

AQUACULTURE STEWARDSHIP COUNCIL LIMITED

(A company limited by guarantee)

GROUP FINANCIAL STATEMENTS

31 DECEMBER 2022

COMPANY REGISTRATION NUMBER 08172832

Charity Number 1150418

AQUACULTURE STEWARDSHIP COUNCIL LIMITED
GROUP FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022

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AQUACULTURE STEWARDSHIP COUNCIL LIMITED**TRUSTEES ANNUAL REPORT****YEAR ENDED 31 DECEMBER 2022**

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 2022 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

Aquaculture Stewardship Council consolidated financial statements include the results of Aquaculture Stewardship Council Limited (charity registration number 1150418 and company registration number 8172832), ASCI Limited (company registration number 7788176), Stichting Aquaculture Stewardship Council (KvK 34389683) and ASCI Netherlands BV (KvK 74368249)

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:

Name	Position held	Date appointed	Date resigned
M C Thalwitz	Chair of Board	14 March 2022	
B Naz Malik	Chair of Audit & Risk Committee	1 April 2022	
R D Holland	Chair of Nominations Committee	31 August 2021	
M S Macleod	Vice Chair of Board and member of Nominations Committee	1 January 2020	
J R Villalon	Member of Audit & Risk Committee	17 May 2018	
S E Ryan	Member of Audit & Risk Committee	14 March 2022	
R P Subasinghe	Member of Nominations Committee	1 April 2022	
K Dax Veriga	Chair of Strategy & Policy Committee	1 April 2022	
Dr S Nichols	Chair	8 December 2015	11 March 2022
H D Thuy	Member of Nominations Committee	1 June 2019	10 March 2022
K Nakamura		13 Sept 2021	2 March 2022
E Mudyazwvivi		14 March 2022	10 June 2022
O Oaland	Member of Nominations Committee	1 June 2019	10 March 2022

External Committee Member

J Ho	Member of Audit & Risk Committee	26 April 2023
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Executive Committee

Chief Executive Officer	C Ninnes
Company Secretary and Senior Director Central Services	R Ryan
Senior Director Markets and Marketing	W de Bruijn
Senior Director Technical Operations	A Dingwall
Finance Director	H Edwards (appointed 19 September 2022)
Finance Director	L Egan (retired 19 September 2022)

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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FORWARD BY THE CHAIR

The aquaculture sector is widely recognised as having the potential to help alleviate the world's most pressing problem of food insecurity. Adherence to ASC Standards facilitates growth of aquaculture output while responsibly protecting vulnerable ecosystems, the rights of workers and local communities. In addition, ASC's certified and labelled products support responsible aquaculture that directly and indirectly makes a significant contribution to most of the United Nation's 17 Sustainable Development Goals (SDGs) [explained in the strategic report section].

One key example that illustrates the value ASC certification can bring is that of the first oyster farms certified in Japan, as part of the Miyagi Prefecture Fisheries cooperative. They found that their certification allowed them to access new markets, their sales revenues increased faster than oyster producers from other areas and, importantly, certification gave their farmers a sense of achievement and pride. They also found that the changes implemented across the farm increased production volume and product quality, as well as improving working conditions and reducing their environmental impact. These production efficiencies led to many of the female workers being able to maintain their income and have more free time.

"I think the biggest change we experienced is that the transformation towards responsible aquaculture and the acquisition of the ASC certification has increased income by improving quality. It has also helped us reduce working hours and attract new farmers into the profession" Fujio Abe, a director of Shizugawa Branch of Miyagi Fishery Cooperative.

ASC's work continues to ensure we are *Setting the Standard for Seafood*.

MESSAGE FROM THE CEO

The spirit of collaboration across scientists, academics, NGOs, and members of the aquaculture industry which led to the establishment of ASC in 2010 is embodied in the environmental and social requirements of our standards. Combined with our credible processes and assurance systems, they ensure that farms can publicly demonstrate their performance against these standards. Our complimentary market-led work creates recognition that ASC leads in the provision of the highest levels of assurance for both customers and consumers. Our market-based work further incentivises more farms to take this journey with us. ASC's global market presence is consequently the result of the many relationships we have developed in seafood markets around the world, with products in more than 80 countries handled by over 2,500 supply chain companies.

Yet, this has only been the beginning. To make this journey more relevant to market demands and to create new tools in support of farmers we continue to build on the foundations established in 2010 to improve and simplify our systems.

We continue to invest in the ASC Improver Programme (ASC IP), supporting both developed and developing market demand for responsibly farmed seafood. The ASC IP is designed to enhance delivery of environmental and social responsibility at the farm by bridging the gap between conventional production and certification. The programme delivers targeted training and resources to educate and provide pathways for improvement (<https://asc-aqua.org/producers/farmers-support-improver-programme/>). This work may be a precursor to eventual certification but will also provide opportunities to farmers not incentivised through supply chain commitment to engage in improvement efforts.

The on-going work to develop standards bringing new value to customers has been strengthened with the launch of ASC's Feed Standard, which covers all ingredients used in the manufacturing of feed, and looks to improve knowledge about the provenance and traceability of these ingredients from source to mill. We are also committed to finalising the new Farm Standard during 2023, which combines the content of all our species-based standards into

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one Standard, removing duplication when possible but retaining specific content when needed. This will bring efficiencies through improved consistency of content and through the streamlining of “back-end” processes.

During 2022 our newly-constituted Board and the Executive have worked diligently to develop a new strategy to drive the continued development of ASC, to extend the reach and scope of the programme and to drive further efficiencies in our operations – ultimately to bring more value to our customers and to incentivise further reductions in the sector’s impacts. I look forward to reporting back on early implementation of this strategy next year.

Vision and Mission

The Aquaculture Stewardship Council (ASC) continues to build on the foundations established a decade ago of a world where aquaculture plays a major role in supplying food and social benefits for humanity whilst minimising impacts on the environment through setting the standard for seafood.

This is achieved by seeking ‘to transform aquaculture towards environmental sustainability and social responsibility using efficient market mechanisms that create value across the chain’. Our work promotes industry best practice to minimise the environmental and social footprint of commercial aquaculture.

Through the consumer label it makes available to certified producers and companies, ASC promotes responsibly farmed products in the marketplace. It acts, therefore, to influence both the supply and the demand for responsibly produced seafood. The positive impact delivered through the ASC programme is demonstrated by the growth in certified farm production and in our market presence.

STRATEGIC REPORT

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).

ACHIEVEMENTS AND PERFORMANCE IN 2022

In 2022, ASC’s certification and labelling programme continued to grow. Farm certification expanded and the uptake and use of the ASC logo on certified products in key markets showed strong growth. As a result, ASC continued to have an influential and beneficial impact on the operation of the global aquaculture industry, at a time when the global seafood sector faces serious challenges due to economic pressures, regional conflicts and post-pandemic complications.

The ASC Global Standards and Certification Programme Strengthened and Developed

The ASC’s Standards set requirements to globally define seafood that is produced in a socially and environmentally responsible way. To maintain our credible and robust system, and ensure their continued relevance, our Standards are reviewed and updated when new information becomes available and when experience with their operation suggests that their content can be improved. All updates and revisions to ASC Standards follow a rigorous multi-stakeholder, science-based, review process; enshrining ASC commitments to the International Social and Environmental Accreditation and Labelling Alliance’s (ISEAL) Standard Setting Code and adherence to transparency.

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Throughout the course of 2022 ASC consulted, released and updated work in key areas to support our certification programme as detailed below:

Workstream	Achieved in 2022	What is next in 2023?
Feed Standard (published 2021)	Auditor training and examinations developed. Feed interpretation manual developed	Auditor training and examinations continue. Feed interpretation manual deployed with implementation guidance
Farm Standard (aligning requirements across eleven standards)	Two major consultations covering environmental topics, with detailed additional consultation on benthic impacts and fish health & welfare conducted, feedback incorporated into revisions	Finalise Farm Standard for full consultation. Develop technical details for Farm Standard indicators linking to a Risk Management Framework
Revised Salmon Standard v 1.4 (revised sea lice requirements for indicator 3.1.7)	Based upon stakeholder consultation in 2021 and 2022, redesigned metric reflecting the best salmon practices to capture critical regional and ecological differences	Revised ASC Salmon Standard v1.4 effective from February 2023
Chain of Custody Module	New module released on 30 May 2022 to provide greater value and a higher level of assurance to programme participants and buyers who rely on the ASC logo	Effective date May 2023 – Addressing emergent issues such as seafood fraud, food safety and use of substances such as antibiotics. This addressed inherent differences in producing farmed versus wild seafood, including controlled environments and human-managed inputs
Revised Shrimp Standard v1.2	Updated metric values, layout and language to align with the newer ASC Standards, and the addition of freshwater species to the Standard to increase the scope and availability of ASC certified seafood	The Standard will be maintained with new indicators incorporated into the Farm Standard
Recirculating Aquaculture Systems (RAS) module released	Released in early 2022, the module summarises the key environmental and social impacts associated with RAS production. Training material has been developed	The module will be maintained with new indicators incorporated into the Farm Standard
ASC Improver Programme (ASC IP)	The ASC IP continued to pilot aquaculture improvement projects in Indonesia and Bangladesh to facilitate increased accessibility to the ASC certification programme. Work was supported by SECCO under ISEAL innovations and the Walton Foundation	2023 will see continued development of the programme with refinement of the tools, procedures and templates, and onboarding of additional projects

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ASC PROMOTED AND SUPPORTED WITH KEY AUDIENCES

Producer Engagement

In most markets, retailers and brands are the main vehicles for delivering ASC labelled seafood. The ASC Producer Support Team visited shrimp, salmon and other farms around the world to support producers to understand the value proposition of ASC certification (market demand for ASC products) and how to apply the ASC farm and processing requirements.

To better explain the demand of ASC to producers in critical seafood markets, ASC Summits have been developed, whereby relevant buyers are invited to visit production countries, so they can explain their need for ASC products directly to producers.

ASC is one of the co-founders of the Global Shrimp Forum Foundation. The Global Shrimp Forum Foundation convened the inaugural meeting of the Global Shrimp Forum in September 2022 as a high-level executive meeting for the warm water shrimp industry. The event gathered over 430 representatives from 250 companies across 33 countries, representing farmers, feed companies, technology suppliers, processors, exporters, importers, wholesalers, retailers and other industry stakeholders. The Forum brought together industry leaders to discuss the most pressing issues their businesses were confronted with and to develop a vision for a long-term strategy towards a resilient and sustainable industry.

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

During 2022 ASC grew capacity by focussing efforts on key markets to increase the output of certified seafood and the availability of labelled products. The mix of effort divided between helping and encouraging producers to take part in the programme and developing supply chain involvement in the use of ASC certified seafood varied between continents and countries. Some markets include significant numbers of producers and a developed supply chain of users and marketing outlets for ASC certified seafood, while in others the interest is mainly from one group or the other. In particular markets, increasing the number of producers of certified seafood is the primary interest, while supply chain issues dominate in others. For ASC, the general receptivity of the social, cultural and political context in which responsible aquaculture takes place is relevant when effort and resources are allocated.

ASC undertakes marketing and market outreach work, based on data and insights that further our organisational mission. ASC commissioned an independent agency to conduct a quantitative consumer survey amongst 12,000 consumers in twelve important markets across the globe in January 2022. The research provided deep insights on seafood consumption and trends, consumer awareness of, and interest in, several sustainability topics around seafood, as well as data on awareness, trust and associations linked to ASC and other seafood eco-labels. The findings were partially made public during the summer and used for strategy development and customer engagement. ASC is committed to repeat the study to stay informed about consumer trends around seafood, sustainability and its own brand development around the globe.

The United States has been identified as a key market for ASC, therefore growing consumer awareness, understanding and engagement is critical to driving demand for ASC-certified seafood. The scale of the U.S. market poses a unique challenge, but also an opportunity for significant momentum as that demand increases. The strategy for ASC's active U.S. engagement plan takes into consideration country size, current in-market awareness (B2C and B2B), U.S. consumer research of priorities and benefits, and best practices based on input from experts.

Event Attendance

An increasingly important aspect of ASC's work is the delivery of value to certified farms through the promotion of the ASC programme and ASC labelled products in the marketplace. Typically, ASC takes part in a range of events with partners to promote responsible seafood, including attendance at several international and domestic trade shows.

With the easing of travel restrictions post-COVID-19, ASC staff have participated in an increasing number of events summarised below.

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At **Vietfish** ASC presented a session about the 'role and importance of traceability for the seafood industry and current trends in digitising key data about seafood product tracing back to the source of origin.' A dedicated session about the opportunities and challenges of ASC certification. In Bremen at 'Fish International' ASC spoke on two panels about fish welfare and enjoyed the opportunity to engage with a significant proportion of the German seafood industry.

At the **North Atlantic Seafood Forum** (NASF) in Bergen, Norway, ASC sponsored the sustainability seminar for the second year alongside NASF, Marine Stewardship Council (MSC) and Global Seafood Alliance (GSA).

The **United Nations' Ocean Conference** took place in Lisbon, Portugal. The conference sought to propel much needed science-based innovative solutions to start a new chapter of global ocean action. ASC co-organised an in-person side event with the World Economic Forum's Friends of Ocean Action and the Certification and Ratings Collaboration.

The session brought together a panel of experts who shared the aim of developing a roadmap and tools that will guide the sustainable growth of aquaculture. During the conference, the 'Road to Sustainable Aquaculture: on current knowledge and priorities for responsible growth' report (published by World Economic Forum, Cologny, Switzerland) was disseminated, representing a foundational reference for the roadmap being developed by the Blue Food Partnership's Sustainable Aquaculture Working Group, chaired by ASC CEO, Chris Nannes.

Chris opened the session focussing on the status of aquaculture and its future potential and shared the first findings of ASC's benchmarking work on the UN SDGs. Hosting this event helped position ASC as a key driver of environmental conservation efforts and food security solutions among policymakers.

Attendance at these events is part of ASC's efforts to increase awareness and understanding of best practices that drive the sustainability agenda within the sector. They also showcase practical, useful ways of attaining environmental sustainability and social responsibility within the seafood sector and drive demand for responsible seafood products through the power of data and marketing.

BENCHMARKING ASC

Sustainable Development Goals (SDG) Performance Report

ASC's first SDG performance report was published in December. Based on a comprehensive assessment considering ASC's entire programme (certification and beyond certification initiatives included) we proposed a novel methodology for identifying, scoring and colour-coding ASC's direct and indirect contributions towards the SDGs within its 'sphere of influence'. For accountability and transparency purpose, annexes were included with all the detailed calculations, rationales and performance notes underpinning the key findings.

ASC addresses targets across all 17 SDGs, with 82 (49%) of the 169 targets deemed to be in scope; and with 80% of those targets considered to be 'well' or 'very well' addressed. This leaves opportunities for increasing coverage of SDG targets in line with the delivery of our new strategy.

A copy of the report can be accessed here: [SDG report - ASC International \(asc-aqua.org\)](https://asc-aqua.org/SDG-report-ASC-International)

Impact report

ASC released its first Annual Impact report, 'Transforming Aquaculture'; which celebrates not only the growing recognition of the need for responsible aquaculture around the world, but also reaffirms our commitment towards continued progress. A copy of the report can be accessed here: [Annual report - ASC International \(asc-aqua.org\)](https://asc-aqua.org/Annual-report-ASC-International)

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ASC STAFF

ASC continues to invest in staff development based around a shared culture as we expand as an organisation. Over the past year a programme of work has taken place to establish a new and inclusive team structure whilst factoring in additional capacity into the management team.

Complementing the development of our new strategic plan in 2022, outcomes from the 2021 Staff Survey were used in conjunction with staff focus groups to establish a shared set of organisational values and behaviours, aimed at supporting the delivery of ASC as an 'Empowered Collaborative' workplace.

ESTABLISHING THE NEXT STRATEGIC PLAN

At the beginning of 2022, ASC started a strategy development process to define the long-term ambition and the strategic principles for our 2023-2030 strategy. This built on and incorporated the findings of two other foundational studies, a governance review and a global marketing strategy. Facilitating the development of this overarching strategy was an analysis of the external and internal environment, the definition of 'where-to-play areas' and the development of ten 'how to win' strategies— each underpinned by key projects and actions. To secure the right input into the strategy in terms of expertise and knowledge, the process included several rounds of consultation and workshops with all ASC teams and the input of external experts. This was actively guided by the newly constituted ASC Board. In December 2022, the 2023-2030 strategy was approved by the ASC Board.

FURTHER DEVELOPMENT - PROGRAMME GROWTH

ASC Marketing and Communications: branding

As ASC continues to grow and transitions from a small to medium-sized organisation, we must ensure that ongoing growth and therefore impact remain consistent with our charitable objectives and our mission, which demands delivery through market-led initiatives. This requires a strong focus on consumer marketing to pull demand through the supply chain from producers, through customers, then via retailers to consumers.

Supported by consumer and market research in numerous countries globally, we are in the process of repositioning ASC and creating more value by building a clear and consistent brand. From the 'reasons to believe', through to our brand benefits, we have identified our brand personality, our identity (visual and voice) and arrived at our brand promise: Caring for the future of people and planet, we are **Setting The Standard for Seafood**.

Improver Programme

ASC recognises that many seafood farmers need to improve their farming methods to meet the requirements of the ASC Standards. To help bridge any gaps, work has continued in the development of an ASC Improver Programme. Our new strategy embeds the Improver Programme within initiatives aimed at making the full ASC programme more accessible and to ensure that ASC Standards are better understood by producers.

Work continues to develop technical tools and support networks to help producers make improvements to their aquaculture production at scale. This also includes fostering engagement, and enabling, local governments and initiatives to deliver efficient approaches for improvement. ASC will secure charitable donations to expand this work in line with the 2023 – 2030 strategic plan objectives.

Building upon the foundation of work undertaken, ASC seeks to ensure consistency of improvement efforts using a guiding methodology implemented by local trainers and verifiers. To date, this work has delivered meaningful change and, in collaboration with others, helped to accelerate further transformation towards responsible aquaculture, underpinning the importance of ASC's work and delivery of our charitable objectives in this area.

A grant funded by the Swiss State Secretariat on Economic Affairs (SECCO) through the ISEAL Innovations Fund concluded on 30 June 2022. During the six-month period of the project in 2022, activities focused on delivering lessons from the improver programme pilot and bringing draft concepts to realisation. Participating farms and implementers engaged in training and conducted on-site baseline assessments. Farms committed to the ASC

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Pathway and delivered data through the remote data collector developed by Sea Warden. ASC staff along with consultants visited farms to discuss the project and extract some key lessons from the engagement. Through delivery of the project, ASC and partners developed many outputs and lessons across all project activities for packaging on ISEAL's member platform to share deliverables across the ISEAL community. In our final funder meeting, ISEAL expressed their appreciation for the work and interest in further developments.

A multiyear grant from **The Walton Family Foundation** has enabled ASC to develop a meaningful dialogue with the Government of Indonesia (GOI) on responsible aquaculture. Guided by the development of a Memorandum of Understanding with the GOI, ASC developed producer support materials for Indonesian shrimp farmers delivered through both classroom and online learning. The project successfully built a foundation for future work.

Digital transformation

The **ASC digital traceability project** aims to provide retailers and partners with a higher level of programme assurance through increased farm origin and supply chain data transparency. Key Data Elements (KDEs) are captured digitally from ASC certified farms and are transmitted through processing, packaging and transport stages as certified products travel down the supply chain. As product is moved, the data is transferred digitally along the supply chain, from one company to the next, using a unique code. We continued the roll out of this platform throughout 2022 with focus on onboarding and training of processors and farms in Vietnam and developing the required linkages to European businesses sourcing from Vietnam. We also began the onboarding of shrimp processors in India and are developing plans for roll out across other countries and species in line with market requirement.

Trace Element Fingerprinting (TEF) technology profiles patterns of trace elements in seafood products and relates them to their location of origin using an advanced mathematical approach involving artificial intelligence and machine learning. The ASC TEF project will allow better determination of the provenance of ASC certified seafood and confirmed origin is a pre-requisite of delivering strengthened supply chain assurance, which complements subsequent digital traceability processes.

In 2022 we completed our 4th TEF study which tested shrimp retail products against our initial reference database. The main findings were that our mathematical approach is strong and provides an important point of difference. The next steps for shrimp focus on targeted collection and analysis of further samples. This year we also started to build our knowledge library of Chilean salmon and are developing further sampling and testing plans for 2023.

As **ASC continues to transition the way in which farm-related spatial data are submitted**, we have released a new Geographic Information System (GIS) Data Form which allows producers to locate and digitise their farm perimeter with greater ease and confidence. The information submitted will then need to be verified by auditors.

Climate strategy

2022 has seen the further development of ASC workstreams relevant to climate change. These include indicators in the Farm Standard that require reporting of greenhouse gas (GHG) emissions and energy use, the protection and restoration of climate-critical habitats, and indicators in the Feed Standard preventing deforestation. We have also participated in ISEAL and regulatory working groups on methodological approaches to the quantification of GHG emissions.

We have conducted **the first carbon footprint of ASC's internal operations** which were challenged due to baseline restrictions but helped establish a methodology for future measurement. This provided draft recommendations for reducing our organisational GHG emissions; this assessment will be carried out annually.

Significant scoping into **ASC's position in relation to carbon offsetting** has been undertaken, and an approach to a comprehensive ASC climate strategy has been developed. The strategy intends to encompass existing climate-

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related work (listed above), prioritise additional workstreams, and enable ASC to better communicate its climate activities and services to the market.

Improved spaces

ASC also continues to **support community-led mangrove restoration in Ecuador as part of its relationship with Socio Manglar** (a project led by Conservation International) and has been scoping a mangrove restoration training module with Wetlands International.

This work has cemented foundations upon which we build, working with new partners and charity funders so we can continue to be *Setting the Standard for Seafood*.

FINANCIAL REVIEW

Financial summary

ASC achieved solid growth in income despite the challenging external economic circumstances and the cost-of-living crisis. ASC generated consolidated income of €15.2m up 23% on 2021 (€12.4m). The growth in income can be attributed to market demand for certified seafood.

The strength in our growth coupled with the resilience in our reserves meant that despite the external circumstances we made strategic investments, including:

- The Improver programme (see page 9)
- The appointment of senior directors to lead ASC as it continues to grow
- The development of the strategy, restructuring of three main organisational functions, and implementing an innovations development team and a people and organisational development team.

Expenditure in 2022 ended the year at €14.0m up 64% from €8.5m. In addition to the strategic investments above, some of the increase in expenditure relates to catching up with activities which were delayed due to the pandemic and our ability to travel.

The overall result is to generate a surplus of €1.2m (2021: €3.8m).

Reserves

When planning and budgeting for activities, we consider the level of reserves held so we can strike a balance between continuing development and the need for prudent management of our working assets and commitments, as well as providing for contingencies. The reserves policy is reviewed and agreed annually with trustees as part of the budget process.

The total reserves for 2022 are €14.0m, which is an increase of €1.2m on the 2021 reserve levels of €12.8m.

Free reserves, as defined by the Charity Commission, are unrestricted reserves that are freely available to spend on charitable purposes. At €13.8m (2021: €12.5m), our free reserves represent just over 10 months' worth of budgeted expenditure. Free reserves at €13.8m are made up from total reserves at €14.0m less fixed assets €0.2m.

ASC's business model is dependent on revenue from trading income which enables ASC to develop new areas of research leading to improvements in Standards and 'to transform aquaculture towards environmental sustainability and social responsibility using efficient market mechanisms that create value across the chain.' To achieve this, ASC is seeking to expand its fundraising to facilitate the expansion of this work.

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Investment policy

The charity's funds are held in cash.

GOVERNANCE

Structure

ASC is a charity registered with the Charity Commission in England and Wales, no 1150418. It is a company limited by guarantee, no 8172832.

The ASC's governing document is its Memorandum and Articles of Association, and this can be accessed via our website: [Governance - ASC International \(asc-aqua.org\)](https://asc-aqua.org/governance)

ASC has one wholly owned subsidiary company, ASCI Limited, company no 7788176, which carries out its trading activities related to logo licensing. All profits are donated to ASC.

On 1 January 2021, Aquaculture Stewardship Council Limited took control over Stichting Aquaculture Council Foundation and its subsidiary ASCI Netherlands BV. Control exists by virtue of the ability of the Aquaculture Stewardship Council Limited to appoint and remove directors of Stichting Aquaculture Council Foundation. In turn, Stichting Aquaculture Council Foundation owns 100% of the share capital of ASCI Netherlands BV.

The trustees have taken account of the Charity Commission's general guidance on public benefit when setting our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities contribute to the vision and mission they have set.

Professional advisers

A list of ASC's main professional advisors appears on page 1.

Haysmacintyre LLP has been reappointed as auditors through a resolution at the December 2022 Board meeting.

Health and safety

The Board holds the health, safety and wellbeing of staff and contractors as a key priority. Our organisational management objectives strive to maintain the best possible standards of health and safety.

Our Board is ultimately responsible for compliance with health and safety legislation. This is delegated to the chief executive. The appointed person for safety at ASC (as defined by the Management of HSAW [Health and Safety at Work] Regulations 1999) is the Director of Central Services.

Structure of the Board

The trustees of the charity serve as the company's directors and members, and form ASC's Board. The Board currently has eight members. Trustees are required to retire after three years but may offer themselves up for reappointment for one further term.

Trustees are recruited to provide the skills and experience required to govern ASC. To ensure we attract suitably skilled candidates, vacancies are advertised as appropriate and short-listed applicants undergo a selection process. Recommendations for appointment are made by the interview panel to the Nominations Committee.

Trustees are regularly provided with internal and external information relevant to ASC's governance, and during 2022 they visited fish farms in Inchmore and in Duich, Scotland. A board meeting was held in Utrecht which enabled trustees to meet with staff.

The biographies of each trustee may be found here [Governance - ASC International \(asc-aqua.org\)](https://asc-aqua.org/governance)

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Governance Effectiveness Review

A Board Evaluation review carried out in 2021 identified several actions. The focus during 2022 has been strengthening the composition of the Board through the appointment of an independent Chair, appointment of a Chair of the Audit and Risk committee, and a further three independent trustees to complement the skills and knowledge of the existing trustees. The newly-formed Board, working with a facilitated process, agreed a clear organisational strategy which was signed off at the December 2022 Board meeting. The governance effectiveness review recommended a change to the committee structure – details are in the next section.

Committees, attendance and remuneration

Audit and Risk Committee

The Audit and Risk Committee supports the Board of Trustees to discharge their stewardship and scrutiny responsibilities in relation to financial oversight, risk management, authority delegations and governance (excluding nominations), acting as finance committee to support the Board in the discharge of their financial responsibilities.

Nominations Committee

The Nominations Committee supports the Board of Trustees in the management of its membership nominations process, managing succession planning, nominations policy and process, reappointment of members, and other general matters related to the appointment and recruitment of Trustees.

In addition, the committee will develop a performance review system for the CEO and policies to plan for their succession.

The Nominations Committee will continue to steer and oversee the Board evaluation processes.

Strategy and Policy Committee

The Strategy and Policy Committee supports the Board of Trustees in matters related to the implementation of the ASC strategy. This includes the development and review of institutional policies, essential to the achievement of the ASC strategy. The committee will address issues that arise from unexpected events that directly or indirectly affect the operations of ASC in a fundamental manner.

Annual meeting attendance

There were seven Board meetings during the year with an average attendance rate of 85%.

Trustees' emoluments

The trustees of the charity, who comprise its Board, did not receive any remuneration during the period. Trustees' expenses and related party transactions are disclosed in notes 9 and 21 to the accounts.

ASC purchases indemnity insurance to protect it and its trustees and officers from losses arising from any wrongful act by its trustees or officers; and to indemnify them against their legal liability arising from any claim against them. The premium for this policy was €2.3k (2021: €2.3k).

How we manage risk

The Board of trustees has reviewed the key risks for ASC and is satisfied that the major risks have been identified and processes for addressing them have been implemented. The trustees have discussions at Board meetings and continue to monitor risk with great care. A formal review of risk takes place annually. It is recognised that any control system can only provide reasonable, but not absolute assurance that major risks have been adequately managed. ASC views the management of risk as an integral element of its strategic planning, evaluation and decision-making processes.

AQUACULTURE STEWARDSHIP COUNCIL LIMITED**TRUSTEES' ANNUAL REPORT****YEAR ENDED 31 DECEMBER 2022**

The major risks and their mitigations are detailed below:

Risk	Mitigation
ASC certification programme reduction in uptake	Issue annual impact report, team set up to tackle cost and complexity, digital supply chain assurance tools being implemented such as Trace Element Fingerprinting.
Market development such as in key more mature markets slows, the supply chain's commitment diminishes and developing markets do not materialise.	Retaining markets with improved account management and implementing CRM system. Development of and embedding the Improvement Programme aimed at making the full ASC programme more accessible and to ensure that ASC Standards are better understood by producers.
The value of the ASC programme does not resonate with or reach target audience	New brand positioning leads to improved B2B and B2C communication.
Competition with similar certification programmes	Impact report and scientific evidence of the work ASC contributes to the Sustainable Development Goals
Organisation fails to keep up with growth	Implementation of staff survey actions, wellbeing programme and DEI strategy being developed. Budget holders being trained and increased access to information for decision making. Innovation team developing options for income diversification.

Policies**Supplier payment policy**

For all trade creditors, it is ASC's policy to agree the terms of payment at the start of business with that supplier and ensure that suppliers are aware of the terms of payment and pay in accordance with their contractual and other legal obligations. ASC has an excellent record for paying suppliers on time.

Employment and remuneration policy

ASC has great ambitions for the delivery of its strategy and requires the recruitment of high-calibre people to represent our interests. We reward staff fairly for the jobs they do and for fostering a positive working environment, and we believe our salaries and employment terms and conditions reflect this. People are employed by ASC based on the specific skills that they bring to their role. For ASC to run successfully, a large range of skills and disciplines is required, and we need to pay appropriately to ensure that we can recruit people with the right skills. We also need to retain skilled and expert staff in specific functions, in a competitive market where skills are readily transferable to other organisations. ASC firmly believes in trying to retain staff for the long-term, developing them and benefitting from their growing knowledge. This is in preference to the disruption and expense of recruitment, especially as many staff have detailed knowledge that is unique to them in the organisation and could not be quickly replaced. Our salaries are set with this in mind.

AQUACULTURE STEWARDSHIP COUNCIL LIMITED

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2022

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.

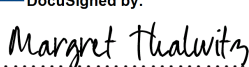
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and group, and enable them to ensure that the financial statements comply with 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.

Approved by the Board of Trustees on 28 June 2023 and signed on its behalf by:

DocuSigned by:

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M C Thalwitz
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 2022 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 2022 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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:

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

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 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:

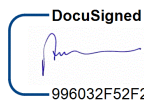
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- We undertook a number of audit procedures to verify the appropriateness of revenue recognition in the financial statements;
- Evaluating management's controls 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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

DocuSigned by:

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Adam Halsey (Senior Statutory Auditor)

For and on behalf of

Haysmacintyre LLP

Statutory Auditor

10 Queen Street Place

London EC4R 1AG

Date: 7/11/2023

AQUACULTURE STEWARDSHIP COUNCIL LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN
INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 DECEMBER 2022

		Unrestricted	Restricted	Total Funds	Total Funds
		Funds	Funds	Year to	Year to
		€000	€000	31-Dec-22	31-Dec-21
	Note			€000	€000
INCOME FROM:					
Grants and donations	2	-	693	693	255
Other trading activities	3	14,490	-	14,490	12,104
Investments		1	-	1	-
TOTAL		14,491	693	15,184	12,359
EXPENDITURE ON:					
Raising funds:					
Trading activities	4	(1,657)	-	(1,657)	(882)
Charitable activities	5/6	(11,624)	(700)	(12,324)	(7,642)
TOTAL		(13,281)	(700)	(13,981)	(8,524)
NET INCOME BEFORE AMOUNTS RECEIVED ON ACQUISITION		1,210	(7)	1,203	3,835
Amounts received on acquisition	19	-	-	-	352
Net income and net movement in funds		1,210	(7)	1,203	4,187
RECONCILIATION OF FUNDS					
Total funds brought forward		12,803	7	12,810	8,623
TOTAL FUNDS CARRIED FORWARD	17/18	14,013	-	14,013	12,810

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 20 to 34 form part of these financial statements.

AQUACULTURE STEWARDSHIP COUNCIL LIMITED
GROUP AND CHARITY BALANCE SHEETS
YEAR ENDED 31 DECEMBER 2022

		2022		2021	
		Group €000	Charity €000	Group €000	Charity €000
	Note				
FIXED ASSETS					
Intangible Assets	11	185	4	266	8
Tangible Assets	11	34	33	25	19
Investments	12	-	-	-	-
		<u>219</u>	<u>37</u>	<u>291</u>	<u>27</u>
CURRENT ASSETS					
Debtors	14	6,352	10,100	5,585	9,194
Cash at bank		<u>8,817</u>	<u>4,875</u>	<u>8,945</u>	<u>4,609</u>
		<u>15,169</u>	<u>14,975</u>	<u>14,530</u>	<u>13,803</u>
CREDITORS: Amounts due within one year	15	<u>(1,375)</u>	<u>(999)</u>	<u>(2,011)</u>	<u>(1,074)</u>
NET CURRENT ASSETS		<u>13,794</u>	<u>13,976</u>	<u>12,519</u>	<u>12,729</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>14,013</u>	<u>14,013</u>	<u>12,810</u>	<u>12,756</u>
NET ASSETS		<u>14,013</u>	<u>14,013</u>	<u>12,810</u>	<u>12,756</u>
FUNDS					
Restricted funds	16	-	-	7	7
Unrestricted funds	17	<u>14,013</u>	<u>14,013</u>	<u>12,803</u>	<u>12,749</u>
TOTAL FUNDS		<u>14,013</u>	<u>14,013</u>	<u>12,810</u>	<u>12,756</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 £1,582k (2021: surplus of €4,133k)

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

DocuSigned by:

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 M C Thalwitz
 Trustee/Director, Chairman

Company Registration Number: 08172832

The notes on pages 20 to 34 form part of these financial statements.

AQUACULTURE STEWARDSHIP COUNCIL LIMITED
CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2022

	2022	2021
	€000	€000
Cash flows from operating activities		
Net income for the reporting period per the SOFA	1,203	4,187
Depreciation charges	110	109
Dividends and interest from investments	(1)	-
(Increase) in debtors	(767)	(815)
(Decrease) in creditors	(638)	(618)
Loss on disposal of fixed assets	-	4
	<u>(93)</u>	<u>2,867</u>
Net cash provided by operating activities		
Cash flows from investing activities:		
Dividends and interest from investments	1	-
Purchase of property, plant and equipment	(36)	(170)
	<u>(35)</u>	<u>(170)</u>
Net cash used in investing activities		
Change in cash and cash equivalents in the reporting period	(128)	2,697
Cash and cash equivalents at the beginning of the reporting period	8,945	6,248
Cash and cash equivalents at the end of the reporting period	<u>8,817</u>	<u>8,945</u>
Analysis of cash and cash equivalents:		
Cash in hand	<u>8,817</u>	<u>8,945</u>
Total cash and cash equivalents	<u>8,817</u>	<u>8,945</u>

The notes on pages 20 to 34 form part of these financial statements.

AQUACULTURE STEWARDSHIP COUNCIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

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. 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) together with Stichting Aquaculture Council Foundation and its subsidiary ASCI Netherlands BV on a line-by-line basis. Inter-group transactions and balances are eliminated on consolidation.

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 16).

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 2022

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 2022****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. 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 euro 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 2022 €000	Total Funds 2021 €000
Grants receivable				
Open Philanthropy	-	97	97	26
Multiplier	-	41	41	94
ISEAL	-	148	148	118
Walton Foundation	-	136	136	17
Packard Foundation	-	271	271	-
	-	693	693	255

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

AQUACULTURE STEWARDSHIP COUNCIL LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2022****3. OTHER TRADING ACTIVITIES**

	Unrestricted Funds €000	Total Funds 2022 €000
Trading Income	14,417	14,417
ASC Standards Auditor training	73	73
	14,490	14,490
UK	1,138	1,138
Outside Europe	2,940	2,940
Europe	10,339	10,339
	14,417	14,417

PRIOR YEAR

	Unrestricted Funds €000	Total Funds 2021 €000
Trading Income	12,052	12,052
ASC Standards Auditor training	52	52
	12,104	12,104
UK	724	724
Outside Europe	2,400	2,400
Europe	8,928	8,928
	12,052	12,052

4. RAISING FUNDS: TRADING ACTIVITIES

	Unrestricted Funds €000	Total Funds 2022 €000
Direct Costs – Cost of Goods Sold	717	717
Other Direct Costs - Administration	1,004	1,004
Other Direct Costs – FX (gain)	(64)	(64)
	1,657	1,657

AQUACULTURE STEWARDSHIP COUNCIL LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2022****4. RAISING FUNDS: TRADING ACTIVITIES (CONTINUED)****PRIOR YEAR**

	Unrestricted Funds €000	Total Funds 2021 €000
Direct Costs – Cost of Goods Sold	290	290
Other Direct Costs - Administration	643	643
Other Direct Costs – FX (gain)	(51)	(51)
	<u>882</u>	<u>882</u>

5. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds €000	Restricted Funds €000	Total Funds 2022 €000
Policy and maintenance of standards	5,506	331	5,837
Education and awareness	873	53	926
Servicing and outreach to farms and commercial sector	5,245	316	5,561
	<u>11,624</u>	<u>700</u>	<u>12,324</u>

PRIOR YEAR

	Unrestricted Funds €000	Restricted Funds €000	Total Funds 2021 €000
Policy and maintenance of standards	3,499	121	3,620
Education and awareness	555	19	574
Servicing and outreach to farms and commercial sector	3,333	115	3,448
	<u>7,387</u>	<u>255</u>	<u>7,642</u>

AQUACULTURE STEWARDSHIP COUNCIL LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2022****6. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE**

	Direct Costs	Support Costs (Note 7)	Total Funds 2022 €000
	€000	€000	
Policy and maintenance of standards	1,693	47	1,740
Education and awareness	1,704	26	1,730
Servicing and outreach to fisheries and commercial sector	8,427	427	8,854
	11,824	500	12,324

PRIOR YEAR

	Direct Costs	Support Costs (Note 7)	Total Funds 2021 €000
	€000	€000	
Policy and maintenance of standards	1,046	32	1,078
Education and awareness	1,053	17	1,070
Servicing and outreach to fisheries and commercial sector	5,212	282	5,494
	7,311	331	7,642

7. ANALYSIS OF SUPPORT COSTS

	Total 2022 €000	Total 2021 €000
Communication and IT	140	103
Finance costs	45	57
Foreign exchange (gains)/loss	(163)	(167)
Other office costs	65	52
Professional fees	413	286
	500	331

Support costs have been allocated to activities based on the estimated usage of services. Included in the above are governance costs amounting to €18.1k (2021: €15.6k).

AQUACULTURE STEWARDSHIP COUNCIL LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2022****8. NET INCOME / (EXPENDITURE) FOR THE YEAR**

This is stated after charging:

	2022	2021
	€000	€000
Staff Pension Contributions	351	217
Auditor's remuneration – other auditors	19	21
Non audit services	27	26
Auditor's remuneration – Haysmacintyre LLP	28	25
Depreciation & Amortisation	107	109
	532	398

9. EXPENSES OF THE MEMBERS OF THE BOARD OF TRUSTEES

The charity has met travel and subsistence expenses incurred by 13 members for international Board meetings as trustees on the charity's business totalling €47k (2021: 9 Trustees, €22k)

No 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 22 €000	Year to 31 Dec 21 €000
Wages and salaries	5,798	3,670
Social security costs	829	522
UK pension costs	351	217
Other costs and healthcare	346	235
	7,324	4,644

Termination of employee:

During the year termination payments of €nil (2021: €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 22 No	Year to 31 Dec 21 No
Direct Charitable	3	3
Communication & publicity	33	30
Administration	19	12
Integrity	33	23
	88	68

AQUACULTURE STEWARDSHIP COUNCIL LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2022****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 2022	Year to 31 Dec 2021
	No	No
€300,001 - €290,000	1	1
€180,001 - €190,000	1	-
€170,001 - €180,000	1	1
€130,001 - €140,000	2	1
€100,001 - €110,000	5	1
€90,001 - €100,000	8	3
€80,001 - €90,000	6	9
€70,001 - €80,000	4	3
	<hr/>	<hr/>
	28	19
	<hr/>	<hr/>

Key management remuneration was €1,822k (2021: € 840k). ASC paid pension contributions and other benefits of €161k (2021: €280k).

11. FIXED ASSETS – TANGIBLE AND INTANGIBLE ASSETS

GROUP	Office Equipment €000	Computer Software €000	Group 2022 €000
Cost			
At 1 January 2022	79	442	521
Additions	36	-	36
Disposals	(1)	-	(1)
	<hr/>	<hr/>	<hr/>
At December 2022	114	442	556
Depreciation			
At 1 January 2022	53	175	228
Charge for the year	28	82	110
Disposals	(1)	-	(1)
	<hr/>	<hr/>	<hr/>
At December 2022	80	257	337
Net book value			
At December 2022	<hr/>	<hr/>	<hr/>
	34	185	219
	<hr/>	<hr/>	<hr/>

AQUACULTURE STEWARDSHIP COUNCIL LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2022**

At December 2021	<u>25</u>	<u>266</u>	<u>291</u>
CHARITY	Office Equipment €000	Computer Software €000	Charity 2022 €000
Cost			
At 1 January 2022	56	19	75
Additions	30	-	30
Disposals	(1)	-	(1)
At December 2022	<u>85</u>	<u>19</u>	<u>104</u>
Depreciation			
At 1 January 2022	37	11	48
Charge for the year	16	4	20
Disposal	(1)	-	(1)
At December 2022	<u>52</u>	<u>15</u>	<u>67</u>
Net book value			
At December 2022	<u>33</u>	<u>4</u>	<u>37</u>
At December 2021	<u>19</u>	<u>8</u>	<u>27</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 2022, ASCI Ltd had turnover of €14,417k (2021: €12,051k) and made an operating profit of €9,641k (2021: €9,012k).

	2022 € 000	2021 € 000
Income	(14,417)	(12,051)
Expenditure	<u>4,776</u>	<u>3,039</u>
Net incoming resources	(9,641)	(9,012)
Gift Aid to UK Charity	9,641	9,012
Funds at 1 January 2022	-	-
Funds at 31 December 2022	<u>-</u>	<u>-</u>
Intangible fixed assets	171	251
Tangible fixed assets	1	4
Current assets	9,619	9,524
Current liabilities	<u>(9,791)</u>	<u>(9,779)</u>
Net current liabilities	(172)	(255)
Total assets less total liabilities	-	-
Represented by:	-	-
Share Capital	-	-

AQUACULTURE STEWARDSHIP COUNCIL LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2022**

Retained Earnings

_____	_____
_____	_____

13. FINANCIAL INSTRUMENTS

At the balance sheet date, the group held financial assets at amortised cost of €15,169k (2021: €14,530k) and financial liabilities at amortised cost of €1,375k (2021: €2,011k).

14. DEBTORS

	2022		2021	
	Group €000	Charity €000	Group €000	Charity €000
Trade debtors	312	145	210	-
Other debtors	418	230	442	142
Prepayments & accrued income	5,622	198	4,933	223
Amount due from subsidiary	-	9,527	-	8,829
	<u>6,352</u>	<u>10,100</u>	<u>5,585</u>	<u>9,194</u>

15. CREDITORS: Amounts falling due within one year

	2022		2021	
	Group €000	Charity €000	Group €000	Charity €000
Trade creditors	315	445	1,013	302
Other creditors	313	197	206	133
Taxation and social security	-	(87)	-	13
Amount due to subsidiary	-	-	-	21
Accruals & deferred income	747	444	792	605
	<u>1,375</u>	<u>999</u>	<u>2,011</u>	<u>1,074</u>

	2022	
	Group € 000	Charity € 000
Movement on deferred income		
Deferred income at 1 January	456	456
Released to income in year	(456)	(456)
Income deferred in year	(353)	(353)
Deferred income at 31 December	<u>(353)</u>	<u>(353)</u>

AQUACULTURE STEWARDSHIP COUNCIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

16. RESTRICTED INCOME FUNDS

	Balance at 1 January 2022 €000	Income €000	Expenditure €000	Balance at 31 December 2022 €000
Packard Foundation	-	271	(271)	-
Open Philanthropy– Fish Welfare Collaboration	-	97	(97)	-
Sainsbury – Trustee support	7	-	(7)	-
Multiplier – Project Mgr, Collaboration	-	41	(41)	-
ISEAL – Project Preparation Grant	-	148	(148)	-
Walton Foundation	-	136	(136)	-
	<u>7</u>	<u>693</u>	<u>(700)</u>	<u>-</u>
PRIOR YEAR	At 1 January 2021 €000	Income €000	Expenditure €000	At 31 December 2021 €000
Open Philanthropy – Fish Welfare Collaboration	-	26	(26)	-
Sainsbury – Trustee support	7	-	-	7
Multiplier – Project Mgr, Collaboration	-	94	(94)	-
ISEAL – Project Preparation Grant	-	118	(118)	-
Walton Foundation	-	17	(17)	-
	<u>7</u>	<u>255</u>	<u>(255)</u>	<u>7</u>

Open Philanthropy -Fish Welfare Collaboration: Funding has enabled ASC to undertake work developing producers' guidance on fish welfare issues consistent with ASC's more general environmental and social based approach to promotion of responsible aquaculture. This work will lead to the production of a module encapsulating recommended quantifiable best practice to promote fish welfare across different aquaculture production systems.

Sainsbury –Trustee support: This grant assists with the costs associated with Trustees performing their duties.

New Venture - Certification & Ratings Collaboration (Multiplier): This grant assisted with the implementation of a seafood certification and ratings programme working to increase efficiency, address various challenges, and help more fisheries and farms take steps toward environmental sustainability and economic viability. In delivering this work ASC seeks to address confusion with multiple programmes using different standards, systems and processes. This project seeks to ensure certification and ratings work together to provide a more complimentary approach, including coordinated tools incentives, and strategies for measuring and improving fishery and aquaculture performance around the world.

ISEAL –Project preparation grant: ASC and partners have evaluated how they 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. This work has led to the development of new ideas which are now seeking funding.

AQUACULTURE STEWARDSHIP COUNCIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

16. RESTRICTED INCOME FUNDS (CONTINUED)

Walton Foundation– Aquaculture Improvement Project (AIP): ASC and partners collaborated in a project to provide guidelines for Indonesian shrimp farms. The purpose was to implement pilot projects and trainings on the guidelines and promote certification of sustainable shrimp farms. ASC has appointed a manager resident in Indonesia late in 2021 to assist with the project delivery which has now been completed.

Packard Foundation – The grant has enabled ASC to develop Strategic Communications focused on specific activities: 1) helping understand industry partner needs through a series of interviews and research activities, 2) assessing ASC's current communications positioning and objectives, 3) completing a comprehensive communications plan that includes new messaging and revised marketing tools.

17. UNRESTRICTED INCOME FUNDS

	Balance at 1 Jan 22 € 000	Income € 000	Expenditure € 000	Transferred on merger € 000	Balance at 31 Dec 22 € 000
Group - General Funds	12,803	14,491	(13,281)	-	14,013
Charity - General Funds	12,803	12,834	(11,624)	-	14,013

PRIOR YEAR

	Balance at 1 Jan 21 €000	Income €000	Expenditure €000	Transfer and merger €000	Balance at 31 Dec 21 €000
Group - General Funds	8,616	12,104	(8,269)	352	12,803
Charity - General Funds	8,616	11,168	(7,387)	352	12,749

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds 31 Dec 22 €000	Restricted Funds 31 Dec 22 €000	Total 31 Dec 22 €000
Tangible fixed assets	219	-	219
Cash at bank and in hand	8,124	693	8,817
Other net current assets/(liabilities)	5,670	(693)	4,977
Total	14,013	-	14,013
PRIOR YEAR	Unrestricted Funds 31 Dec 21 €000	Restricted Funds 31 Dec 21 €000	Total 31 Dec 21 €000
Tangible fixed assets	291	-	291
Cash at bank and in hand	8,690	255	8,945
Other net current assets/(liabilities)	3,822	(248)	3,574
Total	12,803	7	12,810

AQUACULTURE STEWARDSHIP COUNCIL LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2022****19. ACQUISITION OF STICHTING AQUACULTURE COUNCIL FOUNDATION AND ASCI NL BV**

On 1 January 2021, Aquaculture Stewardship Council gained control over Stichting Aquaculture Council Foundation and ASCI Netherlands BV. On this basis, these entities are consolidated into the group accounts from this date. The Statement of Financial Activities reflects the net assets consolidated into the group accounts at the point of acquisition and are summarised as follows:

	€000
Current assets	1,268
Creditors	(916)
Total net assets transferred	<u>352</u>

20. INDIVIDUAL FINANCIAL STATEMENTS

The financial statements of Stichting Aquaculture Council Foundation and ASCI NL BV summarised below have been included in the group consolidated financial statements at 31 December 2022:

	ASCI NL BV	Stichting Aquaculture Council Foundation
Profit and loss/Statement of income and expenditure	€000	€000
Income	(3,495)	(3,808)
Expenses	<u>3,553</u>	<u>4,151</u>
Net loss before tax	58	343
Taxation	<u>-</u>	<u>-</u>
Net loss after tax	<u>58</u>	<u>343</u>
 Balance Sheet	 €000	 €000
Tangible fixed assets	21	1
Receivables	123	206
Cash and cash equivalent	<u>189</u>	<u>8</u>
Total assets	<u>333</u>	<u>215</u>
Current liabilities	<u>(333)</u>	<u>(215)</u>
Net assets	<u>-</u>	<u>-</u>
 Reserves	 <u>-</u>	 <u>-</u>

AQUACULTURE STEWARDSHIP COUNCIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

21. RELATED PARTY TRANSACTIONS

During the period ASC UK charity charged service fee of €667k (2021: €408k) to Stichting Aquaculture Stewardship Council Foundation (ASC – Netherlands). The balance outstanding at the financial period end is nil (2021: €nil). Stichting Aquaculture Stewardship Council Foundation (ASC – Netherlands) during the period charged for the use of the logo ASC UK fee of €752k (2021: €779k). The balance outstanding at the financial period end is €131k (2021: €nil).

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 its profits to the charity (see note 12 to the accounts).

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

22. OPERATING LEASE COMMITMENTS

The entity had outstanding commitments for future minimum lease payments under non-cancelling operating leases as at year end €2k (2021: €3k)

AQUACULTURE STEWARDSHIP COUNCIL LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2022****23. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES**

		Unrestricted Funds €000	Restricted Funds €000	Total Funds Year to 31-Dec-21 €000
	Note			
INCOME FROM:				
Grants and donations	2	-	255	255
Other trading activities	3	12,104		12,104
Investments		-		-
TOTAL		<u>12,104</u>	<u>255</u>	<u>12,359</u>
EXPENDITURE ON:				
Raising funds:				
Trading activities	4	(882)		(882)
Charitable activities	5/6	(7,387)	(255)	(7,642)
TOTAL		<u>(8,269)</u>	<u>(255)</u>	<u>(8,524)</u>
NET INCOME BEFORE AMOUNTS RECEIVED ON ACQUISITION		3,835		3,835
Amounts received on acquisition	19	352	-	352
Net income and net movement in funds		4,187	-	4,187
RECONCILIATION OF FUNDS				
Total funds brought forward		8,616	7	8,623
TOTAL FUNDS CARRIED FORWARD	17/18	<u>12,803</u>	<u>7</u>	<u>12,810</u>