

Draft 07/30/2020

**STICHTING AQUACULTURE STEWARDSHIP COUNCIL
FOUNDATION
AT AMSTERDAM**

Annual Report 2019

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INDEPENDENT AUDITOR'S REPORT

Draft 07/30/2020

To the management of
Stichting Aquaculture Stewardship Council Foundation
Daalseplein 101
3511SX Utrecht

| <i>Reference</i> | <i>Processed by</i> | <i>Date</i> |
|------------------|---------------------|----------------|
| 10150600 | KH | <Vul datum in> |

Dear management,

We hereby send you the report regarding the financial statements for the year 2019 of your company .

ENGAGEMENT

In accordance with your instructions we have audited the annual account 2019 of your company, including the balance sheet with counts of € 414,958 and the statement of income and expenditure with a negative result of € 74,021.

For the audit opinion we refer to page 18 of this report.

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MANAGEMENT REPORT

The report is available for inspection at the office of Stichting Aquaculture Stewardship Council Foundation and submitted in the consolidated annual accounts of Aquaculture Stewardship Council Limited.

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BALANCE SHEET AS AT DECEMBER 31, 2019

(after result appropriation)

| | December 31, 2019 | | December 31, 2018 | |
|---|-------------------|----------------|-------------------|----------------|
| | € | € | € | € |
| ASSETS | | | | |
| Fixed assets | | | | |
| Tangible fixed assets (1) | | | | |
| Other fixed operating assets | | - | | 8,872 |
| Financial fixed assets (2) | | | | |
| Participations in group companies | | 1 | | - |
| Current assets | | | | |
| Receivables, prepayments and accrued income (3) | | | | |
| Trade receivables | | - | 2,471 | |
| Receivables from participants and from companies in which participation takes place | 15,634 | | - | |
| Taxes and social securities | | - | 16,536 | |
| Prepayments and accrued income | | - | 47,788 | |
| | | 15,634 | | 66,795 |
| Cash and cash equivalents | | 399,323 | | 473,510 |
| | | 414,957 | | 540,305 |
| | | <u>414,958</u> | | <u>549,177</u> |

| | December 31, 2019 | | December 31, 2018 | |
|-------------------------------|-------------------|----------------|-------------------|----------------|
| | € | € | € | € |
| EQUITY AND LIABILITIES | | | | |
| Reserves and funds | (4) | | | |
| Other reserves | | 149,420 | | 223,441 |
| Current liabilities | (5) | | | |
| Trade creditors | | 5,484 | | 6,694 |
| Accruals and deferred income | | 260,054 | | 319,042 |
| | | <u>265,538</u> | | <u>325,736</u> |
| | | | | |
| | | <u>414,958</u> | | <u>549,177</u> |

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR 2019

| | Balance 2019 | Balance 2018 |
|--|---------------|--------------|
| | € | € |
| Income | | |
| Income from joint activities | (6) 1,700,000 | 1,324,170 |
| Grants from non-governmental organizations | (7) 162,036 | 215,313 |
| Sum of income | 1,862,036 | 1,539,483 |
| Expenses | | |
| Costs of management and accounting | | |
| Employee expenses | (8) 1,862,036 | 739,395 |
| Amortisation and depreciation | (9) - | 2,076 |
| Other operating expenses | (10) 45,419 | 778,003 |
| | 1,907,455 | 1,519,474 |
| Balance before financial income and expense | -45,419 | 20,009 |
| Financial income and expenses | (11) 9 | -3,513 |
| | -45,410 | 16,496 |
| Share in result of participating interests | (12) -28,611 | - |
| Result | -74,021 | 16,496 |
| Appropriation of the results | | |
| Other reserves | -74,021 | 16,496 |

NOTES TO THE FINANCIAL STATEMENTS

GENERAL

Activities

The mission of Stichting Aquaculture Stewardship Council Foundation, statutory registered at Amsterdam, is to transform aquaculture towards environmental sustainability and social responsibility using efficient market mechanisms that create value across the chain. Activities include fostering and increasing the measurability for responsibly farmed seafood.

Registered office, legal form and registration number at the chamber of commerce

The actual address of Stichting Aquaculture Stewardship Council Foundation is Daalseplein 101 at Utrecht but has its registered office at Amsterdam and is registered at the chamber of commerce under number 34389683.

Group structure

Stichting Aquaculture Stewardship Council Foundation forms a partnership and group with Aquaculture Stewardship Council Limited in London as head of this group. The financial data of the partnership is to be included in the consolidated annual accounts of the group. As the group is managed and controlled by the Executive Board and Supervisory Board of Aquaculture Stewardship Council with its principal office in London. Key elements such as the budget and the trustees annual report will only be submitted in the consolidated annual report prepared by Aquaculture Stewardship Council Limited.

All trading activities related to logo licensing (ASC label) are carried out by ASCI Limited, which is a wholly owned by charity Aquaculture Stewardship Council, located in London. The ASC Trade Mark is owned by Stichting Aquaculture Stewardship Council Foundation at Utrecht managed and maintained by ASCI Netherlands B.V.

Mergers and acquisitions

By deed of legal demerger dated October 28, 2019, Stichting Aquaculture Stewardship Council Foundation split off part of its assets with ASCI Netherlands B.V. With effect from January 1, 2019, the acquiring company accounts for the financial data regarding the acquired part of the assets in its annual financial statements. At the demerger Stichting Aquaculture Stewardship Council Foundation acquired all shares in the company ASCI Netherlands B.V.

In accordance with the deed the income and expenses for 2019 are included in the annual accounts of the company ASCI Netherlands B.V.

GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE ANNUAL ACCOUNTS

The annual accounts have been prepared in accordance with the Guideline for annual reporting 640 "Not-for-profit organizations" of the Dutch Accounting Standards Board.

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are presented at nominal value.

Income and expenses are accounted for on accrual basis. Profit is only included when realized on the balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Revenues from services are recognised in proportion to the services rendered. The cost price of these services is allocated to the same period.

Translation of foreign currency

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates prevailing at balance sheet date. The exchange differences resulting from the conversion as of balance sheet date, taking into account possible hedge transactions, are recorded in the statement of income and expenditure.

ACCOUNTING PRINCIPLES APPLIED TO THE VALUATION OF ASSETS AND LIABILITIES

Tangible fixed assets

Tangible fixed assets are presented at acquisition price less cumulative depreciation and, if applicable, less impairments in value. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use.

Financial fixed assets

Participating interests where significant influence is exercised over the business and financial policy are valued according to the equity method on the basis of the nett asset value. Participating interests without such influence, are valued at the acquisition price, taking into account a provision for value decreases.

Participating interests with negative nett capital value are valued at zero. If the stichting fully or partly guarantees the liabilities of the participation concerned, or is effectively obliged to enable the participation to pay its (share of) liabilities, a provision is formed. Provisions for doubtful debts which are already deducted from receivables from the participation are taken into account when determining the amount for the provision.

Receivables, prepayments and accrued income

Upon initial recognition the receivables on and loans to participations and other receivables are valued at fair value and then valued at amortised cost, which equals the face value, after deduction of any provisions. The fair value and amortised cost equal the face value. Any provisions for the risk of doubtful debts are deducted. These provisions are determined based on individual assessment of the receivables.

Cash and cash equivalents

The cash is valued at face value. If cash equivalents are not freely disposable, then this has been taken into account in the valuation.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price.

When there are no premiums, discounts or transaction costs, the amortised cost is equal to the nominal value.

ACCOUNTING PRINCIPLES FOR THE DETERMINATION OF THE RESULT

Determination of the result

The result is determined based upon the difference between the income and the costs and other expenses taking into account the aforementioned valuation principles.

Employee expenses

The amounts payable to the personnel are processed in the statement of income and expenditure on the basis of the employment-contracts.

Amortisation and depreciation

The depreciation on tangible fixed assets is calculated by using a fixed rate on the acquisition cost based on the expected life cycle. Gains and losses from the occasional sale of property, plant or equipment are included in depreciation.

Financial income and expenses

Financial income and expenses comprise interest income and expenses for loans (issued and received) during the current reporting period.

Share in result of participating interests

The result is the amount by which the carrying amount of the participation has changed since the previous financial statements as a result of the earnings achieved by the participation to the extent that this can be attributed to Stichting Aquaculture Stewardship Council Foundation.

Taxes

Stichting Aquaculture Stewardship Council Foundation is granted the so called ANBI status by the Dutch tax authorities, which means the organisation is not obligated to pay corporate income taxes.

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NOTES TO THE BALANCE SHEET AS OF DECEMBER 31, 2019

1. Tangible fixed assets

| | Other fixed operating assets |
|---|------------------------------------|
| | € |
| Carrying amount as of January 1, 2019 | 8,872 |
| Depreciation | - |
| Legal demerger as of January 1, 2019 | -8,872 |
| Carrying amount as of December 31, 2019 | - |
| | |
| Purchase price | 15,732 |
| Cumulative depreciation and impairment | -15,732 |
| Carrying amount as of December 31, 2019 | - |
| | |
| <i>Depreciation rates</i> | % |
| Other fixed operating assets | 20 |

2. Financial fixed assets

| | 12/31/2019 | 12/31/2018 |
|--|------------|------------|
| | € | € |
| Participations in group companies | | |
| ASCI Netherlands B.V. at Utrecht (100%) | 1 | - |
| | | |
| | 2019 | 2018 |
| | € | € |
| <i>ASCI Netherlands B.V.</i> | | |
| Carrying amount as of January 1 | - | - |
| Legal demerger (issued shares) | 3 | - |
| Legal demerger | 28,609 | - |
| Share in result | -28,611 | - |
| Carrying amount as of December 31 | 1 | - |

With the deed dated .. August 2020 an earlier sale transaction of 65% of the shares in the participation has been canceled. For this reason, the basic assumption in the annual accounts is that all shares have been the property of the Stichting Aquacultural Stewardship Council Foundation since their incorporation.

3. Receivables, prepayments and accrued income

| | 12/31/2019 | 12/31/2018 |
|--------------------------|------------|------------|
| | € | € |
| Trade receivables | | |
| Debtors | - | 2,471 |

Receivables from participants and from companies in which participation takes place

| | 2019 | 2018 |
|-----------------------------------|--------|------|
| | € | € |
| <i>ASCI Netherlands B.V.</i> | | |
| Carrying amount as of January 1 | - | - |
| Movement | 15,634 | - |
| Carrying amount as of December 31 | 15,634 | - |

No interest has been calculated.

| | 12/31/2019 | 12/31/2018 |
|------------------------------------|------------|------------|
| | € | € |
| Taxes and social securities | | |
| Pay-roll tax | - | 16,536 |

Prepayments and accrued income

| | | |
|------------------|---|--------|
| Rental deposits | - | 11,253 |
| Prepaid expenses | - | 36,535 |
| | - | 47,788 |

4. Equity

| | 2019 | 2018 |
|--|---------|---------|
| | € | € |
| Other reserves | | |
| Carrying amount as of January 1 | 223,441 | 206,945 |
| Allocation of financial year nett result | -74,021 | 16,496 |
| Carrying amount as of December 31 | 149,420 | 223,441 |

5. Current liabilities

| | <u>12/31/2019</u> | <u>12/31/2018</u> |
|-------------------------------------|-------------------|-------------------|
| | € | € |
| Trade creditors | | |
| Creditors | <u>5,484</u> | <u>6,694</u> |
| Accruals and deferred income | | |
| Holiday allowance | - | 26,930 |
| Deferred income | 239,509 | 271,528 |
| Other accrued expenses | <u>20,545</u> | <u>20,584</u> |
| | <u>260,054</u> | <u>319,042</u> |

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NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR 2019

| | Balance 2019 | Balance 2018 |
|--|------------------|----------------|
| | € | € |
| 6. Income from joint activities | | |
| Aquaculture Stewardship Council Ltd, UK | 1,700,000 | 1,324,170 |
| 7. Grants from non-governmental organizations | | |
| New Venture | 23,574 | 29,717 |
| David and Lucile Packard Foundation | 17,303 | 7,055 |
| Swedish Lottery | - | 60,449 |
| Sillicon Valley | 25,370 | 77,055 |
| WWF Netherlands | 12,000 | 34,000 |
| ISEAL | 25,977 | 7,037 |
| Walton Foundation | 57,812 | - |
| | <u>162,036</u> | <u>215,313</u> |
| 8. Employee expenses | | |
| Wages and salaries | - | 605,129 |
| Social security charges | - | 92,560 |
| Pension costs | - | 41,706 |
| Operation Fees ASCI Netherlands B.V. | 1,862,036 | - |
| | <u>1,862,036</u> | <u>739,395</u> |
| <i>Wages and salaries</i> | | |
| Gross wages | - | 605,129 |
| <i>Social security charges</i> | | |
| Industrial insurance board | - | 92,560 |
| <i>Pension costs</i> | | |
| Pension costs | - | 41,706 |
| Emoluments of directors and supervisory directors | | |
| Staff | | |
| During 2019, no employees were employed on a full-time basis (2018: 12). | | |
| 9. Amortisation and depreciation | | |
| Tangible fixed assets | - | 2,076 |

Stichting Aquaculture Stewardship Council Foundation, Amsterdam

| | Balance 2019 | Balance 2018 |
|---|----------------|----------------|
| | € | € |
| 10. Other operating expenses | | |
| Other labour costs | 790 | 325,657 |
| Accommodation expenses | - | 72,392 |
| Office expenses | 1,170 | 32,554 |
| Selling and distribution expenses | -1,332 | 191,517 |
| General expenses | 44,791 | 155,883 |
| | <u>45,419</u> | <u>778,003</u> |
| <i>Other labour costs</i> | | |
| Temporary workers | - | 178,881 |
| Travelling expenses | 790 | 145,885 |
| Canteen costs | - | 792 |
| Education allowance and training costs | - | 99 |
| | <u>790</u> | <u>325,657</u> |
| 11. Financial income and expenses | | |
| Interest and similar income | 9 | 95 |
| Interest and similar expenses | - | -3,608 |
| | <u>9</u> | <u>-3,513</u> |
| 12. Share in result of participating interests | | |
| Share in result of ASCI Netherlands B.V. | <u>-28,611</u> | <u>-</u> |

OTHER DISCLOSURE

Post balance sheet events

The principles used for valuation and determination of results are based on the continuity assumption of Stichting Aquaculture Stewardship Council Foundation. However, as a result of the outbreak of the coronavirus worldwide, drastic measures have been taken by the Dutch government to control the spread of this virus. At the moment, a slight decrease in activities is noticeable at Stichting Aquaculture Stewardship Council Foundation. However, this did not lead to applications for various support measures as presented by the Dutch government.

Based on the financial position of Stichting Aquaculture Stewardship Council Foundation as at the balance sheet date, the board of Stichting Aquaculture Stewardship Council Foundation deems a sustainable continuation of business operations possible. The annual accounts are therefore prepared on the assumption of continuity of the foundation.

Signing of the financial statements

Utrecht, <Vul datum in>

Mr. C. Nannes, Chief Executive Officer

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INDEPENDENT AUDITOR'S REPORT

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