsidiary MSCI. While royalty income is therefore diversified across many certified fisheries, MSC certification can be lost or withdrawn. Similarly, royalty income is dependent upon the use of the MSC's ecolabel on a pack, which is an entirely voluntary decision made by the brand owner, not the MSC. Should royalty income unexpectedly decline, it may be necessary to realign expenditure to income. Reserves are therefore held to allow time for this realignment to take place and to cover the costs of such a fundamental restructuring in the event of a major downturn.

The reserves also cover the exchange rate risk implicit in the MSC's income and expenditure patterns, as well as the risk of losses arising from liquidating fund investments that form a major part of the MSC's unrestricted reserves, in the unlikely circumstance that these investments are needed to fund day to day operational expenditure. Finally, the MSC's short term cash flow requirements (i.e., its "working capital") are also covered by reserves.

The Board has quantified the makeup of reserves against each of the above-named risks and concluded, in total, the unrestricted "free" reserve should be set between a minimum of 9 months and a maximum of 12 months of the following year's budgeted expenditure.

Should the maximum reserves ceiling be habitually exceeded (defined as being two continuous years in succession), the Board will consider strategically whether the MSC's capacity to generate royalty revenue remains appropriate and in line with its current and predicted expenditure requirements, or whether the success of the MSC licensing program has resulted in royalty income being generated at rates in excess of the organisation's ability to spend it over the longer term.

Alongside any such strategic consideration, within a financial year that any breach in the maximum reserves ceiling is identified, the Board will give consideration to investing all the surplus free reserves, or an appropriate proportion, in the following areas:

- a) Ocean Stewardship Fund: Transition assistance strand – with the objective of enabling prospect fishery partners to overcome generic obstacles to achieve certification.

- b) Ocean Stewardship Fund: Science & Research strand with the objective of commissioning additional scientific research that would benefit multiple fisheries which could enable existing certified fisheries to maintain their certifications.
- c) Marketing – magnifying the impact of already planned marketing activities.
- d) Any capital project which the Board deems appropriate for the furtherance of the MSC’s mission and charitable objects.

This reserves policy was adopted by the Board of Trustees in June 2019 and its appropriateness is continually monitored.

The MSC ended the year with unrestricted reserves of £34.59 million (see note 20). Once intangible assets and tangible fixed assets of £4.85 million (see notes 10 and 11) and designated funds amounting to £1.62 million are excluded, free reserves amounted to £28.12 million (2019/20 £24.53 million). This equates to 11.5 months the Board approved unrestricted expenditure budget for 2021/22 (£29.37 million).

INVESTMENT POLICY

The general objective of holding investments is so the MSC’s reserves generate a return that would be greater than the return that could be obtained if the reserves were held as interest bearing cash deposits.

Fixed asset investments are held in investment funds managed by Northern Trust and UBS. The intention is for these investments to be held long term, within a balanced and diversified portfolio, and that the MSC will not need to liquidate the investment in the foreseeable future. Both investment managers have delegated authority to make investment decisions, within a framework of pre-defined portfolio parameters, in response to market movements.

The Northern Trust portfolio covers equities, fixed income securities, real estate, and commodities. The equity element (the majority of the investment) is invested in Socially Responsible Investment (SRI) funds. The SRI funds mirror Morgan Stanley Capital International Ethical, Social and Governance indexes (namely the MSCI World ESG index and the MSCI US IMI index) to guide investment opportunities in equities screened for ESG criteria.

The investment fund managed by UBS consists of a mix of fixed income securities and equities, weighted towards equities. UBS use third party rating providers MSCI Research, Inrate or Oekom to allocate to each holding an ESG score and to provide MSC with a portfolio with an overall sustainability profile.

Current asset investments are all held as cash deposits.

PLANS FOR FUTURE PERIODS

The MSC has successfully finished the final year of its current Integrated Strategic Plan (ISP) and will now turn towards developing a new ISP to guide the organisation from 2022 for the next five years.

This next iteration of the ISP will address organisational issues related to MSC’s growth and evolution as a fully global institution, so that we can continue to support fisheries, supply chains and markets that are engaged in the MSC program. A major feature of our development over the coming years will thus be the use of digital technologies across all parts of the organisation. We expect that this will include several related strands, including digitisation of our auditing and assessment systems and developing new systems around digital traceability

of certified seafood through the supply chain, as well as a review of our current chain of custody (CoC).

Equally, the MSC is moving to understand the impact of climate change on certified fisheries and sustainable fishing in general and will work to develop new tools and approaches to mitigate the impact of climate change on certified fisheries and the communities that depend on these fisheries. Conversely, the MSC will also seek to understand the potential benefits of moving to certification and sustainable fishing around reducing fishing's carbon footprint.

MSC continues to be at a stage in our development where we are scaling globally, particularly in Asia, Latin America, and Developing Regions, including Indonesia, western and southern Africa and India. As part of this move to engage developing economies, we will continue to develop and expand our successful Pathways to Sustainability projects, which have moved fisheries through mapping, pre-assessment against the MSC Standard, and the development of targeted action plans to move them towards sustainability and (ultimately) certification—with all the ecological, economic and resilience that entails. As part of this effort, we will also use our own funding, the Ocean Stewardship Fund, to provide or catalyse financing for sustainability actions for the fisheries coming out of Pathways Projects that would otherwise be unable to find this support from traditional finance institutions.

REFERENCE AND ADMINISTRATION

Trustees and Directors of the Marine Stewardship Council (MSC):

Dr Werner Kiene	Chair	Appointed December 12
Mr Eric Barratt	Treasurer and Finance Committee Chair	Appointed May 14
Mr Giles Bolton		Appointed January 19
Ms Maria Damanaki		Appointed July 19
Mr Stuart Green		Appointed June 20
Mr Jim Leape		Appointed December 15
Mr David Lock	Audit Committee Chair	Appointed November 18
Ms Stefanie Moreland	Stakeholder Advisory Council Co-chair	Appointed January 19
Ms Amanda Nickson	Stakeholder Advisory Council Co-Chair	Appointed July 19
Dr Kevin Stokes		Appointed July 20
Mr Paul Uys	MSCI Board Chair	Appointed August 15
Dr Christopher Zimmermann	Technical Advisory Board Chair	Appointed January 21
Prof. Simon Jennings		Resigned January 21
Mr Jean-Jacques Maguire		Resigned July 20

The Trustees of the MSC are the charity's Trustees under charity law and are the directors of the charitable company.

Principle Office & Registered Office: Marine House, 1 - 3 Snow Hill, London, EC1A 2DH

Principal Officers – the Executive Committee

Mr Rupert Howes	Chief Executive Officer
Dr Alene Wilton	Chief Operating Officer
Dr Rohan Currey	Chief Science & Standards Officer
Mr Nicolas Guichoux	Chief Program Officer
Ms Ishbel Matheson	Chief Communications Officer

Advisers

Auditors: Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW

Bankers: HSBC Plc, 165 Fleet Street, London, EC4A 2DY

Solicitors: DAC Beachcroft LLP, 100 Fetter Lane, London, EC4A 1BN
Bird & Bird LLP, 12 New Fetter Lane, London, EC4A 1JP

Investment managers:

Northern Trust Company, 50 South LaSalle Street, Chicago, IL 60680, USA
UBS, 1 Finsbury Avenue, London, EC2M 2AN

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report, the Strategic Report, and the financial statements in accordance with applicable laws and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its net incoming resources for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

S 418 CONFIRMATION

Each of the Trustees at the date of approval of this report confirms that:

- so far as the Trustee is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 under Companies Act 2006.

This Annual Report of the Trustees, under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of Trustees on 28 July 2020 including approving in their capacity as company directors the Strategic Report contained therein, and is signed as authorised on its behalf by:



Mr David Lock
Chairman Audit Committee

Date 27 July 2021

Independent Auditor's Report to the Members of Marine Stewardship Council

Opinion

We have audited the financial statements of Marine Stewardship Council ('the charitable company') and its subsidiaries ('the group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, Charity Statement of Financial Activities, Consolidated and Charity Balance Sheets, Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the groups and the charitable company's affairs as at 31 March 2021 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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.

Auditor's 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 an auditor's report 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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 auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit

procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation, employment legislation and taxation legislation. We also considered compliance with local legislation for the group's overseas operating segments.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition and classification of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 auditor's 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.



Tim Redwood
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor

London

Date: 6th August 2021

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	UNRESTRICTED FUNDS				UNRESTRICTED FUNDS			
		General	Designated	Restricted Funds	Total Funds	General	Designated	Restricted Funds	Total Funds
		£'000	£'000	£'000	2021 £'000	£'000	£'000	£'000	2020 £'000
Income									
Donations and legacies	2	1,136	0	2,321	3,457	1,154	0	3,230	4,384
Income from charitable activities		25,619	0	0	25,619	23,726	0	0	23,726
Income from investments	3	416	0	0	416	497	0	0	497
Other trading activities		604	0	0	604	859	0	0	859
Total Income		27,775	0	2,321	30,096	26,236	0	3,230	29,466
Expenditure									
Expenditure on raising funds	4	452	0	0	452	610	0	6	616
Expenditure on charitable activities	5	23,824	740	2,223	26,787	23,449	661	2,187	26,297
Total Expenditure		24,276	740	2,223	27,239	24,059	661	2,193	26,913
Net income before transfers and other gains and losses		3,499	(740)	98	2,857	2,177	(661)	1,037	2,553
Gain / (Loss) on revaluation of fixed asset investments		3,214	0	0	3,214	(1,723)	0	0	(1,723)
Net income before transfers		6,713	(740)	98	6,071	454	(661)	1,037	830
Gain / (Loss) on revaluation of foreign assets		(127)	0	0	(127)	(58)	0	0	(58)
Transfers between funds		(1,080)	1,076	4	0	(1,061)	950	111	0
Net movement in funds		5,506	336	102	5,944	(665)	289	1,148	772
Funds at 31st March 2020 (31st March 2019)		29,088	1,289	2,477	32,854	29,753	1,000	1,329	32,082
Funds at 31st March 2021 (31st March 2020)		34,594	1,625	2,579	38,798	29,088	1,289	2,477	32,854

There were no recognised gains or losses other than those included in the Statement of Financial Activities.
All Income and Expenditure derive from continuing activity.

**CHARITY STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	UNRESTRICTED FUNDS				UNRESTRICTED FUNDS			
		Unrestricte	Designated	Restricted	Total Funds	Unrestricte	Designate	Restricted	Total Funds
		d Funds	Funds	Funds	2021	d Funds	d Funds	Funds	2020
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income									
Donations and legacies		818	0	2,313	3,131	1,091	0	3,230	4,321
Income from charitable activities		20,107	0	0	20,107	20,137	0	0	20,137
Income from investments		415	0	0	415	496	0	0	496
Other trading activities		7	0	0	7	31	0	0	31
Total Income		21,347	0	2,313	23,660	21,755	0	3,230	24,985
Expenditure									
Expenditure on raising funds		452	0	0	452	610	0	6	616
Expenditure on charitable activities		17,878	740	1,619	20,237	20,444	662	1,049	22,155
Total Expenditure		18,330	740	1,619	20,689	21,054	662	1,055	22,771
Net income before transfers and other gains and losses		3,017	(740)	694	2,971	701	(662)	2,175	2,214
Gain / (Loss) on revaluation of fixed asset investments		3,214	0	0	3,214	(1,723)	0	0	(1,723)
Net income before transfers		6,231	(740)	694	6,185	(1,022)	(662)	2,175	491
Transfers between funds		(1,080)	1,076	4	0	(517)	950	(433)	(0)
Net movement in funds		5,151	336	698	6,185	(1,539)	288	1,742	491
Funds at 31st March 2020 (31st March 2019)		27,333	1,288	3,764	32,385	28,872	1,000	2,022	31,894
Funds at 31st March 2021 (31st March 2020)		32,484	1,624	4,462	38,570	27,333	1,288	3,764	32,385

There were no recognised gains or losses other than those included in the Statement of Financial Activities.
All Income and Expenditure derive from continuing activity.

CONSOLIDATED AND CHARITY BALANCE SHEET
as at 31 March 2021

	Note	Group 2021 £'000	Group 2021 £'000	Group 2020 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Fixed Assets							
Intangible	10	1,255		974		1,253	972
Tangible assets	11	3,600		3,584		3,581	3,511
Investments	12	17,628		14,090		17,772	14,235
			22,483		18,648	22,606	18,718
Current Assets							
Investments	13	2,975		3,014		2,859	2,971
Debtors	14	10,981		11,062		13,287	11,525
Cash at bank and in hand		6,032		3,833		2,174	1,256
		19,988		17,909		18,320	15,752
Creditors: Amounts falling due within one year	15	(3,545)		(3,646)		(2,246)	(2,085)
Net current assets			16,443		14,263	16,074	13,667
Creditors: Amounts falling due after more than one year	16		(128)		(57)	(110)	0
Total assets less total liabilities			<u>38,798</u>		<u>32,854</u>	<u>38,570</u>	<u>32,385</u>
Funds							
Unrestricted funds - General Funds			34,594		29,088	32,484	27,333
Unrestricted funds - Designated Funds			1,625		1,289	1,624	1,288
Restricted funds			2,579		2,477	4,462	3,764
Total Funds			<u>38,798</u>		<u>32,854</u>	<u>38,570</u>	<u>32,385</u>

The financial statements on pages 20 to 38 were approved and authorised for issue by the Trustees on 27 July 2021 and signed on their behalf by:

Mr David Lock
Company Registration Number 3322023



Director / Trustee MSC

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE GROUP
FOR THE YEAR ENDED 31 MARCH 2021**

	2021	2020
	£'000	£'000
Statement of cash flows		
Cash flows from operating activities:		
<i>Net cash provided by (used in) operating activities</i>	<u>3,245</u>	<u>2,260</u>
Cash flows from investing activities:		
Dividends, interest and rents from investments	416	497
Proceeds from the sales of property, plant and equipment	0	0
Purchase of property, plant and equipment	(1,165)	(979)
Proceeds from sale of investments	5,605	5,900
Purchase of investments	<u>(5,941)</u>	<u>(7,672)</u>
<i>Net cash provided by (used in) investing activities</i>	<u>(1,085)</u>	<u>(2,254)</u>
Cash flows from financing activities:		
repayments of borrowings	<u>0</u>	<u>0</u>
<i>Net cash provided by (used in) financing activities</i>	<u>0</u>	<u>0</u>
 <i>Change in cash and cash equivalents in the reporting period</i>	 2,160	 6
Cash and cash equivalents at the beginning of the reporting period	<u>6,847</u>	<u>6,841</u>
<i>Cash and cash equivalents at the end of the reporting period</i>	<u>9,007</u>	<u>6,847</u>

Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2021	2020
	£'000	£'000
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	5,944	772
Adjustments for:		
Depreciation charges	822	731
FX on Foreign Assets	610	0
Net unrealised loss (gain) and other movements on investment	(3,812)	1,472
Dividends, interest and rents from investments	(416)	(497)
(Profit) / Loss on the sale of fixed assets	46	0
(increase) / decrease in debtors	81	(922)
Increase / (decrease) in creditors	<u>(30)</u>	<u>704</u>
Net cash provided by (used in) operating activities	<u>3,245</u>	<u>2,260</u>

Analysis of cash and cash equivalents

	2021	2020
	£'000	£'000
Cash in hand	6,032	3,833
Notice deposits (less than 3 months)	<u>2,975</u>	<u>3,014</u>
Total cash and cash equivalents	<u>9,007</u>	<u>6,847</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

1. *Accounting policies*

Marine Stewardship Council is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 17th December 1997 (company number 3322023) and registered as a charity on 10th December 1997 (charity number 1066806).

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association (amended July 2014).

In the event of the company being wound up members are required to contribute an amount not exceeding £1 each.

The registered office is Marine House, 1-3 Snow Hill, London, EC1A 2DH.

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Charity's financial statements.

Basis of accounting: The consolidated financial statements have been prepared under the historical cost convention, except that fixed asset investments are stated at market value, and in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the 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 1st January 2015.

These financial statements consolidate the results of the charity and its five wholly owned subsidiaries, Marine Stewardship Council International Limited (which is incorporated in the UK), Marine Stewardship Council Limited (which is incorporated in the United States), Marine Stewardship Council Asia Pacific Pty Limited (which is incorporated in Australia), Marine Stewardship Council Asia Ltd (which is incorporated in Singapore), and Ippan Shadan Hojin MSC Japan (which is incorporated in Japan) on a line by line basis.

MSCI also has a Chinese registered subsidiary, An Hai Xu Fishery Certification Consulting (Beijing) Ltd Co (known as MSC China), the activities of which help fulfil MSC's charitable mission in China.

The functional currency of the Charity and its subsidiaries is GBP because that is the currency of the primary economic environment in which the group operates. The consolidated financial statements are also presented in GBP.

MSC's overseas subsidiaries are converted into GBP and consolidated into the group accounts using the year end exchange rate, with the foreign exchange gain or loss arising reported as gains or losses arising upon revaluation of foreign assets in the SOFA. Fixed assets held in the overseas subsidiaries are immaterial.

Going Concern: The Trustees approve the annual budgets and periodic forecasts to ensure there is sufficient working capital to meet the charity's obligations over the subsequent 12 months. The charity meets its ordinary working capital requirements through its existing cash balances. The Covid-19 impact has not had a material impact on the charity's financial operations. Having regard to the above, the current cash position and the expected cashflow over the following 12 months the Trustees believe it appropriate to adopt a going concern basis of accounting in preparing the financial statements.

After reviewing the group's forecast and projections, the Trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. This view is supported by the level of free reserves held at the year-end (equivalent to 12 months expenditure). The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Critical accounting judgements and key sources of estimation uncertainty: In the application of the accounting policies directors are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historic experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The critical estimate involves accruing for royalty income, with around 2% to 10% of the total royalty accrued each year being based upon historic trends only, rather than information received post Year End from the license holder relating to actual labelled sales for the period of the accrual. This arises because turnover declaration returns of labelled product sales are submitted by license holders in arrears. As a result, labelled product sales data covering reporting periods ending 31st March are received after the financial year end. At the point the accounts are drafted, not all license holders may have reported their labelled sales data (even though the license agreement obligates them to submit their turnover declaration by one month after the end of the reporting period in question). For these license holders, the level of labelled sales (and hence royalty income to be accrued) are estimated based on historic trends.

Judgements are also made for bad debts provisions, based upon reviewing debts older than 90 days at the year end, and for certain contracts of service, whereby the fee to be received by MSC for services delivered continue to be subject to negotiation after the year end.

Fixed Assets:

Intangible fixed assets

Intangible fixed assets represent software costs capitalised in accordance with FRS102. These are stated at historic cost and amortised on a straight-line basis over the period which revenue is expected to be generated (typically 4 years). Items costing less than £500 are expensed in the year of purchase.

Tangible fixed assets

Tangible fixed assets are recorded at cost or, in cases where tangible fixed assets have been donated to Marine Stewardship Council, at valuation at the time of acquisition. Tangible fixed assets are capitalised in the balance sheet at cost, except for items costing less than £2500 which are expensed in the year of purchase.

Depreciation: Depreciation for UK entities has been provided at the following rates in order to write down cost or valuation, less estimated residual value, of all tangible assets by equal annual instalments over their expected useful lives.

Furniture, Fittings & IT equipment	25%
Refurbishment costs of Snow Hill	over 7 years
London Virtual Freehold Property	Building cost over 99 years

Incoming resources: Grants and donations are recognised as income when it is clear MSC has entitlement to the income, that the donation is reasonably certain to occur and that the value of the donation can be measured. Logo license royalty income is accounted for in the period in which the labelled products were sold by our trading partners. Donated services and facilities are included at the value to the charity where this can be quantified. No amounts are included in the financial statements for the services donated by volunteers.

Expenditure: Resources expended are included in the Statement of Financial Activities on an accrual basis, inclusive of VAT which cannot be recovered. Since 1st February 2009, the Charity has been registered within a VAT group consisting of itself and its UK based trading subsidiary, Marine Stewardship Council International. From 1st February 2009, therefore, input tax can be partially recovered based upon a business: non-business model.

Expenditure on raising funds comprise expenditure incurred in encouraging others to make contributions to the charity and include staff costs directly attributable to that activity. Expenditure on charitable activities comprise direct expenses incurred on the defined charitable purpose of the charity, and include staff costs directly attributable to the charitable activities. Where costs could not be directly attributed to any particular function or activity (i.e., costs classified in MSC's ledger as relating to senior staff and office, IT, HR, finance, premises support type costs), they have been allocated by applying bases consistent with the use of the resource. Senior staff costs are apportioned to charitable activities in relation to an estimate of time that that senior member will focus on a specific charitable activity. Head Quarter support costs are allocated to charitable activities in proportion to the staff costs sitting in that charitable activity. Local office support costs are allocated based on an estimation of charitable activity focus of that local office (that is, across servicing and outreach and education and awareness only).

Cash and bank and current asset investments: Cash balances held in interest bearing deposit accounts (business reserve accounts or time deposits) are classified as current asset investments in the balance sheet. All other cash balances held at bank or in hand are classified as cash at bank or in hand in the balance sheet.

Investment income: Investment income is recognised in the accounts when it is receivable and is allocated to the appropriate fund.

Investments: The charity has four wholly owned subsidiary undertakings.

- Marine Stewardship Council International Limited is a trading subsidiary and receives royalties from logo licensing fees as well as income from the sale of merchandise.
- Marine Stewardship Council Limited is a subsidiary incorporated in the United States and promotes the aims of the parent there.
- Marine Stewardship Council Asia Pacific Pty Ltd is a subsidiary incorporated in Australia and promotes the aims of the parent there and in South East Asia generally.
- Marine Stewardship Council Asia is a subsidiary incorporated in Singapore and promotes the aims of the parent there and in Asia generally.

Marine Stewardship Council International has a wholly owned subsidiary, An Hai Xu Fishery Certification Consulting (Beijing) Ltd Co (known as MSC China), which received its business license 2nd February 2016.

Investments in the subsidiaries are stated at cost.

Fixed asset investments are held in a portfolio covering equities, fixed income securities, real estate, and commodities, which is managed by Northern Trust, and a second fund, managed by UBS, focused upon fixed income securities. The equity element of the Northern Trust fund is invested in Socially Responsible Investment (SRI) funds. The SRI funds mirror Morgan Stanley Capital International Ethical, Social and Governance indexes (namely the MSCI World ESG index and the MSCI US IMI index) to guide investment opportunities in equities screened for ESG criteria. The UBS fund focuses on lower risk investments consisting of gilts

and corporate paper. Fixed asset investments are reported in the financial statements at their market value on the balance sheet date, including the effect of any unrealised gains and losses as of that date.

Foreign exchange: Assets and liabilities denominated in foreign currencies are translated at year end exchange rates. Exchange differences are included in the statement of financial activities. Transactions during the year are recorded at the prevailing rates.

Financial assets and liabilities: Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument. Additionally, all financial assets and liabilities are classified according to the substance of the contractual arrangements entered into.

Financial assets and liabilities are initially measured at transaction price (including transaction cost) and are subsequently re-measured where applicable at amortised cost except for forward rate currency contracts which are subsequently measured at fair value with gains and losses recognised in the Statement of Financial Activities. Assets and liabilities held in a foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

The Group enters into forward rate currency contracts to manage its exposure to fluctuations in exchange rates throughout the year. These contracts are recognised at fair value with gains or losses recognised in the Profit and Loss account.

Pension costs: In the UK, the charity operates a defined contribution group personal pension scheme for the benefit of any employees wishing to join. Defined contribution schemes also operate for overseas based employees in other, non-UK, jurisdictions in line with local legislation. The contributions payable under the schemes are charged in the income & expenditure account, and the assets are managed by an independent organisation.

Taxation: Marine Stewardship Council is a registered charity, and therefore is not liable for income tax or corporation tax on income derived from its charitable activities since it falls within the various exemptions available to registered charities.

Operating lease assets: Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Fund accounting: The general fund comprises those monies which may be used towards meeting the charitable objectives of the charity at the discretion of the directors. The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor-imposed conditions.

2 Donations & legacies	2021	2020
	£'000	£'000
Grants from other charitable bodies	3,018	4,195
Grants from government organisations	289	40
Donations from companies	145	141
Other donations	5	8
	3,457	4,384

3 Investment income	2021	2020
	£'000	£'000
Bank and investment funds interest and dividends receivable	416	497

4 Expenditure on raising funds	2021	2020
	£'000	£'000
General fundraising activities:		
salaries	225	294
other running costs	68	110
investment managers fees	82	79
support	77	133
	452	616

5 Expenditure on charitable activities	Activities undertaken directly	Support costs	Governance costs	2021	Activities undertaken directly	Support costs	Governance costs	1920
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Policy & maintenance of standards	4,591	752	95	5,438	4,615	764	110	5,489
Education & awareness	7,060	1,484	94	8,638	7,736	1,441	121	9,298
Servicing & outreach to fisheries and commercial sector	7,975	2,024	95	10,094	7,097	2,211	100	9,408
Logo licensing costs	858	985	32	1,875	502	909	28	1,439
Ocean Stewardship Fund	742	0	0	742	663	0	0	663
	21,226	5,245	316	26,787	20,613	5,325	359	26,297

6 Support cost breakdown by activity

	Raising Funds	Policy & standards	Education & awareness	Servicing & outreach	Logo licensing	Total 2021	Total 2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Office services	20	197	389	531	258	1,395	1,510
IT services	35	341	672	917	446	2,411	2,234
Finance services	5	47	93	127	62	334	584
Human Resources	11	103	203	277	135	729	723
Premises	6	64	127	172	84	453	407
	77	752	1,484	2,024	985	5,322	5,458

Support costs have been allocated to activities in line with staff salary expenditure in a specific activity (salary cost being a reasonable approximation of staff numbers / time spent by the service functions on that activity).

7 Net income / expenditure

	2021	1920
	£'000	£'000
The group's net income / expenditure is stated after or charging:		
Fees payable to the parent charity's auditors for the audit of the charity's annual accounts	27	20
Fees payable to the parent charity's auditors for the audit of the charity's subsidiaries	9	9
Total fees payable to the parent charity's auditors for auditing services	36	29
Fees payable to the parent charity's auditors for tax services	2	2
Operating lease charges - land and building	505	503
Operating lease charges - office equipment	7	12
(Profit) / Loss on fixed asset disposal	46	0
Depreciation	822	688

8 Trustee / directors and employees

Staff costs, including directors' remuneration, were as follows:	2021	2020
	£'000	£'000
Wages and salaries	12,098	10,881
Social security costs	1,486	1,340
Pension	1,015	912
	14,599	13,133

The number of staff employed by the charity during the year was as follows:	2021	2020
	number	number
Number of staff during the year	277	230
Full Time Equivalent (FTE) during the year	240	221

The number of employees whose emoluments amounted to over £60,000 in the year was as follows:

	2021	2020
£60,000 - £69,999	17	25
£70,000 - £79,999	16	9
£80,000 - £89,999	2	5
£90,000 - £99,999	3	4
£100,000 - £109,999	4	1
£110,000 - £119,999	2	2
£120,000 - £129,999	2	1
£130,000 - £139,999	1	1
£150,000 - £159,999	1	0
£210,000 - £219,999	0	1
£250,000 - £259,999	1	0

Key management personnel are defined as those who are designated as members of the MSC Executive Committee. Salary, pension contributions and other benefits received during 2020/21 by the five Executive Committee members amounted to £961,275 (2019/20 £771,142 adjusted to include employers NI).

The banding for the highest paid employee shown above includes employers pension contribution paid as salary. This treatment was adopted as mitigation to the tapering of the annual pension contribution allowance. The emoluments reported in all other bands exclude employers pension contribution

MSC paid pension contributions and other benefits on behalf of staff totalling £1,014,819 (2020: £912,566). For the 49 members of staff whose emoluments were greater than £60,000 the MSC paid pension contributions and other benefits totalling £417,116 (2020: £438,200).

9 Trustees' remuneration and expenses

The chair of the charitable company, Dr Werner Kiene, who is also a Trustee under Charity law, received or was entitled to receive emoluments of USD 46,000 during the year for professional services rendered (2020: USD 46,000). These payments were made in line with criteria laid down in the Memorandum and Articles of Association of the company and were approved by the full Board. The Charity has met travel and subsistence expenses incurred by the fourteen Trustees in the Charity's business totalling £10,958 (2020: £64,319).

The Charity has also paid for the indemnity insurance cost for the trustees (who are also directors) and its key employees with regard to their actions on behalf of the charity.

10 Intangible assets

	Group Trademark £'000	Group Software and database £'000	Group Total £'000	Charity £'000
Cost				
At 1st April 2020	0	2,990	2,990	2,602
Additions	0	947	947	946
Disposals / write offs	0	(4)	(4)	0
At 31 March 2021	0	3,933	3,933	3,548
Depreciation				
At 1st April 2020	0	2,016	2,016	1,630
Charge for the year	0	666	666	665
Disposals / write offs	0	(4)	(4)	0
At 31 March 2021	0	2,678	2,678	2,295
Net book value				
At 31 March 2021	0	1,255	1,255	1,253
At 31 March 2020	0	974	974	972

Trademark intangible asset represents the £1 purchase cost to buy the MSC logo trademark from Marine Stewardship Council International.

The amortisation charge of intangible assets has been allocated equally across Policy and maintenance of standards, Education and awareness, Servicing and outreach to fisheries and commercial sector, and Logo licensing costs.

11 Tangible fixed assets

	Group Long Leasehold Property £'000	Group Furniture, fittings and IT equipment £'000	Right of Use Assets £'000	Group Total £'000	Charity £'000
Cost					
At 1st April 2020	3,700	971	93	4,764	4,489
Additions	0	218		218	214
Disposals / write offs	0	(8)	(93)	(101)	0
At 31 March 2021	3,700	1,181	0	4,881	4,703
Depreciation					
At 1st April 2020	336	797	47	1,180	978
Charge for the year	37	119	0	156	144
Disposals / write offs	0	(8)	(47)	(55)	0
At 31 March 2021	373	908	0	1,281	1,122
Net book value					
At 31 March 2021	3,327	273	0	3,600	3,581
At 31 March 2020	3,364	174	46	3,584	3,511

12a Investment in Group Companies

	Group Shares in Subsidiary £'000	Charity Shares in Subsidiary £'000
Cost		
At 1 April 2020	145	145
Additions	0	0
At 31 March 2021	<u>145</u>	<u>145</u>
Net book value		
At 31 March 2021	145	145
At 31 March 2020	145	145

The company's subsidiaries during the year were as follows:

Company Name	Ownership	Country of incorporation	Activity
Marine Stewardship Council International (CN 3486485)	MSC UK is the sole shareholder	UK	Commercial activities of Marine Stewardship Council (UK trading subsidiary)
Marine Stewardship Council Ltd (EIN 91-2018427)	MSC UK is the sole member	USA	Achieve the objectives of MSC (US charitable subsidiary)
Marine Stewardship Council Asia Pacific Pty Limited (ACN 102397839)	MSC UK is the sole member	Australia	Achieve the objectives of MSC (Australian charitable subsidiary)
Marine Stewardship Council Asia Ltd (CN 201215612M)	MSC UK is the sole member	Singapore	Achieve the objectives of MSC (Singaporean charitable subsidiary)
MSC Japan - GIA	MSC UK is the sole member	Japan	Achieve the objectives of MSC (Japan GIA subsidiary)
An Hai Xu Fishery Certification Consulting (Beijing) Ltd Co (CN 9111015MA003GWGIC)	MSCI is the sole shareholder	China	Achieve the objectives of MSC (Chinese trading subsidiary of MSCI)

	MSCI Ltd	MSC Ltd	MSC Asia Pacific Pty Ltd	MSC Asia Ltd	An Hai Xu Fishery Certification Consulting (Beijing) Ltd Co	MSC Japan
Income:						
Donations and legacies	0	326	45	0	0	0
Income from charitable activities	25,442	0	0	0	0	0
Income from investments	0	0	0	0	0	0
Other trading activities	528	0	5	18	0	0
Grants from UK Charity	0	2,834	1,238	191	682	149
Total income	<u>25,970</u>	<u>3,160</u>	<u>1,288</u>	<u>209</u>	<u>682</u>	<u>149</u>
Expenditure:						
Expenditure on charitable activities	5,647	3,100	1,479	191	697	130
Foreign exchange (gain) / loss	394	156	(45)	5	2	13
Total Expenditure	<u>6,041</u>	<u>3,256</u>	<u>1,434</u>	<u>196</u>	<u>699</u>	<u>143</u>
Net Income / (Expenditure)	20	(96)	(146)	13	(17)	6
Gift Aid to UK Charity	20	0	0	0	0	0
Funds at 1st April 2020	131	369	195	36	(118)	0
Funds at 1st April 2021	<u>131</u>	<u>273</u>	<u>49</u>	<u>49</u>	<u>(135)</u>	<u>6</u>
Fixed Assets & Intangible Fixed Assets	0	7	12	1	0	0
Investments in subsidiary	179	0	0	0	0	0
Debtors	(2,383)	9	83	16	10	17
Cash at bank and in hand	3,278	378	206	34	71	5
Total current assets	<u>895</u>	<u>387</u>	<u>289</u>	<u>50</u>	<u>81</u>	<u>22</u>
Creditors: Amounts falling due with one year	(866)	(121)	(252)	(2)	(37)	(16)
Net current assets (liabilities)	<u>29</u>	<u>266</u>	<u>37</u>	<u>48</u>	<u>44</u>	<u>6</u>
Long term liabilities	(77)	0	0	0	0	0
Total assets less total liabilities	<u>131</u>	<u>273</u>	<u>49</u>	<u>49</u>	<u>44</u>	<u>6</u>
Represented by:						
Share Capital	145	0	0	0	179	0
Unrestricted funds	(14)	273	49	49	(135)	6
Restricted funds	0	0	0	0	0	0
	<u>131</u>	<u>273</u>	<u>49</u>	<u>49</u>	<u>44</u>	<u>6</u>

12b Fixed Asset Investments

	2021		2020
	£'000		£'000
Balance at beginning of year	14,090		13,789
Addition of principal cash	0		1,304
Sale of investments	(5,605)	(5,900)	
Purchase of investments	5,941	6,369	
Market revaluation of investments	3,490	(2,193)	
(losses)/ gain on investment	3,826	(1,724)	
Dividend and interest income	404	467	
Investment managers fees	(82)	(79)	
Foreign exchange revaluation	(610)	333	(1,003)
	<u>17,628</u>		<u>14,090</u>

The historic cost of the investment made is £12,258,971.

Asset Classes of Fixed Asset investments are:

	2021		2020
	£'000		£'000
Equity Funds	12,770		9,113
Fixed Income Securities	4,245		4,175
Real Estate funds	134		305
Commodities	258		172
Money Market funds	221		325
	<u>17,628</u>		<u>14,090</u>

13 Current Asset Investments

These are comprised of cash deposits held for investment purposes

	Group	Group	Charity	Charity
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Balance at beginning of year	3,014	2,987	2,971	2,944
Additions/(reductions)	(39)	27	(112)	27
Closing value at end of year	<u>2,975</u>	<u>3,014</u>	<u>2,859</u>	<u>2,971</u>

14 Debtors

	Group	Group	Charity	Charity
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade Debtors	1,418	2,500	85	125
Other Debtors	356	243	319	164
Prepayments and accrued income	9,207	8,319	440	355
Amounts due from Subsidiary undertakings	0	0	12,443	10,881
	<u>10,981</u>	<u>11,062</u>	<u>13,287</u>	<u>11,525</u>

15 Creditors: amounts falling due within one year

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Trade Creditors	1,542	1,338	1,079	756
Tax and social security creditor	328	467	168	158
Other creditors	563	519	224	235
Accruals and deferred income	1,112	1,322	775	936
	<u>3,545</u>	<u>3,646</u>	<u>2,246</u>	<u>2,085</u>

Movement on deferred income:	Group 2021 £'000	Charity 2021 £'000
Deferred income at 1 April 2020	(36)	0
Released to income in year	36	0
Income deferred in year	<u>0</u>	<u>0</u>
Deferred income at 31 March 2021	<u>0</u>	<u>0</u>

16 Creditors: amounts falling due after more than one year

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Recertification fund liability	18	57	0	0
Ocean Stewardship Fund	<u>110</u>	<u>0</u>	<u>110</u>	<u>0</u>
Total falling due after more than one year	<u>128</u>	<u>57</u>	<u>110</u>	<u>0</u>

The Recertification Fund is now closed and balances accrued into it are being drawn down as claims are made. The Recertification Fund mechanism has been replaced by the Recertification Assistance Fund, one of the strands of the Ocean Stewardship Fund (OSF). The OSF consists of the Recertification Assistance Fund, which supports the costs of recertification for fisheries that are at their second or subsequent recertification; the Transition Assistance Fund, which supports fisheries to make the necessary improvements to become certified; the Science and Research Fund, which supports research projects with an emphasis upon condition closure; the Innovation Fund, which supports strategically important research. The OSF is reported as designated funds on the face of the SOFA

Movement on recertification fund:	Group 2021 £'000	Charity 2021 £'000
Recertification fund 1 April 20	97	0
Disbursements in year	<u>(20)</u>	<u>0</u>
Recertification fund 31 March 21	<u>77</u>	<u>0</u>

£59,000 of the recertification fund balance is shown as other creditors falling due within one year

17a Funds - Group

		Balance					Balance
	Note	1st April 2020	Income	Expenditure	Gains and losses	Transfers	31st March 2021
		£'000	£'000	£'000	£'000	£'000	£'000
D&L Packard Foundation	1	52	0	0	0	0	52
Dutch Postcode Lottery	2	340	0	(340)	0	0	0
MAVA, Fondation pour la Nature	3	112	0	(72)	0	0	40
European Union	4	0	6	(6)	0	0	0
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	5	18	1	0	0	(19)	0
D&L Packard Foundation	6	1	0	(1)	0	0	0
D&L Packard Foundation	7	290	0	(125)	0	0	165
D&L Packard Foundation	8	408	0	(300)	0	0	108
Swedish Institute	9	3	(5)	0	0	2	0
Adessium Foundation, Carasso Foundation, Resource Legacies Fund (Sustainable Fisheries Fund)	10	64	78	(142)	0	0	0
MAVA HellasFish	11	53	38	(91)	0	0	0
Levantis Hellasfish	12	52	0	0	0	0	52
Various funders	13	114	147	(99)	0	0	162
Cephs & Chefs	14	0	6	(8)	0	2	0
Multiplier - Certifications & Ratings	15	0	31	(23)	0	0	8
Packard Foundation - East Asia Sea	16	0	215	0	0	0	215
Iseal - Pathways Project	17	0	15	(15)	0	0	0
MAVA Medpath	18	0	91	0	0	0	91
WAFIC	19	0	0	0	0	0	0
MAVA, Fondation pour la Nature	20	64	8	(72)	0	0	0
WWF Sweden (SWIOCEPH)	21	0	4	(23)	0	19	0
Remmer Foundation	22	0	8	0	0	0	8
Walton Foundation	23	906	1,678	(906)	0	0	1,678
Total Restricted		2,477	2,321	(2,223)	0	4	2,579
Unrestricted:							
General purpose fund		29,088	27,775	(24,276)	3,087	(1,080)	34,594
Designated - OSF	24	1,289	0	(740)	0	1,076	1,625
Total Group Funds		32,854	30,096	(27,239)	3,087	0	38,798

Exchange gains and losses arising from the revaluation of foreign currency assets held overseas have been set against expenditure.

Transfers between funds represent transfers of unrestricted funds into restricted funded activities as match funding contributions contributions. Transfers of unrestricted funds into designated funds relate to the Ocean Stewardship Fund (see below).

Notes:

- 1) Capacity building; 2) Dutch Post Code Lottery Fish For Good; 3) MAVA PPAMP;
4) European Maritime & Fisheries Fund (EMFF); 5) Sustainable Octopus project; 6) Packard Data Limited Phase 1
7) Data Limited Phase 2; 8) Japan Expansion 2019 - 2021; 9) Support for MSC's programme in Sweden NESUFISH
10) Project Mediterranean; 11) MAVA, Fondation pour la Nature, Greece; 12) Levantis, Greece;
13) UK Project Inshore; 14) European Union, Chephs & Chefs; 15) Multiplier - Ratings Collaboration; 16) Packard East Asia Sea Project; 17) ISEAL Pathways Project
18) MAVA MedPath; 19) Western Australian Fishing Industry Council; 20) MAVA Lead 2; 21) WWF Sweden - SWIOCEPH
22) Remmer Foundation; 23) Walton support for the MSC programme 2019-22
24) Ocean Stewardship Fund (OSF). A designated fund with a 3 fold objective of supporting fisheries transitioning towards MSC, funding science and research projects that will benefit MSC's sustainability agenda and a recertification strand, helping to contribute to the audit cost of fisheries being certified for the third time (2nd recertification). The timeline for fully spending the £1 million initial designation is likely to be between 3 and 4 years.
For prior year comparatives, see note 22

17b Movement on Designated Ocean Stewardship Fund

	Group 2021 TAF GBP 000	Group 2021 RAF GBP 000	Group 2021 SRF GBP 000	Group 2021 Innovation GBP 000	Group 2021 Seed Fund GBP 000	Group 2021 OSF Admin GBP 000	Group 2021 Total GBP 000
Ocean Stewardship Fund 31 March 20	80	320	0	0	797	92	1,289
Designations made in the year	431	431	107	0	0	107	1,076
Transfers from Seed fund	0	0	33	163	(196)	0	0
Grant admin expenditure	0	0	0	0	0	(46)	(46)
Grants awarded during the year	(143)	(248)	(140)	(163)	0	0	(694)
Ocean Stewardship Fund 31 March 21	368	503	0	0	601	153	1,625

	Group 2020 TAF GBP 000	Group 2020 RAF GBP 000	Group 2020 SRF GBP 000	Group 2020 Innovation GBP 000	Group 2020 Seed Fund GBP 000	Group 2020 OSF Admin GBP 000	Group 2020 Total GBP 000
Ocean Stewardship Fund 31 March 19	0	0	0	0	1,000	0	1,000
Designations made in the year	380	380	95	0	0	95	950
Transfers from Seed fund	0	0	203	0	(203)	0	0
Grant admin expenditure	0	0	0	0	0	(3)	(3)
Grants awarded during the year	(300)	(60)	(298)	0	0	0	(658)
Ocean Stewardship Fund 31 March 20	80	320	0	0	797	92	1,289

	Charity 2021 TAF GBP 000	Charity 2021 RAF GBP 000	Charity 2021 SRF GBP 000	Charity 2021 Innovation GBP 000	Charity 2021 Seed Fund GBP 000	Charity 2021 OSF Admin GBP 000	Charity 2021 Total GBP 000
Ocean Stewardship Fund 31 March 20	80	320	0	0	797	92	1,289
Designations made in the year	431	431	107	0	0	107	1,076
Transfers from Seed fund	0	0	33	163	(196)	0	0
Grant admin expenditure	0	0	0	0	0	(46)	(46)
Grants awarded during the year	(143)	(248)	(140)	(163)	0	0	(694)
Ocean Stewardship Fund 31 March 21	368	503	0	0	601	153	1,625

	Charity 2020 TAF GBP 000	Charity 2020 RAF GBP 000	Charity 2020 SRF GBP 000	Charity 2020 Innovation GBP 000	Charity 2020 Seed Fund GBP 000	Group 2020 OSF Admin GBP 000	Charity 2020 Total GBP 000
Ocean Stewardship Fund 31 March 19	0	0	0	0	1,000	0	1,000
Designations made in the year	380	380	95	0	0	95	950
Transfers from Seed fund	0	0	203	0	(203)	0	0
Grant admin expenditure	0	0	0	0	0	(3)	(3)
Grants awarded during the year	(300)	(60)	(298)	0	0	0	(658)
Ocean Stewardship Fund 31 March 20	80	320	0	0	797	92	1,289

TAF is the Transition Assistance Fund and is funded by 2% of the volume royalty income generated in the previous year.

RAF is the Recertification Assistance Fund and is funded by 2% of the volume royalty income generated in the previous year.

SRF is the Science and Research Fund and is funded by 0.5% of the volume royalty income generated in the previous year.

OSF Admin is the Administration Fund, to cover OSF administration costs, and is funded by 0.5% of the volume royalty income generated in the previous year.

Innovation is the innovation fund, and is funded by allocations for unrestricted or transfers from the seed funding pot.

Seed Fund is the balance remaining of the £1m initial allocation from unrestricted funds into the OSF.

18 Funds - Charity

	Note	Balance				Transfers	Balance
		1st April 2020	Income	Expenditure	Gains and losses		31st March 2021
		£'000	£'000	£'000	£'000	£'000	£'000
D&L Packard Foundation	1	52	0	0	0	0	52
Dutch Postcode Lottery	2	474	0	(326)	0	0	148
MAVA, Fondation pour la Nature	3	66	8	(73)	0	0	1
European Union	4	0	6	(6)	0	0	0
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	5	19	0	0	0	(19)	0
D&L Packard Foundation	6	291	0	(126)	0	0	165
D&L Packard Foundation	7	552	0	(16)	0	0	536
Swedish Institute	8	2	(4)	0	0	2	0
Adessium Foundation, Carasso Foundation, Resource legacies Fund (Sustainable Fisheries Fund)	9	64	78	(142)	0	0	0
MAVA, Fondation pour la Nature	10	53	38	(91)	0	0	0
Levantis Hellasfish	11	52	0	0	0	0	52
Various funders	12	113	147	(99)	0	0	161
Cephs & Chefs	13	0	6	(8)	0	2	0
Multiplier - Certifications & Ratings	14	0	31	(23)	0	0	8
Packard Foundation - East Asia Sea	15	0	215	0	0	0	215
Iseal - Pathways Project	16	0	15	(15)			0
MAVA Medpath	17	0	91	0	0	0	91
WAFIC	18	6	0	0	0		6
MAVA, Fondation pour la Nature	19	112	0	(72)	0	0	40
WWF Sweden (SWIOCEPH)	20	0	4	(23)	0	19	0
Walton Foundation	21	1,018	1,678	(599)	0	0	2,097
D&L Packard Foundation	22	651	0	0	0	0	651
Entwicklungsgesellschaft (DEG)	23	61	0	0	0	0	61
Kingfisher	24	6	0	0	0	0	6
MIDATLANTIC	25	9	0	0	0	0	9
Walton Foundation	26	144	0	0	0	0	144
Walton Foundation	27	19	0	0	0	0	19
Total Restricted		3,764	2,313	(1,619)	0	4	4,462
Unrestricted:							
General purpose fund		27,333	21,347	(18,330)	3,214	(1,080)	32,484
Designated - OSF	28	1,288	0	(740)	0	1,076	1,624
Total Group Funds		32,385	23,660	(20,689)	3,214	0	38,570

Exchange gains and losses arising from the revaluation of foreign currency assets held overseas have been set against expenditure.

Transfers between funds represent transfers of unrestricted funds into restricted funded activities as match funding contributions. Transfers of unrestricted funds into designated funds relate to the Ocean Stewardship Fund (see below).

- 1) Capacity building; 2) Dutch Post Code Lottery Fish For Good; 3) MAVA PPAMP;
 4) European Maritime & Fisheries Fund (EMFF); 5) Sustainable Octopus project;
 6) Data Limited Phase 2; 7) Japan Expansion 2019 - 2021; 8) Support for MSC's programme in Sweden NESUFISH
 9) Project Mediterranean; 10) MAVA, Fondation pour la Nature, Greece; 11) Levantis, Greece;
 12) UK Project Inshore; 13) European Union, Cephs & Chefs; 14) Multiplier - Ratings Collaboration; 15) Packard East Asia Sea Project; 16) ISEAL Pathways Project
 17) MAVA MedPath; 18) Western Australian Fishing Industry Council; 19) MAVA Lead 2; 20) WWF Sweden - SWIOCEPH
 21) Walton support for the MSC programme 2019-22; 22) Packard Japan Expansion Phase 1; 23) DEG DongShan; 24) KDE Kingfisher; 25) MidAtlantic
 26) Walton support for the MSC programme 2016-19; 27) Walton Mexico
 28) Ocean Stewardship Fund (OSF). A designated fund with a 3 fold objective of supporting fisheries transitioning towards MSC, funding science and research projects that will benefit MSC's sustainability agenda and a recertification strand, helping to contribute to the audit cost of fisheries being certified for the third time (2nd recertification). The timeline for fully spending the £1 million initial designation is likely to be between 3 and 4 years.

For prior year comparatives, see note 23.

19 Financial Commitments

	Group	Group	Group	Group
	Land & Buildings	Other	Land & buildings	Other
	2021	2021	2020	2020
Expiry Date	£'000	£'000	£'000	£'000
less than 1 year	212	0	244	0
Two to five years	2	4	39	5
Total	214	4	283	5

	Charity	Charity	Charity	Charity
	Land & Buildings	Other	Land & Buildings	Other
	2021	2021	2020	2020
Expiry Date	£'000	£'000	£'000	£'000
less than 1 year	106	0	108	0
Two to five years	0	0	9	0
Total	106	0	117	0

20 Analysis of net assets between funds

	2021	2021	2021	2021	2020	2021	2020	2020
	Unrestricted	Designated	Restricted	Total	Unrestricted	Designated	Restricted	Total
	Funds	Funds	Funds	Funds	Funds	Funds	Funds	Funds
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fund balances at 31 March as represented by:								
Tangible fixed assets & investments	21,228	0	0	21,228	17,674	0	0	17,674
Intangible fixed assets	1,255	0	0	1,255	974	0	0	974
Net current assets	12,239	1,625	2,579	16,443	10,497	1,289	2,477	14,263
Long term liabilities	(128)	0	0	(128)	(57)	0	0	(57)
Total net assets	34,594	1,625	2,579	38,798	29,088	1,289	2,477	32,854

21 Related party transactions

The Marine Stewardship Council's related parties as defined by the Financial Reporting Standard 102, and the nature of the relationship, are summarised below:

Marine Stewardship Council International Limited (MSCI)

During the financial year MSC charged MSCI 15% of its office, premises and HR costs, 50% of its IT costs, and an allocation of the Finance Director and Governance Secretary salary totalling £1,345,937 (2019/20 £1,240,537). Allocations of key management salaries totalled £171,263 (2019/20 £164,330). Gift aid payable for the year amounted to £12,926,212 (2019/20 £13,609,561) and the royalty payable by MSCI to MSC for the right to exploit MSC's ecolabel amounted to £7,002,452 (2019/20 £6,509,034).

At 31st March 2021, MSCI owed £12,442,302 in total to the parent charity company. This amount includes the amount payable by MSCI to MSC as royalty for the right to exploit the Charity's intellectual property (ie the MSC ecolabel) and the gift aid due to the Charity of MSCI's accounting surplus for the year.

The ultimate controlling party of the Charity is its members who are also the Directors and Trustees.

22 Funds - Group - Comparative for prior year

	Note	Balance 1st April 2019 £'000	Income £'000	Expenditure £'000	Gains and losses £'000	Transfers £'000	Balance 31st March 2020 £'000
D&L Packard Foundation	1	52	0	0	0	0	52
D&L Packard Foundation	2	205	0	(220)	0	15	0
D&L Packard Foundation	3	21	0	(60)	0	40	1
Dutch Postcode Lottery	4	784	0	(444)	0	0	340
MAVA, Fondation pour la Nature	5	0	123	(11)	0	0	112
European Union	6	0	55	(55)	0	0	0
Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ)	7	20	(32)	(7)	0	37	18
D&L Packard Foundation	8	0	394	(104)	0	0	290
D&L Packard Foundation	9	0	552	(144)	0	0	408
Swedish Institute	10	5	0	(2)	0	0	3
Adessium Foundation, Carasso Foundation, Resource legacies Fund (Sustainable Fisheries Fund)	11	80	252	(268)	0	0	64
MAVA, Fondation pour la Nature	12	0	65	(12)	0	0	53
Levantis	13	0	52	0	0	0	52
Various funders	14	69	155	(110)	0	0	114
Cephs & Chefs	15	0	9	(9)	0	0	0
WAFIC	16	3	3	(6)	0	0	0
MAVA, Fondation pour la Nature	17	76	54	(66)	0	0	64
Walton Foundation	18	14	0	(33)	0	19	0
Walton Foundation	19	0	391	(391)	0	0	0
Walton Foundation	20	0	1,157	(251)	0	0	906
Total Restricted		1,329	3,230	(2,193)	0	111	2,477
Unrestricted:							
General purpose fund		29,753	26,236	(24,059)	(1,781)	(1,061)	29,088
Designated - OSF	21	1,000	0	(661)	0	950	1,289
Total Group Funds		32,082	29,466	(26,913)	(1,781)	0	32,854

Exchange gains and losses arising from the revaluation of foreign currency assets held overseas have been set against expenditure.

Transfers between funds represent transfers of unrestricted funds into restricted funded activities as match funding contributions contributions. Transfers of unrestricted funds into designated funds relate to the Ocean Stewardship Fund (see below).

Notes:

1) Capacity building; 2) Japan expansion; 3) Data Limited; 4) Fish For Good

5) MAVA Lead West Africa; 6) European Maritime & Fisheries Fund (EMFF); 7) Sustainable Octopus project

8) Data Limited Phase 2; 9) Japan Expansion 2019 - 2021;

10) Support for MSC's programme in Sweden; 11) Project Mediterranean; 12) MAVA, Fondation pour la Nature, Greece; 13) Levantis, Greece;

14) UK Project Inshore; 15) European Union, Chephs & Chefs; 16) Western Australian Fishing Industry Council; 17) MAVA, Fondation pour la Nature

18) Walton Support for the MSC programme 2017-19; 19) Walton support for the MSC programme 2017-19; 20) Walton support for the MSC programme 2019-22

21) Ocean Stewardship Fund (OSF). A designated fund with a 3 fold objective of supporting fisheries transitioning towards MSC, funding science and research projects that will benefit MSC's sustainability agenda and a recertification strand, helping to contribute to the audit cost of fisheries being certified for the third time (2nd recertification).

The timeline for fully spending the £1 million initial designation is likely to be between 3 and 4 years.

23 Funds - Charity - Comparative for prior year

	Note	Balance				Transfers £'000	Balance
		1st April 2019	Income	Expenditure	Gains and losses		31st March 2020
		£'000	£'000	£'000	£'000		£'000
D&L Packard Foundation	1	52	0	0	0	0	52
D&L Packard Foundation	2	636	0	0	0	15	651
D&L Packard Foundation	3	21	0	(82)	0	61	0
Dutch Postcode Lottery	4	839	0	(365)	0	0	474
Entwicklungsgesellschaft (DEG)	5	61	0	0	0	0	61
European Union	6	0	55	(55)	0	0	0
Interreg Atlantic Area	7	0	9	(9)	0	0	0
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	8	21	(32)	(7)	0	37	19
Kingfisher	9	6	0	0	0	0	6
D&L Packard Foundation	10	0	394	(103)	0	0	291
Swedish Institute	11	4	0	(2)	0	0	2
Adessium Foundation, Carasso Foundation, Resource legacies Fund (Sustainable Fisheries Various funders	12	80	252	(268)	0	0	64
MIDATLANTIC	14	69	155	(111)	0	0	113
WAFIC	15	9	0	0	0	0	9
MAVA, Fondation pour la Nature	16	3	3	0	0	0	6
Walton Foundation	17	76	54	(64)	0	0	66
Walton Foundation	18	145	391	173	0	(565)	144
MAVA, Fondation pour la Nature	19	0	1,157	(139)	0	0	1,018
Levantis	20	0	65	(12)	0	0	53
D&L Packard Foundation	21	0	52	0	0	0	52
MAVA, Fondation pour la Nature	22	0	552	0	0	0	552
Walton Foundation	23	0	123	(11)	0	0	112
Walton Foundation	24	0	0	0	0	19	19
Total Restricted		2,022	3,230	(1,055)	0	(433)	3,764
Unrestricted:							
General purpose fund		28,872	21,755	(21,054)	(1,723)	(517)	27,333
Designated - OSF	25	1,000	0	(662)	0	950	1,288
Total Group Funds		31,894	24,985	(22,771)	(1,723)	0	32,385

Exchange gains and losses arising from the revaluation of foreign currency assets held overseas have been set against expenditure.

Transfers between funds represent transfers of unrestricted funds into restricted funded activities as match funding contributions. Transfers of unrestricted funds into designated funds relate to the Ocean Stewardship Fund (see below).

1) Capacity building; 2) Japan expansion; 3) Data Limited; 4) Fish For Good

5) Dongshan fisheries in Southern China; 6) European Maritime & Fisheries Fund (EMFF); 7) Ceph's & Chefs; 8) Sustainable Octopus project

9) Key Data Elements Project Grant; 10) Data Limited Phase 2;

11) Support for MSC's programme in Sweden; 12) Project Mediterranean; 13) MAVA, Fondation pour la Nature;

14) UK project inshore; 15) Project Mid Atlantic; 16) Western Australian Fishing Industry Council; 17) MAVA, Fondation pour la Nature - West Africa

18) Walton support for the MSC programme 2017-19; 19) Walton support for the MSC programme 2019-21;

20) HellasFish MAVA; 21) HellasFish Levantis; 22) Japan Expansion 2019 - 2021; 23) LEAD West Africa Phase 2; 24) Walton Foundation - Mexico

25) Ocean Stewardship Fund (OSF). A designated fund with a 3 fold objective of supporting fisheries transitioning towards MSC, funding science and research projects that will benefit MSC's sustainability agenda and a recertification strand, helping to contribute to the audit cost of fisheries being certified for the third time (2nd recertification). The timeline for fully spending the £1 million initial designation is likely to be between 3 and 4 years.