

EPHESEA UK

England & Wales · Charity number 1130203

Details

Other names	THE FOREST STEWARDSHIP COUNCIL UK WORKING GROUP, FSC UK
Status	Registered
Legal form	Charitable company
Company number	06792524
Registered	2009-06-17
Register	View on the Charity Commission register

Contact

Address	F S C UK The Billiard Room Town Hall Great Oak Street Llanidloes Powys
Phone	01686413916
Email	info@fsc-uk.org
Website	uk.fsc.org

Activities

Objects: THE CHARITY'S OBJECTS (THE OBJECTS) ARE TO PROMOTE FOR THE BENEFIT OF THE PUBLIC THE PROTECTION AND CONSERVATION OF THE WORLD'S FORESTS. IN PARTICULAR, BUT NOT EXCLUSIVELY, BY: (1) RAISING AWARENESS OF THE VALUE OF RESPONSIBLY MANAGED FORESTS (2) PROMOTING AND SUPPORTING A PROGRAMME OF VOLUNTARY FOREST MANAGEMENT CERTIFICATION AND CHAIN OF CUSTODY CERTIFICATION (3) DEVELOPING CONSENSUS AROUND STANDARDS FOR GOOD FOREST MANAGEMENT; (4) INCREASING PUBLIC AWARENESS ABOUT INDEPENDENT FOREST CERTIFICATION

Activities: The charity works to promote the FSC system in the UK by:- raising awareness of the value of responsibly managed forests- supporting certificate holders and retailers to maximize the market for FSC products and, thus, increase the demand for certified forests- encouraging maximum participation from the UK in FSC's Global Objectives- protecting the integrity of the FSC logo

Classification

- **How:** Provides Advocacy/advice/information
- **What:** Environment/conservation/heritage
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE NATIONAL
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£674,878	£689,643	£1,085,144	11
2024-03-31	£617,627	£551,666	£1,105,626	11
2023-03-31	£556,747	£480,907	£1,019,480	12
2022-03-31	£447,815	£401,321	-	-
2021-03-31	£456,750	£374,795	-	-

Trustees

Name	Role	Appointed
Constance McDermott		2016-01-20
Dr Hubertus Jacobus van Hensbergen		2021-02-19
Dr Owen Davies		2024-03-27
HUBERT KWISTHOUT		
Ian Baker		2025-04-24
Jon Kirkpatrick		2015-04-15
Julia Griffin		2025-04-24
MIKE BEKIN		2014-05-12
Margaret FitzHerbert		2024-10-03
Maura Catherine Poole		2021-12-10
Steve Jennings		2020-01-24

Accounts

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

Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31 March 2025
for
Ephesea UK

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

Ephesea UK

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for the Year Ended 31 March 2025**

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**Report of the Trustees
for the Year Ended 31 March 2025**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2025. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

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

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

Strategic Priorities

The FSC UK 2024-2027 Strategic Plan builds on our previous three-year plans and is developed in the context of FSC's global vision and mission and our own charitable objectives.

- Promote the value of forests and the products, ecosystem services and social benefits they provide
- Encourage stakeholder engagement and support FSC globally to ensure that the FSC system is fit for purpose, accessible, relevant and trusted
- Improve forest management in the UK for all sizes and types of forest
- Provide support and guidance to UK-based licence holders and enable them to realise the full potential of their FSC licence
- Promote the FSC system, FSC certification and the specification of FSC-certified products

These strategic priorities are underpinned by our work to:

- Ensure that FSC UK pursues its objectives as a registered charity, meets its legal and charitable obligations and operates as a professional organisation that values its people.

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

**Report of the Trustees
for the Year Ended 31 March 2025**

OBJECTIVES AND ACTIVITIES

Public benefit

Deforestation and forest degradation continue to be global issues, impacting climate change and biodiversity loss. Deforestation destroys essential ecosystem services, leading to the loss of livelihood opportunities.

FSC is a global, not-for-profit organisation dedicated to the promotion of responsible forest management worldwide. The FSC system enables businesses and consumers to make informed choices about the forest products they buy and to create positive change by engaging the power of market dynamics.

Global Vision: The true value of forests is recognised and fully incorporated into society worldwide. FSC is the leading catalyst and defining force for improved forest management and market transformation, shifting the global forest trend toward sustainable use, conservation, restoration, and respect for all.

Global Mission: FSC will promote environmentally appropriate, socially beneficial, and economically viable management of the world's forests.

FSC UK works to develop and maintain a voluntary, auditable forest management standard for the UK, which complies with the FSC Principles and Criteria for responsible forest management. FSC forest management certification requires that forest management is not just environmentally appropriate but also socially beneficial and therefore protects the rights of those who live, work and play in the forest.

FSC UK also works to stimulate demand for FSC-certified products, empowering both businesses and consumers to easily identify and source forest products from FSC-certified forests, verified reclaimed sources and/or other controlled sources. Half of people in the UK surveyed in 2023 (FSC UK Consumer Survey via Kantar) were of the belief that all wood-based products available in the UK should be made from sustainable sources and a further quarter thought at least some should meet this standard. 60% thought that consumers have a responsibility to ensure that the products they buy, and the packaging they use, are responsibly sourced, but 71% held businesses responsible for the sustainability of their products and packaging. Credible certification supports compliance with national and international timber and forest-products, and green claims, legislations.

The trustees have had regard to the Charity Commission's guidance on public benefit when exercising any powers or duties to which the guidance is relevant.

**Report of the Trustees
for the Year Ended 31 March 2025**

ACHIEVEMENTS AND PERFORMANCE

Charitable activities

Priority: Promote the value of forests and the products, ecosystem services and social benefits they provide.

Forests play a vital role in enabling and maintaining life and help to mitigate global challenges of climate change and biodiversity loss. At the same time, forest products are increasingly important as renewable materials that can be a main factor in enabling the bio-based and circular economy which the world needs to develop. Responsible forestry does more than protect the health and resilience of forests - it also protects the wellbeing of the people who live and work in them. These people include community and family forest managers, Indigenous Peoples living on their ancestral lands, and workers whose livelihoods depend on forest products.

FSC's vision is that the true value of forests is recognised and fully incorporated into society worldwide. Forest management certification and ecosystem services verification provide tools to deliver this. We should continue to promote FSC certification and demonstrate the positive impacts on our forests whilst also working with others to develop additional tools and solutions.

Interest and enquiries regarding Ecosystem Services schemes are continuing to grow and we continue to support those wishing to verify Ecosystem Services. A short film and accompanying case study, about the first ecosystem services verification in the UK has been promoted on our website, and a brochure created for potential sponsors.

We continue to work with Llais y Goedwig to develop their programme for a group scheme of small and community woodlands across the UK which they hope will, in time, be covered by Verified Impact.

Priority: Encourage stakeholder engagement and support FSC globally to ensure that the FSC system is fit for purpose, accessible, relevant and trusted.

The Global Strategy recognises the FSC's core strength is to co-create solutions. FSC convenes members and other partners from diverse interests to set a global benchmark for forest stewardship and deliver results that matter for the forests and the people who depend on them. FSC UK can play an important role in encouraging UK stakeholder engagement.

FSC is widely recognised as a credible forest certification scheme and maintaining this credibility is fundamental to the scheme's success. As a long-established National Office, FSC UK is well placed to support FSC as it works to deliver a trusted, accessible, fit for purpose system, providing input on the potential implications of proposed activities and encouraging stakeholders to engage as appropriate as well as working to maintain FSC's integrity and credibility in the UK.

In October, the Annual Members' Meeting took place in Kennington, London. FSC UK's Impact Investment Fund was launched at the event, with the aim of identifying and funding UK based projects that support FSC UK's charitable objectives. The meeting concluded with a panel discussion on the challenges and opportunities for greater uptake of certified timber in construction.

Priority: Improve forest management in the UK for all sizes and types of forest.

It is a fundamental requirement, in terms of both FSC UK's charitable objectives and our role as an accredited National Office, that we have an approved national forest stewardship standard. We need to identify mechanisms to reduce the financial and administrative burden on smallholders whilst ensuring that FSC's high forestry standards are maintained. We also have a wider role to play in promoting better forest stewardship in all forests.

Following feedback from FSC International the members of the UK Woodland Assurance (UKWAS) Working Group worked to achieve consensus on a revised pre-approval draft of UKWAS 5 for re-submission to FSC International.

**Report of the Trustees
for the Year Ended 31 March 2025**

Our Forest Standards Manager met with two group scheme managers and a Forest Management Certificate Holder as well as responding to queries and supporting numerous other Certificate Holders.

FSC UK funded the Small Woods Association for the provision of advice to woodland owners. They delivered an advisory service, consistent with the requirements of the UK Woodland Assurance Standard, to small woodland owners in Scotland and Wales.

We continue to support the Royal Forestry Society (RFS) Excellence in Forestry Awards, sponsoring the award for Small and Farm Woodlands. In January, FSC UK's Forests & Ecosystem Services Manager visited last year's winner, Hole Farm in Norfolk to discover more about the farm's approach to incorporating sustainable woodland into the farm estate and the benefits to the land, the farm business and the owners.

Priority: Provide support and guidance to UK-based licence holders and enable them to realise the full potential of their FSC licence.

It is essential that the relationship we have with our licence holders is proactively managed and that we support those companies committed to the FSC system. As well as providing updates and guidance on the FSC system, we also want to encourage licence holders to make the most of their FSC status and promote their FSC-certified products. Alongside this, it is important that we address unauthorised use of our trademarks which potentially undermines both our credibility and the market advantage that our licence holders should benefit from.

Certificate Holder retention for the period remains high at 93%.

During the reporting period, 10 new FSC promotional licence agreements were issued, and the number of promotional licences managed by FSC UK remained stable at 126. The work to support our promotional licence holders to use our trademarks can significantly increase our reach and help to embed FSC commitments within the companies themselves. Specification of FSC-certified and labelled products is also a driver for FSC certification through retailer supply chains.

Online training for Certificate Holders and Promotional Licence Holders continues to be popular, with 826 registrants during the year. In early 2025 we released an updated online chain of custody training module and feedback from users has been positive.

Enquiries via phone and info@fsc-uk.org are logged to monitor enquiry topics and volumes. Our most significant area of enquiries relate to FSC chain of custody certification and compliance/ requirements. These included enquiries about gaining certification as well as queries from existing certificate holders. The next most notable area of interest was surrounding use of the FSC trademarks as well as those interested in becoming FSC promotional licence holders.

FSC UK's Trademark Enforcement Officer resolved/closed 337 trademark violation cases.

Priority: Promote the FSC system, FSC certification and the specification of FSC-certified products.

As a strong market country, the UK can have a significant impact on uptake on FSC certification of forests globally by driving demand for certification and certified products throughout the supply chain. Raising public awareness of FSC and, in turn, driving consumer demand is one aspect of this, but FSC UK recognises that this can be best achieved in conjunction with businesses and NGOs. In many cases, it is the procurement policies of retailers and other businesses and organisations that creates the demand rather than the consumer and emphasis will be placed on this work.

**Report of the Trustees
for the Year Ended 31 March 2025**

Our Forest Matters newsletter included case studies from Sainsbury's, Gripsure, Abodo, BCL Timber Projects, Dancing Leopard, Notpla, Furniturebox, Travis Perkins, Whitehall Printing, Natural Resources Wales, Talking Tables, Limelight Beds, Whistlefish, Blueline and Canary Wharf. A forest-friendly festive gift guide was also promoted in Forest Matters.

An omnibus survey of UK consumers was commissioned and carried out in March. Key results include logo recognition/awareness of 76%, with 24% of respondents stating that they also knew what the logo means. FSC purchase preference is 78%. Preference for FSC-certified products is highest amongst millennials at 83%. 8 in 10 believe trustworthy certification is important to help people choose more sustainable products.

FSC Forest Week took place between 21-27 September. 190 certificate and promotional licence holders registered to take part in the UK, an increase of more than 20% compared to 2023. We worked with six Instagram Influencers to help promote FSC Forest Week in the UK.

Our Executive Director presented to Pirelli employees at their convention in Manchester, highlighting the impact of their use of FSC-certified natural rubber and rayon in their tyres.

Our Communication Manager presented at the REA Wood Heat Conference in Nottingham and to British Promotional Merchandise Association (BPMA) members online. Our Forest Standards Manager gave a presentation on FSC Certification and UKWAS to Harper Adams Forestry and Countryside Management Students.

We continue to work with companies on a one-to-one basis on their specification/procurement policies and implementation of these.

**Report of the Trustees
for the Year Ended 31 March 2025**

FINANCIAL REVIEW

Income

Over the 2024-25 financial year, expenditure exceeded income by £20,482. We started the year with an opening balance from the previous period of £1,105,626 and ended with a carry-forward of £1,085,144.

Trademark licensing revenue continued to increase, providing £143,300 of income during the reporting period. Membership income accounted for a further £35,981, a slight decrease from the previous year.

Most of the income is received under the Principal Cooperation, Service and Licence Agreement (the Activity Compensation Fee now known as the Resource Allocation and Investment for the Network model [ACF/RAIN]) with FSC Global Development. Strategic funding is also allocated for specific projects. Some of these projects are managed by other FSC National Offices and the funding is received and administered by them. The income received indirectly from FSC Global Development through this strategic funding is included within the total ACF/RAIN figure.

Expenditure

Expenditure was higher this year compared with last year (£689,643 compared with £551,666) primarily due to the increased size of the staff team as we seek to meet the growing demands on the organisation. The Board of Trustees recognises that it should be investing the resources of the charity to meet the charitable objectives. An Impact Investment Fund was launched in 2024 to support projects that help deliver FSC's mission and £94,966 has been allocated to such projects.

Investments

£400,001 was transferred to Rathbones Investment Management in December 2022. The value of the holdings at 31st March 2025 is £429,357 (2024: £427,275) and the balance, held in cash, amounted to £2,884 (2024: £1,024). Dividend and interest income for the period was £11,731.

Investment policy and objectives

The financial objective of the investments is to produce some financial return, within an acceptable level of risk and in line with the agreed ethical policy, to help deliver the objectives of the charity.

The trustees of Ephesea UK have accepted a low to medium degree of risk for their investment portfolio and will ensure that their ability to meet future planned expenditure is not compromised by over-investment. The responsibility for the day-to-day management of the charity's investment assets lies with Rathbones Greenbank who have discretionary management powers with effect from 18 December 2022 under the investment policy agreement which was established by the charity on 15 June 2022.

A sub-committee of the Board of Trustees has been established to advise the wider Board on investments. Decisions on investments are undertaken by the Board based on input from the sub-committee.

Reserves Policy

The Board considers the charity's requirements for reserves in light of the main risks to the organisation. A policy has been established whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be equivalent to 6-months' of expenditure.

**Report of the Trustees
for the Year Ended 31 March 2025**

The reserves are needed to meet the working capital requirements of the charity and, in the worse-case scenario, to cover the cost of closing the charity. The Board is confident that the charity would be able to continue at worthwhile activity levels in the event of a temporary significant drop in funding and that the estimated cost of closing the charity does not exceed 50% of the reserves.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Ephesea UK, incorporated in England & Wales on 15 January 2009, is a private company limited by guarantee (as defined by the Companies Act 2006), which is also an association of members registered as an incorporated charity (for simplicity, this report refers henceforth to the company as 'the charity'). The charity is governed under Memorandum and Articles of Association that sets out its objects and powers. These were updated at the 2017 Annual Members' Meeting in agreement with the membership.

Membership of the charity is open to individuals and organisations who are:

- Members of the Forest Stewardship Council AC;
- Ordinarily based or resident in the UK.

Recruitment and appointment of new trustees

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

Trustees are either proposed or volunteer. They may sit on the board until the next annual members' meeting, when they have to seek election from the membership. A trustee pack, outlining trustee responsibilities, is given to all new trustees. Once elected, a trustee may sit on the board for a term of 3 years (from the date of joining the board) before seeking re-election. There is no limit to the number of terms for which a trustee may seek re-election. Re-elected trustees serve a term of 3 years from the date of re-election.

Trustees may elect from amongst themselves a chair, a vice chair and a treasurer.

Decision Making and Reporting

The board of trustees met five times during the year. Board meetings are attended by the Executive Director and, by invitation, members of staff. Between meetings, the Executive Director provides trustees with an Interim Report by email. Conference calls between some or all of the trustees may be arranged at any time. Finally, working groups of a small number of trustees can be put together to address particular issues.

Day to day management of the charity falls to the Executive Director, supported by the permanent staff. The Executive Director is responsible for ensuring that the charity delivers a range of services that meet its Objects and Strategic Priorities.

Wider network

The charity (under the title of FSC United Kingdom) is an accredited National Office of the wider, international FSC network. The charity receives an annual Activity Compensation Fee (ACF) from FSC Global Development GmbH. In 2025, the ACF was replaced by the Resource Allocation and Investment for the Network (RAIN) model. The ACF/RAIN is paid to FSC National Offices that have agreed and signed a valid Principle Cooperation, Service and License Agreement with FSC Global Development. In the reporting period over 69% of income was generated via the ACF/RAIN.

The charity participates in FSC's European and Global networks and supports the Global Strategy. FSC International developed its global plan for 2020-2026. The FSC UK strategic plan has been developed in the context of FSC's global vision and mission and our own charitable objectives.

**Report of the Trustees
for the Year Ended 31 March 2025**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related parties

The charity has contractual relationships and/or memoranda of understanding with some organisations to facilitate cooperation in the pursuit of its charitable objectives and guard against misunderstandings over areas of common interest.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

06792524 (England and Wales)

Registered Charity number

1130203

Registered office

The Billiard Room
Town Hall
Great Oak Street
Llanidloes
Powys
SY18 6BN

Trustees

J B Kirkpatrick (Chair)
M Bekin (Vice-Chair)
M C Poole (Treasurer)
S Jennings
H Kwisthout
C McDermott
H van Hensbergen
O Davies
M FitzHerbert (appointed 3.10.24)
I Baker (appointed 24.4.25)
J Griffin (appointed 24.4.25)

Independent Examiner

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

Bankers

Co-Operative Bank plc
PO Box 101
1 Balloon Street
Manchester
M60 4EP

**Report of the Trustees
for the Year Ended 31 March 2025**

REFERENCE AND ADMINISTRATIVE DETAILS

Management Team

Rosie Teasdale (Executive Director)
Beth Bennett (Business Development Manager)
Tallulah Chapman (Communications Manager)
Rachel Hembery (Operations Manager)
Andrew Sharkey (Forest Standards Manager)
Karen Paterson (Forests & Ecosystem Services Manager)

Charity Name

The charity is also known as Forest Stewardship Council® (FSC®) United Kingdom (UK) and permutations thereof.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 14 August 2025 and signed on its behalf by:

M C Poole - Trustee

Independent examiner's report to the trustees of Ephesea UK ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2025.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under Section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under Section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by Section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of Section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Thomas Landers BA FCA

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

14 August 2025

Ephesea UK

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 March 2025

		Unrestricted funds £	Restricted funds £	31.3.25 Total funds £	31.3.24 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations	2	140	-	140	60
Charitable activities	5				
Forestry		-	-	-	636
ACF/RAIN		469,256	-	469,256	439,907
Membership		35,981	-	35,981	37,614
Other trading activities	3	144,825	-	144,825	123,169
Investment income	4	24,676	-	24,676	16,241
Total		<u>674,878</u>	<u>-</u>	<u>674,878</u>	<u>617,627</u>
EXPENDITURE ON					
Charitable activities	6				
Forestry		94,074	-	94,074	85,528
Licence holder support		245,182	-	245,182	211,539
Stakeholder Engagement		74,169	-	74,169	63,336
Promoting FSC		138,320	-	138,320	145,859
Value of Forests		42,902	-	42,902	45,404
Impact Investment Fund		94,996	-	94,996	-
Total		<u>689,643</u>	<u>-</u>	<u>689,643</u>	<u>551,666</u>
Net gains/(losses) on investments		<u>(5,717)</u>	<u>-</u>	<u>(5,717)</u>	<u>20,185</u>
NET INCOME/(EXPENDITURE)		<u>(20,482)</u>	<u>-</u>	<u>(20,482)</u>	<u>86,146</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		1,105,626	-	1,105,626	1,019,480
TOTAL FUNDS CARRIED FORWARD		<u><u>1,085,144</u></u>	<u><u>-</u></u>	<u><u>1,085,144</u></u>	<u><u>1,105,626</u></u>

The notes form part of these financial statements

Balance Sheet
31 March 2025

	Notes	31.3.25 £	31.3.24 £
FIXED ASSETS			
Tangible assets	14	4,630	6,894
Investments	15	429,357	427,275
		<u>433,987</u>	<u>434,169</u>
CURRENT ASSETS			
Debtors	16	173,754	194,658
Cash at bank and in hand		717,578	638,918
		<u>891,332</u>	<u>833,576</u>
CREDITORS			
Amounts falling due within one year	17	(240,175)	(162,119)
NET CURRENT ASSETS		<u>651,157</u>	<u>671,457</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,085,144</u>	<u>1,105,626</u>
NET ASSETS		<u>1,085,144</u>	<u>1,105,626</u>
FUNDS	20		
Unrestricted funds		<u>1,085,144</u>	<u>1,105,626</u>
TOTAL FUNDS		<u>1,085,144</u>	<u>1,105,626</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2025.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2025 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

Balance Sheet - continued
31 March 2025

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

The financial statements were approved by the Board of Trustees and authorised for issue on 14 August 2025 and were signed on its behalf by:

M C Poole - Trustee

Ephesea UK

**Cash Flow Statement
for the Year Ended 31 March 2025**

	Notes	31.3.25 £	31.3.24 £
Cash flows from operating activities			
Cash generated from operations	1	62,298	38,640
Net cash provided by operating activities		62,298	38,640
Cash flows from investing activities			
Purchase of tangible fixed assets		(515)	(5,387)
Purchase of fixed asset investments		(7,799)	(508,145)
Sale of fixed asset investments		-	300,561
Interest received		24,676	16,241
Net cash provided by/(used in) investing activities		16,362	(196,730)
Change in cash and cash equivalents in the reporting period			
		78,660	(158,090)
Cash and cash equivalents at the beginning of the reporting period			
		638,918	797,008
Cash and cash equivalents at the end of the reporting period			
		717,578	638,918

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 March 2025

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.25 £	31.3.24 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(20,482)	86,146
Adjustments for:		
Depreciation charges	2,779	3,707
Losses/(gain) on investments	5,717	(20,185)
Interest received	(24,676)	(16,241)
Decrease/(increase) in debtors	20,904	(30,470)
Increase in creditors	78,056	15,683
Net cash provided by operations	<u>62,298</u>	<u>38,640</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.24 £	Cash flow £	At 31.3.25 £
Net cash			
Cash at bank and in hand	<u>638,918</u>	<u>78,660</u>	<u>717,578</u>
	<u>638,918</u>	<u>78,660</u>	<u>717,578</u>
Total	<u>638,918</u>	<u>78,660</u>	<u>717,578</u>

**Notes to the Financial Statements
for the Year Ended 31 March 2025**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Governance costs

Governance costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Allocation and apportionment of costs

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 50% on cost and 15% on reducing balance
Computer equipment	- 33% on cost

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2025

1. ACCOUNTING POLICIES - continued**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Operating leases

Costs in respect of operating leases are charged to the statement of financial activities on a straight line basis over the term of the lease.

2. DONATIONS

	31.3.25	31.3.24
	£	£
Donations	140	60
	<u>140</u>	<u>60</u>

3. OTHER TRADING ACTIVITIES

	31.3.25	31.3.24
	£	£
Trademark Licensing	143,300	121,764
Training	1,525	1,405
	<u>144,825</u>	<u>123,169</u>

4. INVESTMENT INCOME

	31.3.25	31.3.24
	£	£
Deposit account interest	12,974	9,657
Investment income	11,702	6,584
	<u>24,676</u>	<u>16,241</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2025**

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.3.25 £	31.3.24 £
Consultancy	Forestry	-	636
ACF / RAIN	ACF/RAIN	469,256	439,907
FSC Membership	Membership	35,981	37,614
		<u>505,237</u>	<u>478,157</u>

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

The Activity Compensation Fee income includes fees paid for work undertaken by FSC UK on collaborative projects funded by FSC International under the Activity Compensation Fee model.

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 7) £	Grant funding of activities (see note 8) £	Support costs (see note 9) £	Totals £
Forestry	78,332	-	15,742	94,074
Licence holder support	192,680	-	52,502	245,182
Stakeholder Engagement	59,882	-	14,287	74,169
Promoting FSC	111,635	-	26,685	138,320
Value of Forests	34,822	-	8,080	42,902
Impact Investment Fund	-	94,996	-	94,996
	<u>477,351</u>	<u>94,996</u>	<u>117,296</u>	<u>689,643</u>

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.3.25 £	31.3.24 £
Staff costs	402,747	366,885
Telephone	827	763
Postage and stationery	2,263	1,950
Travel & subsistence	13,259	14,568
Publications & subscriptions	10,354	8,213
Recruitment & training	5,021	4,298
UKWAS subscription	6,386	5,942
Publicity	5,644	15,758
Consultancy fees	4,970	6,700
Sundries	253	297
Bad debts	-	3,790
FSC Membership Admin Fee	5,960	5,358
Sponsorship	2,400	1,700
	<u>460,084</u>	<u>436,222</u>
Carried forward		

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2025**

7. DIRECT COSTS OF CHARITABLE ACTIVITIES - continued

	31.3.25	31.3.24
	£	£
Brought forward	460,084	436,222
Printing	3,417	4,718
Small Woods project	13,850	4,500
	<u>477,351</u>	<u>445,440</u>

8. GRANTS PAYABLE

	31.3.25	31.3.24
	£	£
Impact Investment Fund	<u>94,996</u>	<u>-</u>

Grants awarded to institutions during the year were as follows:

	31.3.25	31.3.24
	£	£
Centre for Advanced Timber Technology	30,000	-
Llais y Goedwig	40,000	-
Zoological Society of London	24,996	-
	<u>94,996</u>	<u>-</u>

9. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Forestry	14,251	1,491	15,742
Licence holder support	47,531	4,971	52,502
Stakeholder Engagement	12,934	1,353	14,287
Promoting FSC	24,158	2,527	26,685
Value of Forests	7,316	764	8,080
	<u>106,190</u>	<u>11,106</u>	<u>117,296</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2025**

9. SUPPORT COSTS - continued

Activity	Basis of allocation
Management	Salary costs
Governance costs	Salary costs

10. NET INCOME/(EXPENDITURE)

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

	31.3.25	31.3.24
	£	£
Auditors' remuneration	-	4,086
Depreciation - owned assets	2,779	3,707
Independent Examination fee	2,400	-
	<u> </u>	<u> </u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2025 nor for the year ended 31 March 2024.

Trustees' expenses

Travel expenses totalling £3,428 (2024 - £1,562) were paid to 7 (2024 - 5) trustees in the year to 31 March 2025.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2025**

12. STAFF COSTS

	Year Ended 31.3.25	Year Ended 31.3.24
	£	£
Wages and salaries	399,987	361,967
Social security costs	35,495	29,502
Pensions	23,987	21,682
	459,469	413,151

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

Licence holder support	4.3	4.4
UK forest standards	1.0	0.9
Stakeholder engagement	1.0	0.8
Core	1.8	1.2
Value of Forests	1.0	0.6
Promoting the system	2.2	2.4
	11.3	10.3

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the period was one (2024 one).

The charity considers its key management personnel comprise the management team listed on page 8. The total employment benefits including employer pension contributions of the key management personnel for the year ended 31 March 2025 were £259,833 (2024 £236,276).

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

There were no restricted funds during the year to 31 March 2025.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2025**

14. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2024	15,734	35,340	51,074
Additions	-	515	515
	<u>15,734</u>	<u>35,855</u>	<u>51,589</u>
At 31 March 2025	15,734	35,855	51,589
DEPRECIATION			
At 1 April 2024	12,721	31,459	44,180
Charge for year	445	2,334	2,779
	<u>13,166</u>	<u>33,793</u>	<u>46,959</u>
At 31 March 2025	13,166	33,793	46,959
NET BOOK VALUE			
At 31 March 2025	<u>2,568</u>	<u>2,062</u>	<u>4,630</u>
At 31 March 2024	<u>3,013</u>	<u>3,881</u>	<u>6,894</u>

15. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 April 2024	427,275
Additions	7,799
Revaluations	(5,717)
	<u>429,357</u>
At 31 March 2025	429,357
NET BOOK VALUE	
At 31 March 2025	<u>429,357</u>
At 31 March 2024	<u>427,275</u>

There were no investment assets outside the UK.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2025**

15. FIXED ASSET INVESTMENTS - continued

Cost or valuation at 31 March 2025 is represented by:

	Listed investments £
Valuation in 2023	(136)
Valuation in 2024	19,353
Valuation in 2025	(24,970)
Cost	435,110
	<u>429,357</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.25 £	31.3.24 £
Trade debtors	150,718	54,808
Prepayments and accrued income	23,036	139,850
	<u>173,754</u>	<u>194,658</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.25 £	31.3.24 £
Trade creditors	-	5,972
Social security and other taxes	13,295	21,947
Deferred income	96,041	99,908
Accrued expenses	130,839	34,292
	<u>240,175</u>	<u>162,119</u>

18. LEASING AGREEMENTS

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

	31.3.25 £	31.3.24 £
Within one year	9,650	9,650
	<u>9,650</u>	<u>9,650</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2025

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	31.3.25 Total funds £	31.3.24 Total funds £
Fixed assets	4,630	-	4,630	6,894
Investments	429,357	-	429,357	427,275
Current assets	891,332	-	891,332	833,576
Current liabilities	(240,175)	-	(240,175)	(162,119)
	<u>1,085,144</u>	<u>-</u>	<u>1,085,144</u>	<u>1,105,626</u>

20. MOVEMENT IN FUNDS

	At 1.4.24 £	Net movement in funds £	Transfers between funds £	At 31.3.25 £
Unrestricted funds				
General Fund	1,098,732	(17,703)	(515)	1,080,514
Capital Fund	6,894	(2,779)	515	4,630
	<u>1,105,626</u>	<u>(20,482)</u>	<u>-</u>	<u>1,085,144</u>
TOTAL FUNDS	<u>1,105,626</u>	<u>(20,482)</u>	<u>-</u>	<u>1,085,144</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General Fund	674,878	(686,864)	(5,717)	(17,703)
Capital Fund	-	(2,779)	-	(2,779)
	<u>674,878</u>	<u>(689,643)</u>	<u>(5,717)</u>	<u>(20,482)</u>
TOTAL FUNDS	<u>674,878</u>	<u>(689,643)</u>	<u>(5,717)</u>	<u>(20,482)</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2025

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

	At 1.4.23 £	Net movement in funds £	Transfers between funds £	At 31.3.24 £
Unrestricted funds				
General Fund	1,014,266	89,853	(5,387)	1,098,732
Capital Fund	5,214	(3,707)	5,387	6,894
	<u>1,019,480</u>	<u>86,146</u>	<u>-</u>	<u>1,105,626</u>
TOTAL FUNDS	<u>1,019,480</u>	<u>86,146</u>	<u>-</u>	<u>1,105,626</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General Fund	617,627	(547,959)	20,185	89,853
Capital Fund	-	(3,707)	-	(3,707)
	<u>617,627</u>	<u>(551,666)</u>	<u>20,185</u>	<u>86,146</u>
TOTAL FUNDS	<u>617,627</u>	<u>(551,666)</u>	<u>20,185</u>	<u>86,146</u>

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

	At 1.4.23 £	Net movement in funds £	Transfers between funds £	At 31.3.25 £
Unrestricted funds				
General Fund	1,014,266	72,150	(5,902)	1,080,514
Capital Fund	5,214	(6,486)	5,902	4,630
	<u>1,019,480</u>	<u>65,664</u>	<u>-</u>	<u>1,085,144</u>
TOTAL FUNDS	<u>1,019,480</u>	<u>65,664</u>	<u>-</u>	<u>1,085,144</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2025

20. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General Fund	1,292,505	(1,234,823)	14,468	72,150
Capital Fund	-	(6,486)	-	(6,486)
	<u>1,292,505</u>	<u>(1,241,309)</u>	<u>14,468</u>	<u>65,664</u>
TOTAL FUNDS	<u>1,292,505</u>	<u>(1,241,309)</u>	<u>14,468</u>	<u>65,664</u>

21. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2025.

Accounts

**Report of the Trustees and
Financial Statements for the Year Ended 31 March 2024
for
Ephesea UK**

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

Contents of the Financial Statements
for the Year Ended 31 March 2024

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**Report of the Trustees
for the Year Ended 31 March 2024**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2024. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

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

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

Strategic Priorities

In early 2021, revised strategic priorities were proposed for 2021-24 and adopted:

- Promote the value of forests and demonstrate the impact and benefits of FSC
- Support FSC globally and encourage stakeholder engagement to ensure that the FSC system is fit for purpose, accessible, relevant and trusted
- Improve standards for forest management in the UK for all sizes and types of forest
- Support UK based licence holders to maximise the demand for FSC products
- Promote the FSC system, FSC certification and the specification of FSC-certified products

These strategic priorities are underpinned by our work to:

- Ensure that FSC UK pursues its objectives as a registered charity, meets its legal and charitable obligations and operates as a professional organisation that values its people.

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

**Report of the Trustees
for the Year Ended 31 March 2024**

OBJECTIVES AND ACTIVITIES

Public benefit

Deforestation and forest degradation continue to be a global issue, impacting climate change, biodiversity loss and the spread of zoonotic disease. Deforestation destroys essential ecosystem services, leading to the loss of livelihood opportunities.

FSC is a global, not-for-profit organisation dedicated to the promotion of responsible forest management worldwide. The FSC system enables businesses and consumers to make informed choices about the forest products they buy and create positive change by engaging the power of market dynamics.

Global Vision: The true value of forests is recognised and fully incorporated into society worldwide. FSC is the leading catalyst and defining force for improved forest management and market transformation, shifting the global forest trend toward sustainable use, conservation, restoration, and respect for all.

Global Mission: FSC will promote environmentally appropriate, socially beneficial, and economically viable management of the world's forests.

FSC UK works to develop and maintain a voluntary, auditable forest management standard for the UK, which complies with the FSC Principles and Criteria for responsible forest management. FSC forest management certification requires that forest management is not just environmentally appropriate but also socially beneficial and therefore protects the rights of those who live, work and play in the forest.

FSC UK also works to stimulate demand for FSC-certified products, empowering both businesses and consumers to easily identify and source forest products from FSC-certified forests, verified reclaimed sources and/or other controlled sources. Half of people in the UK surveyed in 2023 (FSC UK Consumer Survey via Kantar) were of the belief that all wood-based products available in the UK should be made from sustainable sources and a further quarter thought at least some should meet this standard. 60% thought that consumers have a responsibility to ensure that the products they buy, and the packaging they use, are responsibly sourced, but 71% held businesses responsible for the sustainability of their products and packaging.

The trustees have had regard to the Charity Commission's guidance on public benefit when exercising any powers or duties to which the guidance is relevant.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Priority: Promote the value of forests and demonstrate the impact/benefits of FSC

Forests play a vital role in enabling and maintaining life and help to mitigate global challenges of climate change and biodiversity loss. At the same time, forest products are increasingly important as renewable materials that can be a main factor in enabling the bio-based and circular economy which the world needs to develop. Responsible forestry does more than protect the health and resilience of forests - it also protects the wellbeing of the people who live and work in them. These people include community and family forest managers, Indigenous Peoples living on their ancestral lands, and workers whose livelihoods depend on forest products.

FSC's vision is that the true value of forests is recognised and fully incorporated into society worldwide. Forest management certification and ecosystem services verification provide tools to deliver this. We should continue to promote FSC certification and demonstrate the positive impacts on our forests whilst also working with others to develop additional tools and solutions.

The certified area in the UK at the end of April 2024 is 1,629,247 ha. This is an annual fall of 26,283ha or 1.5%. However, some 24,834 ha (95%) of the decrease is accounted for by an FSC area correction within a single major certificate holder who remains certified. Therefore, the true annual decrease in area is just 0.1% and this falls within the normal fluctuations that can occur. There continues to be a steady increase in the number of certified members of group schemes with an increase from 1,110 to 1,123 over the year.

We are pleased to report that we have supported Ecosystem Services verification in two sites. These are a biodiversity and recreation-based scheme on the Isle of Mull with a community group and a carbon-based scheme for a small private woodland in Wales. Work continues to move forward the first sponsorship arrangement set up between a forest management certificate holder and chain of custody certificate holder for a scheme based around a large scale native woodland creation project's impact on water quality and flood flow risk with validation of impacts due to take place later this year. Interest and enquiries regarding Ecosystem Services schemes are continuing to grow. A short film and accompanying case study, about the first ecosystem services verification in the UK was created and launched through the FSC UK Forest Matters newsletter and social media channels.

FSC UK's Outreach Manager attended the British Ecological Society Trees for Climate Change, Biodiversity and People symposium where she presented a poster on FSC Ecosystem Services verification. Our Forest Standards Manager visited Harper Adams University to introduce the work of FSC to their final year forestry students.

Priority: Support FSC globally and encourage stakeholder engagement to ensure that the FSC system is fit for purpose, accessible, relevant and trusted

The Global Strategy calls for streamlined policies and standards while ensuring credibility. FSC is widely recognised as the most credible forest certification scheme and maintaining this credibility is fundamental to the scheme's success. As a long-established National Office, FSC UK is well placed to support FSC as it works to deliver a credible, fit for purpose system, providing input on the potential implications of proposed activities and encouraging stakeholders to engage as appropriate as well as working to maintain FSC's integrity and credibility in the UK.

FSC UK hosted a webinar on the EU Deforestation Free Regulation encouraging participation in the associated FSC consultations, the recording of which has had over 850 views. The Executive Director presented on FSC and EUDR to UK publishers at the BookChainProject Forest Sourcing Forum.

In September, the Annual Members' Meeting took place in Swinley Forest, near Bracknell. Organisations represented included the Born Free Foundation, BM Trada, Confor, Kingfisher, Soil Association Certification and Timber Development UK. FSC UK's Outreach Manager led Simon Webb of forest management group scheme, UKFCG, and Maria Wilding of FSC UK Member, Llais y Goedwig, in discussion regarding the latest UK developments in Ecosystem Services Verification.

**Report of the Trustees
for the Year Ended 31 March 2024**

Priority: Improve standards for forest management in the UK for all sizes and types of forest

It is a fundamental requirement, in terms of both FSC UK's charitable objectives and our role as an accredited National Office, that we have an approved national forest stewardship standard. We need to identify mechanisms to reduce the financial and administrative burden on smallholders whilst ensuring that FSC's high forestry standards are maintained. We also have a wider role to play in promoting better forest stewardship in all forests.

Following feedback from FSC International the members of the UK Woodland Assurance (UKWAS) Working Group worked to achieve consensus on a revised pre-approval draft of UKWAS 5 for re-submission to FSC International.

Our Forest Standards Manager met with two group scheme managers and a Forest Management Certificate Holder as well as responding to queries and supporting numerous other Certificate Holders.

FSC UK is funding the Small Woods Association for the provision of advice to woodland owners. They are delivering an advisory service, consistent with the requirements of the UK Woodland Assurance Standard, to small woodland owners in England and Wales.

We continue to support Royal Forestry Society (RFS) Excellence in Forestry Awards, in Durham, sponsoring the award for Small and Farm Woodlands.

We received 17 responses to our consultation on a vision for UK forests.

Priority: Support UK based licence holders to maximise the demand for FSC products

Supporting certificate holders and retailers to maximise the market for FSC products is stated as one of the means by which we meet our charitable objectives.

It is essential that the relationship we have with our licence holders is proactively managed and that we support those companies committed to the FSC system.

Certificate Holder retention for the period remains high at 92.6%.

During the reporting period, 16 new FSC promotional licence agreements were issued, and the number of promotional licences managed by FSC UK increased to 126. The roll out of the new pricing model for the Annual Service Fees associated with FSC promotional licences continue. The work to support our promotional licence holders to use our trademarks can significantly increase our reach and help to embed FSC commitments within the companies themselves. Specification of FSC-certified and labelled products is also a driver for FSC certification through retailer supply chains.

Online training for Certificate Holders and Promotional Licence Holders continues to be popular, with 563 registrants during the year.

Our monthly Forest Matters newsletter was sent to UK based licence holders and other subscribers and new 'Bad puns; Great forests' posters designs were made available to licence holders and printed versions included in welcome packs.

FSC UK's Trademark Enforcement Officer resolved/closed 361 trademark violation cases.

Priority: Promote the FSC system, FSC certification and the specification of FSC-certified products

As a strong market country, the UK can have a significant impact on uptake on FSC certification of forests globally by driving demand for certification and certified products throughout the supply chain. Raising public awareness of FSC and, in turn, driving consumer demand is one aspect of this, but FSC UK recognises that this can be best achieved in conjunction with businesses and NGOs. In many cases, it is the procurement policies of retailers and other businesses and organisations that creates the demand rather than the consumer and emphasis will be placed on this work.

**Report of the Trustees
for the Year Ended 31 March 2024**

Our Forest Matters newsletter included case studies from Kent Brushes, Lakeland Footwear, Interface NRM, Cheeky Panda, Step One, Flexi-Hex, Duni, Spear and Jackson, Daler Rowney, The Eco-Friendly Card Co, Progress Packaging, Tippaws, Stag Print and TJ Books. A social media competition with Westland Horticulture was also promoted in Forest Matters.

An omnibus survey of UK consumers was commissioned and carried out in March. Key results include logo recognition/awareness of 79% (up from 77% in 2023), with 29% of respondents (up from 25% in 2023) stating that they also knew what the logo means. Purchase preference also increased from 71% to 79%, with 38% (up from 30% in 2023) stating that they were very likely to choose an FSC-certified product over a non-FSC-certified product.

FSC Forest Week took place between 23rd and 29th September. 168 UK organisations registered for and were sent the Forest Week Toolkit, including 8 promotional licence holders and 4 non-licence holders (non-commercial, educational), the remainder were chain of custody certificate holders.

We launched an FSC Christmas card pledge campaign on social media to encourage followers to pledge to choose FSC-certified cards to spread forest friendly Christmas cheer.

Our Executive Director presented in the Bathroom Zone of the Installer Show, encouraging installers to specify FSC certified products and to Sainsbury's staff as part of their Continuous Professional Development sustainability day. Our Forest Standards Manager presented to the Highlands and Islands Women in Property group with a follow up supply of useful links to FSC certified products and support documents made.

We continue to work with companies on a one-to-one basis on their specification/procurement policies and implementation of these.

Ephesea UK
Report of the Trustees
for the Year Ended 31 March 2024

FINANCIAL REVIEW

Income

Over the 2023-24 financial year, income exceeded expenditure by £65,961, with a further £20,185 net gain on investments. We started the year with an opening balance from the previous period of £1,019,480 and ended with a carry-forward of £1,105,626.

Trademark licensing revenue continued to increase, providing £121,764 of income during the reporting period. Membership income accounted for a further £37,614, a slight decrease from the previous year.

Most of the income is received under the Principal Cooperation, Service and Licence Agreement - the Activity Compensation Fee (ACF) - with FSC Global Development. The ACF income has, to date, been based primarily on a formula linked to the Annual Administration Fee charged to certified companies in the UK. Strategic funding is also allocated for specific projects. Some of these projects are managed by other FSC National Offices and the funding is received and administered by them. The income received indirectly from FSC Global Development through this strategic funding is included within the total ACF figure. The ACF model will be changing in 2025, and this is likely to result in a reduced allocation for Ephesea UK.

Expenditure

Expenditure was higher this year compared with last year (£551,666 compared with £480,907) primarily due to the increased size of the staff team as we seek to meet the growing demands on the organisation. The Board of Trustees recognises that it should be investing the resources of the charity to meet the charitable objectives. An Impact Investment Fund will be launched in 2024 to support projects that help deliver FSC's mission and this is expected to lead to increased expenditure in the coming years.

Investments

£400,001 was transferred to Rathbones Investment Management in December 2022. Investments totalling £508,145 were purchased during the period to 31 March 2024. Of these, investments totalling £299,593 were sold showing a £968 profit. The remaining investments were revalued at £427,275, resulting in a £18,127 gain. The balance at 31 March, held in cash, amounted to £1,024. Interest and dividend income for the period totalled £7,044.

Investment policy and objectives

The financial objective of the investments is to produce some financial return, within an acceptable level of risk and in line with the agreed ethical policy, to help deliver the objectives of the charity.

The trustees of Ephesea UK have accepted a low to medium degree of risk for their investment portfolio and will ensure that their ability to meet future planned expenditure is not compromised by over-investment.

The responsibility for the day to day management of the charity's investment assets lies with the Rathbones Greenbank who have discretionary management powers with effect from 18 December 2022 under the investment policy agreement which was established by the charity on 15 June 2022.

A sub-committee of the Board of Trustees has been established to advise the wider Board on investments. Decisions on investments are undertaken by the Board based on input from the sub-committee.

Reserves Policy

The Board of Trustees considers the charity's requirements for reserves in light of the main risks to the organisation. A policy has been established whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be equivalent to 6 months' of expenditure.

**Report of the Trustees
for the Year Ended 31 March 2024**

The reserves are needed to meet the working capital requirements of the charity and, in the worse-case scenario, to cover the cost of closing the charity. The Trustees are confident that the charity would be able to continue at worthwhile activity levels in the event of a temporary significant drop in funding and that the estimated cost of closing the charity does not exceed 50% of the reserves.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Ephesea UK, incorporated in England & Wales on 15 January 2009, is a private company limited by guarantee (as defined by the Companies Act 2006), which is also an association of members registered as an incorporated charity (for simplicity, this report refers henceforth to the company as 'the charity'). The charity is governed under Memorandum and Articles of Association that sets out its objects and powers. These were updated at the 2017 Annual Members' Meeting in agreement with the membership.

Membership of the charity is open to individuals and organisations who are:

- Members of the Forest Stewardship Council AC;
- Ordinarily based or resident in the UK.

Recruitment and appointment of new trustees

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

Trustees are either proposed or volunteer. They may sit on the board until the next annual members' meeting, when they have to seek election from the membership. A trustee pack, outlining trustee responsibilities, is given to all new trustees. Once elected, a trustee may sit on the board for a term of 3 years (from the date of joining the board) before seeking re-election. There is no limit to the number of terms for which a trustee may seek re-election. Re-elected trustees serve a term of 3 years from the date of re-election.

Trustees may elect from amongst themselves a chair, a vice chair and a treasurer.

Decision Making and Reporting

The board of trustees met three times during the year. Board meetings are attended by the Executive Director and, by invitation, members of staff. Between meetings, the Executive Director provides trustees with an Interim Report by email. Conference calls between some or all of the trustees may be arranged at any time. Finally, working groups of a small number of trustees can be put together to address particular issues.

Day to day management of the charity falls to the Executive Director, supported by the permanent staff. The Executive Director is responsible for ensuring that the charity delivers a range of services that meet its Objects and Strategic Priorities.

Wider network

The charity (under the title of FSC United Kingdom) is an accredited National Office of the wider, international FSC network. The charity receives an annual Activity Compensation Fee (ACF) from FSC Global Development GmbH. The ACF is paid to FSC National Offices that have agreed and signed a valid Principle Cooperation, Service and License Agreement with FSC Global Development. In the reporting period over 74% of income was generated via the ACF.

The charity participates in FSC's European and Global networks and supports the Global Strategy. FSC International developed its global plan for 2020-2026. The FSC UK strategic plan has been developed in the context of FSC's global vision and mission and our own charitable objectives

Related parties

The charity has contractual relationships and/or memoranda of understanding with some organisations to facilitate cooperation in the pursuit of its charitable objectives and guard against misunderstandings over areas of common interest.

**Report of the Trustees
for the Year Ended 31 March 2024**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

06792524 (England and Wales)

Registered Charity number

1130203

Registered office

The Billiard Room
Town Hall
Great Oak Street
Llanidloes
Powys
SY18 6BN

Trustees

J B Kirkpatrick (Chair)
M Bekin (Vice-Chair)
M C Poole (Treasurer)
S Jennings
H Kwisthout
C McDermott
J G Tewson (resigned 27.3.24)
H van Hensbergen
Dr O Davies (appointed 27.3.24)

Auditors

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

Bankers

Co-Operative Bank plc
PO Box 101
1 Balloon Street
Manchester
M60 4EP

Management Team

Rosie Teasdale (Executive Director)
Beth Bennett (Business Development Manager)
Tallulah Chapman (Communications Manager)
Rachel Hembery (Operations Manager)
Andrew Sharkey (Forest Standards Manager)
Amy Willox (Outreach Manager - Forests & Ecosystem Services)

Charity Name

The charity is also known as Forest Stewardship Council® (FSC®) United Kingdom (UK) and permutations thereof.

**Report of the Trustees
for the Year Ended 31 March 2024**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Ephesea UK for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

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

.....
M C Poole - Trustee

Report of the Independent Auditors to the Members of Ephesea UK

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 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. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including relevant legislation such as the Companies Act 2006, taxation legislation, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting relevant correspondence.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- reviewed nominal ledgers and tested journal entries reports to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- reviewing correspondence with HMRC.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Thomas Landers BA FCA (Senior Statutory Auditor)
for and on behalf of Morgan Griffiths LLP
Chartered Accountants
Statutory Auditor
Cross Chambers
9 High Street
Newtown
Powys
SY16 2NY

Date:

Ephesea UK

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 March 2024

	Notes	Unrestricted funds £	Restricted funds £	31.3.24 Total funds £	31.3.23 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations	2	60	-	60	60
Charitable activities	5				
Forestry		636	-	636	1,241
Activity compensation fee		439,907	-	439,907	427,963
Membership		37,614	-	37,614	37,653
Other trading activities	3	123,169	-	123,169	82,516
Investment income	4	16,241	-	16,241	7,314
Total		<u>617,627</u>	<u>-</u>	<u>617,627</u>	<u>556,747</u>
EXPENDITURE ON					
Charitable activities	6				
Forestry		85,528	-	85,528	75,350
Licence holder support		211,539	-	211,539	185,170
Stakeholder Engagement		63,336	-	63,336	70,599
Promoting FSC		145,859	-	145,859	118,615
Value of Forests		45,404	-	45,404	31,173
Total		<u>551,666</u>	<u>-</u>	<u>551,666</u>	<u>480,907</u>
Net gains on investments		<u>20,185</u>	<u>-</u>	<u>20,185</u>	<u>309</u>
NET INCOME		<u>86,146</u>	<u>-</u>	<u>86,146</u>	<u>76,149</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		1,019,480	-	1,019,480	943,331
TOTAL FUNDS CARRIED FORWARD		<u><u>1,105,626</u></u>	<u><u>-</u></u>	<u><u>1,105,626</u></u>	<u><u>1,019,480</u></u>

The notes form part of these financial statements

Ephesea UK

Balance Sheet
31 March 2024

	Notes	31.3.24 £	31.3.23 £
FIXED ASSETS			
Tangible assets	13	6,894	5,214
Investments	14	427,275	199,506
		<u>434,169</u>	<u>204,720</u>
CURRENT ASSETS			
Debtors	15	194,658	164,188
Cash at bank and in hand		638,918	797,008
		<u>833,576</u>	<u>961,196</u>
CREDITORS			
Amounts falling due within one year	16	(162,119)	(146,436)
		<u>671,457</u>	<u>814,760</u>
NET CURRENT ASSETS			
		<u>671,457</u>	<u>814,760</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>1,105,626</u>	<u>1,019,480</u>
NET ASSETS			
		<u>1,105,626</u>	<u>1,019,480</u>
FUNDS	19		
Unrestricted funds		1,105,626	1,019,480
TOTAL FUNDS		<u>1,105,626</u>	<u>1,019,480</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on and were signed on its behalf by:

.....
M C Poole - Trustee

The notes form part of these financial statements

Ephesea UK

**Cash Flow Statement
for the Year Ended 31 March 2024**

	Notes	31.3.24 £	31.3.23 £
Cash flows from operating activities			
Cash generated from operations	1	38,640	86,916
Net cash provided by operating activities		<u>38,640</u>	<u>86,916</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(5,387)	(1,950)
Purchase of fixed asset investments		(508,145)	(349,197)
Sale of fixed asset investments		300,561	150,000
Interest received		16,241	7,314
Net cash used in investing activities		<u>(196,730)</u>	<u>(193,833)</u>
Change in cash and cash equivalents in the reporting period			
		(158,090)	(106,917)
Cash and cash equivalents at the beginning of the reporting period			
		<u>797,008</u>	<u>903,925</u>
Cash and cash equivalents at the end of the reporting period			
		<u><u>638,918</u></u>	<u><u>797,008</u></u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the Year Ended 31 March 2024**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.24 £	31.3.23 £
Net income for the reporting period (as per the Statement of Financial Activities)	86,146	76,149
Adjustments for:		
Depreciation charges	3,707	2,398
Gain on investments	(20,185)	(309)
Interest received	(16,241)	(7,314)
Increase in debtors	(30,470)	(27,283)
Increase in creditors	15,683	43,275
Net cash provided by operations	<u>38,640</u>	<u>86,916</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.23 £	Cash flow £	At 31.3.24 £
Net cash			
Cash at bank and in hand	797,008	(158,090)	638,918
	<u>797,008</u>	<u>(158,090)</u>	<u>638,918</u>
Total	<u>797,008</u>	<u>(158,090)</u>	<u>638,918</u>

1. ACCOUNTING POLICIES**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Governance costs

Governance costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Allocation and apportionment of costs

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 50% on cost and 15% on reducing balance
Computer equipment	- 33% on cost

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2024

1. ACCOUNTING POLICIES - continued**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Operating leases

Costs in respect of operating leases are charged to the statement of financial activities on a straight line basis over the term of the lease.

2. DONATIONS

	31.3.24	31.3.23
	£	£
Donations	60	60
	<u>60</u>	<u>60</u>

3. OTHER TRADING ACTIVITIES

	31.3.24	31.3.23
	£	£
Trademark Licensing	121,764	82,266
Training	1,405	250
	<u>123,169</u>	<u>82,516</u>

4. INVESTMENT INCOME

	31.3.24	31.3.23
	£	£
Deposit account interest	9,657	7,201
Investment income	6,584	113
	<u>16,241</u>	<u>7,314</u>

5. INCOME FROM CHARITABLE ACTIVITIES

		31.3.24	31.3.23
		£	£
Consultancy	Activity	636	1,241
Activity compensation fee	Forestry	439,907	427,963
FSC Membership	Activity compensation fee	37,614	37,653
	Membership	<u>478,157</u>	<u>466,857</u>

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

The Activity Compensation Fee income includes fees paid for work undertaken by FSC UK on collaborative projects funded by FSC International under the Activity Compensation Fee model.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2024**

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 7) £	Support costs (see note 8) £	Totals £
Forestry	70,120	15,408	85,528
Licence holder support	165,791	45,748	211,539
Stakeholder Engagement	50,649	12,687	63,336
Promoting FSC	119,765	26,094	145,859
Value of Forests	39,115	6,289	45,404
	<u>445,440</u>	<u>106,226</u>	<u>551,666</u>

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.3.24 £	31.3.23 £
Staff costs	366,885	327,621
Telephone	763	435
Postage and stationery	1,950	613
Travel & subsistence	14,568	13,042
Publications & subscriptions	8,213	4,730
Recruitment & training	4,298	3,788
UKWAS subscription	5,942	7,889
Publicity	15,758	6,311
Consultancy fees	6,700	15,874
Sundries	297	205
Bad debts	3,790	3,022
FSC Membership Admin Fee	5,358	6,976
Sponsorship	1,700	-
Printing	4,718	1,030
Small Woods project	4,500	-
	<u>445,440</u>	<u>391,536</u>

8. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Forestry	13,918	1,490	15,408
Licence holder support	40,886	4,862	45,748
Stakeholder Engagement	11,339	1,348	12,687
Promoting FSC	23,321	2,773	26,094
Value of Forests	5,620	669	6,289
	<u>95,084</u>	<u>11,142</u>	<u>106,226</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2024**

8. SUPPORT COSTS - continued

Activity	Basis of allocation
Management	Salary costs
Governance costs	Salary costs

9. NET INCOME/(EXPENDITURE)

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

	31.3.24	31.3.23
	£	£
Auditors' remuneration	4,086	2,990
Depreciation - owned assets	3,707	2,398
	<u> </u>	<u> </u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2024 nor for the year ended 31 March 2023.

Trustees' expenses

Travel expenses totalling £1,562 (2023 - £652) were paid to 5 (2023 - 4) trustees in the year to 31 March 2024.

11. STAFF COSTS

	Year Ended	Year Ended
	31.3.24	31.3.23
	£	£
Wages and salaries	361,967	319,880
Social security costs	29,502	26,347
Pensions	21,682	19,127
	<u> </u>	<u> </u>
	413,151	365,354
	<u> </u>	<u> </u>

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

Licence holder support	4.4	3.8
UK forest standards	0.9	0.9
Stakeholder engagement	0.8	0.8
Core	1.2	1.0
Value of Forests	0.6	0.5
Promoting the system	2.4	2.2
	<u> </u>	<u> </u>
	10.3	9.2
	<u> </u>	<u> </u>

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the period was one (2023 nil).

The charity considers its key management personnel comprise the management team listed on page 8. The total employment benefits including employer pension contributions of the key management personnel for the year ended 31 March 2024 were £236,276 (2023 £219,571).

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2024**

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

There were no restricted funds during the year to 31 March 2022.

13. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2023	14,860	30,827	45,687
Additions	874	4,513	5,387
	<u>15,734</u>	<u>35,340</u>	<u>51,074</u>
At 31 March 2024			
DEPRECIATION			
At 1 April 2023	12,196	28,277	40,473
Charge for year	525	3,182	3,707
	<u>12,721</u>	<u>31,459</u>	<u>44,180</u>
At 31 March 2024			
NET BOOK VALUE			
At 31 March 2024	<u>3,013</u>	<u>3,881</u>	<u>6,894</u>
At 31 March 2023	<u>2,664</u>	<u>2,550</u>	<u>5,214</u>

14. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 April 2023	199,506
Additions	508,145
Disposals	(299,593)
Revaluations	19,217
	<u>427,275</u>
At 31 March 2024	
NET BOOK VALUE	
At 31 March 2024	<u>427,275</u>
At 31 March 2023	<u>199,506</u>

There were no investment assets outside the UK.

Cost or valuation at 31 March 2024 is represented by:

	Listed investments £
Valuation in 2023	(136)
Valuation in 2024	19,353
Cost	408,058
	<u>427,275</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2024**

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.24	31.3.23
	£	£
Trade debtors	54,808	39,616
Prepayments and accrued income	139,850	124,572
	<u>194,658</u>	<u>164,188</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.24	31.3.23
	£	£
Trade creditors	5,972	9,325
Social security and other taxes	21,947	16,947
Deferred income	99,908	90,467
Accrued expenses	34,292	29,697
	<u>162,119</u>	<u>146,436</u>

17. LEASING AGREEMENTS

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

	31.3.24	31.3.23
	£	£
Within one year	<u>9,650</u>	<u>9,650</u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	31.3.24 Total funds	31.3.23 Total funds
	£	£	£	£
Fixed assets	6,894	-	6,894	5,214
Investments	427,275	-	427,275	199,506
Current assets	833,576	-	833,576	961,196
Current liabilities	(162,119)	-	(162,119)	(146,436)
	<u>1,105,626</u>	<u>-</u>	<u>1,105,626</u>	<u>1,019,480</u>

19. MOVEMENT IN FUNDS

	At 1.4.23	Net movement in funds	Transfers between funds	At 31.3.24
	£	£	£	£
Unrestricted funds				
General Fund	1,014,266	89,853	(5,387)	1,098,732
Capital Fund	5,214	(3,707)	5,387	6,894
	<u>1,019,480</u>	<u>86,146</u>	<u>-</u>	<u>1,105,626</u>
TOTAL FUNDS	<u>1,019,480</u>	<u>86,146</u>	<u>-</u>	<u>1,105,626</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2024

19. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General Fund	617,627	(547,959)	20,185	89,853
Capital Fund	-	(3,707)	-	(3,707)
	<u>617,627</u>	<u>(551,666)</u>	<u>20,185</u>	<u>86,146</u>
TOTAL FUNDS	<u>617,627</u>	<u>(551,666)</u>	<u>20,185</u>	<u>86,146</u>

Comparatives for movement in funds

	At 1.4.22 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
Unrestricted funds				
General Fund	937,669	78,547	(1,950)	1,014,266
Capital Fund	5,662	(2,398)	1,950	5,214
	<u>943,331</u>	<u>76,149</u>	<u>-</u>	<u>1,019,480</u>
TOTAL FUNDS	<u>943,331</u>	<u>76,149</u>	<u>-</u>	<u>1,019,480</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General Fund	556,747	(478,509)	309	78,547
Capital Fund	-	(2,398)	-	(2,398)
	<u>556,747</u>	<u>(480,907)</u>	<u>309</u>	<u>76,149</u>
TOTAL FUNDS	<u>556,747</u>	<u>(480,907)</u>	<u>309</u>	<u>76,149</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2024

19. MOVEMENT IN FUNDS - continued

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

	At 1.4.22 £	Net movement in funds £	Transfers between funds £	At 31.3.24 £
Unrestricted funds				
General Fund	937,669	168,400	(7,337)	1,098,732
Capital Fund	5,662	(6,105)	7,337	6,894
	<u>943,331</u>	<u>162,295</u>	<u>-</u>	<u>1,105,626</u>
TOTAL FUNDS	<u>943,331</u>	<u>162,295</u>	<u>-</u>	<u>1,105,626</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General Fund	1,174,374	(1,026,468)	20,494	168,400
Capital Fund	-	(6,105)	-	(6,105)
	<u>1,174,374</u>	<u>(1,032,573)</u>	<u>20,494</u>	<u>162,295</u>
TOTAL FUNDS	<u>1,174,374</u>	<u>(1,032,573)</u>	<u>20,494</u>	<u>162,295</u>

20. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2024.

Ephesea UK

Detailed Statement of Financial Activities
for the Year Ended 31 March 2024

	31.3.24 £	31.3.23 £
INCOME AND ENDOWMENTS		
Donations		
Donations	60	60
Other trading activities		
Trademark Licensing	121,764	82,266
Training	1,405	250
	<u>123,169</u>	<u>82,516</u>
Investment income		
Deposit account interest	9,657	7,201
Investment income	6,584	113
	<u>16,241</u>	<u>7,314</u>
Charitable activities		
Consultancy	636	1,241
Activity compensation fee	439,907	427,963
FSC Membership	37,614	37,653
	<u>478,157</u>	<u>466,857</u>
Total incoming resources	617,627	556,747
EXPENDITURE		
Charitable activities		
Wages	321,194	286,642
Social security	26,446	23,780
Pensions	19,245	17,199
Telephone	763	435
Postage and stationery	1,950	613
Travel & subsistence	14,568	13,042
Publications & subscriptions	8,213	4,730
Recruitment & training	4,298	3,788
UKWAS subscription	5,942	7,889
Publicity	15,758	6,311
Consultancy fees	6,700	15,874
Sundries	297	205
Bad debts	3,790	3,022
FSC Membership Admin Fee	5,358	6,976
Sponsorship	1,700	-
Printing	4,718	1,030
Small Woods project	4,500	-
	<u>445,440</u>	<u>391,536</u>

This page does not form part of the statutory financial statements

Ephesea UK

Detailed Statement of Financial Activities
for the Year Ended 31 March 2024

	31.3.24 £	31.3.23 £
Support costs		
Management		
Wages	40,773	33,238
Social security	3,056	2,568
Pensions	2,437	1,928
Rent, rates and water	10,678	10,604
Telephone	1,657	1,479
Postage and stationery	2,538	3,488
Sundries	641	1,390
Travel & subsistence	5,593	8,205
Training & recruitment	1,192	1,719
Book-keeping and payroll	925	474
Repairs & renewals	241	1,146
Bank charges	757	1,258
Subscriptions	6,090	2,189
IT Support	5,805	6,032
Consultancy	1,875	-
HR Support	1,344	1,270
Home working allowance	3,051	2,020
Investment management fees	1,710	-
Printing	1,014	-
Fixtures and fittings	525	463
Computer equipment	3,182	1,935
	<u>95,084</u>	<u>81,406</u>
Governance costs		
Trustees' expenses	1,562	652
Auditors' remuneration	4,086	2,990
Insurance	2,950	2,745
Management meeting expenses	2,544	1,578
	<u>11,142</u>	<u>7,965</u>
Total resources expended	<u>551,666</u>	<u>480,907</u>
Net income before gains and losses	65,961	75,840
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	<u>968</u>	<u>445</u>
Net income	<u><u>66,929</u></u>	<u><u>76,285</u></u>

This page does not form part of the statutory financial statements

Accounts

**Report of the Trustees and
Financial Statements for the Year Ended 31 March 2023
for
Ephesea UK**

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

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for the Year Ended 31 March 2023**

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**Report of the Trustees
for the Year Ended 31 March 2023**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

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

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

Strategic Priorities

In early 2021, revised strategic priorities were proposed for 2021-24 and adopted:

- Promote the value of forests and demonstrate the impact and benefits of FSC
- Support FSC globally and encourage stakeholder engagement to ensure that the FSC system is fit for purpose, accessible, relevant and trusted
- Improve standards for forest management in the UK for all sizes and types of forest
- Support UK based licence holders to maximise the demand for FSC products
- Promote the FSC system, FSC certification and the specification of FSC-certified products

These strategic priorities are underpinned by our work to:

- Ensure that FSC UK pursues its objectives as a registered charity, meets its legal and charitable obligations and operates as a professional organisation that values its people.

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

**Report of the Trustees
for the Year Ended 31 March 2023**

OBJECTIVES AND ACTIVITIES

Public benefit

Deforestation and forest degradation continue to be a global issue, impacting climate change, biodiversity loss and the spread of zoonotic disease. Deforestation destroys essential ecosystem services, leading to the loss of livelihood opportunities.

FSC is a global, not-for-profit organisation dedicated to the promotion of responsible forest management worldwide. The FSC system enables businesses and consumers to make informed choices about the forest products they buy and create positive change by engaging the power of market dynamics.

Global Vision: The true value of forests is recognised and fully incorporated into society worldwide. FSC is the leading catalyst and defining force for improved forest management and market transformation, shifting the global forest trend toward sustainable use, conservation, restoration, and respect for all.

Global Mission: FSC will promote environmentally appropriate, socially beneficial, and economically viable management of the world's forests.

FSC UK works to develop and maintain a voluntary, auditable forest management standard for the UK, which complies with the FSC Principles and Criteria for responsible forest management. FSC forest management certification requires that forest management is not just environmentally appropriate but also socially beneficial and therefore protects the rights of those who live, work and play in the forest.

FSC UK also works to stimulate demand for FSC-certified products, empowering both businesses and consumers to easily identify and source forest products from FSC-certified forests, verified reclaimed sources and/or other controlled sources. Half of people in the UK surveyed in 2023 (FSC UK Consumer Survey via Kantar) were of the belief that all wood-based products available in the UK should be made from sustainable sources and a further quarter thought at least some should meet this standard. 60% thought that consumers have a responsibility to ensure that the products they buy, and the packaging they use, are responsibly sourced, but 71% held businesses responsible for the sustainability of their products and packaging.

The trustees have had regard to the Charity Commission's guidance on public benefit when exercising any powers or duties to which the guidance is relevant.

**Report of the Trustees
for the Year Ended 31 March 2023**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Priority: Promote the value of forests and demonstrate the impact/benefits of FSC

Forests play a vital role in enabling and maintaining life and help to mitigate global challenges of climate change and biodiversity loss. At the same time, forest products are increasingly important as renewable materials that can be a main factor in enabling the bio-based and circular economy which the world needs to develop. Responsible forestry does more than protect the health and resilience of forests-it also protects the wellbeing of the people who live and work in them. These people include community and family forest managers, Indigenous Peoples living on their ancestral lands, and workers whose livelihoods depend on forest products.

FSC's vision is that the true value of forests is recognised and fully incorporated into society worldwide. Forest management certification and ecosystem services verification provide tools to deliver this. We should continue to promote FSC certification and demonstrate the positive impacts on our forests whilst also working with others to develop additional tools and solutions.

Between April 2022 and April 2023, the total FSC-certified area in the UK grew from 1,625,847 hectares to 1,655,530 ha, an increase of 1.8 %. The majority of this growth was in group schemes, with the combined number of members of all groups now standing at over 1,100. Twelve-month averages smooth out some of the peaks and troughs in certification data, but still show gains over time; at 1,644,767 ha, the twelve-month average for 2022-23 is up around 0.5 % on the figure of 1,636,484 ha for 2021-22.

We met with forest managers from the Seafield and Strathspey Estates, spending the day with them at their FSC-certified site in the Scottish Highlands. A case study was included in the June edition of our Forest Matters newsletter, a version of which was also featured on the FSC International website. Another version of the same case study was also included in the April 2023 edition of Living Earth magazine, which is distributed to approximately 10,000 Soil Association members.

We have seen increased interest in FSC ecosystem services verification from existing certificate holders and other stakeholders, including forest managers, project developers and companies looking to support responsible forest projects. The first sponsorship arrangement has been set up between a forest management certificate holder and chain of custody certificate holder with the validation of impacts due to take place in the summer of 2023.

Priority: Support FSC globally and encourage stakeholder engagement to ensure that the FSC system is fit for purpose, accessible, relevant and trusted

The Global Strategy calls for streamlined policies and standards while ensuring credibility. FSC is widely recognised as the most credible forest certification scheme and maintaining this credibility is fundamental to the scheme's success. As a long-established National Office, FSC UK is well placed to support FSC as it works to deliver a credible, fit for purpose system, providing input on the potential implications of proposed activities and encouraging stakeholders to engage as appropriate as well as working to maintain FSC's integrity and credibility in the UK.

The Annual Members' Meeting was held at Westonbirt Arboretum and heralded the start of stakeholder engagement on the subject of a vision for UK forests.

We welcomed three new members during the year: two in the Economic Chamber and one in the Environmental Chamber.

FSC UK inputted into the chapter on SDG 15 (Life on Land) in the second edition of the Measuring Up report produced by the Global Compact Network. This report looks at the progress of the UK on the Sustainable Development Goals (SDGs).

**Report of the Trustees
for the Year Ended 31 March 2023**

Priority: Improve standards for forest management in the UK for all sizes and types of forest

It is a fundamental requirement, in terms of both FSC UK's charitable objectives and our role as an accredited National Office, that we have an approved national forest stewardship standard. We need to identify mechanisms to reduce the financial and administrative burden on smallholders whilst ensuring that FSC's high forestry standards are maintained. We also have a wider role to play in promoting better forest stewardship in all forests.

There was a high level of stakeholder engagement in the revision process, with record-breaking numbers of consultation responses but the UK Woodland Assurance (UKWAS) Working Group handled the ensuing workload admirably and achieved consensus on a pre-approval draft of UKWAS 5 within their agreed timeframe. The revised draft standard was considered by the UKWAS Steering Group at a meeting in June 2022, and submitted to FSC International for approval in October 2022. The draft standard is awaiting approval by FSC International.

Improving access to certification for small and community woods remains an important issue for FSC UK and work is underway to identify how FSC could best support new or existing group schemes for such woods.

We were part of a project looking at the relevance of FSC forest management certification for urban areas. We hosted colleagues from Europe for a meeting in London and arranged a tour of Hyde Park. This led to engagement with new stakeholders including Royal Parks, Haringey Council, Trees for Cities and Treeconomics. Recommendations were provided to FSC International on how FSC Standards and Procedures can be adapted to increase relevance for urban areas.

Priority: Support UK based licence holders to maximise the demand for FSC products

Supporting certificate holders and retailers to maximise the market for FSC products is stated as one of the means by which we meet our charitable objectives.

It is essential that the relationship we have with our licence holders is proactively managed and that we support those companies committed to the FSC system.

Certificate Holder retention for the period remains high at 91% and we were encouraged to see the growth in the indoor furniture, paper and packaging sectors.

During the reporting period, 20 new FSC promotional licence agreements were issued and the number of promotional licences managed by FSC UK increased to 123. A new national pricing model for promotional licence was developed and rolled out. The work to support our promotional licence holders to use our trademarks can significantly increase our reach and help to embed FSC commitments within the companies themselves. Specification of FSC-certified and labelled products is also a driver for FSC certification through retailer supply chains.

Online training for Certificate Holders and Promotional Licence Holders continues to be popular, with 583 registrants during the year.

Our monthly Forest Matters newsletter was sent to UK based licence holders and other subscribers.

FSC UK joined the FSC Furniture Awards, encouraging UK-based FSC certificate holders to participate. As part of the European Furniture Project, FSC UK supported the development of two films for the furniture sector and conducted a survey of FSC-certified furniture certificate holders in the UK. The films will be released in April 2023 and the results of the survey will help to further develop and refine our support for the sector.

FSC UK's Trademark Enforcement Officer opened 335 trademark violation cases and resolved/closed 348 cases.

**Report of the Trustees
for the Year Ended 31 March 2023**

Priority: Promote the FSC system, FSC certification and the specification of FSC-certified products

As a strong market country, the UK can have a significant impact on uptake on FSC certification of forests globally by driving demand for certification and certified products throughout the supply chain. Raising public awareness of FSC and, in turn, driving consumer demand is one aspect of this, but FSC UK recognises that this can be best achieved in conjunction with businesses and NGOs. In many cases, it is the procurement policies of retailers and other businesses and organisations that creates the demand rather than the consumer and emphasis will be placed on this work.

Our Forest Matters newsletter included case studies from Springpack, Multipanel, Seafield & Strathspey Estates, Ecodek, Summers Joinery, Moonpig, Fencert, Palmer Timber, JPA Workspaces, Hadley Interiors, James Cropper, Professor Puzzle and Calverts.

The annual consumer survey was conducted in March 2023, revealing a small increase in recognition of the logo (77%) and increased understanding of its meaning, with 25% claiming to know what it means (+ 5% on 2022), and a further 30% (29% in 2022) claiming to know roughly what it means.

FSC Forest Week (formerly FSC Friday) was promoted on the FSC UK website and in Forests Matters and directly to selected licence holders. 120 UK licence holders registered to receive, and were sent, FSC Forest Week Toolkit. The FSC and SDG flags were flown outside the FSC UK office during FSC Forest Week. The social campaign performed well both in the UK and internationally, with significant increases across all metrics internationally and notable increases in engagement on Facebook and Twitter in the UK. FSC UK joined the Soil Association at The Building Centre, London for a one-day training workshop for Timber Development UK (TDUK) members on FSC and UKTR. The workshop included presentations from FSC UK and the Soil Association. We also presented as part of a webinar on packaging and certification, organised by SGS.

Our Executive Director presented to the hotel and tourism sector on a webinar hosted by Green Key on How to support Biodiversity in the Tourism Industry, encouraging the specification and promotion of FSC certified furniture and other forest-based products.

The procurement policies of over 100 UK brands and retailers have been assessed and we will be using this assessment to target our work to strengthen these policies, and their implementation, and to monitor progress.

**Report of the Trustees
for the Year Ended 31 March 2023**

FINANCIAL REVIEW

Income

Over the 2022-23 financial year, income exceeded expenditure by £76,149. We started the year with an opening balance from the previous period of £943,331 and ended with a carry-forward of £1,019,480.

Trademark licensing revenue continued to increase, providing £82,266 of income during the reporting period. Membership income accounted for a further £37,653, a decrease from the previous year.

Most of the income is received under the Principal Cooperation, Service and Licence Agreement (the Activity Compensation Fee) with FSC Global Development. The ACF income is based primarily on a formula linked to the Annual Administration Fee charged to certified companies in the UK, but strategic funding is also allocated for specific projects. Some of these projects are managed by other FSC National Offices and the funding is received and administered by them. The income received indirectly from FSC Global Development through this strategic funding is included within the total ACF figure

Expenditure

Expenditure was higher this year compared with last year (£480,907 compared with £401,321) primarily due to the increased size of the staff team as we seek to meet the growing demands on the organisation. Travel, subsistence and event expenditure increased as the return to face-to-face meetings and events continued. We expect expenditure to increase further in 2023/24 and the Board of Trustees is looking at how the organisation invests in projects that help deliver FSC's mission.

Investments

£400,001 was transferred to Rathbones Investment Management in December 2022.

Investments totalling £349,197 were purchased during the period to 31 March 2023. Of these, investments totalling £149,555 were sold showing a £445 profit. The remaining investments were revalued at £199,506, resulting in a £136 loss.

The balance at 31 March, held in cash, amounted to £203,272 after the addition of Interest and dividend income totalling £2,469.

Reserves Policy

The Board of Trustees considers the charity's requirements for reserves in light of the main risks to the organisation. A policy has been established whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be equivalent to 6 months' of expenditure.

The reserves are needed to meet the working capital requirements of the charity and, in the worse-case scenario, to cover the cost of closing the charity. The Trustees are confident that the charity would be able to continue at worthwhile activity levels in the event of a temporary significant drop in funding and that the estimated cost of closing the charity does not exceed 50% of the reserves.

Investment policy and objectives

The financial objective of the investments is to produce some financial return, within an acceptable level of risk and in line with the agreed ethical policy, to help deliver the objectives of the charity.

The trustees of Ephesea have accepted a low to medium degree of risk for their investment portfolio and will ensure that their ability to meet future planned expenditure is not compromised by over-investment.

The responsibility for the day to day management of the charity's investment assets lies with the Rathbones Greenbank who have discretionary management powers with effect from 18 December 2022 under the investment policy agreement which was established by the charity on 15 June 2022,

**Report of the Trustees
for the Year Ended 31 March 2023**

A sub-committee of the Board of Trustees has been established to advise the wider Board on investments. Decisions on investments will be undertaken by the Board based on input from the sub-committee. The Executive Director, Treasurer and Vice-Chair are authorised signatories with any two of the three authorised to act on behalf of the Charity with the approval of the Board.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Ephesea UK, incorporated in England & Wales on 15 January 2009, is a private company limited by guarantee (as defined by the Companies Act 2006), which is also an association of members registered as an incorporated charity (for simplicity, this report refers henceforth to the company as 'the charity'). The charity is governed under Memorandum and Articles of Association that sets out its objects and powers. These were updated at the 2017 Annual Members' Meeting in agreement with the membership.

Membership of the charity is open to individuals and organisations who are:

- Members of the Forest Stewardship Council AC;
- Ordinarily based or resident in the UK.

Recruitment and appointment of new trustees

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

Trustees are either proposed or volunteer. They may sit on the board until the next annual members' meeting, when they have to seek election from the membership. A trustee pack, outlining trustee responsibilities, is given to all new trustees. Once elected, a trustee may sit on the board for a term of 3 years (from the date of joining the board) before seeking re-election. There is no limit to the number of terms for which a trustee may seek re-election. Re-elected trustees serve a term of 3 years from the date of re-election.

Trustees may elect from amongst themselves a chair, a vice chair and a treasurer.

Decision Making and Reporting

The board of trustees met three times during the year. Board meetings are attended by the Executive Director and, by invitation, members of staff. Between meetings, the Executive Director provides trustees with an Interim Report by email. Conference calls between some or all of the trustees may be arranged at any time. Finally, working groups of a small number of trustees can be put together to address particular issues.

Day to day management of the charity falls to the Executive Director, supported by the permanent staff. The Executive Director is responsible for ensuring that the charity delivers a range of services that meet its Objects and Strategic Priorities.

Wider network

The charity (under the title of FSC United Kingdom) is an accredited National Office of the wider, international FSC network. The charity receives an annual Activity Compensation Fee (ACF) from FSC Global Development GmbH. The ACF is paid to FSC National Offices that have agreed and signed a valid Principle Cooperation, Service and License Agreement with FSC Global Development. In the reporting period over 74% of income was generated via the ACF.

The charity participates in FSC's European and Global networks and supports the Global Strategy. FSC International developed its global plan for 2020-2026. The FSC UK strategic plan has been developed in the context of FSC's global vision and mission and our own charitable objectives

**Report of the Trustees
for the Year Ended 31 March 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related parties

The charity has contractual relationships and/or memoranda of understanding with some organisations to facilitate cooperation in the pursuit of its charitable objectives and guard against misunderstandings over areas of common interest.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

06792524 (England and Wales)

Registered Charity number

1130203

Registered office

The Billiard Room
Town Hall
Great Oak Street
Llanidloes
Powys
SY18 6BN

Trustees

J B Kirkpatrick (Chair)
M Bekin (Vice-Chair)
M C Poole (Treasurer)
S Jennings
H Kwisthout
C McDermott
M Robson (resigned 13.9.22)
J G Tewson
H van Hensbergen

Auditors

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

Bankers

Co-Operative Bank plc
PO Box 101
1 Balloon Street
Manchester
M60 4EP

Management Team

Beth Bennett (Business Development Manager)
Tallulah Chapman (Communications Manager)
Owen Davies (Forest Standards Manager)
Rosie Teasdale (Executive Director)
Amy Willox (Outreach Manager - Forests & Ecosystem Services)

**Report of the Trustees
for the Year Ended 31 March 2023**

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Name

The charity is also known as Forest Stewardship Council® (FSC®) United Kingdom (UK) and permutations thereof.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Ephesea UK for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 8 August 2023 and signed on its behalf by:

M C Poole - Trustee

Report of the Independent Auditors to the Members of Ephesea UK

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 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. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including relevant legislation such as the Companies Act 2006, taxation legislation, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting relevant correspondence.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- reviewed nominal ledgers and tested journal entries reports to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- reviewing correspondence with HMRC.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Thomas Landers BA FCA (Senior Statutory Auditor)
for and on behalf of Morgan Griffiths LLP
Chartered Accountants
Statutory Auditor
Cross Chambers
9 High Street
Newtown
Powys
SY16 2NY

14 August 2023

Ephesea UK

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 March 2023

		Unrestricted funds £	Restricted funds £	31.3.23 Total funds £	31.3.22 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations	2	60	-	60	60
Charitable activities	5				
Forestry		1,241	-	1,241	3,961
Activity compensation fee		427,963	-	427,963	345,613
Membership		37,653	-	37,653	43,563
Other trading activities	3	82,516	-	82,516	51,896
Investment income	4	7,314	-	7,314	2,085
Other income		-	-	-	637
Total		556,747	-	556,747	447,815
EXPENDITURE ON					
Charitable activities	6				
Forestry		75,350	-	75,350	62,443
Licence holder support		185,170	-	185,170	167,197
Stakeholder Engagement		70,599	-	70,599	62,080
Promoting FSC		118,615	-	118,615	78,181
Value of Forests		31,173	-	31,173	31,420
Total		480,907	-	480,907	401,321
Net gains on investments		309	-	309	-
NET INCOME		76,149	-	76,149	46,494
RECONCILIATION OF FUNDS					
Total funds brought forward		943,331	-	943,331	896,837
TOTAL FUNDS CARRIED FORWARD		1,019,480	-	1,019,480	943,331

The notes form part of these financial statements

Balance Sheet
31 March 2023

	Notes	31.3.23 £	31.3.22 £
FIXED ASSETS			
Tangible assets	13	5,214	5,662
Investments	14	199,506	-
		204,720	5,662
CURRENT ASSETS			
Debtors	15	164,188	136,905
Cash at bank and in hand		797,008	903,925
		961,196	1,040,830
CREDITORS			
Amounts falling due within one year	16	(146,436)	(103,161)
NET CURRENT ASSETS		814,760	937,669
TOTAL ASSETS LESS CURRENT LIABILITIES		1,019,480	943,331
NET ASSETS		1,019,480	943,331
FUNDS	19		
Unrestricted funds		1,019,480	943,331
TOTAL FUNDS		1,019,480	943,331

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

The financial statements were approved by the Board of Trustees and authorised for issue on 8 August 2023 and were signed on its behalf by:

M C Poole - Trustee

Ephesea UK

**Cash Flow Statement
for the Year Ended 31 March 2023**

	Notes	31.3.23 £	31.3.22 £
Cash flows from operating activities			
Cash generated from operations	1	86,916	69,902
Net cash provided by operating activities		86,916	69,902
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,950)	(3,158)
Purchase of fixed asset investments		(349,197)	-
Sale of fixed asset investments		150,000	-
Interest received		7,314	2,085
Net cash used in investing activities		(193,833)	(1,073)
Change in cash and cash equivalents in the reporting period			
		(106,917)	68,829
Cash and cash equivalents at the beginning of the reporting period			
		903,925	835,096
Cash and cash equivalents at the end of the reporting period			
		797,008	903,925

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 March 2023

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.23	31.3.22
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	76,149	46,494
Adjustments for:		
Depreciation charges	2,398	2,885
Losses on investments	(309)	-
Interest received	(7,314)	(2,085)
(Increase)/decrease in debtors	(27,283)	8,538
Increase in creditors	43,275	14,070
Net cash provided by operations	86,916	69,902

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.22	Cash flow	At 31.3.23
	£	£	£
Net cash			
Cash at bank and in hand	903,925	(106,917)	797,008
	903,925	(106,917)	797,008
Total	903,925	(106,917)	797,008

1. ACCOUNTING POLICIES**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Governance costs

Governance costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Allocation and apportionment of costs

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 50% on cost and 15% on reducing balance
Computer equipment	- 33% on cost

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

1. ACCOUNTING POLICIES - continued**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Operating leases

Costs in respect of operating leases are charged to the statement of financial activities on a straight line basis over the term of the lease.

2. DONATIONS

	31.3.23	31.3.22
	£	£
Donations	60	60
	<u> </u>	<u> </u>

3. OTHER TRADING ACTIVITIES

	31.3.23	31.3.22
	£	£
Trademark Licensing	82,266	48,676
Training	250	3,220
	<u> </u>	<u> </u>
	82,516	51,896
	<u> </u>	<u> </u>

4. INVESTMENT INCOME

	31.3.23	31.3.22
	£	£
Deposit account interest	7,201	2,085
Investment income	113	-
	<u> </u>	<u> </u>
	7,314	2,085
	<u> </u>	<u> </u>

5. INCOME FROM CHARITABLE ACTIVITIES

		31.3.23	31.3.22
		£	£
Consultancy	Activity	1,241	3,961
Activity compensation fee	Forestry	427,963	345,613
FSC Membership	Activity compensation fee	37,653	43,563
	Membership	<u> </u>	<u> </u>
		466,857	393,137
		<u> </u>	<u> </u>

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

The Activity Compensation Fee income includes fees paid for work undertaken by FSC UK on collaborative projects funded by FSC International under the Activity Compensation Fee model.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 7) £	Support costs (see note 8) £	Totals £
Forestry	62,939	12,411	75,350
Licence holder support	147,489	37,681	185,170
Stakeholder Engagement	58,677	11,922	70,599
Promoting FSC	97,801	20,814	118,615
Value of Forests	24,630	6,543	31,173
	391,536	89,371	480,907

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.3.23 £	31.3.22 £
Staff costs	327,621	267,342
Telephone	435	1,650
Postage and stationery	613	1,736
Travel & subsistence	13,042	3,634
Publications & subscriptions	4,730	9,441
Recruitment & training	3,788	5,321
UKWAS subscription	7,889	7,563
Publicity	6,311	5,638
Consultancy fees	15,874	13,169
Sundries	205	190
Bad debts	3,022	-
FSC Membership Admin Fee	6,976	5,941
Printing	1,030	4,423
	391,536	326,048

8. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Forestry	11,304	1,107	12,411
Licence holder support	34,322	3,359	37,681
Stakeholder Engagement	10,860	1,062	11,922
Promoting FSC	18,960	1,854	20,814
Value of Forests	5,960	583	6,543
	81,406	7,965	89,371

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

8. SUPPORT COSTS - continued

Activity	Basis of allocation
Management	Salary costs
Governance costs	Salary costs

9. NET INCOME/(EXPENDITURE)

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

	31.3.23	31.3.22
	£	£
Auditors' remuneration	2,990	2,392
Depreciation - owned assets	2,398	2,885
	<u><u> </u></u>	<u><u> </u></u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

Trustees' expenses

Travel expenses totalling £652 (2022 - nil) were paid to 4 trustees in the year to 31 March 2023.

11. STAFF COSTS

	Year Ended 31.3.23	Year Ended 31.3.22
	£	£
Wages and salaries	319,880	268,012
Social security costs	26,347	21,378
Pensions	19,127	15,971
	<u> </u>	<u> </u>
	<u><u>365,354</u></u>	<u><u>305,361</u></u>

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

Licence holder support	3.8	3.5
UK forest standards	0.9	0.9
Stakeholder engagement	0.8	0.9
Core	1.0	1.0
Value of Forests	0.5	0.5
Promoting the system	2.2	1.2
	<u> </u>	<u> </u>
	<u><u>9.2</u></u>	<u><u>8.0</u></u>

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

The charity considers its key management personnel comprise the management team listed on page 8. The total employment benefits including employer pension contributions of the key management personnel for the year ended 31 March 2023 were £219,571 (2022 £200,664).

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

There were no restricted funds during the year to 31 March 2022.

13. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2022	14,860	28,877	43,737
Additions	-	1,950	1,950
	<u>14,860</u>	<u>30,827</u>	<u>45,687</u>
At 31 March 2023	14,860	30,827	45,687
DEPRECIATION			
At 1 April 2022	11,733	26,342	38,075
Charge for year	463	1,935	2,398
	<u>12,196</u>	<u>28,277</u>	<u>40,473</u>
At 31 March 2023	12,196	28,277	40,473
NET BOOK VALUE			
At 31 March 2023	<u>2,664</u>	<u>2,550</u>	<u>5,214</u>
At 31 March 2022	<u>3,127</u>	<u>2,535</u>	<u>5,662</u>

14. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
Additions	349,197
Disposals	(149,555)
Revaluations	(136)
	<u>199,506</u>
At 31 March 2023	199,506
NET BOOK VALUE	
At 31 March 2023	<u>199,506</u>
At 31 March 2022	<u>-</u>

There were no investment assets outside the UK.

Cost or valuation at 31 March 2023 is represented by:

	Listed investments £
Valuation in 2023	(136)
Cost	199,642
	<u>199,506</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.3.22
	£	£
Trade debtors	39,616	121,485
Prepayments and accrued income	124,572	15,420
	<u>164,188</u>	<u>136,905</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.3.22
	£	£
Trade creditors	9,325	12,934
Social security and other taxes	16,947	10,368
Deferred income	90,467	56,584
Accrued expenses	29,697	23,275
	<u>146,436</u>	<u>103,161</u>

17. LEASING AGREEMENTS

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

	31.3.23	31.3.22
	£	£
Within one year	<u>9,650</u>	<u>9,650</u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	31.3.23 Total funds £	31.3.22 Total funds £
Fixed assets	5,214	-	5,214	5,662
Investments	199,506	-	199,506	-
Current assets	961,196	-	961,196	1,040,830
Current liabilities	(146,436)	-	(146,436)	(103,161)
	<u>1,019,480</u>	<u>-</u>	<u>1,019,480</u>	<u>943,331</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

19. MOVEMENT IN FUNDS

	At 1.4.22 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
Unrestricted funds				
General Fund	937,669	78,547	(1,950)	1,014,266
Capital Fund	5,662	(2,398)	1,950	5,214
	<u>943,331</u>	<u>76,149</u>	<u>-</u>	<u>1,019,480</u>
TOTAL FUNDS	<u>943,331</u>	<u>76,149</u>	<u>-</u>	<u>1,019,480</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General Fund	556,747	(478,509)	309	78,547
Capital Fund	-	(2,398)	-	(2,398)
	<u>556,747</u>	<u>(480,907)</u>	<u>309</u>	<u>76,149</u>
TOTAL FUNDS	<u>556,747</u>	<u>(480,907)</u>	<u>309</u>	<u>76,149</u>

Comparatives for movement in funds

	At 1.4.21 £	Net movement in funds £	Transfers between funds £	At 31.3.22 £
Unrestricted funds				
General Fund	891,448	49,379	(3,158)	937,669
Capital Fund	5,389	(2,885)	3,158	5,662
	<u>896,837</u>	<u>46,494</u>	<u>-</u>	<u>943,331</u>
TOTAL FUNDS	<u>896,837</u>	<u>46,494</u>	<u>-</u>	<u>943,331</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	447,815	(398,436)	49,379
Capital Fund	-	(2,885)	(2,885)
	<u>447,815</u>	<u>(401,321)</u>	<u>46,494</u>
TOTAL FUNDS	<u>447,815</u>	<u>(401,321)</u>	<u>46,494</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

19. MOVEMENT IN FUNDS - continued

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

	At 1.4.21 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
Unrestricted funds				
General Fund	891,448	127,926	(5,108)	1,014,266
Capital Fund	5,389	(5,283)	5,108	5,214
	<u>896,837</u>	<u>122,643</u>	<u>-</u>	<u>1,019,480</u>
TOTAL FUNDS	<u>896,837</u>	<u>122,643</u>	<u>-</u>	<u>1,019,480</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General Fund	1,004,562	(876,945)	309	127,926
Capital Fund	-	(5,283)	-	(5,283)
	<u>1,004,562</u>	<u>(882,228)</u>	<u>309</u>	<u>122,643</u>
TOTAL FUNDS	<u>1,004,562</u>	<u>(882,228)</u>	<u>309</u>	<u>122,643</u>

20. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2023.

Accounts

**Report of the Trustees and
Financial Statements for the Year Ended 31 March 2022
for
Ephesea UK**

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

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for the Year Ended 31 March 2022**

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**Report of the Trustees
for the Year Ended 31 March 2022**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

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

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

Strategic Priorities

In early 2021, revised strategic priorities were proposed for 2021-24 and adopted:

- Promote the value of forests and demonstrate the impact and benefits of FSC
- Support FSC globally and encourage stakeholder engagement to ensure that the FSC system is fit for purpose, accessible, relevant and trusted
- Improve standards for forest management in the UK for all sizes and types of forest
- Support UK based licence holders to maximise the demand for FSC products
- Promote the FSC system, FSC certification and the specification of FSC-certified products

These strategic priorities are underpinned by our work to:

- Ensure that FSC UK pursues its objectives as a registered charity, meets its legal and charitable obligations and operates as a professional organisation that values its people.

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

**Report of the Trustees
for the Year Ended 31 March 2022**

OBJECTIVES AND ACTIVITIES

Public benefit

Deforestation and forest degradation continue to be a global issue, impacting climate change, biodiversity loss and the spread of zoonotic disease.

FSC is a global, not-for-profit organisation dedicated to the promotion of responsible forest management worldwide. The FSC system enables businesses and consumers to make informed choices about the forest products they buy and create positive change by engaging the power of market dynamics.

Global Vision: The true value of forests is recognised and fully incorporated into society worldwide. FSC is the leading catalyst and defining force for improved forest management and market transformation, shifting the global forest trend toward sustainable use, conservation, restoration, and respect for all.

Global Mission: FSC will promote environmentally appropriate, socially beneficial, and economically viable management of the world's forests.

FSC UK works to maintain and develop a voluntary, auditable forest management standard for the UK, which complies with the FSC Principles and Criteria for responsible forest management. FSC forest management certification requires that forest management is not just environmentally appropriate but also socially beneficial and therefore protects the rights of those who live, work and play in the forest.

FSC UK also works to stimulate demand for FSC- certified products, empowering both businesses and consumers to easily identify and source forest products from responsible sources. 6 in 10 respondents to FSC UK's 2022 consumer survey (Kantar for FSC UK) say they are more conscious of the sustainability of the products they buy, 76% think sourcing sustainable wood and paper is good for forests and the planet, and 7 in 10 would prefer to buy a product with an FSC logo; 35% say they look for certification labels when shopping for forest-based products.

The trustees have had regard to the Charity Commission's guidance on public benefit when exercising any powers or duties to which the guidance is relevant.

**Report of the Trustees
for the Year Ended 31 March 2022**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

All office-based staff have continued to work primarily remotely due to the potential risks posed by Covid-19. Most face-to-face meetings were replaced with online meetings. FSC UK otherwise operated business as usual. A phased move to a hybrid working model is anticipated for most staff during the next period.

Priority: Promote the value of forests and demonstrate the impact/benefits of FSC

Forests play a vital role in enabling and maintaining life and help to mitigate global challenges of climate change and biodiversity loss. At the same time, forest products are increasingly important as renewable materials that can be a main factor in enabling the bio-based and circular economy which the world needs to develop.

FSC's vision is that the true value of forests is recognised and fully incorporated into society worldwide. Forest management certification and ecosystem services verification provide tools to deliver this. We should continue to promote FSC certification and demonstrate the positive impacts on our forests whilst also working with others to develop additional tools and solutions

With the support of our Forest Standards Manager, the UK Woodland Assurance Standard (UKWAS) Working Group, acting as FSC's approved standards development group, held public consultations on the revised draft standard in March-April 2021 and October-November 2021.

In April 2021, FSC UK staff continued our now well-established tradition of giving an annual lecture to forestry students at Bangor University. This year's session had to be online because of Covid restrictions, but it was still a pleasure to engage with the next generation of forest managers.

In August 2021 we held an online panel discussion on 'What are Forests For?', with panellists from Rewilding Britain, Scottish Woodlands, Llais y Goedwig and FSC UK.

We also hosted a webinar on 'FSC certification for small and community woodlands: What, Why and How?' as part of a year-long project to engage more closely with representative groups for small and community woods. Through this project we sought to raise awareness of FSC Forest Management certification and its potential benefits, and to learn more about the motivations for and barriers to certification for these woods. The lessons learned will inform our ongoing work in this area. As part of this engagement, we hosted a workshop in collaboration with the Small Woods Association on 'Verifying Ecosystem Services: Potential benefits for small and community woodlands.

Priority: Support FSC globally and encourage stakeholder engagement to ensure that the FSC system is fit for purpose, accessible, relevant and trusted

The Global Strategy calls for streamlined policies and standards while ensuring credibility. FSC is widely recognised as the most credible forest certification scheme and maintaining this credibility is fundamental to the scheme's success. As a long-established National Office, FSC UK is well placed to support FSC as it works to deliver a credible, fit for purpose system, providing input on the potential implications of proposed activities and encouraging stakeholders to engage as appropriate as well as working to maintain FSC's integrity and credibility in the UK.

To support the introduction of the FSC core labour requirements to the Chain of Custody standard, we participated in a taskforce with other national offices to develop a national template for self-assessment. We also contributed to the development of a guidance resource for contractors and outsourcers.

The Annual Members' Meeting was held online in September. With COP26 taking place in Glasgow, the focus was on the role of FSC and forests in the delivery of nature-based solutions to tackle the climate and nature crises. We invited speakers from FSC International, Aviva Investors and ADAS Environmental Consulting. At the end of 2021 we welcomed the Confederation of Paper Industries as new members of FSC.

**Report of the Trustees
for the Year Ended 31 March 2022**

Priority: Improve standards for forest management in the UK for all sizes and types of forest

It is a fundamental requirement, in terms of both FSC UK's charitable objectives and our role as an accredited National Office, that we have an approved national forest stewardship standard. We need to identify mechanisms to reduce the financial and administrative burden on smallholders whilst ensuring that FSC's high forestry standards are maintained. We also have a wider role to play in promoting better forest stewardship in all forests.

This has been a busy year in the five-year cycle of revising our forest stewardship standard, familiar to most forest managers as the UK Woodland Assurance Standard, or UKWAS. The UKWAS Working Group, acting as FSC's approved standards development group, had worked hard in early 2021 to produce an initial revision draft, and a first public consultation was held March-April 2021. We received 38 responses from a wide range of individuals and organisations, and the following months were spent analysing their feedback and refining the draft. A further consultation was held October-November 2021, which received 52 responses, followed by a final period of drafting. A pre-approval draft will be submitted to FSC International in 2022-23.

The UKWAS Working Group decided to keep the standard size-neutral; apart from a handful of requirements for large enterprises, the standard applies equally to woods of any size, with flexibility in how compliance is demonstrated.

As part of the small and community woods project work mentioned previously, we persuaded some stakeholders (and staff!) to share their views on responsible forest management in a series of short videos.

Priority: Support UK based licence holders to maximise the demand for FSC products

Supporting certificate holders and retailers to maximise the market for FSC products is stated as one of the means by which we meet our charitable objectives.

It is essential that the relationship we have with our licence holders is proactively managed and that we support those companies committed to the FSC system.

Certificate Holder retention for the period remains high at 94%. Enquiries from UK based Certificate Holders about the FSC system are prioritised. The 'Is it FSC? Delivery Checklist' was revised and reprinted to meet continued demand for the resource.

Online training (both for Certificate Holders and Promotional Licence Holders) remains very popular. 704 registrations were arranged during this period. Work underway to revise the FSC Chain of Custody Online training in line with the revised FSC-STD-40-004 V3-1.

The FSC Labels: Using and understanding the FSC labels bitesize video was published in May 2021 with 2.1k views to date.

18 new FSC promotional licence agreements were issued. The number of promotional licence agreements managed by FSC UK rose to 121 (from 113). Guidance for promotional licence holders is regularly updated and developed. The pricing matrix for UK based international promotional licences was revised to align with the new global pricing model adopted by FSC International.

Our monthly Forest Matters newsletter was sent to UK based licence holders and other subscribers.

FSC UK joined the FSC Furniture Awards, allowing UK-based FSC certificate holders to participate. Winners included two UK certificate holders.

FSC UK opened 77 trademark violation cases and resolved 60 and in February 2022 we appointed a new Trademark Enforcement Officer.

**Report of the Trustees
for the Year Ended 31 March 2022**

Priority: Promote the FSC system, FSC certification and the specification of FSC-certified products

As a strong market country, the UK can have a significant impact on uptake on FSC certification of forests globally by driving demand for certification and certified products throughout the supply chain. Raising public awareness of FSC and, in turn, driving consumer demand is one aspect of this, but FSC UK recognises that this can be best achieved in conjunction with businesses and NGOs. In many cases, it is the procurement policies of retailers and other businesses and organisations that creates the demand rather than the consumer and emphasis will be placed on this work.

Increased interest in FSC from UK based retailers and brands continues. This is impacting the wider supply chain, as evidenced by the rise in certificate holders from 2221 to 2258, including 12 new certificates with furniture in scope. Engagement, guidance and ongoing support for those specifying FSC-certified products continues to be prioritised. 'It's Got to be FSC: A guide for businesses buying and specifying FSC-certified materials' video very well received with 1.2k views online.

Our Forest Matters newsletter included case studies from Sofology, Blueline, Factory Furniture, Matchita, Bumboo, Optima, Bazoo, Harrods, Hunter, Imago Group, Landmark Street Furniture, Duni Group, Tedd Todd, Heart and Soul Studio and Sinclairs.

The annual consumer survey was conducted in March 2022, revealing encouraging results, including an increase in recognition of the logo (76%).

The FSC UK website was relaunched in January 2022. The new website uses the same content management system as has been developed for, and is currently used by, the FSC International website. The website has been restructured and the content revised to hopefully improve the visitor experience.

FSC UK took part in a webinar hosted by the Timber Trade Federation on the UK Timber Regulations, advising on the role that FSC can play as part of a due diligence system.

Our Executive Director was a panellist on the Sustainable Wood for Cities: Pathways towards climate-smart wood procurement event during London Climate Week 2021, promoting FSC under the forest certification pathway.

We supported FSC International in the planning and promotion of two side events held at COP26 that convened speakers from key sectors that benefit from, promote, support and invest in sustainable forest management, forest conservation and restoration.

**Report of the Trustees
for the Year Ended 31 March 2022**

FINANCIAL REVIEW

Income

Over the 2021-22 financial year income exceeded expenditure by £46,494. We began the year with an opening balance from the previous period of £896,837 and ended with a carry forward of £943,331.

Trademark licensing revenue continued to increase, providing £48,676 of income during the reporting period. Membership income accounted for a further £43,563.

Most of the income is received under the Principal Cooperation, Service and Licence Agreement (the Activity Compensation Fee (ACF)) with FSC Global Development. The ACF income is based primarily on a formula linked to the Annual Administration Fee charged to certified companies in the UK, but strategic funding is also allocated for specific projects. Some of these projects are managed by other FSC National Offices and the funding is received and administered by them. The income received indirectly from FSC Global Development through this strategic funding is included within the total ACF figure.

Expenditure

Expenditure was higher this year compared with last (£401,321 compared with £374,795). This was partly due to a gradual return to more normal travel and printing costs which were very low in 2020/21 as a consequence of Covid-19 restrictions. The updated strategic priorities include a focus on promoting the value of forests, with associated expenditure. The budget allocated to licence holder support increased to strengthen our services and support to these stakeholders. As the staff team grows to meet the demands on the organisation, we are budgeting for higher staff costs in the coming years.

Reserves Policy

The Board of Directors considers the charity's requirements for reserves in light of the main risks to the organisation. A policy has been established whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be equivalent to 6 months' of expenditure.

The reserves are needed to meet the working capital requirements of the charity and, in the worse-case scenario, to cover the cost of closing the charity. The Board is confident that the charity would be able to continue at worthwhile activity levels in the event of a temporary significant drop in funding and that the estimated cost of closing the charity does not exceed 50% of the reserves

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Ephesea UK, incorporated in England & Wales on 15 January 2009, is a private company limited by guarantee (as defined by the Companies Act 2006), which is also an association of members registered as an incorporated charity (for simplicity, this report refers henceforth to the company as 'the charity'). The charity is governed under Memorandum and Articles of Association that sets out its objects and powers. These were updated at the 2017 Annual Members' Meeting in agreement with the membership.

Membership of the charity is open to individuals and organisations who are:

- Members of the Forest Stewardship Council AC;
- Ordinarily based or resident in the UK.

**Report of the Trustees
for the Year Ended 31 March 2022**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

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

Trustees are either proposed or volunteer. They may sit on the board until the next annual members' meeting, when they have to seek election from the membership. A trustee pack, outlining trustee responsibilities, is given to all new trustees. Once elected, a trustee may sit on the board for a term of 3 years (from the date of joining the board) before seeking re-election. There is no limit to the number of terms for which a trustee may seek re-election. Re-elected trustees serve a term of 3 years from the date of re-election.

Trustees may elect from amongst themselves a chair, a vice chair and a treasurer.

Decision Making and Reporting

The board of trustees met online four times during the year to set the strategic direction and policy of the charity including, crucially, its aims and priorities. Board meetings are attended by the Executive Director and, by invitation, members of staff. Between meetings, the Executive Director provides trustees with an Interim Report by email. Conference calls between some or all of the trustees may be arranged at any time. Finally, ad hoc working groups of a small number of trustees can be put together to address particular issues.

Day to day management of the charity falls to the Executive Director, supported by the permanent staff. The Executive Director is responsible for ensuring that the charity delivers a range of services that meet its Objects and Strategic Priorities.

Wider network

The charity (under the title of FSC United Kingdom) is an accredited National Office of the wider, international FSC network. The charity receives an annual Activity Compensation Fee (ACF) from FSC Global Development GmbH. The ACF is paid to FSC National Offices that have agreed and signed a valid Principle Cooperation, Service and License Agreement with FSC Global Development. In the reporting period over 74% of income was generated via the ACF.

The charity participates in FSC's European and Global networks and supports the Global Strategy. FSC International developed its global plan for 2020-2026. The FSC UK strategic plan has been developed in the context of FSC's global vision and mission and our own charitable objectives

Related parties

The charity has contractual relationships and/or memoranda of understanding with some organisations to facilitate cooperation in the pursuit of its charitable objectives and guard against misunderstandings over areas of common interest.

Covid-19

All office-based staff were advised to work remotely in March 2020 due to the potential risks posed by Covid-19 and face-to-face meetings were replaced with online meetings. FSC UK now offers a hybrid working model of both office and home-based working and most meetings continue to be held online.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

06792524 (England and Wales)

Registered Charity number

1130203

**Report of the Trustees
for the Year Ended 31 March 2022**

Registered office

The Billiard Room
Town Hall
Great Oak Street
Llanidloes
Powys
SY18 6BN

Trustees

J B Kirkpatrick Chair
M Bekin Vice-Chair
A Mawby Treasurer (resigned 24.9.21)
M C Poole Treasurer (appointed 10.12.21)
S Jennings
H Kwisthout
C McDermott
M Robson
J G Tewson (appointed 10.12.21)
H van Hensbergen

Auditors

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

Bankers

Co-Operative Bank plc
PO Box 101
1 Balloon Street
Manchester
M60 4EP

Management Team

Beth Bennett (Business Development Manager)
Tallulah Chapman (Communications Manager)
Owen Davies (Forest Standards Manager)
Rosie Teasdale (Executive Director)
Amy Willox (Outreach Manager - Forests & Ecosystem Services)

Charity Name

The charity is also known as Forest Stewardship Council® (FSC®) United Kingdom (UK) and permutations thereof.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Ephesea UK for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

**Report of the Trustees
for the Year Ended 31 March 2022**

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 15 August 2022 and signed on its behalf by:

M C Poole - Trustee

Opinion

We have audited the financial statements of Ephesea UK (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 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. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including relevant legislation such as the Companies Act 2006, taxation legislation, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting relevant correspondence.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- reviewed nominal ledgers and tested journal entries reports to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- reviewing correspondence with HMRC.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Thomas Landers BA FCA (Senior Statutory Auditor)
for and on behalf of Morgan Griffiths LLP
Chartered Accountants
Statutory Auditor
Cross Chambers
9 High Street
Newtown
Powys
SY16 2NY

25 August 2022

Ephesea UK

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 March 2022

		Unrestricted funds £	Restricted funds £	31.3.22 Total funds £	31.3.21 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations	2	60	-	60	110
Charitable activities	5				
Forestry		3,961	-	3,961	5,449
Activity compensation fee		345,613	-	345,613	358,170
Membership		43,563	-	43,563	51,435
Other trading activities	3	51,896	-	51,896	37,546
Investment income	4	2,085	-	2,085	1,796
Other income		637	-	637	2,244
Total		447,815	-	447,815	456,750
EXPENDITURE ON					
Charitable activities	6				
Forestry		62,443	-	62,443	74,562
Licence holder support		167,197	-	167,197	132,724
Stakeholder Engagement		62,080	-	62,080	45,796
Promoting FSC		78,181	-	78,181	121,713
Value of Forests		31,420	-	31,420	-
Total		401,321	-	401,321	374,795
NET INCOME		46,494	-	46,494	81,955
RECONCILIATION OF FUNDS					
Total funds brought forward		896,837	-	896,837	814,882
TOTAL FUNDS CARRIED FORWARD		943,331	-	943,331	896,837

The notes form part of these financial statements

Balance Sheet
31 March 2022

	Notes	31.3.22 £	31.3.21 £
FIXED ASSETS			
Tangible assets	13	5,662	5,389
CURRENT ASSETS			
Debtors	14	136,905	145,443
Cash at bank and in hand		903,925	835,096
		1,040,830	980,539
CREDITORS			
Amounts falling due within one year	15	(103,161)	(89,091)
NET CURRENT ASSETS		937,669	891,448
TOTAL ASSETS LESS CURRENT LIABILITIES		943,331	896,837
NET ASSETS		943,331	896,837
FUNDS	18		
Unrestricted funds		943,331	896,837
TOTAL FUNDS		943,331	896,837

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

The financial statements were approved by the Board of Trustees and authorised for issue on 15 August 2022 and were signed on its behalf by:

M C Poole - Trustee

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Governance costs

Governance costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Allocation and apportionment of costs

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 50% on cost and 15% on reducing balance
Computer equipment	- 33% on cost

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

1. ACCOUNTING POLICIES - continued**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Operating leases

Costs in respect of operating leases are charged to the statement of financial activities on a straight line basis over the term of the lease.

2. DONATIONS

	31.3.22	31.3.21
	£	£
Donations	60	110
	<u> </u>	<u> </u>

3. OTHER TRADING ACTIVITIES

	31.3.22	31.3.21
	£	£
Trademark Licensing	48,676	39,366
Training	3,220	(1,820)
	<u> </u>	<u> </u>
	51,896	37,546
	<u> </u>	<u> </u>

4. INVESTMENT INCOME

	31.3.22	31.3.21
	£	£
Deposit account interest	2,085	1,796
	<u> </u>	<u> </u>

5. INCOME FROM CHARITABLE ACTIVITIES

		31.3.22	31.3.21
		£	£
Consultancy	Activity	3,961	5,449
Activity compensation fee	Forestry	345,613	358,170
FSC Membership	Activity compensation fee	43,563	51,435
	Membership	<u> </u>	<u> </u>
		393,137	415,054
		<u> </u>	<u> </u>

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

The Activity Compensation Fee income includes fees paid for work undertaken by FSC UK on collaborative projects funded by FSC International under the Activity Compensation Fee model.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 7) £	Support costs (see note 8) £	Totals £
Forestry	51,008	11,435	62,443
Licence holder support	135,265	31,932	167,197
Stakeholder Engagement	50,030	12,050	62,080
Promoting FSC	64,423	13,758	78,181
Value of Forests	25,322	6,098	31,420
	326,048	75,273	401,321

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.3.22 £	31.3.21 £
Staff costs	267,342	246,906
Telephone	1,650	1,488
Postage and stationery	1,736	1,128
Travel & subsistence	3,634	597
Publications & subscriptions	9,441	7,494
Recruitment & training	5,321	5,004
UKWAS subscription	7,563	5,000
Publicity	5,638	8,182
Consultancy fees	13,169	20,597
Sundries	190	93
FSC Membership Admin Fee	5,941	7,286
Printing	4,423	-
	326,048	303,775

8. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Forestry	10,687	748	11,435
Licence holder support	29,842	2,090	31,932
Stakeholder Engagement	11,261	789	12,050
Promoting FSC	12,858	900	13,758
Value of Forests	5,699	399	6,098
	70,347	4,926	75,273

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

8. SUPPORT COSTS - continued

Activity	Basis of allocation
Management	Salary costs
Governance costs	Salary costs

9. NET INCOME/(EXPENDITURE)

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

	31.3.22	31.3.21
	£	£
Auditors' remuneration	2,392	2,340
Depreciation - owned assets	2,885	2,013
	<u><u> </u></u>	<u><u> </u></u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

Trustees' expenses

There were no travel and subsistence expenses in the period nor for the period to 31 March 2021.

11. STAFF COSTS

	Year Ended 31.3.22	Year Ended 31.3.21
	£	£
Wages and salaries	268,012	249,686
Social security costs	21,378	19,555
Pensions	15,971	14,981
	<u> </u>	<u> </u>
	<u><u>305,361</u></u>	<u><u>284,422</u></u>

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

Licence holder support	3.5	2.9
UK forest standards	0.9	1.4
Stakeholder engagement	0.9	1.2
Core	1.0	1.0
Value of Forests	0.5	
Promoting the system	1.2	1.8
	<u> </u>	<u> </u>
	<u><u>8.0</u></u>	<u><u>8.3</u></u>

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

The charity considers its key management personnel comprise the management team listed on page 8. The total employment benefits including employer pension contributions of the key management personnel for the year ended 31 March 2022 were £200,664 (2021 £174,464).

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

There were no restricted funds during the year to 31 March 2021.

13. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2021	14,860	25,719	40,579
Additions	-	3,158	3,158
	<u>14,860</u>	<u>28,877</u>	<u>43,737</u>
At 31 March 2022	14,860	28,877	43,737
DEPRECIATION			
At 1 April 2021	11,188	24,002	35,190
Charge for year	545	2,340	2,885
	<u>11,733</u>	<u>26,342</u>	<u>38,075</u>
At 31 March 2022	11,733	26,342	38,075
NET BOOK VALUE			
At 31 March 2022	<u>3,127</u>	<u>2,535</u>	<u>5,662</u>
At 31 March 2021	<u>3,672</u>	<u>1,717</u>	<u>5,389</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.22 £	31.3.21 £
Trade debtors	121,485	131,307
Prepayments and accrued income	15,420	14,136
	<u>136,905</u>	<u>145,443</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.22 £	31.3.21 £
Trade creditors	12,934	5,074
Social security and other taxes	10,368	6,009
Deferred income	56,584	56,026
Accrued expenses	23,275	21,982
	<u>103,161</u>	<u>89,091</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

16. LEASING AGREEMENTS

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

	31.3.22	31.3.21
	£	£
Within one year	9,650	9,650
Between one and five years	-	9,650
	<u>9,650</u>	<u>19,300</u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	31.3.22 Total funds £	31.3.21 Total funds £
Fixed assets	5,662	-	5,662	5,389
Current assets	1,040,830	-	1,040,830	980,539
Current liabilities	(103,161)	-	(103,161)	(89,091)
	<u>943,331</u>	<u>-</u>	<u>943,331</u>	<u>896,837</u>

18. MOVEMENT IN FUNDS

	At 1.4.21 £	Net movement in funds £	Transfers between funds £	At 31.3.22 £
Unrestricted funds				
General Fund	891,448	49,379	(3,158)	937,669
Capital Fund	5,389	(2,885)	3,158	5,662
	<u>896,837</u>	<u>46,494</u>	<u>-</u>	<u>943,331</u>
TOTAL FUNDS	<u>896,837</u>	<u>46,494</u>	<u>-</u>	<u>943,331</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	447,815	(398,436)	49,379
Capital Fund	-	(2,885)	(2,885)
	<u>447,815</u>	<u>(401,321)</u>	<u>46,494</u>
TOTAL FUNDS	<u>447,815</u>	<u>(401,321)</u>	<u>46,494</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.20 £	Net movement in funds £	Transfers between funds £	At 31.3.21 £
Unrestricted funds				
General Fund	808,136	83,967	(655)	891,448
Capital Fund	6,746	(2,012)	655	5,389
	<u>814,882</u>	<u>81,955</u>	<u>-</u>	<u>896,837</u>
TOTAL FUNDS	<u>814,882</u>	<u>81,955</u>	<u>-</u>	<u>896,837</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	456,750	(372,783)	83,967
Capital Fund	-	(2,012)	(2,012)
	<u>456,750</u>	<u>(374,795)</u>	<u>81,955</u>
TOTAL FUNDS	<u>456,750</u>	<u>(374,795)</u>	<u>81,955</u>

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

	At 1.4.20 £	Net movement in funds £	Transfers between funds £	At 31.3.22 £
Unrestricted funds				
General Fund	808,136	133,346	(3,813)	937,669
Capital Fund	6,746	(4,897)	3,813	5,662
	<u>814,882</u>	<u>128,449</u>	<u>-</u>	<u>943,331</u>
TOTAL FUNDS	<u>814,882</u>	<u>128,449</u>	<u>-</u>	<u>943,331</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

18. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	904,565	(771,219)	133,346
Capital Fund	-	(4,897)	(4,897)
	<u>904,565</u>	<u>(776,116)</u>	<u>128,449</u>
TOTAL FUNDS	<u>904,565</u>	<u>(776,116)</u>	<u>128,449</u>

19. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2022.

Accounts

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

**Report of the Trustees and
Financial Statements for the Year Ended 31 March 2021
for
Ephesea UK**

Morgan Griffiths LLP
Chartered Accountants
Statutory Auditor
Cross Chambers
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Ephesea UK

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for the Year Ended 31 March 2021**

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**Report of the Trustees
for the Year Ended 31 March 2021**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

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

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

Strategic Priorities

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

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

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

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

OBJECTIVES AND ACTIVITIES

Public benefit

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

FSC is a global, not-for-profit organisation dedicated to the promotion of responsible forest management worldwide. The FSC system enables businesses and consumers to make informed choices about the forest products they buy and create positive change by engaging the power of market dynamics.

Global Vision: The true value of forests is recognised and fully incorporated into society worldwide. FSC is the leading catalyst and defining force for improved forest management and market transformation, shifting the global forest trend toward sustainable use, conservation, restoration, and respect for all.

Global Mission: FSC will promote environmentally appropriate, socially beneficial, and economically viable management of the world's forests.

FSC UK works to maintain and develop a voluntary, auditable forest management standard for the UK, which complies with the FSC Principles and Criteria for responsible forest management. FSC forest management certification requires that forest management is not just environmentally appropriate but also socially beneficial and therefore protects the rights of those who live, work and play in the forest.

FSC UK also works to stimulate demand for FSC-certified products, empowering both businesses and consumers to easily identify and source forest products from responsible sources. 73% of respondents to FSC UK's 2021 consumer survey (OnePoll for FSC UK) are aware of the importance of purchasing and using sustainable wood and paper; 71% are aware that buying FSC-certified products is a good way to ensure the protection of forests and the preservation of wildlife; 37% of those who recognise the FSC logo always or often choose FSC-certified products.

The trustees have had regard to the Charity Commission's guidance on public benefit when exercising any powers or duties to which the guidance is relevant.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Priority: Improve standards for forest management and promote FSC forest management certification in the UK for all sizes and types of forest

It is a fundamental requirement both in terms of FSC UK's charitable objectives and our role as an accredited National Office that we have an approved national forest stewardship standard (NFSS). In the UK, our NFSS is familiar to most forest managers in the user-friendly format of the UK Woodland Assurance Standard, or UKWAS. The current version of our NFSS was reviewed in 2020, and a decision was taken by the chamber-balanced UKWAS Working Group to revise the standard. The revision process was formally registered with FSC International, receiving approval in January 2021; collaborating online at record speed, the Working Group produced a first consultation draft before the end of the financial year. We have been delighted with the range of interests reflected in the Working Group, and with the effectiveness with which the members have worked together.

FSC UK remains committed to improving access to certification for owners of smaller woods. There had already been delays to the optimistic timetable of our Small Woods project in 2019-20, but work was effectively brought to a halt by Covid-19. Despite this, a version of our NFSS adjusted to the risks and opportunities associated with smaller woods and/or lower intensity management was fed into the UKWAS review and revision process as planned. We still intend to register a separate formal standard development process with FSC International for a more radically adapted standard and will pursue this work in 2021.

We have received funding from FSC International for 2021 for a project to promote certification of small and community woods, and in particular to support group schemes tailored to the needs of these woods. We have already held some successful online events, added new material to our website and had encouraging discussions with a number of organisations interested in setting up groups, and look forward to building on this over the rest of the year.

We continue to promote FSC verification of ecosystem services claims in the UK by engaging with a range of existing and potential certificate holders, broker organisations and potential investors. We have run a dedicated event discussing the practicalities and potential benefits of ecosystem service verification with those involved in small and community woodlands. We have focused on alignment of the ecosystem services procedure with carbon focused woodland creation projects and the additional value FSC ecosystem services claims can provide.

We continue to make the case that the utility of this mechanism should be recognised in government moves towards payment for provision of public goods in any future financial support for land managers.

Priority: Support and represent UK based FSC Licence Holders

It is essential that the relationship we have with our licence holders is proactively managed and that we support those companies committed to and engaged with the FSC system. During the reporting period 519 FSC licence holders (certificate holders and promotional licence holders) signed up for FSC UK's online training. We developed new training for the use of the trademarks by Promotional Licence Holders.

In the global context, we also need to represent our UK stakeholders to ensure that FSC's standards are appropriate and relevant. Engaging and supporting certificate holders and retailers to maximise the market for FSC products (and thus increase the demand for certified forests) is fundamental to our charitable objectives.

There was a slight decrease (2%) in the overall number of UK FSC certificates during this reporting period, however the number of packaging sector certificates increased by 12%. The number of FSC promotional trademark licences held by UK based companies is unchanged at 113.

FSC UK joined FSC Canada and FSC Denmark to create a theme and assets for FSC Friday 2020. The design work was funded by FSC International, but decreased capacity meant they were unable to coordinate the event. FSC Friday assets were promoted to UK licence holders via the newsletter and a webinar. The assets were well-received and shared by many licence holders on social media.

**Report of the Trustees
for the Year Ended 31 March 2021**

Licence holders continue to receive the monthly e-magazine, Forest Matters. Forest Matters provides updates on developments within FSC as well as case studies and other news. The March 2021 edition of Forest matters was sent to 737 public subscribers and 3256 technical subscribers. All new certificate holders and renewed certificates receive an FSC UK Welcome pack.

We hosted a 'Checking FSC certificates' webinar in May. This webinar introduced the use of the FSC Certificate Database and presented the Certificate Status Watch tool which helps licence holders monitor any changes to suppliers' FSC certificates. A webinar in June launched FSC UK's 2020 consumer survey results, which were also promoted via Forest Matters. Webinars were held on Certification and specification of FSC reclaimed timber (including a presentation on group scheme certification), Using the FSC Label Generator and FSC Friday. Bespoke webinar training was delivered to two organisations. New training on the use of the trademarks by Promotional Licence Holders was created. In December we hosted an 'Are you ready for the UK Timber Regulation?' with invited speakers from the OPSS. 'Lockdown videos', highlighting engagement with FSC during lockdown, were created by a number of stakeholders and shared on the FSC UK website and Twitter platform.

Priority: Increase demand for FSC certification and FSC certified products

Our annual consumer survey, conducted by OnePoll in February 2021, revealed that 73% of people in the UK recognise the FSC logo. A press release and infographics based on the results of our consumer survey were sent to media outlets, achieving 13 pieces of coverage and 396K estimated coverage views.

FSC UK presented at the Environmental Packaging Summit and the Book Chain Project Forest Sourcing Forum.

The FSC for Furniture and FSC in Fashion brochures were launched and made available online.

We worked with Co-op on an on-demand television advertisement and radio advertisement promoting FSC-certified products which aired in February and March 2021 and was updated and continued into April. The advertisements were shared by FSC International with the wider FSC Network as part of the Marketing and Communication Town Hall as an example of innovative work by TSPs with Promotional Licence Holders.

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

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

The protection of the FSC trademarks is an essential part of our work. Companies often seek to benefit from the demand for FSC certified products, without holding certification or a trademark licence. This directly undermines the integrity of the system and acts as a disincentive for those operating within the system and abiding by our trademark standards. A total of 116 cases of unauthorised trademark use were resolved in the reporting period. By becoming more proactive in our fight against trademark infringements we not only reduce the risk of inaccurate claims, we also bring companies into the system. Of the companies contacted this year, one gained certification and three now hold a promotional licence.

FSC's governance structure gives an equal voice to economic, environmental and social members and FSC UK administers the UK-based members. This year we welcomed Andrew Heald as a new member in the social chamber. Although we were unable to hold an in-person Annual Member Meeting in 2020, 16 members attended our online event.

The support of NGOs is one of FSC's strengths. We are raising awareness of FSC among NGOs through our membership to Wildlife & Countryside Link. Through the Link network we have joined with other NGOs to campaign for a 'state of nature' target to be written into the Environment Bill. We also supported the Six Principles Initiative along with other Welsh organisations to demand that the political parties of Wales prioritise the climate and nature crisis within their election manifestos.

**Report of the Trustees
for the Year Ended 31 March 2021**

FINANCIAL REVIEW

Income

Over the financial year under review income exceeded expenditure by £81,955. We began the year with an opening balance from the previous period of £814,882 and have ended with a carry forward of £896,837. It should be noted that this carry forward figure includes the reserves fund of over £246k.

Trademark licensing and membership revenue continue to increase, providing £90,801 of income during the reporting period. However, most of the income is received under the Principal Cooperation, Service and Licence Agreement (the Activity Compensation Fee (ACF)) with FSC Global Development. This is currently calculated on a formula which is primarily based on the Annual Accreditation Fee (AAF) charged to certified companies in the UK.

Due to concerns regarding a potential drop in income as a result of Covid-19, FSC International made a decision to reduce the ACF for FSC UK and other National Offices for 2020. In light of this, FSC UK adjusted the proposed budget for 2020-21, reducing expenditure in line with the lower ACF income. The anticipated drop in income did not occur in 2020 and, as a result, a rebate was received by FSC UK in March 2021. This resulted in the surplus of income over expenditure over the financial year, despite a predicted deficit. It should be noted that £22.7k of this rebate related to 2019-20.

Expenditure

Expenditure was lower this year compared with last (£374,795 compared with £398,147). As explained above, this reduction in expenditure was budgeted based on the predicted reduction in income through the ACF. The intention is to utilise the rebate during 2021-22. Expenditure on events, travel and subsistence was inevitably greatly reduced due to the impact of Covid-19.

Reserves Policy

The Steering Group considers the charity's requirements for reserves in light of the main risks to the organisation. A policy had previously been established whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be equivalent to 3 months' of expenditure. However, it was agreed in October 2015 that this policy should be extended to 6 months' of expenditure. At the end of the reporting period over £246k was held in reserve.

The reserves are needed to meet the working capital requirements of the charity and, in the worse-case scenario, to cover the cost of closing the charity. The Steering Group is confident that, at the equivalent to 6 months' expenditure, the charity would be able to continue at worthwhile activity levels in the event of a temporary significant drop in funding. The trustees also wish to ensure that the estimated cost of closing the charity not exceed 50% of reserves

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Ephesea UK, incorporated in England & Wales on 15 January 2009, is a private company limited by guarantee (as defined by the Companies Act 2006), which is also an association of members registered as an incorporated charity (for simplicity, this report refers henceforth to the company as 'the charity'). The charity is governed under Memorandum and Articles of Association that sets out its objects and powers. These were updated at the 2017 Annual Members' Meeting in agreement with the membership.

Membership of the charity is open to individuals and organisations who are:

- Members of the Forest Stewardship Council AC;
- Ordinarily based or resident in the UK.

**Report of the Trustees
for the Year Ended 31 March 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

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

Trustees are either proposed or volunteer. They may sit on the board until the next annual members' meeting, when they have to seek election from the membership. Once elected, a trustee may sit on the board for a term of 3 years (from the date of joining the board) before seeking re-election. There is no limit to the number of terms for which a trustee may seek re-election. Re-elected trustees serve a term of 3 years from the date of re-election.

Trustees may elect from amongst themselves a chair, a vice chair and a treasurer.

A trustee pack, outlining trustee responsibilities, is given to all new trustees.

Decision Making and Reporting

The board of trustees meets three times per year in person to set the strategic direction and policy of the charity including, crucially, its aims and priorities. Board meetings are attended by the Executive Director and, by invitation, members of staff. Between meetings, the Executive Director provides trustees with an Interim Report by email. Conference calls between some or all of the trustees may be arranged at any time. Finally, ad hoc working groups of a small number of trustees can be put together to address particular issues.

Day to day management of the charity falls to the Executive Director, supported by the permanent staff. The Executive Director is responsible for ensuring that the charity delivers a range of services that meet its Objects and Strategic Priorities.

Wider network

The charity (under the title of FSC United Kingdom) is an accredited National Office of the wider, international FSC network. The charity receives an annual Activity Compensation Fee (ACF) from FSC Global Development GmbH. The ACF is paid to FSC National Offices that have agreed and signed a valid Principle Cooperation, Service and License Agreement with FSC Global Development. In the reporting period over 75% of income was generated via the ACF.

The charity participates in FSC's European and Global networks and supports the Global Strategy. The FSC UK strategic plan is developed in the context of FSC's global vision and mission and our own charitable objectives.

Related parties

The charity has contractual relationships and/or memoranda of understanding with some organisations to facilitate cooperation in the pursuit of its charitable objectives and guard against misunderstandings over areas of common interest.

Covid-19

From 16th March 2020, all office-based staff were advised to work remotely due to the potential risks posed by Covid-19. Face-to-face meetings were replaced with online meetings and work priorities were adjusted to reflect the changing work environment and the need to support our stakeholders through this period. In early 2021 we took advantage of the furlough scheme to reduce the hours of those staff facing the added challenge of home-schooling. FSC UK otherwise operated business as usual.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

06792524 (England and Wales)

**Report of the Trustees
for the Year Ended 31 March 2021**

Registered Charity number

1130203

Registered office

The Billiard Room
Town Hall
Great Oak Street
Llanidloes
Powys
SY18 6BN

Trustees

C Bradford Chair (resigned 16.6.20)
A Mawby Treasurer
M Bekin Vice-Chair (from 05.08.20)
J B Kirkpatrick Chair (from 05.08.20)
H Kwisthout
C McDermott
M Robson
J G Tewson (resigned 25.9.20)
S Jennings
H van Hensbergen (appointed 19.2.21)

Auditors

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

Bankers

Co-Operative Bank plc
PO Box 101
1 Balloon Street
Manchester
M60 4EP

Management Team

Rosie Teasdale (Executive Director)
Owen Davies (Forest Standards Manager)
Tallulah Chapman (Communications Manager)
Beth Bennett (Business Development Manager)
Amy Willox (Forestry Outreach Manager)

Charity Name

The charity is also known as Forest Stewardship Council® (FSC®) United Kingdom (UK) and permutations thereof.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Ephesea UK for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

**Report of the Trustees
for the Year Ended 31 March 2021**

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

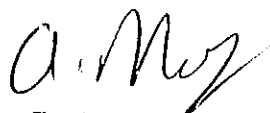
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 13 August 2021 and signed on its behalf by:



A Mawby - Trustee

Opinion

We have audited the financial statements of Ephesea UK (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 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. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including relevant legislation such as the Companies Act 2006, taxation legislation, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting relevant correspondence.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- reviewed nominal ledgers and tested journal entries reports to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- reviewing correspondence with HMRC.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

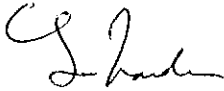
Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Thomas Landers BA FCA (Senior Statutory Auditor)
for and on behalf of Morgan Griffiths LLP
Chartered Accountants
Statutory Auditor
Cross Chambers
9 High Street
Newtown
Powys
SY16 2NY

Date: 01/09/2021

Ephesea UK

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 March 2021

	Notes	Unrestricted funds £	Restricted funds £	31.3.21 Total funds £	31.3.20 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations	2	110	-	110	60
Charitable activities	5				
Forestry		5,449	-	5,449	3,339
Activity compensation fee		358,170	-	358,170	331,811
Membership		51,435	-	51,435	49,484
Other trading activities	3	37,546	-	37,546	36,990
Investment income	4	1,796	-	1,796	3,263
Other income		2,244	-	2,244	-
Total		456,750	-	456,750	424,947
EXPENDITURE ON					
Charitable activities	6				
Forestry		74,562	-	74,562	74,607
Licence holder support		132,724	-	132,724	113,042
Credibility		45,796	-	45,796	73,891
Driving Demand		121,713	-	121,713	136,607
Total		374,795	-	374,795	398,147
NET INCOME		81,955	-	81,955	26,800
RECONCILIATION OF FUNDS					
Total funds brought forward		814,882	-	814,882	788,082
TOTAL FUNDS CARRIED FORWARD		896,837	-	896,837	814,882

The notes form part of these financial statements

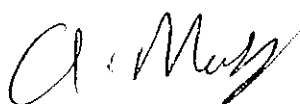
Ephesea UK

Balance Sheet
31 March 2021

	Notes	31.3.21 £	31.3.20 £
FIXED ASSETS			
Tangible assets	13	5,389	6,747
CURRENT ASSETS			
Debtors	14	145,443	146,554
Cash at bank and in hand		835,096	769,663
		<u>980,539</u>	<u>916,217</u>
CREDITORS			
Amounts falling due within one year	15	(89,091)	(108,082)
NET CURRENT ASSETS		<u>891,448</u>	<u>808,135</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>896,837</u>	<u>814,882</u>
NET ASSETS		<u>896,837</u>	<u>814,882</u>
FUNDS	18		
Unrestricted funds		<u>896,837</u>	<u>814,882</u>
TOTAL FUNDS		<u>896,837</u>	<u>814,882</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 13 August 2021 and were signed on its behalf by:



A Mawby - Trustee

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Governance costs

Governance costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Allocation and apportionment of costs

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 50% on cost and 15% on reducing balance
Computer equipment	- 33% on cost

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

1. ACCOUNTING POLICIES - continued**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Operating leases

Costs in respect of operating leases are charged to the statement of financial activities on a straight line basis over the term of the lease.

2. DONATIONS

	31.3.21	31.3.20
	£	£
Donations	110	60
	<u>110</u>	<u>60</u>

3. OTHER TRADING ACTIVITIES

	31.3.21	31.3.20
	£	£
Trademark Licensing	39,366	36,162
Training	(1,820)	828
	<u>37,546</u>	<u>36,990</u>

4. INVESTMENT INCOME

	31.3.21	31.3.20
	£	£
Deposit account interest	1,796	3,263
	<u>1,796</u>	<u>3,263</u>

5. INCOME FROM CHARITABLE ACTIVITIES

		31.3.21	31.3.20
		£	£
Consultancy	Activity	5,449	3,339
Activity compensation fee	Forestry	358,170	331,811
FSC Membership	Activity compensation fee	51,435	49,484
	Membership	<u>415,054</u>	<u>384,634</u>

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

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 7) £	Support costs (see note 8) £	Totals £
Forestry	59,685	14,877	74,562
Licence holder support	104,743	27,981	132,724
Credibility	37,264	8,532	45,796
Driving Demand	102,083	19,630	121,713
	<u>303,775</u>	<u>71,020</u>	<u>374,795</u>

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.3.21 £	31.3.20 £
Staff costs	246,906	211,181
Telephone	1,488	1,738
Postage and stationery	1,128	6,379
Travel & subsistence	597	17,149
Publications & subscriptions	7,494	5,566
Recruitment & training	5,004	5,898
Repairs & renewals	-	24
UKWAS subscription	5,000	5,000
Publicity	8,182	25,112
Exhibition expenses	-	14,477
Consultancy fees	20,597	13,522
Sundries	93	150
FSC Membership Admin Fee	7,286	8,220
IT Support	-	799
	<u>303,775</u>	<u>315,215</u>

8. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Forestry	13,848	1,029	14,877
Licence holder support	26,046	1,935	27,981
Credibility	7,942	590	8,532
Driving Demand	18,272	1,358	19,630
	<u>66,108</u>	<u>4,912</u>	<u>71,020</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

8. SUPPORT COSTS - continued

Activity	Basis of allocation
Management	Salary costs
Governance costs	Salary costs

9. NET INCOME/(EXPENDITURE)

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

	31.3.21	31.3.20
	£	£
Auditors' remuneration	2,340	2,342
Depreciation - owned assets	<u>2,013</u>	<u>2,818</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Trustees' expenses

There were no travel and subsistence expenses in the period (2020 £3,037 reimbursed to eight trustees).

11. STAFF COSTS

	Year Ended 31.3.21	Year Ended 31.3.20
	£	£
Wages and salaries	249,686	216,688
Social security costs	19,555	16,918
Pensions	<u>14,981</u>	<u>13,002</u>
	<u>284,422</u>	<u>246,608</u>

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

Licence holder support	2.9	2.4
UK forest standards	1.4	1.2
Credibility	1.2	1.3
Core	1.0	1.0
Driving Demand	<u>1.8</u>	<u>1.7</u>
	<u>8.3</u>	<u>7.6</u>

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

The charity considers its key management personnel comprise the management team listed on page 7. The total employment benefits including employer pension contributions of the key management personnel for the year ended 31 March 2021 were £174,464 (2020 £149,610 to 4 individuals).

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

There were no restricted funds during the year to 31 March 2020.

13. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2020	14,860	25,064	39,924
Additions	-	655	655
At 31 March 2021	<u>14,860</u>	<u>25,719</u>	<u>40,579</u>
DEPRECIATION			
At 1 April 2020	10,547	22,630	33,177
Charge for year	641	1,372	2,013
At 31 March 2021	<u>11,188</u>	<u>24,002</u>	<u>35,190</u>
NET BOOK VALUE			
At 31 March 2021	<u>3,672</u>	<u>1,717</u>	<u>5,389</u>
At 31 March 2020	<u>4,313</u>	<u>2,434</u>	<u>6,747</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.21	31.3.20
	£	£
Trade debtors	131,307	126,915
Prepayments and accrued income	14,136	19,639
	<u>145,443</u>	<u>146,554</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.21	31.3.20
	£	£
Trade creditors	5,074	804
Social security and other taxes	6,009	4,198
Deferred income	56,026	83,939
Accrued expenses	21,982	19,141
	<u>89,091</u>	<u>108,082</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

16. LEASING AGREEMENTS

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

	31.3.21	31.3.20
	£	£
Within one year	9,650	9,650
Between one and five years	9,650	19,300
	<u>19,300</u>	<u>28,950</u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	31.3.21 Total funds	31.3.20 Total funds
	£	£	£	£
Fixed assets	5,389	-	5,389	6,747
Current assets	980,539	-	980,539	916,217
Current liabilities	<u>(89,091)</u>	<u>-</u>	<u>(89,091)</u>	<u>(108,082)</u>
	<u>896,837</u>	<u>-</u>	<u>896,837</u>	<u>814,882</u>

£246,083 of the cash held in the deposit accounts is included in the unrestricted funds figures above. This is the figure referred to in the "reserves policy" section of the Report of the Trustees.

18. MOVEMENT IN FUNDS

	At 1.4.20	Net movement in funds	Transfers between funds	At 31.3.21
	£	£	£	£
Unrestricted funds				
General Fund	808,136	83,967	(655)	891,448
Capital Fund	<u>6,746</u>	<u>(2,012)</u>	<u>655</u>	<u>5,389</u>
	<u>814,882</u>	<u>81,955</u>	<u>-</u>	<u>896,837</u>
TOTAL FUNDS	<u>814,882</u>	<u>81,955</u>	<u>-</u>	<u>896,837</u>

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General Fund	456,750	(372,783)	83,967
Capital Fund	<u>-</u>	<u>(2,012)</u>	<u>(2,012)</u>
	<u>456,750</u>	<u>(374,795)</u>	<u>81,955</u>
TOTAL FUNDS	<u>456,750</u>	<u>(374,795)</u>	<u>81,955</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

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

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

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

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

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

	At 1.4.19 £	Net movement in funds £	Transfers between funds £	At 31.3.21 £
Unrestricted funds				
General Fund	779,160	113,586	(1,298)	891,448
Capital Fund	8,922	(4,831)	1,298	5,389
	<u>788,082</u>	<u>108,755</u>	<u>-</u>	<u>896,837</u>
TOTAL FUNDS	<u>788,082</u>	<u>108,755</u>	<u>-</u>	<u>896,837</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

18. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	881,697	(768,111)	113,586
Capital Fund	-	(4,831)	(4,831)
	<u>881,697</u>	<u>(772,942)</u>	<u>108,755</u>
TOTAL FUNDS	<u>881,697</u>	<u>(772,942)</u>	<u>108,755</u>

19. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2021.