



# **MARINE STEWARDSHIP COUNCIL**

**(A company limited by guarantee)**

## **TRUSTEES' REPORT AND CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024**

**Registered Charity No: 1066806**  
**Registered Company: 3322023**

**Registered Office:** Marine House  
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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 CO <sub>2</sub> equivalent) (TCO <sub>2</sub> e)	27	38	703	768	855
Intensity ratio (TCO <sub>2</sub> e/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 to 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 <sup>st</sup> 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](http://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**

		UNRESTRICTED FUNDS				UNRESTRICTED FUNDS			
	Notes	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 leagacies	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	1055	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	1414
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	2024 £'000	£'000	£'000	£'000	2023 £'000	
Income										
Donations and leagacies		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
<b>Fixed Assets</b>							
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
<b>Current Assets</b>							
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
<b>Creditors: Amounts falling due within one year</b>	15	(3,675)		(3,816)		(2,078)	(2,396)
<b>Net current assets</b>			19,940		18,541	19,583	18,183
<b>Creditors: Amounts falling due after more than one year</b>	16	(465)	(465)		(336)	(422)	(302)
<b>Total assets less total liabilities</b>			45,263		42,130	45,085	41,934
<b>Funds</b>							
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
<b>Total Funds</b>			45,263		42,130	45,085	41,934

The financial statements on pages 23 to 41 were approved and authorised for issue by the Trustees on 30<sup>th</sup> 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**

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Statement of cash flows</b>		
<b>Cash flows from operating activities:</b>		
<i>Net cash provided by (used in) operating activities</i>	<b>2,785</b>	<b>1,338</b>
<b>Cash flows from investing activities:</b>		
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)
<i>Net cash (used in)/ provided by investing activities</i>	<b>(327)</b>	<b>(1,357)</b>
<b>Cash flows from financing activities:</b>		
repayments of borrowings	0	0
<i>Net cash provided by (used in) financing activities</i>	<b>0</b>	<b>0</b>
 <i>Change in cash and cash equivalents in the reporting period</i>	<b>2,458</b>	<b>(19)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>10,379</b>	<b>10,398</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>12,837</b>	<b>10,379</b>
 <b>Reconciliation of net income / (expenditure) to net cash flow from operating activities</b>		
	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Net income / (expenditure) for the reporting period (as per the statement of financial activities)</b>	<b>3,133</b>	<b>1,414</b>
<b>Adjustments for:</b>		
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)
<b>Net cash provided by (used in) operating activities</b>	<b>2,785</b>	<b>1,338</b>
 <b>Analysis of cash and cash equivalents</b>		
	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Cash in hand	7,108	6,407
Notice deposits (less than 3 months)	5,729	3,972
<b>Total cash and cash equivalents</b>	<b>12,837</b>	<b>10,379</b>

# 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 17<sup>th</sup> December 1997 (company number 3322023) and registered as a charity on 10<sup>th</sup> 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 1<sup>st</sup> 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 31<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> 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.

<b>2 Donations &amp; legacies</b>	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.

<b>3 Investment income</b>	2024	2023
	£'000	£'000
Bank and investment funds interest and dividends receivable	773	795
<b>4 Expenditure on raising funds</b>	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>

<b>5 Expenditure on charitable activities</b>	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 £'000	2023 £'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

Staff costs, including directors' remuneration, were as follows:	2024 £'000	2023 £'000
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>

The number of staff employed by the charity during the year was as follows:	2024 number	2023 number
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
<b>Cost</b>				
At 1st April 2023	0	5,950	5,950	5,565
Additions	0	568	568	568
Disposals / write offs	0	0	0	0
<b>At 31 March 2024</b>	<b>0</b>	<b>6,518</b>	<b>6,518</b>	<b>6,133</b>
<b>Depreciation</b>				
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
<b>At 31 March 2024</b>	<b>0</b>	<b>5,271</b>	<b>5,271</b>	<b>4,886</b>
<b>Net book value</b>				
<b>At 31 March 2024</b>	<b>0</b>	<b>1,247</b>	<b>1,247</b>	<b>1,247</b>
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
<b>Cost</b>				
At 1st April 2023	3,700	1,131	4,831	4,703
Additions	0	6	6	0
Disposals / write offs	0	0	0	0
<b>At 31 March 2024</b>	<b>3,700</b>	<b>1,137</b>	<b>4,837</b>	<b>4,703</b>
<b>Depreciation</b>				
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
<b>At 31 March 2024</b>	<b>484</b>	<b>1,022</b>	<b>1,506</b>	<b>1,381</b>
<b>Net book value</b>				
<b>At 31 March 2024</b>	<b>3,216</b>	<b>115</b>	<b>3,331</b>	<b>3,322</b>
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
<b>Cost</b>		
At 1 April 2023	0	145
Additions	0	0
At 31 March 2024	0	145
<b>Net book value</b>		
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
<b>Income:</b>						
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
<b>Total income</b>	31,326	4,177	1,127	106	735	633
<b>Expenditure:</b>						
Expenditure on charitable activities	14,363	4,315	1,068	99	640	531
Foreign exchange (gain) / loss	242	47	25	3	(8)	76
<b>Total Expenditure</b>	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	<b>131</b>	<b>179</b>	<b>(38)</b>	<b>19</b>	<b>(14)</b>	<b>46</b>
<b>Fixed Assets &amp; Intangible Fixed Assets</b>						
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
<b>Total current assets</b>	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
<b>Total assets less total liabilities</b>	<b>131</b>	<b>179</b>	<b>(38)</b>	<b>19</b>	<b>165</b>	<b>46</b>
<b>Represented by:</b>						
Share Capital	145	0	0	0	179	0
Unrestricted funds	(14)	179	(38)	19	(14)	46
Restricted funds	0	0	0	0	0	0
	<b>131</b>	<b>179</b>	<b>(38)</b>	<b>19</b>	<b>165</b>	<b>46</b>

## 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)	538
	2,101	(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	Group	Charity	Charity
	2024	2023	2024	2023
	£'000	£'000	£'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	Group	Charity	Charity
	2024	2023	2024	2023
	£'000	£'000	£'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	<u>0</u>	<u>0</u>
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 there 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 Assessmnt 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 Gaurantee, 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
<b>Total Restricted</b>		<b>2,511</b>	<b>451</b>	<b>(473)</b>	<b>0</b>	<b>36</b>	<b>2,525</b>
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
<b>Total Group Funds</b>		<b>42,130</b>	<b>33,080</b>	<b>(31,366)</b>	<b>1,419</b>	<b>0</b>	<b>45,263</b>

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 Assessmnt 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
<b>Total Restricted</b>		<b>4,956</b>	<b>423</b>	<b>(2,957)</b>	<b>0</b>	<b>36</b>	<b>2,458</b>
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
<b>Total Group Funds</b>		<b>41,934</b>	<b>26,639</b>	<b>(25,051)</b>	<b>1,563</b>	<b>0</b>	<b>45,085</b>

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
Expiry Date	£'000	£'000	£'000	£'000
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
Expiry Date	£'000	£'000	£'000	£'000
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 1st April 2022 £'000	Income £'000	Expenditure £'000	Gains and losses £'000	Transfers £'000	Balance 31st March 2023 £'000
	Note						
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 Guarantee, 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
<b>Total Restricted</b>		<b>2,379</b>	<b>1,861</b>	<b>(2,032)</b>	<b>0</b>	<b>303</b>	<b>2,511</b>
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
<b>Total Group Funds</b>		<b>40,716</b>	<b>32,734</b>	<b>(30,569)</b>	<b>(751)</b>	<b>0</b>	<b>42,130</b>

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

		Balance					Balance
		1st April 2022	Income	Expenditure	Gains and losses	Transfers	31st March 2023
	Note	£'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 & 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
<b>Total Restricted</b>		<b>4,705</b>	<b>1,771</b>	<b>(1,809)</b>	<b>0</b>	<b>289</b>	<b>4,956</b>
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
<b>Total Group Funds</b>		<b>40,596</b>	<b>26,901</b>	<b>(24,790)</b>	<b>(773)</b>	<b>0</b>	<b>41,934</b>

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.