

**AQUACULTURE STEWARDSHIP COUNCIL
COMBINED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016**

COMPANY REGISTRATION NUMBER 08172832

**AQUACULTURE STEWARDSHIP COUNCIL
DIRECTORS' REPORT AND COMBINED FINANCIAL
STATEMENTS
31 DECEMBER 2016**

AQUACULTURE STEWARDSHIP COUNCIL
COMBINED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016

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AQUACULTURE STEWARDSHIP COUNCIL

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2016

The directors of Aquaculture Stewardship Council Limited and Stichting Aquaculture Stewardship Council present the Directors' Report and combined financial statements of Aquaculture Stewardship Council in respect of the year ended 31 December 2016.

REFERENCE AND ADMINISTRATIVE DETAILS

Aquaculture Stewardship Council combined 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) and Stichting Aquaculture Stewardship Council (34389683)

Principal office 2 Selbourne House, 30 Grayshott Road, London, SW11 5UR

Registered office St Bride's House, 10 Salisbury Square, London EC4Y 8EH

The Directors

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

Prof P A Cook	Chairman
Mr P Arnesen	
Mr Hillbrands	
Mrs C Tippet	
Ms M Jeans	
Mr S Nicols	Appointed 01.01.2016
Dr L Cao	Appointed 01.01.2016

Chief Executive Officer & Company Secretary Mr C Nines

Other Key Management Personnel

Finance Manager L Egan

Our Advisors

Auditors	Crowe Clark Whitehill LLP	St Bride's House, 10 Salisbury Square, London EC4Y 8EH
Bankers	HSBC	240 Lavender Hill, Clapham Junction, London, SW11 1LH
Solicitors	Wollen Michelmore	Carlton House, 30 The Terrace, Torquay, TQ1 1BS

AQUACULTURE STEWARDSHIP COUNCIL

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT

Introduction

Aquaculture Stewardship Council combined financial statements include the results of Aquaculture Stewardship Council Limited, ASCI Limited and Stichting Aquaculture Stewardship Council.

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

ASCI Limited is a wholly-owned subsidiary of ASC and is a company limited by shares registered in England and Wales. ASCI Limited carries out its trading activities related to logo licensing.

Stichting Aquaculture Stewardship Council are a foundation based in Utrecht and classed as 'Not for profit organization' under the Dutch Accounting Standards and granted ANBI status by the Dutch tax authorities.

The financial statements have been prepared in accordance with the basis of preparation set out in Note 1 of the combined financial statements.

The Directors' Management

The charity is managed by a committee of the directors. The charity directors 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 directors 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 directors who are also the directors for the purpose of company law are known as member's 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 directors 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 directors, 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 directors, which can have up to 9 members, administers the charity. The board normally meets 3 times yearly and there are sub-committees covering, finance and audit nominations, which meet around the Budget and Accounting cycle. A Chief Executive is appointed by the directors 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 directors, 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.

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 the 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.

AQUACULTURE STEWARDSHIP COUNCIL

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2016

OBJECTIVES AND ACTIVITIES

Charitable objectives

The charity is set up to conserve the marine and freshwater environments for the benefit of the public and to advance public education in the principles and practice of conservation.

Its activities are to promote and quantify responsibly farmed fish, shellfish and crustacean inter alia by furthering the understanding and adoption of responsible aquaculture practices, maintaining and monitoring standards for responsible aquaculture that are already in place or that are yet to be developed, in order to reduce negative social and environmental impact, and, furthermore, to perform any acts conducive to or relating directly or in directly to the foregoing, all in the broadest sense.

Public benefit statement

The directors 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".

ACHIEVEMENTS AND PERFORMANCE

2016 was a period of rapid growth for the ASC programme. The degree of scaling up of activity and of delivery of outputs that has been achieved has contributed considerably to a step-change upwards in the ASC's footprint. ASC has become ever more relevant and accepted by the aquaculture industry globally. More aquaculture was being undertaken in an environmentally sustainable and socially responsible way at the end than at the start of 2016.

Considerable work was done to both strengthen and develop the ASC standards programme in 2016. The standard for *Seriola/Cobia* was brought into operation, the last of the original species standards emerging from the aquaculture dialogues process. Initial scoping and development of standards for additional species was begun. The development of an aquaculture feed standard progressed. A new initiative to develop a standard for seaweed with the Marine Stewardship Council (MSC) was launched. Meanwhile a key project to align the standards, harmonise them and produce a more efficient and workable standards system moved ahead.

ASC's ability to strengthen its impact in existing markets and to penetrate new ones was enhanced in 2016. The outreach team was increased enabling real progress to be made. A focus has been on key Asian markets, China and Japan especially. Attention has been given to the more mature Northern European markets through dedicated staff inputs focused on the German speaking countries and additional resources have been secured and used to develop ASC's impact in Scandinavia.

Engagement with farms has resulted in the number of certified farms growing from 195 (end 2015) to 370 over the year, a while the number of farms in assessment was 119 at the end of 2016. The volume of certified seafood made available to the market has risen appreciably from 674,000 tonnes to 1.08 million tonnes. There were ASC certified farms in 38 countries and territories, up from 21 at the end of 2015.

ASC has been active in communicating with a wide range of stakeholders about the programme and about responsible aquaculture more generally. The 2016 Olympic and Paralympic Games in Rio de Janeiro were an opportunity for informing consumers about responsible seafood, based on the commitment by the games organisers to source ASC and MSC certified seafood. Blogs, videos and an active social media presence have also helped to spread the ASC's messages to a wider public.

Collaboration with like-minded organisations has been a feature of ASC's working practices. There has been continuing close collaboration with MSC, both on the standards side and through ASC outsourcing and paying for use of MSC services to undertake logo licence administrative tasks.

AQUACULTURE STEWARDSHIP COUNCIL

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2016

ACHIEVEMENTS AND PERFORMANCE (continued)

Meanwhile the organisation itself has been strengthened. More staff have been appointed and a presence established in some key markets. By the end of 2016 the own-generated income that ASC received covered the then level of core operating costs. Expenditure must and will increase as the ASC moves ahead to tackle the challenges ahead. Income will need to rise in parallel to both maintain the position and create an adequate financial reserve. So there can be no complacency. The ASC will continue to need external funding for specific one-off projects.

Strengthening and Developing the Aquaculture Standards Programme

Over the past year a wide range of activities has been undertaken to both strengthen and develop the scope and efficiency of the standards that the ASC has made available to the public. This has included the completion of the first phase of ASC standards development – bringing into operation all of the eight specific species standards developed by the Packard supported Aquaculture Dialogues process. The *Seriola/Cobia* standard was offered to the market on November 1st 2016. It has been welcomed, particularly in the big Japanese market. At year-end standards were also available for Abalone, Bivalves, Trout, Pangasius, Salmon, Shrimp and Tilapia.

Meanwhile ASC has been exploring the possibilities of setting standards for other species. It has, for example, been reviewing a practical approach to broaden its scope to include additional finfish species. Work has been undertaken too on a possible flatfish standard.

ASC is keen to ensure that the programme is potentially available to as wide a range of producers as possible. ASC certification to date has largely been undertaken by single farms. But there is in reality a variety of farming structures. Companies operating multiple, geographically dispersed, sites all managed under the same management system pose special challenges to the audit process. To enable organisations to achieve certification for more than one site in one assessment process, ASC has been developing a multi-site certification methodology. The work advanced well in 2016.

Progress with work on multi-site and on group certification methodology has been able to be made roughly in parallel. Experience gained from pilot testing of the group certification proposal helped inform the process. Seven groups of producers growing rainbow trout and shrimp, and two ASC accredited Conformity Assessment Bodies (CABs), pilot tested the draft methodology in Bangladesh, Finland, Indonesia and Vietnam. There has been public consultation on the draft group certification methodology.

The development of the ASC Core Standard moved in 2016 from a research and analytical phase to production of a first version of a harmonised set of principles and indicators and on to public consultation on the draft. In parallel, work has progressed on the drafting of the species and service specific guidance part of the standard. A public consultation on the first (V1) draft of the harmonised set of principles and indicators for a Core Standard ended on 19th October 2016, after having been open for two months. Following public consultation on this draft, the comments received from 12 different organisations, both NGO and industry, that provided some 500 lines of feedback were analysed. The interest in the development of the Core Standard from the industry in particular has been encouraging.

Work on the creation of a standard for responsibly produced aquaculture feed has progressed over the past year. The search has continued to find solutions to the issues raised by the public consultation on the first draft of a standard. The key focus has been on developing a methodology to measure how the sources of the ingredients used by feed manufacturers supplying feed mills can be assessed for their sustainability. An interim solution for marine sourced ingredients was promulgated in December 2016. More work is being done on land animal and plant based ingredients that are the majority of feed inputs. A benchmarking tool is being evaluated.

AQUACULTURE STEWARDSHIP COUNCIL

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2016

ACHIEVEMENTS AND PERFORMANCE (continued)

Deepening Market Penetration

A key to ASC's ability to succeed in deepening its penetration, scope and reach of the certification programme with major retailers and food service companies in key markets in Europe and North America and developing them elsewhere has been increasing the capacity to do the tasks needed. An association was established with a small local consultancy firm in China to provide staff to work on promotion of the ASC programme. A Programme Manager was hired to work in Japan. A grant from the Swedish Postcode Lottery Foundation enabled more work to be done in Sweden.

These initiatives enabled ASC to both improve the service that can be provided to existing contacts and to find and assist new ones. There has been a significant rise in market interest in and use of the ASC programme. For example, the number of products labelled with the ASC logo and approved for sale rose over the last year from 4712 to 7079. They are available in 64 countries and territories. The top five markets in which the presence of ASC products has become established are all in Northern Europe. The Netherlands, Germany, Belgium, Switzerland and Sweden account for 53% of the total number of approved products.

Now that ASC has some, but still very limited, capacity to work on the ground in the two big Asian markets of China and Japan more progress will be possible. Already there are encouraging signs of contact with retailers in China, including with major e-commerce companies keen to sell ASC labelled products on-line. And the range of Chinese ASC certified farms has grown with the first scallop farm being awarded its certificate in 2016. In Japan ASC's impact will be transformed if and when the supply of ASC certified *Seriola* becomes available in the volumes that the retail industry has already signalled it requires. The certification of the first (oyster) farm to meet the ASC standard in Japan in 2016 did much to raise the ASC's profile and credibility with the local retail and food service industry.

Improving farm production through increased engagement with the ASC process

The number of farms that are ASC certified rose in 2016 as shown below.

Species	Number of Farms Certified		Farms under Assessment	
	December 2015	December 2016	December 2015	December 2016
Pangasius	39	35	11	5
Tilapia	22	40	10	5
Salmon	77	176	53	32
Trout	14	25	9	16
Shrimp	34	72	11	24
Bivalves	8	18	6	37
Abalone	1	4	1	0
<i>Seriola/Cobia</i>	-	0	-	0
TOTAL	195	370	101	119

ACHIEVEMENTS AND PERFORMANCE (continued)

AQUACULTURE STEWARDSHIP COUNCIL

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2016

ASC has used a twin strategy of engaging with producers both directly when possible and indirectly at selected and relevant seafood shows and expositions. Over the past year ASC has been present at the major shows in Europe (Brussels), North America (Boston) and Asia (Qingdao). At each of these shows ASC organised specific events in the margins of the event to reach out to key audiences, including producers. In addition specific outreach work was done in emerging markets such as India and Vietnam and in Central and South America.

Raising Stakeholder, including consumers, awareness of the ASC

The past year has seen a more concerted communications effort to be responsive to the needs of business stakeholders. ASC has championed publicly amongst other developments - the Brakes Group becoming the first foodservice supplier to introduce ASC certified prawns in the UK, the Marine Harvest Group being the first ASC partner to use elements from a new ASC Marketing Toolkit of materials at their booth during Seafood Expo Global in Brussels, Arctic Fish becoming the very first aquaculture producer to achieve ASC certification in Iceland, the University of Illinois becoming the first university in the USA to gain ASC Chain of Custody certification, the Hilton Hotel chain worldwide announcing a multi-year sustainable seafood goal, the Park Hyatt Tokyo becoming the first hotel in Japan to receive ASC Chain of Custody certification, Dutch retailer HEMA selling seafood from ASC certified farms using the ASC logo in their stores in the Netherlands, one of the largest retail chains in Japan, Kasumi Co. Ltd., which operates 178 stores in the north region of Kanto Plain having introduced certified responsibly farmed processed oysters sourced from a local farm (the first ASC certified farm in Japan), Moana New Zealand Blue Abalone has become the first farm to receive ASC certification for responsible aquaculture in New Zealand - and more besides.

ASC marketing and promotional activity has continued to use the "Think Fish Week" format successfully in the Netherlands and Belgium. But in 2016 a new venture featuring this approach was used successfully in France. Help was also given to events in Australia and in Hong Kong that promoted responsible seafood to the public. The ASC marketing toolkit was created to help ASC partners and licence holders, especially retailers in contact with the public, to find inspiration, guidance and assets to create campaigns that promote their commitment to sourcing responsibly farmed certified seafood. ASC certified partners in possession of an ASC logo licensing agreement and/or Marketing Undertaking Agreement, have been invited to use the toolkit to enhance marketing activities, increase sales of ASC labelled products and raise awareness of their commitment to responsible aquaculture with their customers.

ASC's communications work aims to inform stakeholders, maintain and defend ASC's reputation and to provide information about particular topics. A focus of ASC communications work in 2016 was on business-to-business communications. ASC continued to assemble and produce materials and assets usable for promotional purposes. Stories about involvement in the programme have been elicited from producers, from retailers, from big companies and small ones. The common theme being the authentic expression by participants of their views and about their relationship with ASC.

Social media and a series of blogs on ASC related events and areas of interest have also loomed increasingly large in ASC's communications portfolio of activities. Another and major focus of attention over the past year has been revision of the ASC website.

ASC collaboration with other relevant certification and ratings organisations

Meetings of an International Certification and Ratings group convened by the major funders and promoters of a more sustainable seafood industry have been held throughout 2016. The ASC CEO has been fully engaged in the process and has been a committed member of the group. In addition he held the chair of the Steering Committee. Progress towards drafting a framework for closer cooperation between standards and ratings programmes that attracts consensus remains positive but slow.

AQUACULTURE STEWARDSHIP COUNCIL

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2016

ACHIEVEMENTS AND PERFORMANCE (continued)

Strengthening the ASC organisation

Staffing levels increased modestly in 2016 using both full time staff and part-time employees, (including consultants). Staff were based in The Netherlands, UK, Germany, USA, Brazil, Australia and China.

In 2016 ASC experienced a better than forecast income from logo licensing. This taken with tight control of expenditure meant that the ASC was able to cover its baseline operating costs from its own generated income while meeting project costs from donated funding and beginning the creation of a financial reserve. The success of the business model so far has been encouraging. But as expenditure rises, as it has too 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.

AQUACULTURE STEWARDSHIP COUNCIL

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2016

FINANCIAL REVIEW

The results for the period ended 31 December 2016 are shown in the attached Statement of Financial Activities.

Net incoming resources of the group for the year was a surplus of €2,141,006 (2015: €252,607), of which there was a balance of €3,029,010 (2015: €1,153,923) 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 €3,656,218 against trading expenditure of €582,211 giving a net income of €3,074,007 before taxation. The surplus trading profits of €3,074,007 will be donated to the parent charity ASC UK. The donation is equal to the taxable profits, therefore ASCI Ltd will have no payable Corporation tax due.

Principal Funding Sources

ASC is reliant on contributions in the form of donations and grants from commercial organisations and like-minded international charities and the revenue generated by trading subsidiary, ASCI Ltd. Total incoming resources of €5,057,062 (2015:€2,506,278) is an encouraging achievement.

During the year the Charity generated €27,650 from the Trout and Salmon auditor training program conducted by the charity.

The Charity's expenditure in charitable activity during the year was €2,333,845 (2015: €1,736,791) as the charity started its activities from current financial year in the true sense, after having laid the foundation in the previous financial period.

Risk Management

The Directors address from time to time the risks that face the charity and adopt responses to manage the risks identified. Some of the major risks identified are:

- Mission Risk – interest and demand for the ASC certified seafood is not maintained while supply develops. It is critical to encourage farms to seek the ASC certification, this can be done by undertaking commercial outreach and communication initiatives
- Market Risk – industry's lack of interest in the promotion &/or development of certified products, undermines the creditability of the programme. Need to be active in the market, engaging with retailers & food services to demonstrate the added value of the ASC programme
- Organisational Risk – a lack of funding and slow adoption of the use of the ASC Logo, and the reliance on a single business model, could have limitations to the capacity of ASC ambitions. ASC needs to be continually active in its search for supportive partners, and in addition focus on key receptive markets and countries

Investment Policy

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

AQUACULTURE STEWARDSHIP COUNCIL

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2016

FINANCIAL REVIEW (continued)

Reserves Policy

The Board has examined the Charity's requirements for reserves in light of the main risks to the organisation and satisfied that the current reserves are sufficient to meet the organisations' immediate funding requirements. The Board constantly reviews the level of reserves as part of its oversight.

ASC ended the year with unrestricted reserves of €3,029,010 . Removing tangible fixed assets of €11,069, the remaining liquid unrestricted reserves amount to €3,017,942. The Board recognises the reserves are building year on year, as the logo license fees income increases. The budget for 2016 is in surplus to further increase reserves. The budgets surplus reflects the growing need to build reserves to counter the expected decline in generous grants ASC has received in their growth years, this future level of reduced voluntary income increases the dependence of logo licence fees from the supply chain and is expected to continue over the near future.

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

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2016

DIRECTORS' RESPONSIBILITIES

The directors of Aquaculture Stewardship Council and Stichting Aquaculture Stewardship Council are responsible for preparing the Directors' Report and combined financial statements.

The Directors have chosen to prepare combined financial statements for each financial year in accordance with the basis of preparation set out in Note 1 to the combined financial statements. They are responsible for determining that the basis of presentation is acceptable in the circumstances and for such internal control as management determines is necessary to enable the preparation of combined financial statements and for being satisfied they give a true and fair view of the state of affairs of the combined entities as set out in Note 1 to the combined financial statements and of the profit or loss of for that period.

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

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


The directors of Aquaculture Stewardship Council, together with the directors of Stichting Aquaculture Stewardship Council, are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the combined financial position of Aquaculture Stewardship Council, and to enable them to ensure that the combined financial statements comply with the basis of preparation set out in Note 1 of the combined financial statements. They are also responsible for safeguarding the assets of the companies and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

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

- in so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director 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 Directors on 22 November 2017 and signed on its behalf by:


.....
Professor Peter Cook
Trustee/Director, Chairman

AQUACULTURE STEWARDSHIP COUNCIL LIMITED
COMBINED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2016

	Note	Total Funds Year to 31-Dec-16 €	Total Funds Year to 31-Dec-15 €
INCOME FROM:			
Grants and donations	2	1,372,874	939,918
Other trading activities	3	3,683,865	1,556,051
Investments		323	309
TOTAL		5,057,062	2,506,278
EXPENDITURE ON:			
Raising funds:			
Trading activities	4	(582,211)	(516,880)
Charitable activities	5	(2,333,845)	(1,736,791)
TOTAL		(2,916,056)	(2,253,671)
NET INCOME		2,141,006	252,607
OTHER RECOGNISED (LOSSES)/GAINS			
Currency translation adjustment		(265,919)	-
MOVEMENT IN FUNDS		1,875,087	270,322
RECONCILIATION OF FUNDS			
Total funds brought forward		1,027,727	883,601
Exchange movement on opening funds		130,196	17,715
		1,153,923	901,316
TOTAL FUNDS CARRIED FORWARD		3,029,010	1,153,923

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 14 to 19 form part of these financial statements.

AQUACULTURE STEWARDSHIP COUNCIL LIMITED
COMBINED AND CHARITY BALANCE SHEETS
YEAR ENDED 31 DECEMBER 2016

	Note	2016 Group €	2015 Group €
FIXED ASSETS			
Tangible Assets		11,069	19,394
Investments		-	-
		11,069	19,394
CURRENT ASSETS			
Debtors	6	2,284,332	1,293,269
Cash at bank		2,037,261	897,221
		4,321,592	2,130,490
CREDITORS: Amounts due within one year	7	(1,303,651)	(995,961)
NET CURRENT (LIABILITIES)/ASSETS		3,017,941	1,134,529
TOTAL ASSETS LESS CURRENT LIABILITIES		3,029,010	1,153,923
NET ASSETS/(LIABILITIES)		3,029,010	1,153,923
FUNDS			
Restricted funds		-	-
Unrestricted funds		3,029,010	1,153,923
TOTAL FUNDS		3,029,010	1,153,923

The Result for the financial year dealt within the financial statements of the parent charitable company was a surplus of €2,141,006 (2015: €252,607)

These financial statements were approved by the Board and authorised for issue on 22 November 2017 and are signed on their behalf by:



Professor Peter Cook
 Trustee/Director, Chairman

The notes on pages 14 to 19 form part of these financial statements.

AQUACULTURE STEWARDSHIP COUNCIL LIMITED
COMBINED AND CHARITY BALANCE SHEETS
YEAR ENDED 31 DECEMBER 2016

	2016	2015
	€	€
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the reporting period per the SOFA	2,141,006	252,607
Depreciation charges	9,614	8,921
Loss on disposal of fixed assets	650	-
Dividends and interest from investments	323	309
(Increase) in debtors	(1,189,030)	(543,359)
Increase/(decrease) in creditors	403,033	491,481
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES	<u>1,365,596</u>	<u>209,961</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Dividends and interest from investments	(323)	(309)
Purchase of property, plant and equipment	(2,300)	(4,745)
NET CASH USED IN INVESTING ACTIVITIES	<u>(2,623)</u>	<u>(5,054)</u>
Change in cash and cash equivalents in the reporting period	1,392,973	204,907
Effect of change in translation rates	(162,933)	(3,184)
Cash and cash equivalents at the beginning of the reporting period	837,221	635,498
Cash and cash equivalents at the end of the reporting period	<u>2,037,261</u>	<u>837,221</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash in hand	2,037,261	837,221
Total cash and cash equivalents	<u>2,037,261</u>	<u>837,221</u>

The notes on pages 14 to 19 form part of these financial statements.

AQUACULTURE STEWARDSHIP COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention, except that fixed asset investments are stated at market value, and in accordance with Financial Reporting Standard 102 (FRS 102) and follow recommendations in Statement of Recommended Practice: Accounting and Reporting by Charities (FRS 102) effective 1 January 2015.

These financial statements combine the consolidated results of Aquaculture Stewardship Council Limited and Stichting Aquaculture Stewardship Council Foundation at Utrecht on a line by line basis.

The businesses included in the combined financial statements have not operated as a single entity. There is no legal requirement to prepare these combined financial statements as Aquaculture Stewardship Council Limited (and its wholly owned subsidiary Aquaculture Stewardship Council International Limited) and Stichting Aquaculture Stewardship Council Foundation are separate legal entities. However, the combined financial statements are prepared voluntarily in order to present the combined financial position, results and cash flows of Aquaculture Stewardship Council.

All transactions and balances between entities included in the combined financial statements are eliminated.

The directors of Aquaculture Stewardship Council and Stichting Aquaculture Stewardship Council have concluded that the functional currency of Aquaculture Stewardship Council is Euros on the basis that this is the predominant currency affecting Aquaculture Stewardship Council's operations. In addition, they have decided to present these combined financial statements in Euros.

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.

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 Directors 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 for.

Resources expended

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.

AQUACULTURE STEWARDSHIP COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES (continued)

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.

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, Directors 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 Directors, 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, 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%

Going concern

We have set out in the Directors' 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. 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.

AQUACULTURE STEWARDSHIP COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES (continued)

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.

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.

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, excluding prepayments. 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	Restricted Funds	Total Funds 2016	Total Funds 2015
	€	€	€	€
Grants receivable				
Moore Foundation	-	486,245	486,245	122,090
Walton Foundation	-	161,081	161,081	99,364
John Ellerman Foundation	-	37,032	37,032	40,698
Governmental Grant - China	-	-	-	9,981
Packard Foundation	441,996	-	441,996	-
TAPAS	-	23,044	23,044	-
New Venture	-	47,454	47,454	-
IDH	-	-	-	273,810
WWF US	-	-	-	65,398
WWF NL	50,000	-	50,000	62,000
Donations				
Garfield Weston Foundation	-	-	-	101,746
Corporate donations	-	125,898	125,898	164,831
	<u>491,996</u>	<u>880,754</u>	<u>1,372,750</u>	<u>939,918</u>

AQUACULTURE STEWARDSHIP COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

3. OTHER TRADING ACTIVITIES

	Total Funds	Total Funds
	2016	2015
	€	€
Trading Income	3,656,215	1,517,021
Trout auditor training	27,650	49,030
	3,683,865	1,566,051
UK	227,114	158,508
Outside Europe	642,209	315,592
Europe	2,814,542	1,091,751
	3,683,865	1,566,051

4. COSTS OF: TRADING ACTIVITIES

	Total Funds	Total Funds
	2016	2015
	€	€
Direct Costs – Cost of Goods Sold	493,000	222,556
Other Direct Costs - Administration	240,167	309,731
Other Direct Costs – Foreign exchange gains	(150,956)	(15,407)
	582,211	516,880

5. COSTS OF CHARITABLE ACTIVITIES

	Total Costs	Total Costs
	2016	2015
	€	€
Consultants	318,871	249,222
Accreditation	11,317	15,625
Depreciation	9,615	8,921
Finance Costs	(74,839)	(438)
Insurance	18,486	7,914
Information Technology	38,610	9,848
Legal	21,117	33,421
Accounting	59,144	44,572
Offices and Premises	68,479	52,187
Telephone	15,370	14,254
Fees and Salaries	1,256,648	940,370
Training	26,473	3,624
Travel	339,510	224,635
Meetings	113,983	106,012
Marketing	68,640	74,870
Bad Debt Provision	2,926	17,792
Revaluation	39,388	(56,018)
Other Costs	107	-
	2,333,845	1,736,791

AQUACULTURE STEWARDSHIP COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

6. DEBTORS

	2016	2015
	Group	Group
	€	€
Trade debtors	828,339	256,728
Other debtors	30,318	40,920
Prepayments & accrued income	1,425,675	995,621
	<u>2,284,332</u>	<u>1,293,269</u>

7. CREDITORS: Amounts falling due within one year

	Group	Group
	€	€
Trade creditors	168,811	162,829
Taxation and social security	19,240	37,296
Accruals & deferred Income	1,074,790	795,836
Other creditors	40,811	-
	<u>1,303,651</u>	<u>995,961</u>

	2016	2015
	Group	Group
	€	€
Movement on deferred income		
Deferred income at 1 January 2016	518,274	518,274
Released to income in year	518,274	-
Income deferred in year	463,494	-
Deferred income at 31 December 2016	<u>463,494</u>	<u>518,724</u>

Deferred income comprises of 2017 allocated restricted funds per the agreement with the Packard Foundation, New Venture, Tapas, and Swedish Lottery

AQUACULTURE STEWARDSHIP COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

8. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds €	Restricted Funds €	Total Funds Year to 31-Dec-15 €
INCOME FROM:				
Grants and donations	2	229,144	710,774	939,918
Other trading activities	3	1,566,051	-	1,566,051
Investments		309	-	309
TOTAL		<u>1,795,504</u>	<u>710,774</u>	<u>2,506,278</u>
EXPENDITURE ON:				
Raising funds:				
Support costs	4	(222,556)	-	(222,556)
Trading costs	5	(294,324)	-	(294,324)
Charitable activities	6/7	(985,319)	(751,472)	(1,736,791)
TOTAL		<u>(1,502,199)</u>	<u>(751,472)</u>	<u>(2,253,671)</u>
NET (EXPENDITURE) / INCOME		293,305	(40,698)	252,607
OTHER RECOGNISED GAINS				
Foreign exchange differences arising on Combination of Subsidiaries		15,349	2,366	17,715
NET MOVEMENT IN FUNDS		308,654	(38,332)	270,322
RECONCILIATION IN FUNDS		845,269	38,332	883,601
TOTAL FUNDS CARRIED FORWARD		<u>1,153,923</u>	<u>-</u>	<u>1,153,923</u>