The Natural Step International
Report and accounts
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Annual Report

of

The Natural Step International

Trustees Report
for the period
March 1, 2012-February 28, 2013

The Natural Step International
Registration Number: 7945825
Charity Number: 1151663

c/o Kimball Smith Ltd.
Kings Worthy House
Court Road, Kings Worthy
Winchester, Hampshire
SO23 7QA, UK
I Organizational Purpose

The Natural Step is a global network of non-profit organizations, supported by an international secretariat (The Natural Step International). The Natural Step has a 25-year track record of helping organizations and individuals understand and make meaningful progress toward sustainable development.

OUR VISION is a sustainable world in which individuals, communities, and businesses thrive within nature’s limits.

OUR MISSION is to inspire, educate, and connect leaders to accelerate the transformation to a sustainable world.

At the core of The Natural Step’s approach is the Framework for Sustainable Strategic Development (also known as The Natural Step Framework), offering a simple yet powerful scientific definition of sustainability, a systemic approach to strategic thinking and a method for crafting pathways to long-term sustainable development.

II Organizational Structure

The Natural Step is a global network of both offices and individual associates that share the same brand, core identity, principles and application expertise. The Natural Step has offices, associates, or strategic partners in 14 countries.

The Natural Step International (TNSI) is the international secretariat for the global network, headquartered in the United Kingdom. In 2012 TNSI was incorporated in the United Kingdom as a registered non-profit association and charity, governed by Articles of Association. The organization was previously registered as a not-for profit entity in Stockholm, Sweden, where it had resided since its inception in 1999. A decision was made to move the head office out of Sweden and to establish TNSI in the UK as an independent entity. The mandate of TNSI is:

1) To steward the core brand, mission, strategy and governance of the network;
2) To facilitate the recruitment, training, activity and collaboration of Natural Step members; and
3) To raise the profile of the TNS brand in the world and foster high-leverage initiatives for systemic social change towards sustainability.
III Governance

An independent board of Trustees governs the Natural Step International:

<table>
<thead>
<tr>
<th>Name</th>
<th>Office</th>
<th>Location</th>
<th>Dates Acted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kelly Hawke Baxter</td>
<td>Chair</td>
<td>Canada</td>
<td>May 2011-present</td>
</tr>
<tr>
<td>Anders Söderlund</td>
<td>Treasurer</td>
<td>Sweden</td>
<td>May 2011-present</td>
</tr>
<tr>
<td>Regina Hauser</td>
<td>Secretary</td>
<td>United States</td>
<td>May 2011-present</td>
</tr>
<tr>
<td>Steve Henry</td>
<td>Trustee</td>
<td>New Zealand</td>
<td>May 2011-present</td>
</tr>
<tr>
<td>Jonathon Porritt</td>
<td>Trustee</td>
<td>United Kingdom</td>
<td>May 2011-present</td>
</tr>
</tbody>
</table>

The board of trustees meets regularly by phone call and once a year in person. The trustees are also the members of the association. Trustees are elected annually via a nominations process and serve three-year terms.

The board of trustees sets the strategic direction for The Natural Step International and oversees the work of the management team.

The trustees feel confident that they have complied with their duty to have due regard to the guidance on public benefit published by the Commission in exercising their powers and duties.

IV Management Details

The Natural Step International is a small secretariat, managed by three sub-contracted consultants, who report regularly to the Board of Trustees.

Isabella Oriani serves as Director of The Natural Step International.
Scott Perret serves as Director of Communications and Network Relations.
April Knudsen serves as TNSI Coordinator.

The Natural Step has established member offices in Brazil, Canada, Sweden, the Netherlands, Italy, Switzerland, and New Zealand.

It is in the process of building capacity for emerging new offices in China, Finland, Israel, Portugal and Spain.

It also has associates in The United States, France and the United Kingdom.
The three TNSI subcontracted consultants co-ordinate and leverage the activities of member offices in The Natural Step network to carry out activities in support of a shared mission.

V Objects

The charity’s objects are:
- To promote sustainable development for the benefit of the public by engaging individuals and organizations in:
- The preservation, conservation and protection of the environment and the prudent use of natural resources;
- The improvement of the conditions of life in socially and economically disadvantaged communities;
- The promotion of sustainable means of achieving economic prosperity and regeneration.
- To advance the education of the public in subjects relating to sustainability and the protection, enhancement and rehabilitation of the environment through an international community of learning provided that the useful results of such learning are to be disseminated to the public at large.

VI Activities to Achieve Objects

The Natural Step International achieves its objects by:
- Recruiting and training member offices
- Supporting and empowering member offices and associates to:
  - deliver sustainability education programs;
  - provide strategic advice and coaching on sustainability to municipalities and business;
  - engage in large-scale change initiatives with a variety of partners
- Supporting a global practitioner network of sustainability change agents who are working in a variety of countries around the world
- Delivering presentations and distributing communications materials to disseminate knowledge and learning on sustainability solutions
VII Achievements and Performance

The year 2012 was one of transition for The Natural Step International as it went through significant organizational change: it moved its head office from Sweden to the UK, it changed its network membership model, it changed its governance, electing a new board of trustees, it changed its staff, and it established a new strategic plan. The contracted staff of the newly established TNS International spent most of their time executing the organizational restructuring, re-establishing secretariat functions, and co-ordinating the activities of various TNS offices around the world, and securing revenues to carry out TNSI's work.

A EDUCATION INITIATIVES

The Natural Step’s goal is to foster commitment and competence in decision-makers and change agents to shift their organizations toward sustainability and create new sustainable solutions.

Our Activities: We delivered a variety of workshops around the world designed to build competence and capacity in sustainability leaders, managers and change agents. Some examples are below.

1 e-Learning – The Natural Step promotes a self-paced, award-winning interactive online learning course designed to help individuals understand sustainability concepts and apply them to day-to-day business, community, and personal decision-making. The e-learning course is distributed in English, French, Swedish and Italian, primarily in North America and Europe. Hundreds of licenses were sold globally during the 2012-2013 financial year.

2 Level 1 Sustainability Course: Foundations in Strategy is a flagship TNS-designed and delivered course taught by experienced facilitators who have worked with businesses and communities around the world. It draws upon The Natural Step’s 20 years of practical sustainability experience with global clients and partners. Level 1 works through a case study using The Natural Step Framework for Strategic Sustainable Development, giving participants the knowledge and tools to better understand strategy and take a systemic approach to planning and managing sustainability initiatives.

The Natural Step network of offices and associates delivered over 15 Level 1 workshops in Canada, Sweden, Netherlands, Switzerland, Italy, Portugal, Spain and New Zealand in 2012-2013.

Participants who took the workshop were better equipped to take a sustainability leadership role in their organizations, to capture value, enable innovation, and drive strategy.
3 **Level 2 Sustainability Course: Deep Dive into Application and Practice** is an advanced course designed for sustainability professionals and those looking to enable sustainability-related change processes.

Level 2 participants focus on the application of sustainability processes and leveraged the expertise of their fellow participants and facilitators. Participants practice real time development of sustainability strategy, and leave with skills to support a successful sustainability change process in their organization. Level 2 was delivered in Canada, Sweden and The Netherlands.

4 **Impact Sustainability Champions** is a national action program that provides training, networking and coaching to young change agents in cities across Canada who are keen to develop sustainability projects on their campuses and communities. Students participate in two intense days of sustainability training and are mentored by experts and leaders in the community for the duration of their projects. To date The Natural Step has trained over 200 young leaders in Vancouver, Edmonton, Ottawa, Guelph, Toronto and Montreal. Students have launched hundreds of tangible sustainability projects in their communities.

5 **MBA Sustainability Leadership Bootcamp** is an intense 4-day program designed to train, empower, and network participants to help accelerate change towards sustainability. Participants are taught by a faculty of national sustainability leaders and have the opportunity to hone their skills through practical real-life case studies, which address current challenges facing a particular sector or organization. The Natural Step delivered three MBA bootcamps in Canada in 2012.

6 **Future Fit Conference** – The Natural Step New Zealand hosted a Future Fit Conference in September 2012 for over 100 business leaders and sustainability champions.

7 **Adding Sustainable Value** – is New Zealand’s leading program for businesses serious about sustainability, delivered by The Natural Step, The Sustainable Business Network and Otago Polytechnic. The ASV program runs over a six-month period and includes in-person workshops, guest experts, peer learning, and professional mentoring and coaching. Those completing the course receive a Certificate in Sustainable Practice (Level 5). Over 40 business leaders participated in The Natural Step’s program in 2012.

8 **Corporate Strategies for Creating Sustainable Value** – TNS in Brazil has delivered a course as part of the University of Sao Paulo’s MBA program. TNS Brazil also delivers a post-MBA course for business students and a 2-day workshop for business leaders.
B  ADVISORY SERVICES TO MUNICIPALITIES AND BUSINESSES

Natural Step offices provide advisory services to individual organizations and groups of organizations on their sustainability strategies. The reason we work with individual organizations is so their successes may have direct impact in making the world more sustainable, by carrying out more sustainable operations, providing more sustainable products and services, and so that they serve as role models for others, showing the proof of possibility, and so that as leaders they can positively influence their sectors and regions. Our work with organizations provides a testing ground for the best practical solutions to sustainability challenges. For all these reasons, our partnerships with individual organizations serve the public benefit and the revenues secured through advisory services help ensure that The Natural Step offices can develop educational materials, share their learning and resources broadly, and support The Natural Step International coordination activities.

Natural Step offices and associates worked with numerous municipalities, businesses and sectors around the world in 2012 to support the implementation of sustainable strategy, operations, and the creation of innovative, systems solutions. Some examples include:

1  The Natural Step Sweden has been working with fashion brand Philippa K to provide advice on their sustainability strategies, including conducting a Strategic Life Cycle Analysis (SLCA) of one of the company's main products.

2  TNS New Zealand has worked with the City of Nelson to develop a long-term community sustainability plan based on the TNS approach.

3  TNS Italy created the first Italian B-Corp, called Nativa. Nativa helps companies incorporate sustainable innovation into their DNA, improve their business results, and create authentic economic value. It also develops new businesses that 'by design' regenerate humans and the biosphere.

4  TNS Italy created Ouro, a revolutionary software platform that allows for the analysis and design of sustainable, future-proof products. Ouro allows a company to see the major impacts of its products and services today through the whole lifecycle in relation to the principle requirements of sustainability. The platform allows multiple actors across entire supply chains to cooperate on sustainability initiatives.

5  The Natural Step Italy engaged more than 300 suppliers of an Italian luxury shoe company during the past 12 months to help it on its path to sustainability. The result is a prototype for a top luxury shoe model.

6  TNS in the Netherlands has helped design the city of Eindhoven’s sustainability awards for entrepreneurs, and to launch a sustainability primer to help entrepreneurs and small business owners understand and apply sustainability concepts. It has also helped the city create sustainability education programs for
youth. It has helped **Eindhoven’s** collective housing corporation imagine what sustainable living looks like in 2040, and to develop a collaboration process to get there. And it has helped the municipality of **Sudwest Fryslan** create a community sustainability plan.

7 TNS Switzerland and its partners S2 and its partners have initiated a research project to determine key drivers, barriers, and potential strategies for **improving procurement** in large international organizations.

8 The Natural Step Canada has been working with a number of businesses to help them with their sustainability strategies, including **ISL Engineering and Land Services**, **Pratt and Whitney Canada**, **Landmark Group of Builders** and **The Co-operators**. Through the ongoing integration of sustainability into its governance, operations, culture, communications, and products and services, The Co-operators continues to establish its role, purpose, and reputation as a ground-breaking insurance company that is affecting meaningful change toward sustainability.

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**C MULTI-STAKEHOLDER COLLABORATION AND SYSTEMS CHANGE**

In addition to working with individuals and organizations, The Natural Step also looks for opportunities to foster multi-stakeholder collaboration in industries, sectors, or regions to create the conditions for large-scale systemic change.

1 The Natural Step Sweden is also providing stakeholder input into the **Roadmap Towards Zero Discharge of Hazardous Chemicals** – a joint industry initiative by a group of major apparel and footwear brands and retailers.

2 The Natural Step Sweden convened stakeholders in the Swedish food sector to imagine what sustainable beef production would look like in Sweden. Participants in the **Sustainable Beef** Project have mapped out the value chain of Swedish beef production and its sustainability challenges and are working on next steps to advance sustainable beef production.

3 The Natural Step Sweden is advising and acting as a critical friend the European PVC industry’s voluntary initiative on sustainable development – **VinylPlus**.

4 In collaboration with a number of partners, The Natural Step Canada is working on a project called **“Toward a Gold Standard for Sustainable Business.”** The intention is to create a systemic intervention that helps reorient the way organizations consider their business performance—relative to the desired future state of sustainability, rather than relative to past “unsustainable” performance. The long-term benefit of this approach is to help create more successful businesses, as well as clarity in the marketplace that allows observers
to differentiate between businesses that meet rigorous social, environmental, accountability, and transparency standards and those that do not.

### D  CAPACITY AND NETWORK BUILDING

#### Network Building

The Natural Step International supports a growing network of hundreds of sustainability practitioners using the Framework for Strategic Sustainable Development to advance sustainability in the organizations and sectors in which they work. Through social media and networking events, The Natural Step helped build the field, support practitioners, and connect change agents to each other to share best practices and find opportunities to collaborate.

#### Brand Awareness

The Natural Step International and its global network participated in a number of international conferences and workshops, and promoted sustainability regularly through newsletters, website blogs and various social media campaigns.

On behalf of all the member offices, The Natural Step International managed the TNS global suite of websites and social media channels, issued quarterly newsletters and updated content and materials regularly.

#### Internal Capacity Building

The Natural Step International undertook the following activities to build the capacity and effectiveness of the global Natural Step network in achieving its shared mission of the transition to a sustainable society:

- It completed the organizational transition, moving the head office out of Sweden, where it had been for 20 years, and establishing a new registered charity in the UK, independent of any member offices.
- It established a new board of trustees.
- It updated its membership agreements and accreditation plans for new offices.
- It created an internal platform for sharing and collaboration (Yammer) among member offices.
- It hosted regular webinars to allow members to share learning and co-create projects.
- It welcomed Switzerland and The Netherlands as new TNS offices and supported their on-boarding as members.
- It continued to provide training and mentoring to new groups in Israel, Finland, Portugal and China who are in the process of becoming TNS offices.
- It hosted a strategic retreat and learning event with all offices in Eindhoven in November 2012.
VIII  Financial Review

The Natural Step secures income through grants and donations, membership fees and fees for advisory services.

The Natural Step's reserves policy is to set aside up to $200,000 to meet potential needs and act as a buffer against cash flow irregularities and potential loss of future income.

The surplus of £51,049 achieved in the financial year ending February 28, 2013 will be fully spent in the following fiscal year achieving our charitable objects.

Transactions and Financial Position

The financial statements are set out on pages 14 to 23. The financial statements have been prepared implementing the 2005 Revision of the Statement of Recommended Practice for Accounting and Reporting by Charities issued by the Charity Commission for England and Wales (revised in June 2008) and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). As stated in the introduction to this report, the trustees consider the financial performance by the charity during the year to have been satisfactory.

The Statement of Financial Activities show net incoming resources for the year of a revenue nature of £51,049 and net realised incoming resources of a capital nature of £nil, making net overall realised incoming resources of £51,049.

The total reserves at the year end, after accounting for unrealised losses and after revaluing investments of £nil, stand at £51,049.

A majority of the expenditure is spent on supporting the charities objectives.
IX Statement of Trustees Responsibilities

Charity Law and the Companies Acts require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of the surplus or deficit of the charity. In preparing those financial statements the Board is 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 charity will continue in business;
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements.

The trustees are also responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which are sufficient to show and explain the charity’s transactions 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are also responsible for the contents of the trustees’ report, and the responsibility of the auditors in relation to the trustees’ report is limited to examining the report and ensuring that, on the face of the report, there are no inconsistencies with the figures disclosed in the financial statements.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies’ regime.

The trustees declare that they have approved the trustees’ report above.

Signed on behalf of the charity’s trustees,

Kelly Hawke Baxter
Chair of the Board
May 8, 2014
The Natural Step International
Independent Examiner’s Report to the trustees of the charity

Report of the Independent Examiner to the trustees
on the accounts of the Charity for the year ended 28 February 2013

I report on the financial statements of the Charity on pages 14 to 23 which have been prepared in accordance with the Charities Act 2011 (the Act) and with the Financial Reporting Standard for Smaller Entities (FRSSE), effective April 2008, as modified by the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales, effective April 2005 as modified in June 2008. (The SORP), under the historical cost convention and the accounting policies set out on page 18.

Respective responsibilities of trustees and examiner

As described on page 11, the Charity's trustees, who also have the functions of directors, are responsible for the preparation of the financial statements. The trustees are satisfied that the audit requirement of Section 144(1) of the Act does not apply and that the accounts do not require an audit in accordance with Part 16 of the Companies Act 2006 and that no member or members have requested an audit pursuant to section 476 of the Companies Act 2006, and that there is no requirement in the governing document or constitution of the Charity for the conducting of an audit. As a consequence, the trustees have elected that the financial statements be subject to independent examination.

Having satisfied myself that the charity is not subject to audit under company law, or otherwise, and is eligible for independent examination, it is my responsibility to:-

a) examine the accounts under section 145 of the Act;
b) to follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the Act; and;
c) to state whether particular matters have come to my attention.

Basis of opinion and scope of work undertaken

I conducted my examination in accordance with the General Directions given by the Charity Commissioners for England & Wales setting out the duties of an independent examiner issued by the Charity Commissioners under section 145(5)(b) of the Act in relation to the conducting of an independent examination, referred to above. An independent examination includes a review of the accounting records kept by the Charity and of the accounting systems employed by the Charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning such matters. The purpose of the examination is to establish as far as possible that there have been no breaches of the Charities legislation and that the financial statements comply with the SORP, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements.

The procedures undertaken do not provide all the evidence that would be required in an audit, and information supplied by the trustees in the course of the examination is not subjected to audit tests or enquiries, and consequently I do not express an audit opinion on the view given by the financial statements, and in particular, I express no opinion as to whether the financial statements give a true and fair view of the affairs of the charity, and my report is limited to the matters set out in the statement below.

I planned and performed our examination so as to satisfy myself that the objectives of the independent examination are achieved and before finalising the report I obtain written assurances from the trustees of all material matters.
Independent Examiner’s Statement, report and opinion

Subject to the limitations upon the scope of my work as detailed above, in connection with my examination, I can confirm that

In accordance with Regulation 31 of The Charities (Accounts and Reports) Regulations 2008, The Regulations the accounts of this incorporated charity are not required to be audited under Part 16 of the Companies Act 2006;

and that no matter has come to my attention in connection with my examination which gives me reasonable cause to believe that in any material respect of the requirements

(i) to keep accounting records in accordance with section 386 of the Companies Act 2006;

(ii) to prepare financial statements which accord with the accounting records and comply with the accounting requirements of section 396 of the Companies Act 2006 and;

(iii) that the financial statements be prepared in accordance with the methods and principles set out in the Statement of Recommended Practice - Accounting and Reporting by Charities

have not been met; or

to which, in my opinion, attention should be drawn in my report in order to enable a proper understanding of the accounts to be reached;

Ken Stratton
The Examiner's relevant professional qualification or body:
FMAAT

Kimball Smith Limited
Kings Worthy House
Court Road
Kings Worthy
Winchester
SO23 7QA

The date upon which my opinion is expressed is :- 8 May 2014
The Natural Step International
Statement of Financial Activities
for the year ended 28 February 2013

<table>
<thead>
<tr>
<th>Notes</th>
<th>Unrestricted Funds 2013 £</th>
<th>Restricted Funds 2013 £</th>
<th>Total Funds 2013 £</th>
<th>Last Year Total Funds £</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Incoming resources**

*Incoming resources from generated funds*

<table>
<thead>
<tr>
<th></th>
<th>2013 £</th>
<th>2013 £</th>
<th>2013 £</th>
<th>2012 £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voluntary Income</td>
<td>106,607</td>
<td>-</td>
<td>106,607</td>
<td>-</td>
</tr>
<tr>
<td>Investment Income</td>
<td>5</td>
<td>-</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total incoming resources</strong></td>
<td>106,612</td>
<td>-</td>
<td>106,612</td>
<td>-</td>
</tr>
</tbody>
</table>

*Costs of charitable activities*

<table>
<thead>
<tr>
<th></th>
<th>2013 £</th>
<th>2013 £</th>
<th>2013 £</th>
<th>2012 £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance costs</td>
<td>55,263</td>
<td>-</td>
<td>55,263</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total resources expended</strong></td>
<td>55,563</td>
<td>-</td>
<td>55,563</td>
<td>-</td>
</tr>
</tbody>
</table>

**Net incoming resources**

<table>
<thead>
<tr>
<th></th>
<th>2013 £</th>
<th>2013 £</th>
<th>2013 £</th>
<th>2012 £</th>
</tr>
</thead>
<tbody>
<tr>
<td>before transfers between funds</td>
<td>51,049</td>
<td>-</td>
<td>51,049</td>
<td>-</td>
</tr>
<tr>
<td>Gross transfers between funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other recognised gains and losses</td>
<td>51,049</td>
<td>-</td>
<td>51,049</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net movement in funds</strong></td>
<td>51,049</td>
<td>-</td>
<td>51,049</td>
<td>-</td>
</tr>
</tbody>
</table>

**Reconciliation of funds**

<table>
<thead>
<tr>
<th></th>
<th>2013 £</th>
<th>2013 £</th>
<th>2013 £</th>
<th>2012 £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total funds brought forward</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Funds carried forward</strong></td>
<td>51,049</td>
<td>-</td>
<td>51,049</td>
<td>-</td>
</tr>
</tbody>
</table>

The net movement in funds referred to above is the net incoming resources as defined in the SORP and is reconciled to the total funds as shown in the Balance Sheet on page 17 as required by the SORP.

All activities derive from continuing operations

The notes on pages 18 to 21 form an integral part of these accounts.
The Natural Step International
Statement of Financial Activities
for the year ended 28 February 2013

Income and Expenditure Account as required by the Companies Act
for the year ended 28 February 2013

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Turnover</strong></td>
<td>106,607</td>
<td>-</td>
</tr>
<tr>
<td><strong>Direct costs of turnover</strong></td>
<td>55,263</td>
<td>-</td>
</tr>
<tr>
<td><strong>Gross surplus</strong></td>
<td>51,344</td>
<td>-</td>
</tr>
<tr>
<td><strong>Governance costs</strong></td>
<td>300</td>
<td>-</td>
</tr>
<tr>
<td><strong>Operating surplus</strong></td>
<td>51,044</td>
<td>-</td>
</tr>
<tr>
<td><strong>Interest receivable</strong></td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td><strong>Surplus on ordinary activities before tax</strong></td>
<td>51,049</td>
<td>-</td>
</tr>
<tr>
<td><strong>Surplus for the financial year</strong></td>
<td>51,049</td>
<td>-</td>
</tr>
<tr>
<td><strong>Gift Aid Payments</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Retained surplus for the financial year</strong></td>
<td>51,049</td>
<td>-</td>
</tr>
</tbody>
</table>

All activities derive from continuing operations

Statement of Total Recognised Gains and Losses
for the year ended 28 February 2013

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excess of Expenditure over income before realisation of assets</td>
<td>51,049</td>
<td>-</td>
</tr>
<tr>
<td>Profit per Profit and Loss account</td>
<td>51,049</td>
<td>-</td>
</tr>
<tr>
<td>Grants for the acquisition of fixed assets</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Movement in funds before taxation</strong></td>
<td>51,049</td>
<td>-</td>
</tr>
</tbody>
</table>

The notes on pages 18 to 21 form an integral part of these accounts.
The Natural Step International  
Statement of Financial Activities  
for the year ended 28 February 2013  

Movements in revenue and capital funds  
for the year ended 28 February 2013

<table>
<thead>
<tr>
<th>Revenue accumulated funds</th>
<th>Unrestricted Funds</th>
<th>Restricted Funds</th>
<th>Total Funds</th>
<th>Last year Total Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Accumulated funds brought forward</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Recognised gains and losses before transfers</td>
<td>51,049</td>
<td>-</td>
<td>51,049</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>51,049</td>
<td>-</td>
<td>51,049</td>
<td>-</td>
</tr>
<tr>
<td>Closing revenue accumulated funds</td>
<td>51,049</td>
<td>-</td>
<td>51,049</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Summary of funds</th>
<th>Designated Funds</th>
<th>Unrestricted Funds</th>
<th>Restricted Funds</th>
<th>Total Funds</th>
<th>Last Year Total Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Revenue accumulated funds</td>
<td>-</td>
<td>51,049</td>
<td>-</td>
<td>51,049</td>
<td>-</td>
</tr>
</tbody>
</table>

The statement of changes in resources applied for fixed assets for Charity use is shown in the notes to the accounts.

The notes on pages 18 to 21 form an integral part of these accounts.
## The Natural Step International

### Balance Sheet

as at 28 February 2013

<table>
<thead>
<tr>
<th>Notes</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>£</td>
<td></td>
<td>£</td>
</tr>
</tbody>
</table>

### The assets and liabilities of the charity:

#### Fixed assets

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debtors</td>
<td>7</td>
<td>-</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>20,248</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>62,752</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

#### Creditors:

- amounts due within one year | 8 | (11,703) | - |

**Net current assets** | 51,049 | - |

#### Total assets less current liabilities

<table>
<thead>
<tr>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>51,049</td>
<td>-</td>
</tr>
</tbody>
</table>

#### Creditors:

- amounts due after more than one year

**Provisions for liabilities and charges** | - | - |

**Net assets including pension asset / liability** | 51,049 | - |

### The funds of the charity:

#### Unrestricted income funds

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted revenue accumulated funds</td>
<td>51,049</td>
<td>-</td>
</tr>
<tr>
<td>Designated revenue funds</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Unrestricted capital funds</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

**Total unrestricted funds** | 51,049 | - |

#### Restricted income funds

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted capital funds</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Total restricted funds** | - | - |

**Total charity funds** | **51,049** | **-** |

---

The directors are satisfied that for the year in question the charitable company was entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006 and that no member or members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act. However, in accordance with section 145 of the Charities Act 2011, the accounts have been examined by an Independent Examiner whose report appears on pages 12 to 13.

The director(s) acknowledge their responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

**K H Baxter**

Trustee

Approved by the board of trustees on 8 May 2014

The notes on pages 18 to 21 form an integral part of these accounts.
1 Accounting policies

**Basis of preparation of the accounts**

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (FRSSE), effective April 2008, and all other applicable accounting standards, as modified by the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales, (revised June 2008) (the SORP). The accounts have been drawn up in accordance with the provisions of the Charities (Accounts and Reports) Regulations 2008 and the Companies Act 2006, and include the results of the charity's operations which are described in the Trustees' Report, all of which are continuing.

Insofar as the SORP requires compliance with specific Financial Reporting Standards other than the FRSSE then the specific Financial Reporting Standards have been followed where their requirements differ from those of the FRSSE.

Advantage has been taken of paragraph 3(3) of Schedule 4 of the Companies Act 1985 to allow the format of the financial statements to be adapted to reflect the special nature of the company's operation.

The company has taken advantage of the exemption in the FRSSE from the requirement to produce a cash flow statement.

The particular accounting policies adopted are set out below.

**Accounting convention**

The financial statements are prepared on a going concern basis, under the historical cost convention.

The charity is entirely dependent on continuing grant aid and as a consequence the going concern basis is also dependent on the continuing grant aid.

**Incoming Resources**

Incoming resources are accounted for on a receivable basis.

**Recognition of liabilities**

Liabilities are recognised on the accruals basis in accordance with normal accounting principles, modified where necessary in accordance with the guidance given in the SORP.
The Natural Step International
Notes to the Accounts
for the year ended 28 February 2013

Resources Expended
The policy for including items within the relevant activity categories of resources expended is to allocate costs to the most appropriate activity.

In particular the policy for including items within costs of generating funds, charitable activities and governance costs is

Charitable activities
Charitable expenditure includes all expenditure directly related to the objects of the charity including payments to contractors working on behalf of the charity.

Governance costs
Governance costs include all expenditure directly related to the administration of the charity including compliance with the charitable and statutory requirements.

Funds structure policy
The charity maintains a general unrestricted fund which represents funds which are expendable at the discretion of the trustees in furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment.

2 Winding up or dissolution of the charity
If upon winding up or dissolution of the charity there remain any assets, after the satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objects to the charity.

3 Surplus for the financial year 2013

This is stated after crediting :-

Revenue Turnover from ordinary activities 106,607

and after charging:-

Independent Examiner’s Fees 300

 Funds belonging to the charity have not been used for the purchase of insurance to protect the charity from loss arising from the neglect or defaults of its trustees, employees or agents, or to indemnify its trustees, employees or agents, against the consequences of any neglect or default on their part.
4 **Statement that no expenses were paid to trustees or connected persons**

No remuneration or expenses were paid to trustees or persons connected with them.

5 **Detailed analysis of certain transactions required by the 2005 revision to the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales (effective April 2005 and revised May 2008)**

Various items which are required by the SORP to be disclosed in the notes to the accounts are set out in the Detailed Schedule to the Statement of Financial Activities. All expenditure relates to the main charitable activity.

6 **Investment Income** 2013

<table>
<thead>
<tr>
<th>Description</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank deposit interest received</td>
<td>5</td>
</tr>
</tbody>
</table>

7 **Debtors** 2013

<table>
<thead>
<tr>
<th>Description</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade debtors</td>
<td>42,504</td>
</tr>
</tbody>
</table>

**Amounts due after more than one year included in the total above are analysed as:-**

8 **Creditors: amounts falling due within one year** 2013

<table>
<thead>
<tr>
<th>Description</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors</td>
<td>9,903</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>1,800</td>
</tr>
<tr>
<td></td>
<td><strong>11,703</strong></td>
</tr>
</tbody>
</table>

9 **Analysis of the Net Movement in Funds** 2013

<table>
<thead>
<tr>
<th>Description</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net movement in funds from Statement of Financial Activities</td>
<td><strong>51,049</strong></td>
</tr>
</tbody>
</table>
10 Particulars of Individual Funds and analysis of assets and liabilities representing funds

At 28 February 2013

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Unrestricted funds</th>
<th>Designated funds</th>
<th>Restricted funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets</td>
<td>£62,752</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>(£11,703)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>£51,049</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

The individual funds included above are:

<table>
<thead>
<tr>
<th>Funds at 2012</th>
<th>Movements in Funds as below</th>
<th>Transfers Between funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>General Fund</td>
<td>-</td>
<td>51,049</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>51,049</td>
</tr>
</tbody>
</table>

Analysis of movements in funds as shown in the table above

<table>
<thead>
<tr>
<th>Incoming Resources</th>
<th>Outgoing Resources</th>
<th>Gains &amp; Losses</th>
</tr>
</thead>
<tbody>
<tr>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>General Fund</td>
<td>106,612</td>
<td>55,563</td>
</tr>
<tr>
<td></td>
<td>106,612</td>
<td>55,563</td>
</tr>
</tbody>
</table>

The charity maintains one general fund

11 Endowment Funds

The charity had no endowment funds in the year ended 28 February 2013.

12 Share Capital

The charity is incorporated under the Companies Acts and is limited by guarantee, each member having undertaken to contribute such amounts not exceeding one pound as may be required in the event of the company being wound up whilst he or she is still a member or within one year thereafter.

There are 5 members of the company.
The Natural Step International
Schedule to the Statement of Financial Activities
for the year ended 28 February 2013
Status of this schedule to the Statement of Financial Activities

This schedule is an intrinsic part of the accounts required to comply with the 2008 Revision of the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales, effective April 2008. However, it is not a part of the statutory accounts required under the provisions of the Companies Act 2006 in relation to incorporated charities.

<table>
<thead>
<tr>
<th>Unrestricted Funds</th>
<th>Restricted Funds</th>
<th>Total Funds</th>
<th>Prior Period Total Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013 £</td>
<td>2013 £</td>
<td>2013 £</td>
<td>2012 £</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Incoming Resources

Incoming Resources from generated funds

Non government and non public bodies

Incoming resources of a revenue nature - grants, donations and legacies

Grants: The Natural Step International - Sweden 80,000 - 80,000 -

Total 80,000 - 80,000 -

Total Grants, Legacies & Donations Received 80,000 - 80,000 -

Other voluntary income

Members' Subscriptions 26,607 - 26,607 -

Total other voluntary income 26,607 - 26,607 -

Total Voluntary Income 106,607 - 106,607 -

Investment Income

Bank deposit interest received 5 - 5 -

Total Investment Income 5 - 5 -

Total Incoming Resources 106,612 - 106,612 -

Charitable expenditure

Support costs of charitable activities

Direct support costs

Travel and Subsistence - Charitable Activities 787 - 787 -

Marketing of services 120 - 120 -

907 - 907 -

Management and administration costs

in support of charitable activities

General administrative expenses:

Bank charges 228 - 228 -

228 - 228 -

Professional fees in support of charitable activities

Accountancy fees other than examiners/auditors 1,500 - 1,500 -

1,500 - 1,500 -

Other support costs

Contractor costs 52,628 - 52,628 -

52,628 - 52,628 -

Total Support costs 55,263 - 55,263 -

Total Expended on Charitable Activities 55,263 - 55,263 -
### The Natural Step International
### Schedule to the Statement of Financial Activities
### for the year ended 28 February 2013
### Status of this schedule to the Statement of Financial Activities

This schedule is an intrinsic part of the accounts required to comply with the 2008 Revision of the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales, effective April 2008. However, it is not a part of the statutory accounts required under the provisions of the Companies Act 2006 in relation to incorporated charities.

<table>
<thead>
<tr>
<th>Unrestricted Funds 2013</th>
<th>Restricted Funds 2013</th>
<th>Total Funds 2013</th>
<th>Prior Period Total Funds 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
</tbody>
</table>

**Governance costs that are not direct management functions inherent in generating funds, service delivery and programme or project work (including management and administration costs)**

<table>
<thead>
<tr>
<th>Specific governance costs</th>
<th>2013</th>
<th>2013</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Examiner's Fees</td>
<td>300</td>
<td>-</td>
<td>300</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total governance costs</strong></td>
<td><strong>300</strong></td>
<td><strong>-</strong></td>
<td><strong>300</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>