

AQUACULTURE STEWARDSHIP COUNCIL LIMITED
GROUP FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

COMPANY REGISTRATION NUMBER 08172832

AQUACULTURE STEWARDSHIP COUNCIL LIMITED
(A company limited by guarantee)
GROUP FINANCIAL STATEMENTS
31 DECEMBER 2020

Charity Number 1150418

AQUACULTURE STEWARDSHIP COUNCIL LIMITED
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TRUSTEES ANNUAL REPORT

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The trustees, who are also directors for the purposes of company law, present their report and the financial statements of the group for the year ended 31 December 2020 which comprises the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Cash Flow Statement and the related notes.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	Aquaculture Stewardship Council Limited
Charity registration number	1150418
Company registration number	8172832
Principal office	27 Old Gloucester Street, London, WC1N 3AX
Registered office	27 Old Gloucester Street, London, WC1N 3AX

The Trustees

The trustees who served the company during the period were as follows:

A Dingwall	
Dr S Nichols	Chairman
J Villalon	
H D Thuy	
O Oaland	
K Nakamura	(resigned September 2020)
M S Macleod	(appointed January 2020)
M Jeans	(resigned March 2021)

Chief Executive Officer	C Nines
Company Secretary	R Ryan

Other Key Management Personnel

Finance Director	L Egan
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Our Advisors

Auditors	Haysmacintyre LLP	10 Queen Street Place, London, EC4R 1AG
Bankers	Barclays Bank Plc	5 Church Street, Leatherhead, Surrey, KT22 8DE
Solicitors	Russell-Cooke LLP	2 Putney Hill, London, SW15 6AB

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Introduction

Aquaculture Stewardship Council, also known as ASC, ("the charity") is a company limited by guarantee registered in England and Wales. Each of the trustees have provided a guarantee limited to £1 each. It is governed and managed in accordance with its Articles of Association.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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).

The Trustees' Management

The charity is managed by a committee of the trustees.

The charity trustees are ultimately responsible for the good governance and supervision of ASC including supervision of its staff and assets in accordance with its charitable objectives. The Trustees have established a Governance Committee to oversee Board governance arrangements.

The trustees have considered the major risks to which the charity is exposed and have reviewed the risks and established systems and procedures to manage these risks.

Recruitment and appointment of Board:

The trustees who are also the directors for the purpose of company law are known as members of the Board. The Board members are guided by the Memorandum and Articles of Association of the charity. The ASC is an international in scope and works with a diverse group of stakeholders with an interest in the work of the charity. The board is also guided by the need to maintain representation of these stakeholder groups. Term limits are in place. When seeking a new candidate the trustees will advertise through the organisations web site, review candidates that have proposed themselves and use their existing, extensive international networks to propose a shortlist of possible candidates. These are passed to the 'recruitment committee', an appointed sub-set of trustees, to seek further advice on potential candidates, conduct interviews and make recommendations to the board concerning their suitability. The board will discuss and appoint the selected candidate.

Structure

The board of trustees, which can have up to 9 members, administers the charity. The board normally meets 3 times yearly and there is three sub-committees covering 1) Finance and Audit, 2) Governance, and 3) Board Nominations, which meet around the Budget and Accounting cycle. A Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment and any related operating activity.

ASC wholly owns a subsidiary company, ASCI Limited, which carries out its trading activities related to logo licensing.

Key Management and Remuneration Policy

The directors consider that the board of directors, who are the trustees, and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the ASC on a day to day basis. All directors give their time freely and no director received remuneration in the year. Details of directors' expenses and related party transactions are disclosed in notes 9 and 19 to the accounts.

The pay of key management and senior staff is reviewed annually and normally increased in accordance with average earnings. The remuneration is of the range paid for similar roles adjusting for any additional responsibilities. If recruitment has proven difficult a market addition is also paid with the pay maximum no greater than the highest benchmarked salary for a comparable role.

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OBJECTIVES AND ACTIVITIES

Charitable Objectives and Public Benefit

The ASC is an independent, international organisation. It works with a wide range of partners to promote the transformation of the global aquaculture industry towards operation on a more environmentally sustainable and socially responsible basis. It does so through using efficient market mechanisms that create value across the seafood supply chain. Its work to conserve marine and freshwater environments and to advance education about the principles and practice of responsible farming and conservation is for the benefit of the public.

ASC's activities promote and quantify responsible farming of fish, shellfish and crustacea and, jointly with the Marine Stewardship Council (MSC), seaweed. They do so by, amongst other things, furthering the understanding and adoption of responsible aquaculture practices, maintaining and monitoring objective standards for responsible aquaculture in order to reduce negative social and environmental impacts.

The ASC offers producers of farmed seafood access to a certification programme. Meeting the ASC standards necessary for certification is a signal that a farm is operating responsibly. The programme creates incentives that reward responsible farming practices. The ASC also promotes and rewards responsible farming practices through the use of a consumer-facing label on products made from ASC certified material. This enables the public when buying seafood to make better-informed choices in favour of responsibly produced seafood. In turn this will have a beneficial impact on both the environment in which aquaculture takes place and amongst the communities affected by fish farming enterprises of a wide range of sizes, in a wide range of locations. The ASC also seeks to increase the demand for responsibly produced seafood through the work of the newly configured Market Development Team and the Marketing Communications Team. Together the staff of these two teams drive a programme of continuous engagement with retailers, brands, the food service sector, supply chain companies and producers through to the promotion of ASC certified and labelled products to consumers. This helps shift perceptions of, and the performance of, the aquaculture industry in a way that is to the public benefit.

The aquaculture industry makes a major contribution to meeting the global demand for seafood protein. It does so while reducing the pressure on wild capture fisheries. More than half of the fish consumed globally now comes from aquaculture. It continues to be the fastest growing food production system in the world. The industry provides improved food security for many people. It contributes less to the damaging effects of climate change than all other major terrestrial animal protein production systems. The actions taken by the ASC contribute to the achievement of many of the global Sustainable Development Goals set by the United Nations. ASC is helping to move the aquaculture industry onto a less harmful, more positive footing to the benefit of the public.

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit". The aims and activities of the ASC are clearly focussed on this objective.

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ACHIEVEMENTS AND PERFORMANCE IN 2020

In 2020, ASC's certification and labelling programme, despite the global impacts of the COVID pandemic, continued to grow. Farm certification expanded, albeit at a slightly reduced rate, but the uptake and use of the ASC logo on certified products in key markets showed strong growth. As a result the ASC continues to have an influential and beneficial impact on the operation of the global aquaculture industry. It has been encouraging that at a time when global seafood sector has been faced with serious challenges during 2020 the ASC programme has continued to expand. The services that it offered to the seafood industry throughout the supply chain in 2020 continue to be taken up and used worldwide.

The ASC programme remains driven by the **Mission** set by its founders: "to transform aquaculture towards environmental sustainability and social responsibility using efficient market mechanisms that create value across the chain." The programme promotes industry best practice to minimise the environmental and social footprint of commercial aquaculture. Through the consumer label it makes available to qualified users ASC promotes certified responsibly farmed products in the marketplace. It acts, therefore, to influence both the supply and the demand for responsibly produced seafood and the value added and positive impact that the ASC programme delivers has been demonstrated clearly.

The ASC continued to operate 11 farm standards throughout 2020 and a joint ASC-MSC standard for seaweed. All standards are applicable in all regions globally where these fish and plants are farmed.

The ASC has continued to ensure the relevance of the existing core set of standards. They are reviewed and updated when new information becomes available and when experience with their operation suggests that their content can be improved. While no new standards for farming operations were released work was initiated to add a number of new species to existing standards, including the incorporation of crayfish, *Macrobrachium* and a number of other penaeid species into the Shrimp Standard. Work was also commissioned to develop a module covering recirculating aquaculture systems (RAS). The RAS module covers all existing species recognised under ASC farm standards. This work will be concluded in early 2021. The ASC continues with further revisions of the Salmon Standard to incorporate new scientific insights concerning the control of sea lice on salmon farms. This work is scheduled to conclude early 2022. Collectively this work delivered on ASC's ongoing commitment to continuously improve standards and adapt to changes in knowledge and in the industry.

All updates and revisions to ASC standards follow a rigorous multi-stakeholder, science-based, review process; enshrining ASC commitments to ISEAL's Standard Setting Code and adherence to transparency.

In 2020 ASC the number of farm sites certified to one of the standards increased by almost 20% and by the end of the year the total was 1,336. Of this total salmon farms accounted for 39% and shrimp farms 23%. The encouraging early signs of uptake for the relatively new (2018) Seabass/Seabream/Meagre standard continued with 47 farms certified at the end of the year. There are now a total of 15 seaweed operations certified. In 2020, the first 6 producers growing Tropical Finfish species entered the programme.

The interest in ASC certification has been worldwide, but not even. In 2020 some 42% of all certified production (farm gate as reported in audit reports) was in European countries (primarily Norway), while Asia the world's major aquaculture producing area accounted for 20%. About 28% of all certified farm production in 2020 were in Central and South America and 4% in North America. In all there were ASC certified farms in 47 different countries and territories. The pipeline of farms seeking assessment under the programme has continued to be healthy with 238 at varying stages in the process.

In 2020 ASC refined the method it calculated farm production and improved the reporting of this through its audit template. This resulted in a reduction of the certified volume and the new baseline established in 2020 was 1,625,873 tonnes certified (farm gate). With the improved methodology in place for reporting certified farm volumes, we see the certified volumes picking up and increasing again.

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The interest in the ASC labelled products continued to show solid growth. There was an increase of 35% to 28,402 approved labelled products. Products were available for sale in 90 countries and territories. This increase was realised during a troubled year for many producers due to COVID but was offset strongly in ASC's favour with strong growth in seafood purchases through grocery retail.

There is an ever-expanding array of commercial and other partners responsible for the delivery of ASC certified and labelled products into the market. To do so all companies handling ASC products as they move through the supply chain must also be certified against the Marine Stewardship Council's supply chain standard. By the end of 2020 almost 2,500 companies were Chain of Custody certified and 1,101 of these companies were fee paying logo licence holders.

An increasingly important aspect of ASC's work is the delivery of value to certified farms through the promotion of the ASC programme and of ASC labelled products in the marketplace. Typically, ASC takes part in a range of events with partners to promote responsible seafood, including attendance at a number of international and domestic trade show events. While most of these opportunities were curtailed because of the COVID pandemic, we did maintain a very successful presence at the domestic show in Bremen, Germany, just before the pandemic became widespread. Many of the annual events held in key markets where our many commercial partners attend, were successfully held online.

Our work within an increasing number of specially devised campaigns aimed at building awareness and understanding of the ASC logo, particularly amongst consumers, still took place often adjusted to maximize digital delivery. In 2020 seafood campaigns (held jointly with the MSC) were delivered in France, the Netherlands, Belgium, Japan and Australia. For the very first time there was also a campaign covering Germany, Austria and Switzerland. These events are incredibly successful and achieved a quite remarkable consumer reach despite their modest costs. This is achieved through the strong commitments of our retail partners, branded and non-branded seafood suppliers and increasingly from the participation of other organisations (e.g. zoos and aquaria) and through the hosting of educational events during the campaigns.

Two significant communication milestones were also achieved in 2020. The first, a publication of a short history of the development of the ASC covering the first decade of our operations. The second, our first report setting out the environmental and social impact reduction our certification programme has achieved. This latter report, the first of a commitment to annually report on such content, is a significant achievement, representing not only ASC's commitment to fulfilling requirements set-out in ISEAL's Impacts Code, but also to our broader stakeholder audiences that the ASC programme does deliver significant and important change. Both reports are available on the ASC website.

The ASC has always recognised that the challenges facing the global aquaculture industry can be tackled more effectively if close **collaboration** can be achieved with like-minded organisations. Work begun in 2018 in this area and continued to make progress throughout 2020 with a range of organisations. Projects continued to be implemented with Fairtrade USA and with the Sustainable Seafood Partnership and the Seafood Watch Programme of the Monterey Bay Aquarium. ASC's CEO continues to chair the Certifications and Rating Collaboration of major seafood organisations.

In 2020 ASC was able to continue to cover its increasing core costs of staffing and allied expenditure from own-generated resources. Logo licensing income was robust in 2020, growing by 28% to €10.6 million. Additional activity has been funded by generous philanthropic donations, bringing total income close to €11 million for the year. But expenditure must and will increase as the ASC moves ahead to tackle the on-going challenges before it. Income will need to rise in parallel to both maintain the position and create an adequate financial reserve. There will not be any complacency. The ASC will continue to need external funding for specific one-off projects.

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Delivering the Strategic Plan

The direction for the expansion of the ASC has been set out in the Strategic Plan (January 2017 – December 2021). Implementation of the plan and hence the direction of travel and identification of in-year activities is undertaken in a logically consistent and transparent way. A set of outputs needed to help ASC be able to move forward with the achievement of its longer-term Mission has been identified. Delivering them over time remains the key challenge for the organisation. Progress in 2020 with the delivery of each of these outputs is set out below.

The ASC Global Standards and Certification Programme Strengthened and Developed

During 2020 standards development continued apace as noted above. Ongoing developments initiated in 2019 near completion including work to certify seafood farmed in recirculating aquaculture systems (RAS) and to expand the species coverage of existing standards. Our work to continuously improve the quality of the standards, ultimately leading to the revision of existing standards, also continued with further revisions to the salmon standard underway. As the marketplace shows interest in the production of new standards, so too must the ASC continue to reflect advances in scientific knowledge and industry experience and best practice in the ask it makes of producers.

Work also continues apace with the search for increased efficiency in the implementation of the ASC farm standards. The Alignment Project seeks to bring all of the common elements of all 11 farm standards together and to develop consistent approaches to how the standards address the impacts created by various production methods. The project will deliver a higher level of consistency and rationalisation across the current standards for all farmed seafood species currently targeted by ASC and will provide greater clarity to farmers, auditors and to other external stakeholders. This will be achieved by an **alignment process of the content of the standards**. In turn this will allow the ASC to expand its reach more easily (for example to different production systems and more species) extending the positive impacts the programme can deliver. It will also create efficiencies for future revisions processes.

The thrust of the work is to develop a new simplified system in which instead of the original 7 Principles per-species found in all ASC farm standards, the new ASC Farm Standard will have 3 Principles setting effective and credible requirements. They will cover legal and business management (P1), operating in an environmentally responsible manner (P2) and operating in a socially responsible manner (P3).

Good progress has been made in 2020. A unified approach for Principle 1 (legal compliance and management oversight) has concluded, including necessary public consultation. This content will become operational in 2021. Similarly, work to streamline the social content of the ASC standards (P3) covering workplace rights, health and safety and that dealing with fundamental human rights have been unified into a single and consistent approach that will be released together with P1. A larger body of work yet to conclude, involves all of the content associated with reducing farm impact on the environment. The new ASC Farm Standard will also have production-system specific criteria (where needed/applicable) and species-specific metrics (where needed/applicable). This work is progressing well and there are 11 active technical working groups addressing various impact areas. It is an enormous undertaking but public consultation in Spring and Autumn 2021 is scheduled and all content will undergo at least one more round of consultation and an extensive piloting phase. This work will conclude in 2022.

The review of the Shrimp standard launched in 2018 got progressed in 2020 as well. It reviewed the metric performance levels for the current species in scope as well as expanding the Standard scope to include a number of freshwater crustaceans as well. Public consultation was concluded in 2020 and board approval for the adoption of the standard is anticipated in early 2021.

The work in the Standards and Science team on issues relating to **fish welfare** continued. The content developed related to new ASC fish health and welfare criteria and indicators will be incorporated within the new Aligned Standard. Much of this content builds on the existing framework already embedded within the ASC farm standards, but some new areas will require adoption concerning humane slaughter and transport.

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The long-standing ASC commitment to develop a pioneering **aquaculture Feed Standard** which began in October 2013 concluded in 2020 with the board's approval of the standard in December. Feed represents a major component of the environmental and social footprints of aquaculture. It is, therefore, important for the ASC to define precisely what constitutes responsible and sustainable fish feed production. This is a major accomplishment and the standard provides a novel improved framework for feed fisheries and, for the first time, looks to start to address the key impacts associated with the vast majority (75-80%) of ingredients that are of terrestrial origin.

The ASC continues to expand the work of the Programme Assurance Team to provide stakeholders with confidence that the ASC Standards are effectively implemented and audited and that this work is verified. **Programme Assurance** work in 2020 aimed to ensure that the ASC programme continued to remain meaningful, effective and robust, that there was traceability and provision of assurance about products certified by ASC to supply chain partners. The Programme Assurance team was strengthened further to provide more capacity for this key part of the organisation's establishment. Upholding the integrity of the programme is the top priority for ASC management.

A number of initiatives continued in 2020 to improve ASC's assurance performance. For example, the Programme Assurance team continued with work to develop a digital traceability platform. The project involves using and/or developing software to capture and convey **key data elements** (KDEs) from certified farm origin throughout the supply chain to end consumers. This work has been informed by the Global Dialogue on Seafood Traceability (GDST) and the structure, format and design of ASC's KDE are consistent with those defined by the GDST project; of which ASC was an active partner. During 2020 a number of pilots were undertaken and towards the end of 2020 a 'soft launch' was undertaken in Vietnam. Building on the anticipated success of the launch further supply chains will be targeted in 2021.

In 2020, the Supplier Monitoring Tool, an additional assurance tool involves the use of **a web-based tool** to collect certified product antibiotic test result data from a range of sources, including certificate holders, government data base sets and ASC's own sampling. Submissions are made confidentially into an online reporting tool by responding to several simple questions about the product tested and any antibiotic residue detected. The results are held in a database and on a quarterly basis the data are aggregated and reported back to the participating network of submitters. This allows participants to gain insights on trends of antibiotic detection across different suppliers and avoid suppliers whose products tend to have positive results. Oversight of this information allows ASC to focus attention and resources to higher risk suppliers and products, ultimately improving programme assurance and certified product integrity. Throughout 2020 the pool of companies volunteering information through the tool has increased. The tool while initially focused on antibiotic testing of certified shrimp products will be expanded to include results for other species and possibly contaminants as well.

Output of certified seafood and availability of labelled products increased through focus on key countries in Europe, the Americas, Asia and Australasia

Despite continued expansion of staffing in 2020, ASC still remains a small organisation with limited capacity but with ambitions to influence the way that aquaculture is done world-wide. So it has aimed to focus its efforts on key markets in order to increase the output of certified seafood and the availability of labelled products. The mix of effort directed at helping and encouraging producers to take part in the programme and that placed on the development of the supply chain involvement in the use of ASC certified seafood varies between continents and countries. Some markets include both significant numbers of producers and a developed supply chain of users and marketing outlets for ASC certified seafood. In others the interest is biased one way or the other. In some markets it is increasing the number of producers of certified seafood that is the primary interest. In others supply chain issues dominate. For ASC the general receptivity of the social, cultural and political context in which responsible aquaculture takes place is also relevant when the allocation of effort and resources has to be assessed.

The work undertaken by consultants, board members and ASC senior management to develop a new Marketing Strategy was concluded and approved by the board in May. This work was extensive and fundamental in defining how the ASC is to evolve into becoming a marketing-led organisation. The strategy recommendations detail this evolution; which involves structural adjustments and integration of team structures, the definition of global capacity to support in-country marketing efforts and the definition, management and promotion of ASC brand value. The

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implementation of the strategy has been actively underway since its approval; a process whose duration will span several years to fully accomplish.

In 2020, as the table below shows the rise in the number of farm sites entering and seeking entry to the programme continued to grow rapidly. Notable were the expansion in the number of bivalve farms certified and the certification of 11 sites for seaweed growing wakame and hijiki (South Korea) . In all there were 1,322 ASC certified farm sites in 43 countries at the end of 2020. There were more than 162 farm sites certified in Vietnam and over 200 salmon sites both in Norway (240) and Chile (233). The growth in Chile was particularly rapid from 144 sites the year before.

Species	Number of Farm sites Certified		Farm sites under Assessment	
	December 2019	December 2020	December 2019	December 2020
Pangasius	48	43	1	3
Tilapia	43	39	2	0
Salmon	348	514	114	111
Trout	57	60	11	15
Shrimp	324	304	105	64
Bivalves	247	266	11	21
Abalone	18	33	15	2
Seriola/Cobia	16	15	1	3
Seabass/Seabream/Magre	33	47	8	13
Tropical Marine Finfish	0	1	5	6
TOTAL	1,134	1,322	273	238
Seaweed	2	15	2	0

The method calculating the volume of seafood produced by ASC certified farm sites was revised and a new benchmark established for 2020 of 1.63 million tonnes.

Despite this downwards revision there was strong growth in the number of labelled products using ASC certified seafood approved for sale throughout the supply chain. At the year's end there were 28,402 products approved, up from 21,164 (34% growth) at the end of 2019. These products were available in 90 countries, 8 more than in 2019.

Of the products approved some 31% were salmon related, and 46% for shrimp. There were almost 4,000 approved products available in the Netherlands (3948) and Germany (3862). There were over 2,000 products in Belgium (2,466), Switzerland (2,205) and France (2,361). Sweden and Denmark are also strong markets where ASC labelled products are for sale (Sweden: 1,370; Denmark: 1,399). Over the last two years growth of ASC labelled products in

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the French market has been the fastest. We are also seeing the interest in sustainable seafood increasing across Southern European markets as well (Italy: 706; Spain: 621).

Growth in other countries with large overall seafood consumption has been more modest but is experiencing above trend growth as seen in Japan (663), China (499) and the USA (517).

In September 2020, the very first ASC labelled wakame seaweed products, Gijang Salted Seaweed and Gijang Dried Seaweed, were sold in South Korean retail stores such as Lotte Mart and Homeplus and through online stores. We have also seen good market interest in certified products from one of our newer standards for seabass and bream through suppliers such as the menu box supplier Hello Fresh (Netherlands and Germany), Findus and Iglo branded products sold in Lidl, Aldi, Colruyt (Belgium), Carrefour, Migros (Switzerland) and also at Conad in Italy.

ASC recognises that many seafood farmers would like to improve their farming methods so they can meet the requirements in the ASC standards. To help bridge the gap, work continued in 2020 to set out and develop an **ASC Improver Programme**. The aim being to make the full ASC programme more accessible and to ensure that ASC standards are better understood by producers. A goal is to leverage market forces by attracting producers to drive improvements in those areas where the biggest change can be achieved. Work began on developing technical tools and supportive networks to help producers make improvements to their aquaculture production at scale; to engage and enable local governments and initiatives to contribute to and participate in the development of supporting networks to deliver efficient approaches for improvement and to support a pre-competitive approach to improvement work in the aquaculture sector. During 2020 it was realised that to ensure consistency of improvement efforts it was necessary to develop a guiding methodology that local trainers and verifiers would follow. This work is novel and not previously undertaken for the seafood sector. This work concluded in 2020 and will be piloted at several sites in 2021. Together these workstreams will act as an instrument for meaningful change and, in collaboration with others, help to accelerate further transformation towards responsible aquaculture.

ASC promoted and supported with key audiences

ASC has increased its focus on bringing value to certified farms by promoting labelled seafood through dedicated campaigns within key markets. By collaborating with the MSC and commercial and non-commercial partners, we can leverage attention and inspire consumers to make a better choice by buying ASC labelled farmed seafood. In 2020 the reach of these campaigns was extended beyond those delivered in 2019 and now includes for the first time Germany, Austria and Switzerland. Campaigns were also held in Australia, France, Belgium, the Netherlands and Japan. The general approach was similar, a week of varied activities developing and promoting sustainability and seafood. The collaborative format with both other like-minded organisations and the industry works well.

In addition to these campaigns, especially in more mature markets such as Germany, Switzerland, the Netherlands and Belgium, committed retail partners also integrate the ASC logo in their above and below the line marketing activations throughout the year. Also important for the ASC is the support of consumer organisation such as Milieu Centraal in the Netherlands and Test Aankoop in Belgium, because independently communicate to consumers which labels are credible, robust and can be trusted.

Partners also organize their own events and activations. It is encouraging to see that in markets early in their development such as China, partners seize these opportunities. The year begun well in China when both IKEA and Ole (a high-end domestic retail chain), ran promotions during the Chinese Spring Festival for ASC labelled seafood, including Norwegian salmon and locally produced shrimp. Later that year in China, retail partners AEON and Walmart promoted ASC labelled seafood in their specially designed frozen sections, where only certified products are sold. In late 2020, the highly influential social media platform TikTok promoted to their subscribers the importance of making responsible seafood choices.

As noted above in Europe, we see the most rapid uptake of the programme in France. An increasing number of French retailers are demanding ASC certified seafood from their suppliers. Famous brands such as Petit Navirre is now proactively integrating ASC into their positioning and branding. While it is still early days for ASC in the UK market, we see positive movement because of the increasing availability of certified seafood. Waitrose has

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expanded their ASC shrimp range to also include seabass and bream. We also increasingly see private brands bringing products to the market.

A very interesting trend we see globally is the emerging interest in labelled sushi products. Just before the pandemic hit, in Sweden the very first sushi chain achieved certification operating four locations offering only responsibly and sustainably sourced seafood. An Oslo based Norwegian sushi bar followed in May. In Japan, the famous sushi store inside Tokyo station, Haneda-Ichiba, started offering and promoting ASC certified dishes in 2020. Japan's leading retailer AEON also introduced ASC labelled sushi in their deli corner.

While in most markets, retailers and brands are the main vehicles for delivering labelled ASC seafood, but in Japan there is also strong support from the food service sector. The famous electronic company Panasonic expanded the offer of ASC certified seafood in their company canteens to 42 locations. Ujima restaurants started the ASC-trend within the restaurant segment, which triggered others such as SincerBlue and Zetton, operating a chain of 30 restaurants, to follow. Together with Zetton and their supplier Umitlon, ASC organized a promotional event in November 2020. ASC certified, domestically produced red seabream was promoted at an event where a Chef promoted and inspired families to use ASC responsibly farmed products.

Other highlights from 2020 include:

- The commitment of Nomad, owner of the well-known wild capture seafood brands Iglo, Birds Eye and Findus, has now embraced responsibly farmed and ASC labelled seafood products.
- Carrefour in France expanded its certification of fresh fish counters in spite of the pandemic.
- MOWI, the global, vertically integrated producer of salmon launched their own branded products 'Pure' brand in Poland, the US and France. The ASC logo is strongly featured on their minimalistically designed branded products. The product launch goes hand in hand with an investment in consumer advertising.
- Coop - one of the two big retailers in Switzerland – pledged to increasing their ASC portfolio from 15% to 50% of their farmed seafood by 2024. This commitment strongly positions ASC across the entire Swiss retail market.

ASC Marketing and Communications development

To support the transition to the new Marketing-led organisation and to be in a position to achieve its ambitions, a great deal of development was required of the Marketing and Communications team in 2020. The purpose of the implementation was to rapidly incorporate the strategy, function, and brand recommendations of the review and to integrate them across global and local teams to ensure the contribution of Marketing and Communications is greater than the sum of its parts.

Strategy integration

The Communication strategies identified in the review are the foundation for all of the development work in 2020. A first step was to ensure that the Marketing and Communications team fully understood the recommendations and were starting to incorporate them into their 2020 projects and stakeholder engagement; making changes where necessary to plans, KPI's and tone of voice.

The strategies were also fully integrated in the development of the new ASC planning and monitoring tool (Log Frames) in 2020 – at a Corporate, Nested and Local level, to ensure the ambitions of the review are at the heart of our resource prioritisation and project planning next year and beyond. As well as incorporating the strategies, the Log Frames also set out measures of success, sources of data used to monitor and evaluate success, key projects for the next two to three years and risks associated with the plans.

The review's Communication strategies have also guided the development and prioritisation of budgets for next year and will be used for 2021 workstream development to ensure outputs of Marketing and Communications are integrated and focused on achieving the ambitions of the organisation.

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Functional integration

Working backwards i.e., identifying what team competencies and focus would be needed to realise the Communication objectives, we identified and developed eight key functions of Marketing Communications with distinct areas of focus and expertise:

- Brand Reputation
- Brand Identity
- B2B Marketing
- B2C Marketing
- Media Relations
- Website development
- Social Media Development
- Internal Communications

In 2020, we set out strategies for each of these areas to contribute to the Communication objectives as well as putting in place management responsibilities, outcome and evaluation requirements, and roles and job descriptions, to ensure each function meets current best practice in Marketing and Communications. Together these functions provide a blueprint for MarComs development over the next four to five years.

Brand integration

The strategy review sets out the definition of the ASC Brand and we have worked this year to ensure it is and will continue to be, brought to life across the organisation.

Two key aspects of brand execution (Brand Identity and Brand Reputation) have been set out as functions and are being resourced to ensure the ASC is focused on building both strong connections and positive judgements across all of our audiences.

Branding can be thought of as aligning what we want stakeholders to think about the ASC with what stakeholders actually think about the ASC. The success of our brand building will be measured in terms of identifying and regularly tracking stakeholder awareness, knowledge and associations of the ASC that is underpinning their level of engagement with the programme.

One of the exposure points of brand integration is in the content and messages being developed, sometimes individually, and across a global team. At the same time, successful tailoring of Value Propositions, messaging and content to the individual needs of our stakeholders is encouraged and enabled through audience-insights gained at a local level via solid research.

Early indicators of success

ASC used a range of different materials, platforms and channels to communicate with stakeholders. One of the first to be able to adopt and enable evaluation of the new strategy is ASC's Website and Social Media. It is still very much early days (i.e. a low starting point) but we can see the immediate improvement the changes made to our social media strategy have had from April 2020.

AQUACULTURE STEWARDSHIP COUNCIL LIMITED

TRUSTEES' ANNUAL REPORT

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Total Page likes: 1,872



Increase in visitors to the ASC website coming from social media sites:

2019 = 4,354

2020 = 26,978

A key outcome of the Strategy review was a re-defined Communications objective: Promote, strengthen, and support ASC value proposition and brand identity with key audiences. Strengthening of the ASC value proposition and brand identity is becoming increasingly important and since April 2020, we have seen two high level campaigns aimed at discrediting the ASC:

CIWF – Compassion in World Farming

Wakker Dier – Brand Liar of the Year, Netherlands

In each case, the market development and the marketing communications teams worked closely together to prepare and proactively mitigate the risk where possible, and/or to take rapid action to contact stakeholders, put in place media statements and science refuting claims and to support our message dissemination with website and social media activity.

As an organisation that is adopting a marketing-led strategy and communicating more often and to more stakeholders about the value and benefits of the ASC, it is only to be expected that other organisations will try to use the increase in awareness to generate interest in their own organisations and agenda by attacking the ASC. That being said, there have been no noticeable reduction in market interest for ASC certified products.

To mitigate risk associated with future negative campaigns, we have set out a distinct function of Marketing and Communications – Brand Reputation with the specific objective of listening to stakeholder conversation, identifying topics of risk, and developing messages, materials and global assets to proactively manage risks and to respond to issues.

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ASC collaboration with relevant certification and ratings organisations agreed and made operational.

The international Certification and Ratings group convened by the major funders and promoters of a more sustainable seafood industry (the Packard, Walton Family and Betty and Gordon Moore Foundations) continued its work throughout 2020. ASC remained an active partner and participant in the meetings. The ASC CEO has been fully engaged in the process and has been a committed member of the group. In addition, he has continued to hold the chair of the Steering Committee.

A notable step forward in 2019 was ASC's demonstration of its commitment to closer collaboration with like-minded organisations was the first success of the relationship developed with Fairtrade USA. This was seen in the award of a significant grant made possible through the Walton Family Foundation for work in Indonesia. This work has progressed throughout 2020, although COVID eliminated the opportunity to hold a number of planned face-to-face meetings and webinars. The work however to reduce the potential for confusion at farm level and lowering the potential cost of involvement with different certification schemes for farmers, of improving the efficiency with which certification schemes can work at operational level and of providing more consistent and clearer messaging about responsible aquaculture has continued.

Key achievements of the work under the Walton Family Foundation grant are:

Completed a technical benchmark of the ASC and FTUSA (social) standards and assurance systems pointing out the overlaps and differences between the two programmes

Development of a joint audit template for CABs in order for producers to be able to undergo a joint ASC-FTUSA audit at the same time, reducing redundancies in terms of overlap between the two standards

Joint ASC-FTUSA pilot audit at a shrimp farm in Indonesia to understand the (on-site) applicability of an ASC-FTUSA joint audit

Albeit moderate, the interest of the market place for dual certified products is there. Logo fee discussions between ASC and FTUSA have been concluded for the EU market but are on hold for the US as this market falls under the wider Produce department in FTUSA. Especially COOP Switzerland is eager to make use of the dual certification audit option and has expressed an interest to move their shrimp supply base in India (1,000 hectares, 400 farmers) up to ASC-FTUSA certification.

Next to the collaboration with FTUSA, the Walton Family Foundation grant has also allowed the ASC to develop a meaningful dialogue with the Government of Indonesia (GOI) on responsible aquaculture. We are working on the development of an MOU with the GOI and are in the process of registering as an international NGO, which will give the ASC a proper mandate to operationalise further activities in Indonesia. As part of this work the ASC is developing producer support materials in the form of a blended learning tool for Indonesian shrimp farmers. A future benchmark of the Indonesian GAP Standard (CBIB) against the ASC Standard is anticipated and could further cement our collaboration with the Indonesian aquaculture sector by recognizing CBIB as a stepping stone towards ASC certification.

Another success in promoting collaboration was the award in 2019 of a grant from the ISEAL Innovations Fund with the support of the Swiss State Secretariat for Economic Affairs to a partnership led by ASC with the Sustainable Fisheries Partnership (SFP) and the Seafood Watch Programme (SFW) of the Monterey Bay Aquarium. This work continued in 2020 to test the possibilities for better integration of seafood certification and jurisdictional assurance models. Activities in 2020 focused on dedicated project management and refining activities given the inability to conduct project meetings and travel as anticipated. Project partners identified shared data needs and approaches for relying on common information, thereby realizing efficiency gains. Delays due to Covid have resulted in a reimagining of some project activities, approved by ISEAL, which will ensure that the outcomes and deliverables of this work have a broader impact as the revised activities increasingly focus on systems and processes that may be directly relevant to longer-term projects within each of the collaborating organizations. Primary

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activities of 2021 will result in a shared data repository, pilot testing of the ASC Improver Programme in Vietnam and Indonesia, and testing the applications on emerging remote sensing technologies.

ASC Organisational development strengthened

With the growth in demand for the ASC services so the organisation has had to expand its staff capacity. Additional strengthening took place in 2020 using both full time staff and part-time employees, (including consultants) to work across the main teams. The ASC continued to operate with one physical office in Utrecht and with a proportion of staff working remotely.

In 2020 ASC continued to experience robust growth in income from logo licensing. This taken with tight control of expenditure meant that the ASC was able, again, to cover its baseline operating costs from its own generated income while meeting some discrete project costs from donated funding and continuing the creation of a financial reserve. The success of the business model so far has been encouraging. But as expenditure rises, as it has to in order to both service existing needs and begin to meet new ones, so too does the vulnerability of the organisation as more income will be needed as well. ASC will continue to seek help from philanthropic sources for time-bound projects that are additional to core tasking.

COVID-19

The ASC as a global organisation with a presence in China was aware of the impact of the coronavirus at an early stage of what became designated by WHO as the COVID-19 pandemic. By early March 2020 it was clear that the virus was spreading internationally and fast and was deadly. All travel was stopped. For a global outward looking organisation much of whose work involved face to face contact with stakeholders throughout the seafood supply chain this was a serious response to the emergency. Many ASC staff members work remotely routinely. But as an additional precaution all offices were closed and so all staff moved to remote home working. ASC already had systems in place for remote working. These were strengthened. Additional security and backups systems were implemented to cope with home working being the norm. Advice was given to staff on the working regime and on the importance to following national rules and regulation in the relevant country. The Senior Management Team began regular meetings to monitor the impact of COVID-19 on all aspects of the operation of the ASC.

Due to the continuing COVID-19 impact into 2020, and 2021, ASC continues with the measures as discussed above.

See further COVID-19 comments in sections Financial Review (pages 14 and 15) and Going Concern (page 26)

FINANCIAL REVIEW

The results for the period ended 31 December 2020 are shown in the attached Statement of Financial Activities.

Net income of the group for the year was a surplus of €1,949,879 (2019: €881,423), of which there was a surplus of €1,952,879 (2019: €889,825) on unrestricted funds. ASC has a wholly owned trading subsidiary, ASCI Ltd (Company number 07788176), established with a view to generate income through ASC's trade logo licensing and feeding through the profit of the company into the charity. The trading subsidiary, whose accounts are consolidated into these group accounts, has generated trading revenue of €10,579,488 against trading expenditure of €1,355,196 giving a net income of €9,224,292 before taxation and after interest received. The surplus trading profits of €9,227,420 will be gift aided to the UK charity. The donation is equal to the taxable profit therefore ASCI Ltd will have no payable Corporation tax due.

Principal Funding Sources

ASC receives contributions in the form of donations and grants from commercial organisations and like-minded international charities and revenue generated by the trading subsidiary, ASCI Ltd. Total income of €10,752,470 (2019: €8,597,091) is an encouraging sign of ASC's continuing growth and achievements. The growth in 2020 can be attributed to an increase in market demand for certified seafood. This demand has resulted in farms entering the ASC programme both voluntarily, and through the improved ability to communicate the ASC programme to stakeholders and the public via ASC's redesigned website and multi-media platforms, including print, blogs, video and social media.

AQUACULTURE STEWARDSHIP COUNCIL LIMITED

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2020

FINANCIAL REVIEW (continued)

The Charity's expenditure on charitable activity during the year was €7,447,430 (2019: €6,146,698) as the charity started its activities from current financial year in the true sense, after having laid the foundation in the previous financial periods. ASC's continuing growth is a result in the investment of increasing resources required to expand the reach of the ASC programme. Expansion costs included outreach staff in new regions, the communications capacity, both in staffing and working with external experts, and also staffing in the Programme Assurance team reflecting the need to prioritise and maintain the quality of the ASC programme for certified seafood.

Fundraising

The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Risk Management

The Trustees address the risks that face the charity and adopt responses to managing the risks identified through a Risk Register. A risk to achievement of the ASC's Mission might arise if the ASC Value Proposition fails in the market reducing uptake of the certification programme and reducing income. Other major risks identified include risks to:

- The certification programme - such as unaddressed challenges to the integrity of the programme, the scope and cost of services offered does not meet market demand and reduces programme uptake; on-going stakeholder problems with the content and application of standards; insufficient supply of competent local auditors increasing the cost and uptake of certification.
- Market development - such as in key, more mature markets, the supply chain's commitment to promoting labelled products from ASC certified and improving farms diminishes; in developing markets, the supply chain's commitment to promoting labelled products from ASC certified and improving farms does not materialise; the ASC Improver Programme does not deliver its farm engagement objectives as expected; Government policy in major producing countries does not embrace ASC.
- Audience Advocacy - marketing and communications promoting the value of the ASC programme does not reach or resonate with target audiences.
- Collaboration - competition with similar certification, benchmarking and ratings organisations increases; MSC CoC assurances are not adequate nor cost efficient.
- Organisational Development - reluctance to use the logo and the impact on funding would constrain ASC's operational capacity.

For all of these risks the impact and likelihood of a risk occurring are reviewed and rated, existing control measures are assessed and any further mitigation measures and initiatives identified and put in place.

Investment Policy

The Charity has no investments apart from the trading subsidiary and therefore there is no immediate need for an investment policy.

Reserves Policy

The Board has examined the Charity's requirements for reserves in light of the main risks to the organisation and are satisfied that the current reserves are sufficient to meet the next nine months of the organisations' immediate funding requirements. The Board regularly reviews the level of reserves as part of its oversight. The Board's review in 2020 recognised with the growth of ASC the level of reserves should maintain to 9 months expenditure, building to twelve months expenditure within the next 3-4 years, 2024.

ASC ended the year with unrestricted reserves of €8,615,876 (see note 17). Removing tangible fixed assets (see note 11) of €234,677, the remaining liquid unrestricted reserves amount to €8,381,199.

It has been possible for the ASC to build up its contingency reserves in recent years as expenditure has been kept at levels less than income. The Board's aim has been to not only cover in-year core recurrent costs from revenue but to generate an element of surplus to allow for both future year expenditure growth and the build-up of a reserve fund. The 2020 budget met these objectives. There was both an increase in resources allocated to staffing, marketing and allied expenses and to reserves such that the latter were able to potentially cover nine months of current levels of expenditure. Looking ahead to 2021, the continued uncertainties generated by the impact of the COVID-19 pandemic on the level of income that ASC might receive will remain to influence the adoption of a

AQUACULTURE STEWARDSHIP COUNCIL LIMITED

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prudent approach. Expenditure growth has been restricted to levels thought likely to be covered by possible income. If, however income continue to grow as in 2020, the result could be further increases in reserves and to invest further in staffing & marketing expenditure. The future level of reserves in 2021 and beyond is unpredictable, but desirably will increase.

Planned future budget surpluses also reflect the need to build reserves to counter the expected decline in the level of philanthropic grants from that the ASC has received over its first 10 years. In future as the level of such income decreases there will be increased dependence on logo licence fees from the supply chain.

COVID-19

The uncertainty created by the pandemic in the market place led ASC to review its in-year and future financial position and forecasts in 2020, and 2021. Prudent measures were taken to scale back expenditure growth plans and control cash flow. The ASC Board met in May 2020 and approved the response by the management to the pandemic, including re-worked and prudent financial plans for 2020 and to best meet the uncertainties over the 12-24 months ahead. Enhanced monitoring procedures on income especially and on expenditure were put in place. ASC is confident that the measures it took and has implemented in response to the COVID-19 pandemic are reasonable and robust enough to protect staff, ensure continued business activity and meet operational challenges.

PLANS FOR FUTURE PERIODS

The ASC's planned activities are structured around the primary objectives set out in its strategic plan. The top level priorities continue to focus on:

- Achieving a strong global certification programme covering the main species of farmed seafood that are traded internationally.
- Improving farm production by engaging with and certifying as environmentally and socially responsible an increasing number of farms.
- Further developing the ASC certification with major retailers and foodservice companies by achieving a critical mass presence in the key receptive target markets in Europe (Germany, Austria, Switzerland, Netherlands, Denmark and Sweden), establishing a market position in other less receptive markets (USA, Canada, UK, France, Australia, Belgium and South Africa) and developing the potential elsewhere.
- Raising awareness of the ASC among seafood buyers and consumers.
- Working collaboratively with like-minded organisations that are also seeking to transform seafood production
- Strengthening the institutional development of the ASC and achieving financial self-sufficiency.

Building on these initiatives and by the end of this decade the ASC will have:

- Secured significant market penetration in most major developed markets. That will lead, ultimately, to securing a meaningful presence in all major seafood producing and consuming countries, but this will be beyond 2020.
- Established its appeal to export-oriented farmers around the world and so provide a supply of ASC certified seafood that will meet the demands from the marketplace.

AQUACULTURE STEWARDSHIP COUNCIL LIMITED

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2020

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees (who are also the directors of Aquaculture Stewardship Council Limited for the purposes of company law) are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and the income and expenditure of the group for that period.

In preparing these financial statements, the trustees are required to:

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

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

AUDITOR

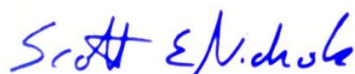
Each of the persons who is a trustee at the date of approval of this report confirms that:

- in so far as each trustee is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each trustee has taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Small Company Provisions

The trustees have prepared this report in accordance with the special provisions of Statutory Instrument 2008/409 under the Companies Act 2006 relating to small companies.

Approved by the Board of Trustees on 21 July, 2021 and signed on its behalf by:



.....

Dr Scott Nichols
Trustee/Director, Chairman

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AQUACULTURE STEWARDSHIP COUNCIL LIMITED

Opinion

We have audited the financial statements of Aquaculture Stewardship Council for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, the Group and the Charity Balance Sheets, the Consolidated 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, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 December 2020 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity'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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AQUACULTURE STEWARDSHIP COUNCIL LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- the parent company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees Annual Report.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to revenue recognition, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AQUACULTURE STEWARDSHIP COUNCIL LIMITED

regulations that have a direct impact on the preparation of the financial statements such as include the Companies Act 2006 and the Charities Act 2011, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to revenue recognition.

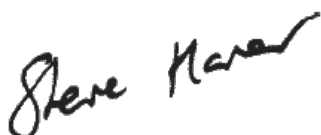
Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- We undertook a number of audit procedures to verify the appropriateness of revenue recognition in the financial statements;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

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

Use of our report

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



Steven Harper (Senior Statutory Auditor)

For and on behalf of

Haysmacintyre LLP

Statutory Auditor

10 Queen Street Place

London EC4R 1AG

Date: 22 July 2021

AQUACULTURE STEWARDSHIP COUNCIL LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN
INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 DECEMBER 2020

		Unrestricted	Restricted	Total Funds	Total Funds
		Funds	Funds	Year to	Year to
	Note	€000	€000	31-Dec-20	31-Dec-19
				€000	€000
INCOME FROM:					
Grants and donations	2	2	163	165	67
Other trading activities	3	10,580	-	10,580	8,519
Investments		7	-	7	12
TOTAL		10,589	163	10,752	8,598
EXPENDITURE ON:					
Raising funds:					
Trading activities	4	(1,355)	-	(1,355)	(1,569)
Charitable activities	5/6	(7,281)	(166)	(7,447)	(6,147)
TOTAL		(8,636)	(166)	(8,802)	(7,716)
NET INCOME		1,953	(3)	1,950	881
RECONCILIATION OF FUNDS					
Total funds brought forward		6,663	10	6,673	5,791
TOTAL FUNDS CARRIED					
FORWARD	16/17	8,616	7	8,623	6,673

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes on pages 24 to 37 form part of these financial statements.

AQUACULTURE STEWARDSHIP COUNCIL LIMITED
GROUP AND CHARITY BALANCE SHEETS
YEAR ENDED 31 DECEMBER 2020

		2020		2019	
	Note	Group €000	Charity €000	Group €000	Charity €000
FIXED ASSETS					
Intangible Assets	11	203	11 11	93 93	15 15
Tangible Assets	11	31	24	30	23
Investments	12	-	-	-	-
		<u>234</u>	<u>35</u>	<u>122</u>	<u>38</u>
CURRENT ASSETS					
Debtors	14	4,770	5,333	4,362	4,856
Cash at bank		6,248	4,106	4,084	2,907
		<u>11,018</u>	<u>9,439</u>	<u>8,446</u>	<u>7,762</u>
CREDITORS: Amounts due within one year	15	<u>(2,629)</u>	<u>(851)</u>	<u>(1,896)</u>	<u>(1,128)</u>
NET CURRENT ASSETS		<u>8,389</u>	<u>8,588</u>	<u>6,550</u>	<u>6,634</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,623</u>	<u>8,623</u>	<u>6,673</u>	<u>6,673</u>
NET ASSETS		<u>8,623</u>	<u>8,623</u>	<u>6,673</u>	<u>6,673</u>
FUNDS					
Restricted funds	16	7	7	10	10
Unrestricted funds	17	8,616	8,616	6,663	6,663
TOTAL FUNDS		<u>8,623</u>	<u>8,623</u>	<u>6,673</u>	<u>6,673</u>

In accordance with Section 408 of the Companies Act 2006, no separate Statement of Financial Activities is presented for Aquaculture Stewardship Council Limited, the charity surplus for the year was €1,952k (2019: surplus of €881k)

These financial statements were approved by the members of the committee and authorised for issue on 21 July 2021 and are signed on their behalf by:



Dr Scott Nichols
Trustee/Director, Chairman

Company Registration Number: 08172832

The notes on pages 24 to 37 form part of these financial statements.

AQUACULTURE STEWARDSHIP COUNCIL LIMITED
CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2020

	2020	2019
	€000	€000
Cash flows from operating activities		
Net income for the reporting period per the SOFA	1,950	881
Depreciation charges	57	35
Dividends and interest from investments	(7)	(12)
(Increase) in debtors	(408)	13
Increase in creditors	733	87
Loss on disposal of fixed assets	6	-
	<u>2,331</u>	<u>1,006</u>
Net cash provided by operating activities		
Cash flows from investing activities:		
Dividends and interest from investments	7	12
Purchase of property, plant and equipment	(174)	(59)
Net cash used in investing activities	<u>(167)</u>	<u>(48)</u>
Change in cash and cash equivalents in the reporting period	2,163	958
Cash and cash equivalents at the beginning of the reporting period	4,084	3,126
Cash and cash equivalents at the end of the reporting period	<u>6,248</u>	<u>4,084</u>
Analysis of cash and cash equivalents:		
Cash in hand	6,248	4,084
Total cash and cash equivalents	<u>6,248</u>	<u>4,084</u>

The notes on pages 24 to 37 form part of these financial statements.

AQUACULTURE STEWARDSHIP COUNCIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES

Company information

The Charity is a Company Limited by Guarantee (Company no: 08172832) and a Registered Charity, incorporated and registered in England and Wales (Charity Registration no: 1150418). The registered office of the charity is 27 Old Gloucester Street, London, England, WC1N 3AX.

Basis of accounting

The accounts (financial statements) have been prepared in accordance with the Companies Act 2006 and the Statement of Recommended Practice for Charities (SORP) (Second Edition, effective 1 January 2019).

Aquaculture Stewardship Council Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The accounts have been prepared in Euro on the grounds that this is the functional currency of the Group. This represents a change from prior years when the accounts were prepared in Pounds Sterling. Prior year comparatives have been restated to reflect the change in functional currency. The accounts are rounded to the nearest thousand Euro.

Consolidation

The accounts consolidate the results, assets and liabilities of Aquaculture Stewardship Council Limited and its subsidiary, ASCI Ltd (company number 07788176) on a line by line basis. Intergroup transactions and balances are eliminated on consolidation.

In December 2019 the Charity purchased 65% of the share capital of ASCI NL BV. On the grounds that the impact of non-consolidation was not material, the group accounts of Aquaculture Stewardship Council did not include the share of the profit or net assets. In 2020, it was agreed that ASCI NL BV would re-purchase the share capital with an effective date of 1 January 2020 and on this basis no share of the profit or net assets is included in these accounts.

Income Recognition

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Income received in advance of all or part of the specified performance conditions is deferred until the criteria for income recognition are met (see note 15).

Donations are included in income when received. Income eligible for gift aid is recognised in full on receipt. There are no donated services.

Grants are recognised as income when it is clear ASC has entitlement to the income. Where income through contract or grant is received in advance, its recognition is deferred and included in creditors. Where entitlement occurs before income is received, the income is accrued.

Logo license royalties are accounted for in the period in which the labelled products were sold by our trading partners.

Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Restricted funds are only available to spend on specific programmes or purpose for which a grant is received.

AQUACULTURE STEWARDSHIP COUNCIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES (continued)

Expenditure

Expenditure is recognised on an accrual basis as a liability is incurred.

Costs generating funds comprise expenditure incurred in encouraging others to make contributions to the charity and include staff costs attributable to that activity.

Where costs could not be directly attributed to any particular function or activity, they have been allocated by applying bases consistent with the use of the resource.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and any costs linked to the strategic management of the charity.

Gift aid

Donations to the parent charity are recognised as an expense either when paid or at the date when the subsidiary company has a legal liability to make the donation payment if earlier.

Taxation

Aquaculture Stewardship Council is a registered charity, and therefore is not liable for income tax or corporation tax on income derived from its charitable activities, since it falls within the various exemptions available to registered charities. No provision for corporation tax has been made on the subsidiary's profit for the year due to its policy of donating all its tax adjusted profits available for distribution under gift aid to its ultimate charitable parent undertaking within nine months of each year-end date.

Investments assets and income

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

Investments: The charity has one wholly owned subsidiary undertaking, ASCI Ltd, incorporated in England & Wales. It is a trading subsidiary and receives royalties from logo licensing fees.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described in note 1, Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

Fixed Assets

Fixed assets are recorded at cost or, in cases where fixed assets have been donated to Aquaculture Stewardship Council Limited, at valuation at the time of acquisition. Fixed assets are capitalised in the balance sheet at cost, except for items costing less than £500 which are expensed in the year of purchase.

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

Furniture, Fittings & IT equipment	33%
Software and Database	20%

AQUACULTURE STEWARDSHIP COUNCIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES (continued)

Going concern

We have set out in the Trustees' report a review of financial performance and the charity and the group's reserve position. We have adequate financial resources and are well placed to manage the business risks. Our planning process, including financial projections, has taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. We have a reasonable expectation that we have adequate resources to continue in operational existence for the foreseeable future. The outbreak of the coronavirus disease ("COVID-19") has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank monetary and fiscal interventions designed to stabilize economic conditions. Based on budgets and forecasts prepared, we believe that there are no material uncertainties that call into doubt the charity and the group's ability to continue. The accounts have therefore been prepared on the basis that the charity and the group is a going concern.

Foreign Exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

Pension costs

The charity operates a defined contribution group personal pension scheme for the benefit of any employees wishing to join. The contributions payable under the scheme are charged in the income & expenditure account, and the assets are managed by an independent organisation.

Financial Instruments

ASC Ltd has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash and bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise bank loans and overdrafts, trade and other creditors. Investments in subsidiary undertakings are held at cost less impairment.

2. VOLUNTARY INCOME

	Unrestricted Funds €000	Restricted Funds €000	Total Funds 2020 €000	Total Funds 2019 €000
Grants receivable				
ISEAL	-	21	21	4
Walton Foundation	-	53	53	5
Tapas	-	35	35	32
New Venture	-	-	-	10
Silicon Valley	-	40	40	16
Multiplier	-	14	14	-
Donations				
Corporate donations	2	-	2	-
	2	163	165	67

All the voluntary income in the current and prior year was unrestricted income.

AQUACULTURE STEWARDSHIP COUNCIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

3. OTHER TRADING ACTIVITIES

	Unrestricted Funds €000	Total Funds 2020 €000
Trading Income	10,580	10,580
ASC Standards Auditor training	-	-
	10,580	10,580
UK	372	372
Outside Europe	1,964	1,964
Europe	8,244	8,244
	10,580	10,580

PRIOR YEAR

	Unrestricted Funds €000	Total Funds 2019 €000
Trading Income	8,488	8,488
ASC Standards Auditor training	31	31
	8,519	8,519
UK	255	255
Outside Europe	1,444	1,444
Europe	6,820	6,820
	8,519	8,519

4. RAISING FUNDS: TRADING ACTIVITIES

	Unrestricted Funds €000	Total Funds 2020 €000
Direct Costs – Cost of Goods Sold	977	977
Other Direct Costs - Administration	268	268
Other Direct Costs – FX loss / (gain)	110	110
	1,355	1,355

AQUACULTURE STEWARDSHIP COUNCIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

4. RAISING FUNDS: TRADING ACTIVITIES (CONTINUED)

PRIOR YEAR

	Unrestricted Funds €000	Total Funds 2019 €000
Direct Costs – Cost of Goods Sold	985	985
Other Direct Costs - Administration	457	457
Other Direct Costs – FX loss / (gain)	127	127
	<u>1,569</u>	<u>1,569</u>

5. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds €000	Restricted Funds €000	Total Funds 2020 €000
Policy and maintenance of standards	3,222	75	3,297
Education and awareness	519	12	531
Servicing and outreach to farms and commercial sector	3,540	79	3,619
	<u>7,281</u>	<u>166</u>	<u>7,447</u>

PRIOR YEAR

	Unrestricted Funds €000	Restricted Funds €000	Total Funds 2019 €000
Policy and maintenance of standards	2,786	52	2,839
Education and awareness	449	7	457
Servicing and outreach to farms and commercial sector	2,836	15	2,851
	<u>6,072</u>	<u>75</u>	<u>6,147</u>

AQUACULTURE STEWARDSHIP COUNCIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

6. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Direct Costs	Grants Paid	Support Costs (Note 7)	Total Funds 2020
	€000	€000	€000	€000
Policy and maintenance of standards	976	2,620	54	3,650
Education and awareness	450	-	29	479
Servicing and outreach to fisheries and commercial sector	2,706	-	612	3,318
	<u>4,132</u>	<u>2,620</u>	<u>695</u>	<u>7,447</u>

PRIOR YEAR

	Direct Costs	Grants Paid	Support Costs (Note 7)	Total Funds 2019
	€000	€000	€000	€000
Policy and maintenance of standards	946	1,855	38	2,839
Education and awareness	436	-	21	457
Servicing and outreach to fisheries and commercial sector	2,551	-	300	2,851
	<u>3,933</u>	<u>1,855</u>	<u>359</u>	<u>6,147</u>

Included in Grants Paid is an amount of €2,620k paid to Stichting Aquaculture Council Foundation (2019: €1,855k).

7. ANALYSIS OF SUPPORT COSTS

	Total 2020 €000	Total 2019 €000
Communication and IT	96	17
Finance costs	16	8
Foreign exchange (gains)/loss	130	36
Other office costs	42	41
Professional fees	412	256
	<u>695</u>	<u>358</u>

Support costs have been allocated to activities based on the estimated usage of services. Included in the above are governance costs amounting to €16k (2019: €89k).

AQUACULTURE STEWARDSHIP COUNCIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

8. NET INCOME / (EXPENDITURE) FOR THE YEAR

This is stated after charging:

	2020	2019
	€000	€000
Staff Pension Contributions	97	53
Auditor's remuneration	20	24
Non-audit services	4	3
Depreciation & Amortisation	57	35

9. EXPENSES OF THE MEMBERS OF THE COMMITTEE OF TRUSTEES

The charity has met travel and subsistence expenses incurred by 6 members for international Board meetings as Committee of Trustees on Charity's business totalling €22k (2019: 8 Trustees, € 127k)

No members of the Committee of Trustees received any remuneration during the period, nor had any interest in any transaction or contract entered into by the charity during the period.

10. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	Year to 31 Dec 20	Year to 31 Dec 19
	€000	€000
Wages and salaries	1,894	1,381
Social security costs	234	63
UK pension costs	97	53
Other costs and healthcare	64	28
	2,289	1,524

Termination of employee:

During the year termination payments of €nil (2019: €nil) were made in respect of payments made in lieu of notice

Particulars of employees:

The average number of employees during the year, was as follows:

	Year to 31 Dec 20	Year to 31 Dec 19
	No	No
Direct Charitable	1	1
Communication & publicity	16	15
Administration	6	3
Integrity	10	5
Data analyst	-	1
	33	25

AQUACULTURE STEWARDSHIP COUNCIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

10. STAFF COSTS AND EMOLUMENTS (CONTINUED)

The number of employees whose gross salary for the year exceeded € 70k (approximately equivalent to £60,000 as required by the Charities SORP) are as follows:

	Year to 31 Dec 2020	Year to 31 Dec 2019
	No	No
€260,001 - €270,000	1	-
€90,001 - €100,000	1	-
€80,001 - €90,000	3	4
€70,001 - €80,000	6	3
	<u>11</u>	<u>7</u>

Key management remuneration was € 280k (2019: € 272k). ASC paid pension contributions and other benefits of € 21k (2019: € 7k).

11. FIXED ASSETS – TANGIBLE AND INTANGIBLE

GROUP	Office Equipment €000	Computer Software €000	Group 2020 €000
Cost			
At 1 January 2020	50	140	190
Additions	21	153	174
Disposals	(9)	-	(9)
At December 2020	<u>62</u>	<u>293</u>	<u>355</u>
Depreciation			
At 1 January 2020	20	47	67
Charge for the year	14	43	57
Disposals	(3)	-	(3)
At December 2020	<u>31</u>	<u>90</u>	<u>121</u>
Net book value			
At December 2020	<u>31</u>	<u>203</u>	<u>234</u>
At December 2019	<u>30</u>	<u>93</u>	<u>122</u>

AQUACULTURE STEWARDSHIP COUNCIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

CHARITY	Office Equipment €000	Computer Software €000	Charity 2020 €000
Cost			
At 1 January 2020	41	19	60
Additions	18	-	18
Disposals	(8)	-	(8)
At December 2020	<u>51</u>	<u>19</u>	<u>70</u>
Depreciation			
At 1 January 2020	18	4	22
Charge for the year	17	4	21
Disposal	(8)	-	(8)
At December 2020	<u>27</u>	<u>8</u>	<u>35</u>
Net book value			
At December 2020	<u>24</u>	<u>11</u>	<u>35</u>
At December 2019	<u>23</u>	<u>15</u>	<u>38</u>

12. INVESTMENTS

The investment of the charity consists of all of the share capital of ASCI Ltd, a company registered in England and Wales (07788176), 127 Old Gloucester Street, London WC1N 3AX.

For the year ended 31 December 2020, ASCI Ltd had turnover of €10,583k (2019: €8,494k) and made an operating profit of €9,227k (2019: €6,925k).

	2020 € 000	2019 € 000
Income	<u>10,583</u>	<u>8,494</u>
Expenditure	<u>(1,355)</u>	<u>(1,569)</u>
Net incoming (outgoing) resources	9,227	6,925
Gift Aid to UK Charity	(9,227)	(6,925)
Funds at 1 January 2020	<u>-</u>	<u>-</u>
Funds at 31 December 2020	<u>-</u>	<u>-</u>
Intangible fixed assets	192	78
Tangible fixed assets	6	6
Current assets	7,153	5,762
Current liabilities	<u>(7,351)</u>	<u>(5,847)</u>
Net current liabilities	<u>(198)</u>	<u>(84)</u>
Total Assets less total liabilities	<u>-</u>	<u>-</u>
Represented by:		
Share Capital	-	-
Retained Earnings	<u>-</u>	<u>-</u>
	-	-

AQUACULTURE STEWARDSHIP COUNCIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

13. FINANCIAL INSTRUMENTS

At the balance sheet date, the group held financial assets at amortised cost of €11,018k (2019: €8,446k) and Financial liabilities at amortised cost of €2,629k (2019: €1,896k).

14. DEBTORS

	2020		2019	
	Group	Charity	Group	Charity
	€000	€000	€000	€000
Trade debtors	220	5	550	7
Other debtors	96	113	123	90
Prepayments & accrued income	4,454	72	3,689	55
Amount due from subsidiary	-	5,143	-	4,704
	<u>4,770</u>	<u>5,333</u>	<u>4,362</u>	<u>4,856</u>

15. CREDITORS: Amounts falling due within one year

	2020		2019	
	Group	Charity	Group	Charity
	€000	€000	€000	€000
Trade creditors	1,338	134	98	88
Other creditors	6	6	20	0
Taxation and social security	-	-	27	27
Amount due to subsidiary	-	375	-	375
Accruals & deferred income	1,285	336	1,751	638
	<u>2,629</u>	<u>851</u>	<u>1,896</u>	<u>1,128</u>

	2020	
	Group	Charity
	€	€
Movement on deferred income	000	000
Deferred income at 1 January	443	443
Released to income in year	(443)	(443)
Income deferred in year	137	137
Deferred income at 31 December	<u>137</u>	<u>137</u>

AQUACULTURE STEWARDSHIP COUNCIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

16. RESTRICTED INCOME FUNDS

	Balance at 1 January 2020 €000	Income €000	Expenditure €000	Balance at 31 December 2020 €000
Tapas – Tools for Assessment & Planning	-	35	(35)	-
New Venture- Certification & Ratings Collaboration	-	-	-	-
Silicon Valley – Fish Welfare Collaboration	-	40	(40)	-
Sainsbury – Trustee support	10	-	(3)	7
Multiplier – Project Mgr, Collaboration	-	14	(14)	-
ISEAL – Project Preparation Grant	-	21	(21)	-
Walton Foundation	-	53	(53)	-
	10	163	(166)	7

PRIOR YEAR	At 1 January 2019 €000	Income €000	Expenditure €000	At 31 December 2019 €000
Tapas – Tools for Assessment & Planning	-	32	(32)	-
New Venture- Certification & Ratings Collaboration	-	10	(10)	-
Silicon Valley – Fish Welfare Collaboration	-	16	(16)	-
Sainsbury – Trustee support	18	-	(8)	10
ISEAL – Project Preparation Grant	-	4	(4)	-
Walton Foundation		5	(5)	
	18	67	(75)	10

New Venture - Certification & Ratings Collaboration: The objective is to implement a seafood certification & ratings program in an effort to increase efficiency, address various challenges, and help more fisheries & farms take steps toward environmental sustainability & economic viability. Presently there is confusion with multiple programs using different standards, systems & processes. This project sets out to ensure certification & ratings work together to provide a more complimentary, coordinated tools incentives, and strategies for measuring and improving fishery and aquaculture performance around the world.

TAPAS - Tools for Assessment & Planning of Aquaculture Sustainability: Project funded by TAPAS (EU) to establish a coherent & efficient regulatory framework aimed at sustainable growth in aquaculture. TAPAS along with other partners from the industry will propose new flexible approaches to open methods of coordination working to unified common standards. TAPAS will evaluate existing tools for economic assessment, and will improve for better monitoring & forecasting. The project is for 48 months, with a planned Aquaculture Sustainability Toolbox at its completion.

AQUACULTURE STEWARDSHIP COUNCIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

16. RESTRICTED INCOME FUNDS (CONTINUED)

Silicon Valley -Fish Welfare Collaboration: The aim of this work will be to see if the ASC can make available to producers guidance on fish welfare issues that is consistent with the ASC's more general environmental and social based approach to promotion of responsible aquaculture. It is hoped that this work will lead to the production of a module encapsulating recommended quantifiable best practice to promote fish welfare across different aquaculture production systems. Work has also continued on other possible new services that might be offered such as a food safety module.

Sainsbury –Trustee support: An ASC Board member who attends international meetings is supported with funds from Sainsbury to cover the costs of travel.

ISEAL –Project preparation grant: ASC and partners will discuss both internally and together how they will translate ideas into a potentially deliverable project aimed at improving the integration of certification and ratings scheme approaches at different scales to improve interoperability and the scaling of their collective impacts. Based on these consultations the team will develop the detail required for a full proposal.

Walton Foundation– Aquaculture Improvement Project (AIP) : ASC and partners will collaborate in a project to provide guidelines for Indonesian shrimp farms. The purpose is implement pilot projects and trainings on the guidelines, and promote certification of sustainable shrimp farms. ASC has appointed a manger resident in Indonesia late in 2020 to help with this project. This appointment is expected provide improved contacts with stakeholders, and will be able to promote the project locally and undertake work to help deliver project outputs.

17. UNRESTRICTED INCOME FUNDS

	Balance at 1 Jan 20 € 000	Income € 000	Expenditure € 000	Balance at 31 Dec 20 € 000
Group - General Funds	6,663	10,589	(8,636)	8,616
Charity - General Funds	6,663	9,234	(7,281)	8,616

PRIOR YEAR

	Balance at 1 Jan 19 €000	Income €000	Expenditure €000	Balance at 31 Dec 19 €000
Group - General Funds	5,773	8,531	(7,641)	6,663
Charity - General Funds	5,773	6,962	(6,072)	6,663

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds 31 Dec 20 €000	Restricted Funds 31 Dec 20 €000	Total 31 Dec 20 €000
Tangible fixed assets	234	-	234
Cash at bank and in hand	5,796	452	6,248
Other net current assets/(liabilities)	2,586	(445)	2,141
Total	8,616	7	8,623

AQUACULTURE STEWARDSHIP COUNCIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

PRIOR YEAR	Unrestricted Funds 31 Dec 19 €000	Restricted Funds 31 Dec 19 €000	Total 31 Dec 19 €000
Tangible fixed assets	123	-	123
Cash at bank and in hand	3,632	452	4,084
Other net current assets/(liabilities)	2,908	(442)	2,466
Total	<u>6,663</u>	<u>10</u>	<u>6,673</u>

19. RELATED PARTY TRANSACTIONS

The amount outstanding and due to ASCI Ltd at the balance sheet date by ASC was €375k (2019: €383k). The loan from the parent undertaking is interest free and no fixed terms of repayments have been agreed.

The Chief Executive, Christopher Ninnies, and his wife jointly control a company, Tyakmor Limited. During the year, fees for consultancy services & business expenses, this includes senior management and trustee meetings amounting to €89k (2019: €82.5k) charged to ASC and €104k (2019: €186k) to ASCI Ltd. During 2020 the transactions with Tyakmor Limited have stopped.

None of the trustees receive remuneration from their work with the charity. Any business connections between a trustee or senior manager of the charity, or contractor must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party.

The charity's wholly owned subsidiary, ASCI Ltd was established to operate the commercial trading of the ASC logo. ASCI Ltd has an agreement from the charity to operate those activities and gift aids the majority of its profits to the charity (see note 12 to the accounts).

There were no other related party transactions in the current or previous year.

20. OPERATING LEASE COMMITMENTS

The entity had outstanding commitments for future minimum lease payments under non-cancelling operating leases as at year end €3k (2019; €3k)

AQUACULTURE STEWARDSHIP COUNCIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

21. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Total Funds		
	Unrestricted	Restricted	Year to
	Funds	Funds	31-Dec-19
	€	€	€
	000	000	000
INCOME FROM:			
Grants and donations	-	67	7
Other trading activities	8,519	-	8,519
Investments	12	-	12
TOTAL	<u>8,531</u>	<u>67</u>	<u>8,597</u>
EXPENDITURE ON:			
Raising funds:			
Trading activities	(1,569)	-	(1,569)
Charitable activities	(6,972)	(75)	(6,147)
TOTAL	<u>(7,641)</u>	<u>(75)</u>	<u>(7,716)</u>
NET INCOME	890	(8)	881
YEAR RECONCILIATION			
OF FUNDS			
Total funds brought forward	5,773	18	5,791
TOTAL FUNDS CARRIED			
FORWARD	<u>6,663</u>	<u>10</u>	<u>6,673</u>