ISEAL ALLIANCE ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2025



COMPANY REGISTRATION NUMBER - 04625800 / CHARITY REGISTRATION NUMBER - 1199607

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Trustees' report

The Board, whose members are the Directors and Trustees of the charity, is pleased to present its annual report together with the financial statements of ISEAL Alliance for the year ended 31 December 2025.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes a directors' report for the purpose of company legislation.

The financial statements have been prepared in accordance with the accounting policies set out on pages 28 to 31 of the attached financial statements and comply with the charitable company's Memorandum and Articles of Association, applicable laws and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Charitable objectives and strategic priorities

Our vision

We want to create a world where markets are a force for good – where production and consumption, resource management and trade benefit people and planet.

Our mission

We're on a mission to accelerate positive change by improving the impacts of ambitious sustainability systems and their partners.

Our ambition

We aspire to be a driving force for global, collective efforts to tackle the most pressing sustainability issues – from the climate emergency and biodiversity crisis to human rights and persistent poverty.

Strategic plan 2021 - 2026

In 2021 we launched our organisational strategy, addressing the biggest sustainability challenges of our time, increasing our climate, biodiversity, human rights and livelihoods impact.

More needs to be done to create change at the scale and pace required – and with growing commitment from governments and businesses to tackle these challenges, there's a huge opportunity.

Our long-term objectives

We want credible systems, claims and communications to sit at the heart of market-based sustainability solutions.

We want sustainability systems and their partners to deliver scalable solutions to global sustainability challenges.

Five strategic priorities guide our work

Inspiring solutions to sustainability challenges: ISEAL will inspire and challenge sustainability systems and their partners to make a profound positive impact on the world's most pressing sustainability challenges.

Strengthening accuracy, reliability and resilience: ISEAL will boost confidence in sustainability systems by helping them become more accurate, reliable and resilient.

Broadening the applicability of ISEAL's credibility tools: ISEAL will bring its experience on credibility to a broader range of sustainability systems.

Supporting effective use of credible sustainability systems: ISEAL will help governments and businesses to achieve their sustainability goals by using credible sustainability systems.

Growing a dynamic learning community: ISEAL will enhance the member experience and bring ambitious new sustainability systems into its learning community.

Public benefit

The Board of Directors confirms that it has complied with its duty in Section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales. The Board of Directors further confirms that the activities of ISEAL are carried out, in line with its charitable objects, for the public benefit as described in this report.

Introduction to ISEAL

ISEAL works to support and strengthen market-based tools to deliver measurable impacts at a global scale on critical sustainability issues, including climate, biodiversity, human rights, decent work and livelihoods.

Through our membership programme we focus on improving the effectiveness of sustainability systems (standards and similar tools) and catalysing collaboration among stakeholders to create the enabling conditions for increased uptake of more sustainable practices.

We define what credible practice looks like for these systems based on emerging global consensus. Our Code of Good Practice for Sustainability Systems supports them to improve how they operate and deliver greater impact. Our Credibility Principles help businesses and governments make informed choices about the systems they work with, pushing the schemes to further improve.

Our Community Members cover a wide range of sectors and are active in more than 100 countries, reaching millions of producers and operations. This extensive network of effective sustainability systems is an important part of ISEAL's unique approach.

Review of 2025

Inspiring solutions to sustainability challenges

ISEAL works to ensure that sustainability systems are effective, credible and equipped to drive change at the scale required. In a context of rising regulatory expectations and growing pressure on markets to deliver for people and planet, we convene ambitious sustainability systems and their partners to identify what works, strengthen good practice and catalyse collective solutions that turn sustainability commitments into real-world impact.

In 2025, our work centred on strengthening sustainability systems' ability to address interconnected challenges across human rights and decent work, equitable livelihoods, and climate, biodiversity and nature. We deepened collaboration through the Living Income Community of Practice (LICOP), advanced landscape and jurisdictional approaches, and supported innovations to reach and include smallholders both within and beyond certified supply chains, helping to create better conditions for resilient livelihoods and market access.

The ISEAL Innovations Fund remained a key driver of this work. With continued support from Swiss State Secretariat for Economic Affairs (SECO) and UK International Development from the UK Government, the Fund accelerated collaborative innovation through new grant rounds focused on future-proofing sustainability systems, landscape-level action, and value transfer to producers. Through these investments, the Fund continued to strengthen learning, partnerships and scalable solutions across the ISEAL community and beyond.

Human rights and decent work

In 2025, ISEAL's work on human rights and decent work focused on strengthening how sustainability systems address fair, safe and inclusive work across global supply chains. Our efforts emphasised practical approaches to human rights due diligence, including preventing and remedying abuses, supporting decent work outcomes and reinforcing the role of sustainability systems in meeting emerging expectations.

In response to the EU Deforestation Regulation (EUDR), ISEAL convened dialogues and shared insights on meeting legality requirements while respecting human rights. Our work highlighted the importance of addressing land tenure, customary land-use rights and free, prior and informed consent (FPIC) as integral to deforestation-free supply chains, drawing on lessons from recent research on the complexity of land governance and rights recognition.

Evidensia (www.evidensia.eco) remained a core platform for strengthening the evidence base that informs ISEAL's work. Designed to make sustainability research easy to find, understand and use, Evidensia continued to grow in 2025, expanding its collection of resources to more than 1,630 and engaging a wider community of users through its social channels and learning events. The platform supported clearer insight into what supply chain initiatives deliver in practice and helped sustainability systems and their partners to make more evidence-informed decisions.

Drawing on insights from Innovations Fund projects, we published a human rights learning brief, which examined how sustainability systems are innovating to advance human rights across a range of contexts, highlighting emerging trends and areas where further progress is needed. The findings underscored the importance of embedding gender and intersectional considerations into operations and exploring how sustainability systems can influence responsible purchasing practices by brands and retailers to improve upstream working conditions, wages and rights.

ISEAL continued to support the work of the Global Living Wage Coalition (GLWC) (www.globallivingwage.org) as host of the GLWC Action Network, which brings together organisations committed to advancing living wage action, advocacy and learning. In 2025, the Coalition's work spanned 56 countries, with 68 living wage benchmarks completed by its research partner, the Anker Research Institute, strengthening the availability and credibility of living wage data globally.

Equity and livelihoods

In 2025, ISEAL's work on equity and livelihoods focused on strengthening how sustainability systems support income improvement and inclusion for small-scale producers. Our efforts centred on advancing shared understanding of living income, equity and empowerment, and supporting more coordinated and effective approaches across value chains.

We supported our members to apply ISEAL's Equity Framework, alongside an expanding equity and empowerment case study series, to help sustainability systems reflect on power, participation and distribution of value. These resources supported sustainability systems in understanding how they can contribute to more equitable outcomes for small-scale producers, workers and communities, and where further change is needed.

In 2025, LICOP remained a cornerstone of this work, convening practitioners through a series of learning activities, including an in-person workshop and learning journey in partnership with regional and global stakeholders in Indonesia, which catalysed dialogue on pathways for income improvement for smallholders in Asia.

These conversations reinforced the importance of centring smallholders, aligning national and sector priorities, and combining market access, technical support and finance to reduce vulnerability and support resilient livelihoods. LICOP also facilitated collaboration with partners including the United Nations Food and Agriculture Organization and national sector bodies, helping to advance shared approaches to living income across agrifood systems.

Through the ISEAL Innovations Fund, we continued to support experimentation and learning on livelihoods beyond certified supply chains and on mechanisms for transferring value to small producers. In 2025, new and ongoing grant rounds explored inclusive ways to reach and support small-scale producers through local partnerships, improved access to services and finance, and innovative market mechanisms that translate sustainability outcomes into tangible value for producers. Learning from these projects highlighted the role sustainability systems can play in supporting producer resilience, strengthening data collection and impact measurement, and adapting to evolving regulatory and political contexts.

An Innovations Fund learning brief on livelihoods synthesised insights from funded projects, positioning sustainability systems as key actors in adding value for small-scale producers while highlighting the need for continued collaboration and innovation. The findings emphasised the importance of practical solutions, from technology and training to improved measurement of resilience, to ensure sustainability systems remain effective in supporting equitable and viable livelihoods over the long term. Alongside this, we concluded research into how pilot innovations can be scaled beyond grant funding.

Climate, biodiversity and nature

In 2025, ISEAL's work on climate, biodiversity and nature focused on strengthening the role of credible sustainability systems in driving meaningful climate action and supporting deforestation-free, resilient supply chains. Through convening, guidance and learning, we explored how sustainability systems can translate climate commitments into practical action across complex global value chains.

We deepened engagement with climate and deforestation-free supply chain initiatives, sharing insights on how sustainability systems can support companies and producers to respond to evolving expectations, including those linked to the EUDR. Case studies and learning on commodities such as cocoa, soy and palm oil highlighted the importance of robust approaches to legality, traceability and human rights, and the role of sustainability systems in supporting inclusive and resilient responses to deforestation and climate risks.

Chain of custody models remained a key area of focus in 2025 with the publication of ISEAL's revised Chain of Custody Models and Definitions Guidance (v2). This work advanced learning on how different chain of custody approaches can support deforestation-free supply chains and credible greenhouse gas (GHG) accounting, helping sustainability systems and their partners understand the implications for traceability, impact and scalability. The guidance has informed standards and initiatives such as the GHG Protocol Land Sector and Removals Standard and our jointly

published paper with the Value Change Initiative on the role of chain of custody in GHG accounting, providing concrete examples of how this learning is being applied in practice. This work reinforced the importance of alignment between supply chain models, climate reporting requirements and real-world outcomes.

ISEAL also contributed to the global dialogue on climate ambition through participation at COP30, where we engaged with policymakers, sustainability systems and other actors on the role of credible sustainability systems in driving climate action. Drawing on insights shared at COP30 and beyond, including through a new brief on innovative pathways for climate action, we highlighted how sustainability systems can support adaptation and mitigation efforts, strengthen climate commitments and help bridge the gap between ambition and implementation, while recognising the ongoing need to build a stronger evidence base on GHG outcomes.

In parallel, we continued to collaborate with EU Horizon research projects examining the effectiveness of sustainability systems in reducing GHG emissions in bio-based sectors. This work emphasised both the potential of sustainability systems to contribute to climate goals and the importance of robust, transparent methodologies and data to strengthen confidence in climate outcomes and inform future action.

Strengthening accuracy, reliability and resilience

ISEAL focuses on strengthening the accuracy, reliability and resilience of sustainability systems so they can function effectively in increasingly complex regulatory, market and operating environments. We support schemes to innovate and improve through experimentation, shared learning and collaboration on solutions to complex sustainability challenges.

In 2025, we deepened work on the foundational role of data in achieving sustainability goals, sharing insights on improved data management and measurement approaches. We also advanced learning on the benefits of using geospatial data, including new resources for geolocation data collection, to support improved operational efficiency and more consistent decision-making across supply chains.

We continued to explore how digital public infrastructure can enable more resilient and inclusive sustainability systems. We encouraged members to think about their position in the digital ecosystem, to enable shared digital foundations which can improve access to data and strengthen collaboration between sustainability systems, governments and market actors.

We also supported learning on assurance and due diligence through targeted research and convening. This included commissioning analysis on how ‘declaration in excess’ is understood and applied in the context of deforestation-free supply chains, and continued dialogue with members on auditor competence, fraud risks and the effectiveness of social auditing. Through workshops, guidance and Innovations Fund-supported projects, we helped sustainability systems strengthen approaches to detect, verify and remediate environmental and social risks.

Finally, we continued to support landscape and jurisdictional approaches as a foundation for resilient sustainability outcomes. In 2025, with local partner Lingkar Temu Kabupaten Lestari (LTKL) we convened landscape practitioners, including ISEAL members, and local government representatives in Indonesia to share learning on improving livelihoods, landscape governance and collective monitoring, using the ISEAL-led Core Criteria (agreed core elements of a mature landscape initiative) as a common reference point. These exchanges highlighted the interplay between social, environmental and economic outcomes and reinforced the importance of collaboration and alignment between implementers and with local government in improving the effectiveness and credibility of landscape initiatives over time.

Broadening the applicability of ISEAL’s credibility tools

ISEAL’s Credibility Principles and the ISEAL Code of Good Practice for Sustainability Systems (the ISEAL Code) continue to provide a trusted reference point for the design, review and improvement of sustainability systems. They are used not only by sustainability systems themselves, but also by businesses, governments and other stakeholders seeking to identify and work with credible approaches to sustainability.

In 2025, we focused on supporting the uptake and application of the ISEAL Code. We worked to help sustainability systems understand how the ISEAL Code operationalises credibility across areas such as governance, assurance, data, claims and due diligence, and how it can be applied in diverse regulatory and market contexts. To support practical use and broaden accessibility, we built and launched a dedicated ISEAL Code website and released a Chinese version of the ISEAL Code, supporting engagement with sustainability systems and stakeholders in China and beyond.

We continued to strengthen good practice in benchmarking through the publication of a revised ISEAL Benchmarking Guide. The updated guide responds to growing demand for transparent, robust and consistent benchmarking of sustainability systems, and supports users in developing high quality benchmarks for recognising and adopting credible sustainability systems. A Chinese-language version of the guide was also released, further extending its reach and relevance.

Claims and traceability remained an important area of focus in 2025, as scrutiny of sustainability claims continued to intensify. We published updated guidance on credible sustainability claims, including new and revised materials on managing claims and supporting transparent supply chains. This included refreshed chain of custody guidance, clarifying how different models support traceability and credibility, and a new sustainability claims guide (v2) to help sustainability systems and their partners communicate outcomes clearly, accurately and responsibly.

Through this work, we continued to promote a shared understanding of what credibility means in practice and how ISEAL's tools can be applied across a widening range of sustainability systems, markets and policy environments.

Supporting effective use of credible sustainability systems

ISEAL continued to support businesses, governments and other stakeholders to make effective use of credible sustainability systems as part of broader efforts to deliver sustainability at scale. In a context of ongoing regulatory change and debate about simplification versus ambition, we focused on clarifying how sustainability systems can complement regulation and support meaningful outcomes when used as part of a smart mix of voluntary and mandatory measures.

Throughout 2025, we monitored and engaged with policy developments affecting sustainability systems, particularly in Europe. We shared analysis and perspectives on initiatives such as the EU's Omnibus package, the Green Claims Directive and the Clean Industrial Deal, emphasising the importance of retaining robust requirements that enable credible sustainability action. Through statements, briefings and dialogue with policymakers, we highlighted the risks of weakening ambition and the value of sustainability systems in supporting implementation, compliance and continuous improvement. More than 75 percent of our recommendations and inputs are taken into account in legislation we've engaged with.

We also convened and contributed to policy dialogue and learning forums that brought together policymakers, sustainability systems, businesses and experts. This included leading a policy-focused workshop in Geneva, and hosting the ISEAL Sustainability Policy Forum in Brussels, both of which provided a platform for shared learning on the interaction between sustainability systems, trade and regulation.

ISEAL's thought leadership and communications continued to play an important role in supporting the effective use of sustainability systems. Through newsletters, blogs, briefings and our ongoing podcast series, we explored how credible sustainability systems drive real-world change and help translate policy goals into practical action within supply chains.

In recognition of our independent expertise and broad sectoral understanding, this year we organised eight in-person engagement opportunities and were invited to attend and speak at 85 events across Europe, Asia, the US and Latin America. We presented on subjects from forestry to agriculture, living income, carbon and trade at high-profile industry events in sectors such as cocoa, seafood, palm oil and mining.

ISEAL's outreach and engagement goals include building recognition of our credibility definitions and tools and advocating for the use of credible sustainability systems. Over the year, we worked with a broad

range of actors , including international organisations, government agencies and corporate business platforms. These included the Centre for Responsible Business; UK Foreign, Commonwealth and Development Office (FCDO); German Federal Ministry of Labour and Social Affairs; World Trade Organization; the Organisation for Economic Co-operation and Development (OECD); International Trade Centre (ITC); the International Institute for Sustainable Development (IISD); United Nations-affiliated bodies and many more.

Growing a dynamic learning community

Ambitious and transparent sustainability standards and similar systems committed to continuous improvement can become ISEAL Community Members. ISEAL members benefit from a range of collaborative forums, shared learning and continuous improvement opportunities. ISEAL Community Members that aspire to improve further can undergo external evaluation to verify compliance with the ISEAL Code and earn ISEAL Code Compliant status.

The ISEAL Code, which integrates and replaces ISEAL's previous three codes, came into effect in March 2024. Across 2025, existing ISEAL Code Compliant members worked to adapt their systems to comply with the ISEAL Code, with the first independent evaluations starting in October 2025. In preparation, we recruited and trained a new pool of independent evaluators and four ISEAL Community Members underwent pilot evaluations.

We continued to support our members to understand and respond to regulatory changes through regular coordination calls and quarterly policy webinars, as well as our monthly policy newsletter. We also deepened our regional engagement, with a new networking space for member staff working in India, in addition to our continued China-focused calls.

To further support member engagement and peer exchange, we launched a new Organisational Operations Community of Practice, which joins our five existing communities of practice on assurance, claims, data, monitoring and evaluation, and standard-setting. Collectively, these ran 23 peer learning sessions in 2025, with new differentiation between foundational and advancing discussions helping participants to identify which sessions are most relevant to them.

We hosted additional working groups and learning series for members, including a geospatial data working group and a learning series on measuring and monitoring reach, inclusion and engagement for differential impacts. We continued to convene Community Members to discuss approaches to key sustainability issues, including climate adaptation and resilience, labour rights, livelihoods, and producer inclusion. We also held subject-specific in-person workshops for members on data rights (UK) and Free, Prior, and Informed Consent (FPIC Brazil).

The in-person Members' Weeks have continued to be a highlight of our annual calendar. This year we held Members' Week in Antwerp. We brought together 130 representatives from 37 members over five days themed around external trends, social impacts, climate and nature, system effectiveness, and community action. We also continued to offer training, delivering our course on understanding sustainability systems in September 2025.

At the end of 2025, we had 47 Community Members, 19 of which are Code Compliant.

Looking forward

In 2026, ISEAL will continue to advance the effectiveness and impact of sustainability systems across global supply chains, while preparing the organisation for the next five-year strategy.

Building on the insights and achievements of 2025, our work will focus on practical tools, evidence-based guidance and strategic engagement to drive sustainable, inclusive and credible outcomes.

Advancing livelihoods, human rights and inclusive value chains

Our work on livelihoods will focus on operating across national, industry and sector systems, while exploring collaboration with ISEAL members to support companies in aligning methodologies, strengthening risk assessment and adopting effective livelihood interventions. We will do this by further enhancing and leveraging LICOP's role as a hub for knowledge and collaboration, harmonising methods and best practices and providing clear, actionable guidance to drive aligned and effective action. This will include launching technical guidance on living income due diligence, aligned with the UN Guiding Principles on Business and Human Rights. Across sectors, we will continue to support landscape and jurisdictional initiatives that integrate smallholder needs and create incentives for adopting and investing in sustainable practices.

Our work on human rights and decent work will focus on strengthening Community Members' preparedness for human rights due diligence, ensuring alignment with emerging regulatory frameworks and enabling proportionate, credible responses across supply chains. In parallel, we will advance our work on human rights due diligence with a focus on the EU Forced Labour Regulation, supported through ISEAL's participation in the EU's Expert Group on Forced Labour, and contributing expertise on integrating sustainability systems into regulatory implementation.

We will also advance credible living wage and decent work actions by embedding verification into wage data collection and supporting gender-disaggregated analysis. Delivered in collaboration with partners such as the OECD, IDH-the Sustainable Trade Initiative, and GLWC members, this work will provide practical guidance on risk identification, assurance and worker voice.

Strengthening climate and nature-based outcomes

We will expand our climate and nature programme, building on the Climate Cohort engagement in 2025 and moving towards a more integrated approach across climate, biodiversity and nature. A key objective for 2026 will be to further define ISEAL's role on nature, while strengthening our positioning at the climate and nature nexus, recognising the central role of land use and production systems in delivering mitigation, resilience and ecosystem outcomes.

Efforts will focus on positioning sustainability systems and landscape initiatives as effective tools for businesses to meet reporting and disclosure obligations, while supporting members to strengthen how they measure, verify and share GHG emissions data and broader environmental data across value chains. Our climate work will prioritise supporting members to collect and transfer measurable climate and nature outcomes more effectively.

We will continue to drive recognition and integration of sustainability systems within leading and emerging target-setting, reporting and disclosure frameworks, and monitor the evolution of environmental market instruments to understand how sustainability systems can support integrity, traceability and equitable value distribution. This will include participating in the EU Expert Group on Nature Credits and engagement with wider biodiversity credits approaches.

In 2026, we launch a new project to support credible national legality and sustainability systems in key forest-rich countries, strengthening forest governance and promoting legal land use that protects forests and local communities. The project will focus on timber, palm oil and cocoa, with particular attention to Indonesia and Ghana, and building awareness among market and policy actors in China, India and beyond.

Strengthening accuracy, reliability and resilience

Through the ISEAL convened landscapes practitioner network, a group of landscape and jurisdictional practitioners from the membership and beyond, we will continue to advance landscape-scale measurement practices for key sustainability issues, including GHG emissions, biodiversity and producer livelihoods, in line with regulatory and voluntary reporting frameworks. This will help to incentivise long-term corporate and financial investment, and align initiatives around shared methodologies.

We will draw on learning from past and ongoing Innovations Fund projects to build understanding of equitable, inclusive good practices and to strengthen collaboration between stakeholders. The Evidensia programme will also generate evidence and insights on the impacts of sustainability systems on livelihoods, human rights and deforestation.

In 2026, we will continue to advance member competencies in geospatial risk mapping and performance measurement, enhancing the use of GIS and spatial datasets for sustainability monitoring. We will support members to integrate sustainability risk analysis into assurance programmes, enabling more effective and risk-targeted auditing, and promote uptake of controlled sourcing and traceability models in mixed supply chains.

Supporting the effective use of credible sustainability systems

In 2026, ISEAL will strengthen the positioning of credible sustainability systems within evolving regulatory and market frameworks. We will clarify expectations across sustainability claims, due diligence, reporting and disclosure, and climate and nature-related legislation by publishing practical guidance on key concepts, including scientific evidence requirements and credible implementation pathways.

Our updated credibility tools will be promoted worldwide and aligned with similar tools and criteria to ensure they remain the leading global reference for defining and assessing credible practice.

We will deepen structured engagement with policymakers and businesses in priority jurisdictions, including the EU, UK, Switzerland, Brazil, Ghana, China and India, to embed credible sustainability systems within due diligence, sustainability reporting, trade and claims frameworks. We will also advance partnerships with producer country governments, including Ghana and Indonesia, exploring practical models for aligning national policy objectives with credible sustainability systems.

In 2026, ISEAL will also host its Global Sustainability Symposium in Accra, Ghana, bringing together producer voices, sustainability systems, businesses, government agencies and civil society to share learning on strengthening producer and supply chain resilience. The event will focus on practical approaches to applying credible sustainability systems to support livelihoods, responsible production and regional collaboration.

Member experience, engagement and strategic planning

To support our Community Members, we will continue to enhance access to resources and engagement opportunities, and ensure our membership pipeline is geographically diverse and representative of different sustainability system models.

Recognising the importance of in-person events for community connection and peer exchange, we will bring Community Members together for a Community Day in Ghana following our Global Sustainability Symposium, and at our annual Members' Week.

Following input from Community Member staff, we will work to improve our online community portal, the ISEAL Platform, to make it easier for members to find relevant resources and guidance, access member-only events, and locate key information about their membership.

Work on the 2027–2031 strategy will be completed, incorporating input from members and external stakeholders.

Our membership

We have three membership categories:

ISEAL Community Member

- Open to sustainability systems that demonstrate transparency and continuous improvement. All ISEAL members belong to this category.
- Committed to improving their systems, sharing experiences, building trust and demonstrating transparency.
- Not required to participate in ISEAL's compliance programme, but ongoing system improvement is periodically reviewed.
- The emphasis on improvement and the sharing of information is intended to build a community of trust and learning.

ISEAL Code Compliant

- ISEAL Code Compliant status recognises ISEAL Community Members that currently adhere to our Codes of Good Practice on Standard-Setting, Impacts and Assurance through independent evaluations and have committed to adhere to the ISEAL Code; and those that have been independently evaluated against the ISEAL Code and demonstrated alignment with its requirements.

ISEAL Accreditation Member

- Community Members that are accreditation bodies that demonstrate compliance with ISO/IEC 17011:2017 in accordance with the ISEAL Accreditation Member Compliance Procedure.

ISEAL Code Compliant and Accreditation Members are the legal members and guarantors of the Company.

ISEAL members are listed on ISEAL's website here: isealalliance.org/membership/iseal-community-members

Risk management

The Board of Directors undertakes a regular review of risks facing ISEAL. The risk register is reviewed annually by the board, with support from the Finance Committee. Risk management is an integral part of the senior leadership team's responsibilities.

This process has identified relevant risks for the organisation, and mitigating actions have been taken to manage those risks. The Board of Directors has reviewed the risks and considers the strategies for mitigating the risks to be appropriate.

The key risks ISEAL has identified, together with measures we have in place to mitigate these risks, are shown in the next column.

Principal risks

Relevance
ISEAL and its members operate in a rapidly changing landscape connected to sustainable development and market-based approaches to sustainability. ISEAL and its members must keep pace with these changes, adapting to maintain their relevance and to ensure they continue to deliver impact and value. Current changes to the regulatory environment, rapid digital information flows and reputational attacks heighten the risk.

To mitigate this, ISEAL proactively engages with policymakers who have a strong influence on the sustainability landscape, supports sustainability systems to adapt to the changing demands of business and government and supports a robust definition of credible practices – as adopted by ISEAL and its members. Enhanced monitoring of political, market and media trends supports risk tracking. Two-way engagement with members helps to ensure they understand changing expectations and helps to ensure ISEAL's offer remains relevant to members.

Income diversification and security
ISEAL relies heavily on a small number of institutional donors. During 2026, the UK government closed its programme that provided funding for ISEAL's work on smallholder livelihoods. Some risk remains in respect of other donors. To address this, we are focusing on delivery of high-quality programmes and continuing to maintain strong relationships with existing donors. The growing membership and unrestricted income from membership fees mitigate the impact of this risk but must also be maintained. Long-term financial planning and regular forecasting enable adjustments as needed.

Programmes - growth leading to reduced quality and impact
ISEAL's recent growth has posed a risk that the organisation loses its focus on quality in the delivery of its programmes, leading to lower impacts and potentially damaging donor relationships. This is mitigated by strong internal collaboration mechanisms and through strengthened internal project management tools. It is expected that the growth will plateau into 2026, so the risk will reduce.

Structure, governance and management

The organisation of the charity

ISEAL is a company limited by guarantee and a charity registered in England and Wales. It is governed by its articles of association as last amended on 2 November 2023.

Board member appointment and induction

The Board of Directors is comprised of a minimum of three directors, with the maximum number of directors determined by the board. A majority of the directors are elected by members at the Annual General Meeting, with the remaining directors appointed by the board. Board members serve three-year terms and may serve a maximum of three consecutive terms.

The board reviews the skillset of its members regularly and whenever a vacancy arises. Appointments and elections are overseen by the Nominations Committee. Vacancies for elected positions are advertised to members, and for appointed positions are advertised on our website and through our channels as well as through external platforms.

Once elected by the membership or appointed by the board, new board members are inducted by the executive director and other relevant staff members. The board conducts an annual review of its performance. This helps the board to identify and assess the areas of governance that perform well and where improvements may be needed.

Board of Directors purpose and meetings

The board meets at least three times a year and has overall responsibility for the strategic and fiscal management of the organisation. The main tasks of the board are to ensure:

- That the organisation is acting in pursuance of its charitable objectives.
- Public benefit, by providing strategic direction including approving and monitoring strategic plans.
- That ISEAL operates according to its articles of association, in compliance with the Charities Act, and in compliance with international legal frameworks where relevant.
- Responsible management of resources, by providing regular review and assessment of organisational risks, approving and monitoring annual workplans and budgets, and hiring, appraising and setting remuneration for the ISEAL executive director.
- Accountability, by appointing external board members and board committees, and overseeing committee operations; championing diversity, equity and inclusion; appointing the chair of the board; approving the annual audited financial statements; communicating progress to ISEAL members and other key stakeholders; and reporting annually on how the organisation has been managed for the public benefit.

Board sub-committees

The ISEAL Board of Directors has the following sub-committees:

- Executive Committee
- Finance Committee
- Nominations Committee

The following committees report to the board but also have independent decision-making powers:

- Membership Committee
- Technical Committee

The **Executive Committee** provides support to the executive director and facilitates organisational business between board meetings. It is composed of the board chair and up to two additional board members.

The **Finance Committee** consists of between three and eight individuals, including at least two finance directors or equivalents from ISEAL member organisations. The role of committee chair is held by a member of the board. The committee meets a minimum of four times a year.

The external auditors report to the committee at least once a year. Committee duties include the following:

- Considering strategic issues, including planning and risk.
- Reviewing drafts of financial policies, budgets and annual accounts.
- Reviewing the management accounts and statutory accounts.
- Monitoring and advising on internal financial controls.

These functions and activities do not absolve the full Board of Directors of its legal responsibilities.

The **Nominations Committee** consists of two or three board members. Its key responsibility is to manage the appointment and election of board members.

The **Membership Committee** ensures that decisions on ISEAL community membership and decisions on ISEAL member Code compliance are taken consistently, competently and impartially. The committee is composed of five to seven individuals. The committee members are drawn from the staff of ISEAL Community Members. Members of the committee are appointed by decision of the board.

The **Technical Committee** is responsible primarily for technical oversight of the ISEAL Code of Good Practice and other credibility tools. The committee brings together representatives from ISEAL members and external stakeholders who have a strong overall understanding of sustainability standards. It is composed of up to nine individuals, of which one-third are staff at a member organisation. Two-thirds are external experts drawn from non-member sustainability initiatives or other stakeholder groups (e.g., businesses, producers, governments, NGOs), or are independent experts. The Technical Committee has responsibility for approving the content of the ISEAL Code of Good Practice for Sustainability Systems and the ISEAL Credibility Principles. Decisions of the committee are then formally approved by the Board of Directors, who make their decision based solely on the quality of the Code development or revision process followed.

Management

Day-to-day operation of the organisation is delegated to the executive director and the senior leadership team. The chair of the Board of Directors is responsible for assessing the pay and performance of the executive director. All staff remuneration is reviewed annually and regularly benchmarked against externally prepared reports.

Fundraising

ISEAL does not raise money from the general public. ISEAL does not employ outside fundraising consultants or similar commercial services, nor did ISEAL receive any complaints around fundraising, or the staff engaged in fundraising, in 2025. During 2025, ISEAL undertook no fundraising requiring disclosure under S162A of the Charities Act 2011. The majority of ISEAL's charitable income continues to come from institutional sources (foundations/trusts and government bodies) that are not domiciled in the United Kingdom. While ISEAL does not fundraise from individuals, the organisation is in full compliance with the General Data Protection Regulation (GDPR) rules in respect of personal data.

Financial review

Income and funding sources

Total income increased in 2025 by £1.6m from £6.1m in 2024 to £7.7m, primarily as a result of increased grant income. The UK International Development from the UK Government grant for work on smallholder inclusion accounted for most of this increase.

Unrestricted income was stable at £1.5m in 2025, representing 25% of ISEAL's income (excluding income for Innovations Fund grants). ISEAL believes this is a healthy balance between restricted and unrestricted, reflected also in ISEAL's continuing maintenance of on-target reserves during the period of recent growth

Expenditure

Expenditure increased from £5.9m to £7.2m, matching the increase in income. Of this £1.3m increase, £0.56m can be attributed to the increase in grant payments from the ISEAL Innovations Fund, which reached £2.0m in the year, having been £1.4m in 2024. In addition, staff costs have increased over the year, with average total staff increasing from 50 to 56 and salary costs increasing from £3.1m to £3.8m.

Financial position and looking ahead

ISEAL finished the year in a strong position. The increase in income saw a further £134k added to free reserves, after drawing or spending £27k from designated funds. Free reserves at 31 December 2025 were £1.3m, which is equivalent to 3.6 months of salary and overhead costs.

Looking ahead to 2026, ISEAL expects the recent growth to plateau, with income forecast to be £7.1m and expenditure £7.2m, compared to £7.7m and £7.2m respectively in 2025.

Investment policy

ISEAL has no investments. Current assets are invested in cash deposits.

Reserves policy

The Board of Directors examines ISEAL's requirements for reserves in light of the main risks to the organisation and is satisfied that the current reserves are sufficient to meet ISEAL's funding requirements over the next 12 months. The board regularly reviews the level of reserves as part of its oversight. The board's review in 2025 recognised the significant growth that has occurred, and the risks associated with that, including reliance on large donors. They have set a target reserve so that ISEAL will aim to hold reserves within the range of 3-4 months of ongoing staff and overhead expenditure.

Total funds at the end of 2025 amounted to £1.8m. After deducting balances that have been designated, restricted funds and the charity's small investment in fixed assets, there remains £1.3m of free reserves. This is equivalent to 3.6 months of salary and overhead costs and is within the range of the board's reserve target.

Going concern

The board has reviewed ISEAL's latest income and expenditure and cash flow forecasts, paying particular attention to the risks to income, reserves and liquidity levels. The board has concluded that there are sufficient reserves held to create a reasonable expectation that ISEAL has adequate resources to continue in operational existence for the foreseeable future and that it is therefore appropriate to prepare the financial statements on a going concern basis.

During 2026, the UK Government closed its programme that provided funding for ISEAL's smallholder inclusion work. The board have reviewed updated budgets and forecasts in light of this change. Plans are being implemented to reduce expenditure to offset the funding cut .The board's conclusion remains that it is appropriate to prepare its financial statements on a going concern basis.

Statement of the Board of Directors' responsibilities

The Board of Directors is responsible for preparing the trustees' report and the financial statements in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the board to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the board is required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102).
- Make judgements and accounting estimates that are reasonable and prudent.
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The board is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. It is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure to our auditors

Each member of the Board of Directors confirms that:

- So far as each board director is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- Each board director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.
- This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The trustees' report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the Board of Directors on and signed on its behalf by:

Monika Weber-Fahr

Signed on 22 June 2026

Monika Weber-Fahr | Trustee/Director, Board Chair

Reference and administrative details

ISEAL Alliance registered details

Registered charity name
ISEAL Alliance

Charity registration number
1199607

Company registration number
04625800

Principal office
The Green House,
244-254 Cambridge Heath Road,
London E2 9DA

Registered office
The Green House,
244-254 Cambridge Heath Road,
London E2 9DA

The ISEAL Board of Directors

The board directors who served the company during the period and since the balance sheet date were:

K Bose | Independent

A Cox | Rainforest Alliance

J D'Cruz | Roundtable on Sustainable Palm Oil

M Grant | Responsible Jewellery Council

M Kim | Gold Standard

A H Lim | Independent

A McClay | Better Cotton (resigned June 2025)

D Morley | Bonsucro (resigned June 2025)

L Ramon Sanchez | Forest Stewardship Council

S Raman (appointed June 2025)

C Romero Nocua (appointed June 2025)

N Schuler | Independent

M Weber-Fahr | Independent
Board Chair

Senior leadership team

T Espley
Director of Finance & Operations / Company Secretary

Dr K Komives
Director of Programmes
(Resigned August 2025)

K Kreider
Chief Executive Officer

P Mallet
Director of Innovations

A Monument
Director of Programmes
(Appointed July 2025)

V Rangan
Director, Policy and Engagement

Advisors

Auditors
Buzzacott Audit LLP,
130 Wood Street,
London, EC2V 6DL

Bankers
Barclays Bank Plc,
89 Charterhouse Street,
London, EC1M 6PE

Independent auditor's report on the financial statements

Independent auditor's report to the members of ISEAL Alliance

Opinion

We have audited the financial statements of ISEAL Alliance (the 'charitable company') for the year ended 31 December 2025 which comprise the statement of financial activities, the balance sheet, the statement of flows, and the notes to the financial statements, including the principal accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2025 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 19, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

- We obtained an understanding of the legal and regulatory frameworks applicable to the charitable company and the sector in which it operates.
- We determined that the following laws and regulations were most significant: Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006, and the Charities Act 2011; and
- We gained an understanding of how the charitable company is complying with those legal and regulatory frameworks by making enquiries of management.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur by:

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Reviewed journal entries to identify unusual transactions;
- Performed substantive testing of expenditure including the authorisation thereof;
- Assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statements disclosures to underlying supporting documentation;
- Reading the minutes of meetings of trustees; and
- Enquiring as to any actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

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

Buzzacott Audit LLP

Signed

Catherine Biscoe | Senior Statutory Auditor

For and on behalf of | Buzzacott Audit LLP, Statutory Auditor, 130 Wood Street, London, EC2V 6DL

Date 22 June 2026

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

Statement of financial activities
(including income and expenditure account)
for the year ended 31 December 2025

	Note	Unrestricted Funds	Restricted Funds	**Total Funds 2025**	**Total Funds 2024**
		£'000	£'000	**£'000**	**£'000**
Income					
Income from charitable activities	2	1,418	6,248	7,666	6,074
Interest income		33	32	65	75
Total Income		1,451	6,280	**7,731**	**6,149**
Expenditure					
Expenditure on charitable activities	3	1,311	5,902	7,213	5,922
Total Expenditure		1,311	5,902	**7,213**	**5,922**
Net movement in funds and net income (expenditure)		140	378	518	227
Funds at 31 December 2024		1,298	-	1,298	1,071
Funds at 31 December 2025		1,438	378	**1,816**	**1,298**

	Unrestricted Funds	Restricted Funds	**Total Funds 2024**
	£'000	£'000	**£'000**
Income			
Income from charitable activities	1,424	4,650	6,074
Interest income	32	43	75
Total Income	1,456	4,693	**6,149**
Expenditure			
Expenditure on charitable activities	1,073	4,849	5,922
Total Expenditure	1,073	4,849	**5,922**
Net movement in funds and net income (expenditure)	383	(156)	227
Funds at 31 December 2023	915	156	1,071
Funds at 31 December 2024	1,298	-	**1,298**

There were no recognised gains or losses other than those included in the Statement of Financial Activities.
All Income and Expenditure derive from continuing activities.

Balance sheet
as at 31 December 2025

	Note	2025	2024
		£'000	£'000
Fixed Assets			
Tangible assets	10	63	33
Current Assets			
Debtors	11	224	254
Cash at bank and in hand		4,605	5,140
		4,829	5,394
Creditors: Amounts falling due within one year	12	(3,076)	(4,129)
Net current assets		1,753	1,265
Total assets less total liabilities		**1,816**	**1,298**
Funds			
Unrestricted funds - General Funds		1,320	1,157
Unrestricted funds - Designated Funds	19	118	141
Restricted funds	13	378	-
Total Funds		**1,816**	**1,298**

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

The financial statements on pages 24 to 48 were approved and authorised for issue by the Board of Directors on 19 June 2026 and signed on their behalf by:

Monika Weber-Fahr

Signed on 22 June 2026

Monika Weber-Fahr | Trustee/Director, Board Chair

Company Registration Number 04625800

Statement of cash flows
for the year ended 31 December 2025

Statement of cash flows

	2025 £'000	2024 £'000
Cash flows from operating activities:		
Net cash (used in) operating activities	(542)	(579)
Cash flows from investing activities:		
Interest income	65	75
Purchase of fixtures and equipment	(57)	(28)
Net cash provided by investing activities	8	47
Change in cash and cash equivalents in the reporting period		
Cash flows	(534)	(571)
Foreign exchange movements	(1)	39
	(535)	(532)
Cash and cash equivalents at the beginning of the reporting period	5,140	5,672
Cash and cash equivalents at the end of the reporting period	**4,605**	**5,140**

Reconciliation of net income to net cash flow from operating activities

	2025 £'000	2024 £'000
Net income for the reporting period (as per the statement of financial activities)	518	227
Adjustments for:		
Amortisation and depreciation charges	28	28
Interest Income	(65)	(75)
Decrease / (increase) in debtors	30	(3)
(Decrease) in creditors	(1,053)	(756)
Net cash (used in) operating activities	**(542)**	**(579)**

Analysis of cash and cash equivalents

	2025 £'000	2024 £'000
Cash in hand	4,605	5,140
Total cash and cash equivalents	**4,605**	**5,140**

NOTES TO THE FINANCIAL STATEMENTS

1. Principal accounting policies

Statutory information

ISEAL Alliance is a company limited by guarantee and is incorporated in the United Kingdom. The registered office address is The Green House, 244-254 Cambridge Heath Road, London, E2 9DA. ISEAL was incorporated on 30 December 2002 (registered number 04625800) and was registered as a charity on 8 July 2022 (charity number 1199607). ISEAL is governed under its Articles of Association (amended 2 November 2023).

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Companies Act 2006 and the Charities Act 2011. The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared on the historical cost basis and are presented in Pounds Sterling rounded to the nearest thousand pounds. The functional currency of the charity is Pounds Sterling because that is the currency of the primary economic environment in which it operates. Comparative information is displayed for the year ended 31 December 2024.

Going concern

The Directors approve annual budgets and periodic forecasts to ensure that there is sufficient working capital to meet the charity's obligations over the subsequent 12 months. ISEAL meets its ordinary working capital requirements through existing cash balances. The directors have considered the implications of the UK Government's decision to close the programme that provided funding for ISEAL's smallholder inclusion work. The Directors are of the opinion that, despite this and current inherent uncertainties , there is no significant threat that ISEAL will not be a going concern or be unable to meet its current commitments for a period of at least twelve months from the date of signature of these financial statements.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Directors and management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- Estimating the treatment of multiyear project grants, including how much income to defer or accrue and how much income to recognise from the project grant to cover support costs
- Estimating the useful economic life of tangible fixed assets

Income

Income represents annual subscriptions received from members, grant income from foundations and government agencies and income from other projects and events.

Annual membership subscriptions' income is recognised over the year to which it relates. The membership year is the same as the accounting year.

Income from grants is included within income when it is receivable, except as follows:

- When donors specify that grants given to ISEAL must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions, that must be fulfilled before ISEAL becomes entitled to use such income, and those conditions have not been met, the income is deferred and not included in income until the pre-conditions for use have been met.

In the absence of specific milestones to determine entitlement, income is recognised to the extent that resources have been committed to the specific project,

as this is considered to be a reliable estimate of the right to receive payment for the work performed. In this case, cash received in excess of expenditure is included as a creditor (deferred income) and expenditure in excess of cash included as a debtor (accrued income).

Expenditure

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of VAT that cannot be recovered. Since 1st August 2021, ISEAL has been registered for VAT. Input tax is partially recovered on a business: non-business basis.

Expenditure on charitable activities comprises expenses incurred on the defined charitable priority of the charity and include staff costs attributable to the charitable activities. Staff costs are apportioned within charitable activities on a time-spent basis.

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of financial, human resource, office and IT infrastructure, as well as governance and leadership functions.

Support costs are allocated to charitable activities in two steps. First an allocation is made, based on the staff days working on a project. Then a 15% mark-up is applied to the total of the related costs - excluding Innovations Fund Subgrant payments. The allocation of support costs is managed, so that costs are fullly allocated, but no surplus or deficit results. Where a donor requires that ISEAL deviates from this method, then the donor rules are applied for the management of that grant.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by ISEAL; this is normally upon notification of the interest paid or payable by the bank.

Operating leases

Rental charges are charged on a straight-line basis over the term of the lease.

Monetary assets

Monetary assets and liabilities in foreign currencies are translated into pounds sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into pounds sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the surplus or deficit for the period

Financial Instruments

ISEAL only 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 their settlement value.

Tangible Fixed Assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is calculated to write down the cost less estimated residual value of all property, plant and equipment, other than freehold land, over their expected useful lives, using the straight-line method. The rates applicable are:

Fixtures and fittings	25% straight line
Equipment	33% straight line
Leasehold improvements	Over the period of the lease

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments of no more than 1 month maturity.

Creditors

Short-term trade creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Grants payable

Grants payable are made to third parties in furtherance of the ISEAL Innovations Fund projects. Grants are accounted for when the recipient has a reasonable expectation that they will receive a grant and the ISEAL Innovations Fund has agreed to pay the grant without condition.

Taxation

As a registered charity, there is no liability for income or corporation tax on income derived from charitable activities.

Pensions

ISEAL makes payments to defined contribution pension schemes on behalf of employees who wish to join. The assets of these schemes are held separately from those of ISEAL in independently administered funds. The pension cost charge represents contributions payable to the funds during the year. ISEAL has no liability under the schemes other than the payment of those contributions.

Fund accounting

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions. For details of the specific restricted funds held by the charitable company see note 13.

Unrestricted funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charitable company's charitable objects.

Designated funds comprise monies set aside out of unrestricted funds for specific future purposes or projects.

2. Income from charitable activities

	2025 £'000	2024 £'000
Restricted income		
Grants from government entities to fund projects	5,012	3,588
Grants from other charitable institutions to fund projects	1,236	1,062
Restricted income from charitable activities	**6,248**	**4,650**
Unrestricted income		
Members' contributions	1,378	1,273
Compliance and Services Fees	40	151
Total unrestricted income	**1,418**	**1,424**
Total income from charitable activities	**7,666**	**6,074**

Restricted grant income from donors was as follows:

	2025 £'000	2024 £'000
Swiss State Secretariat for Economic Affairs SECO	2,446	2,122
UK International Development from the UK Government	2,433	1,277
Walmart Foundation	692	661
The Walton Family Foundation	281	155
Laudes Foundation	174	-
EU Horizon via Innovate UK	101	101
IDH Sustainable Trade Initiative (IDH)	46	4
ISEAL Members	42	33
Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ)	33	19
CGIAR International Food Policy Research Institute (IFPRI)	-	146
Global Environment Facility (GEF under UNDP)	-	69
The David & Lucille Packard Foundation	-	43
CGIAR Bioversity International (BI)	-	17
IDH Sustainable Trade Initiative & Rainforest Alliance	-	3
	6,248	**4 ,650**

3. Expenditure on charitable activities analysed by strategic priority

	Grant payments made	Activities undertaken directly	Support costs	**2025**
	£'000	£'000	£'000	**£'000**
Inspiring solutions to sustainability challenges	1,042	1,374	633	3,049
Strengthening accuracy, reliability and resilience	997	497	233	1,727
Broadening the applicability of ISEAL's credibility tools	-	170	67	237
Supporting effective use of credible sustainability systems	-	862	371	1,233
Growing a dynamic learning community	-	642	325	967
	2,039	3,545	1,629	**7,213**

	Grant payments made	Activities undertaken directly	Support costs	**2024**
	£'000	£'000	£'000	**£'000**
Inspiring solutions to sustainability challenges	762	1,098	501	2,361
Strengthening accuracy, reliability and resilience	716	489	224	1,429
Broadening the applicability of ISEAL's credibility tools	-	174	77	251
Supporting effective use of credible sustainability systems	-	788	314	1,102
Growing a dynamic learning community	-	467	248	715
Organisational Resilience	-	51	13	64
	1,478	3,067	1,377	**5,922**

Support costs have been allocated to strategic priority by a combination of the staff time spent directly on the related activities, and the total direct costs of those activities.

4. Grant making / ISEAL Innovation Fund

The ISEAL Innovation Fund encourages institutional grantees to explore new, ambitious ways to boost the impact and value of sustainability systems, driving experimentation and innovation. Grants made by the Fund generate valuable insights on a range of themes central to making sustainability systems more efficient, effective and inclusive. Themes include leveraging data and technology, risk-based approaches to assurance, addressing producer needs, and delivering impact at landscape level. Results from Fund projects are shared, including through live workshops.

Key outputs from the Fund's past portfolio of projects can be found here:
isealalliance.org/innovations-fund/explore-projects

	2025 £'000	2024 £'000
The total grants recognised during the year amounted to	2,039	1,478
Grant commitments outstanding at the end of the year amounted to	1,249	1,972

All grant commitments were made with the expectation that they would be settled within 3 years (2024-4 years) using restricted funds received or contracted to be received from ISEAL's donors.

Some commitments fall under ISEAL's Smallholder Inclusion project that is funded by the UK government. The donor has ended this funding during 2026. ISEAL is negotiating with the donor and the grantees as to how the commitments will be closed.

Grants made by the Innovation Fund during the year were as follows:

Grantee	Grant project	2025 £'000	2024 £'000
Aquaculture Stewardship Council	Voices in Verification: Empowering communities and building engagement in aquaculture certification	90	-
Bonsucro	Impulsa 2: Incentives and rewards platform for continuous improvement of smallholder sugarcane farmers	90	-
Roundtable on Sustainable Biomaterials	Book-and-claim registry eco-system development	77	50
FSC Investments & Partnerships	Frameworks for recognition: Unlocking certified flows across sustainability systems	75	-
Assurance Services International	Prescriptive Assurance	75	-
Preferred by Nature	Digital Tools Platform: Strengthening Data Foundations and Interoperability in Sustainability Systems	75	-
CottonConnect Ltd	Regenerative Incentives System for Smallholders	75	-
SustainCert SA	A Climate-Focused Data Integrity Framework	75	-
Sustainable Rice Platform	Low- Carbone Module	72	45
Accounting for Nature Limited	Nature data that can meet the needs of VSS, Governments and Indigenous Peoples	70	-
Sustainable Agriculture Network	Community-led verification mechanisms for enhanced transparency, credibility and efficiency of voluntary sustainability claims for smallholder producer groups	50	-
Forest Stewardship Council	Development of Traceability Systems Equipped for the Transfer of ClimateRelated Data Across Complex Supply Chains	48	-

4. Grant making / ISEAL Innovation Fund (continued)

Grants made during the year were as follows (continued):

Grantee	Grant project	2025 £'000	2024 £'000
Better Cotton	Enhancing Accuracy and Integrity of First Mile Traceability Data through Digitalisation and Process Innovation	48	-
Bonsucro	Empower & Exchange: Empowering producers of sugarcane products through data access and providing insights on responsible, efficient data exchange to meet the needs of the supply chain	45	-
Aquaculture Stewardship Council	Voices in Verification: Empowering communities and building engagement in aquaculture certification	44	-
Aquaculture Stewardship Council	More Power to the People: Changing power dynamics in certification systems through community-based environmental monitoring	43	53
Initiative for Responsible Mining Assurance	FPIC and Audit Accountability: improving assessment processes to reflect Indigenous Peoples' rights in transitions minerals supply chains	42	54
4C Services	Fostering Social Auditing: Enhancing Issue Detection and Risk Identification through Responsive and Context-Specific Approaches	42	53
Union of Ethical Bio Trade	Botanicals premiums for local livelihoods	42	70
Better Cotton Initiative	Geospatial Information Technology for Outcome Verification (GIT4OV) paving the way to improve smallholder livelihoods	40	66
Sustainable Fibre Alliance	Supporting Traditional Ecological Practices for Pastoralist Engagement (STEPPE)	40	-
Roundtable on Sustainable Palm Oil	Addressing constraints to continued smallholder participation in EUDR supply chains (traceability and compliance)	39	48
Responsible Steel	Exploration of the Role of Standards in Steel and Mining in driving a Just Transition	38	36
Goodweave	Enable and strengthen remediation solutions to child labour	37	49
Rainforest Alliance	Embedding worker-led approaches to human rights due diligence into into agricultural sustainability systems	37	-
Union for Ethical Biotrade	Shifting the balance: supplier-led human rights risk insights in botanical sourcing	37	-
Sustainable Rice Platform	Development and Testing of a Low-Carbon Assurance Module for the SRP Assurance Scheme	37	-
Bonsucro	Development of tools and practices to drive climate action	36	45
Aquaculture Stewardship Council	ESG compliance and financing within the seafood sector	35	46
Round Table on Responsible Soy	Regenerative Incentives System	35	43

4. Grant making / ISEAL Innovation Fund (continued)

Grants made during the year were as follows (continued):

Grantee	Grant project	2025 £'000	2024 £'000
Monterey Bay Aquarium	Worker Engagement in Seafood: identification, assessment and recommendations for improvements to worker engagement mechanisms in fishing, aquaculture and seafood processing	35	65
Sustainable Biomass Programme	Joining efforts in a Risk Information Alliance	35	-
Global Infrastructure Basel	DD multilevel reporting	34	-
The Copper Mark	Sectoral decarbonisation approach for copper	33	41
Union of Ethical Biotrade	Adapting data platforms to feed company due diligence reporting needs and company-owned platforms	32	42
Sustainable Fibre Alliance	Information flows to empower pastoral households: small-scale cashmere production in Mongolia	32	53
Fairtrade International	Sustainable Traceability for Empowered Producers (STEP): Harmonizing traceability standards to enhance producer resilience and transparency in global supply chains	31	52
Aluminium Stewardship Initiative	IPLC and Bauxite Mine Rehabilitation Project	27	35
Fairtrade International	Facilitating rightsholder dialogue in HREDD	26	-
Responsible Jewelery Council	GHG baseline assessment and gap analysis	20	19
Global Coffee Platform	Data for Impact: Strengthening GCP's Foundations for Credible Claims and Decision-Making	19	-
Bonsucro	Credible sustainability impact claims: framework for chain of custody and assurance requirements	19	-
Textile Exchange	Using spatial data to inform nature strategies	18	-
Global Standard gGmbH	Developing a Continuous Learning Process for GOTS Auditors on Due Diligence Requirements	17	-
Better Cotton Initiative	Improving wage transparency in cotton: Farm-level wage sampling tool	9	25
Global Sustainable Tourism Council	Guideline on remote audits: Identifying challenges, gaps, and best practices for effective stakeholder engagement	9	-
Preferred by Nature	Enabling better application of risk-based approaches	9	-
Fairtrade International	Piloting Data Ownership with Cocoa Cooperatives in Ghana	-	75
Roundtable on Sustainable Biomaterials	Impact incentive market signal research	-	70
Aluminium Stewardship Council	CARE: Collective Action for Recycling and Empowerment	-	60
Better Cotton Initiative	ReACT – Resilience through Collective Action, Sustainable Healthcare Access for Cotton Smallholder Farmers	-	59
Goodweave	Detecting Forced Labour in Supply Chains: Effective Assessment Methodologies	-	36

4. Grant making / ISEAL Innovation Fund (continued)

Grants made during the year were as follows (continued):

Grantee	Grant project	2025 £'000	2024 £'000
Assurance Services International	Smart assurance: From global monitoring to local action - Validating compliance through combining satellite-based monitoring and AI-driven insight generation with response mechanisms and UAV-supported ground truth	-	36
Sustainable Agricultural Network	Expansion of Blueprint Sustainability Assessment to Build a Common Territorial Agenda	-	33
Forest Stewardship Council	Creating partnerships for research and test impact verification framework in Indigenous and traditional communities	-	25
Better Cotton	Promoting robust GHG accounting, reporting, claims and incentives: approaches for agricultural commodity supply chains	-	17
Copper Mark	Artisanal and Small-scale Copper Mining in Peru	-	9
CNG-Climate Neutral	Strengthening knowledge on insetting practices	-	9
Union of Ethical Biotrade	DoSomething: Enhancing access to remedy for human rights violations in the botanicals sector	-	9
Marin Trust	Comprehensive evaluation of environmental impacts and compliance barriers in the MarinTrust programme: a focus on Improver Programme factories	-	4
Other grants			
Sustainable Food lab	Collectively Building Pathways to Living Income through Common Tools and Global Exchange	45	46
Total grants made		**2,039**	**1,478**

Included in the above list are grants made in swiss francs, with a value of CHF1,223 k (2024 - CHF 1,024 k)

5. Support costs

	2025 £'000	2024 £'000
Finance & professional	353	407
Human resources	220	198
Occupancy	169	139
IT and systems	213	144
Communications	302	271
Programme development	157	103
Governance	215	115
	1,629	**1,377**

6. Governance costs

	2025 £'000	2,024 £'000
Staff costs	151	93
Other costs	64	22
	215	**115**

7. Net income / expenditure

ISEAL's net income / expenditure is stated after crediting or charging:	2025 £'000	2024 £'000
Fees payable to the auditors for statutory audit	27	24
Fees payable to the auditors for grant audits	7	10
Fees payable to the auditors for other services	-	2
Operating lease charges - land and building	74	44
Net gains / (losses) on foreign currency translations	(9)	39
Loss on fixed asset disposal	(2)	-
Depreciation	28	28

8. Employees

Staff costs during the year were as follows:

	2025 £'000	2024 £'000
Wages and salaries	3,243	2,694
Social security costs	361	277
Pension	154	118
	3,758	**3,089**

The number of staff employed by ISEAL during the year was as follows:

	2025	2024
Full Time Equivalent during the year	56	50
Headcount during the year	62	56

The number of employees whose emoluments amounted to over £60,000 in the year was as follows:

	2025	2024
£60,000 - £69,999	8	2
£70,000 - £79,999	3	4
£80,000 - £89,999	4	-
£90,000 - £99,999	2	1
£100,000 - £109,999	-	1
£110,000 - £119,999	-	1
£150,000 - £159,999	-	1
£160,000 - £169,999	1	-

Key management personnel are defined as the Directors and the senior leadership team.
The Directors receive no remuneration.

	2025 £'000	2024 £'000
Salary, pension and other benefits received by 6 senior leadership team members, occupying 5 roles.	665	610

9. Directors' expenses

	2025	2024
	£	£
ISEAL met travel expenses incurred by the Directors in the charity's business totalling	4,118	2 ,942

	2025	2024
Number of directors for whom travel expenses were met by ISEAL	2	5

ISEAL has paid for the management liability insurance for the Directors and its key employees with regard to their actions on behalf of ISEAL.

	2025	2024
	£	£
The insurance policy provided cover of £2m at a cost of	3,953	4,993

10. Tangible fixed assets

	Leasehold improvements	Fixtures and fittings	Equipment	**Total**
	£'000	£'000	£'000	**£'000**
Cost				
At 1 January 2025	5	53	141	199
Additions	-	23	34	57
Disposals / write offs	-	-	(39)	(39)
At 31 December 2025	5	76	136	**217**
Depreciation				
At 1 January 2025	5	53	108	166
Charge for the year	-	4	24	28
Disposals / write offs	-	-	(40)	(40)
At 31 December 2025	5	57	92	**154**
Net book value				
At 31 December 2025	-	19	44	**63**
At 31 December 2024	-	-	33	**33**

11. Debtors

	2025 £'000	2024 £'000
Trade debtors	106	31
Prepayments	39	22
Other debtors	29	8
Accrued income	50	193
	224	**254**

	2025 £'000	2024 £'000
Accrued income includes the following amount from restricted grant donors	50	193

12. Creditors: amounts falling due within one year

	2025 £'000	2024 £'000
Trade creditors	177	85
Tax and social security creditor	92	57
Deferred income		
Advance payments from donors	2,136	3,544
Other deferred income	90	7
Grant instalments payable	337	245
Accruals	244	191
	3,076	**4,129**

Deferred income includes £2,136,000 (2024: £3,544,000) in relation to amounts received for restricted projects in excess of the level of performance delivered.

Movements in deferred income were as follows:

	2025 £'000	2024 £'000
Deferred income brought forward	3,551	4,250
Amount released to income in the year	(3,551)	(4,250)
Amount deferred in the year	2,225	3,551
Balance at year end	**2,225**	**3,551**

13. Movement on restricted funds

Funder (see note 2 for full details)	**Project note**	**Balance 1 January 2025 £'000**	Income £'000	Expenditure £'000	**Balance 31 December 2025 £'000**
Swiss State Secretariat for Economic Affairs, SECO	1	-	2,464	(2,464)	-
UK International Development from the UK Government	2	-	2,191	(2,191)	246
Walmart Foundation	3	-	700	(700)	-
The Walton Family Foundation	4	-	283	(283)	-
Laudes Foundation	5	-	87	(21)	66
Laudes Foundation	6	-	87	(21)	66
EU Horizon via Innovate UK	7	-	58	(58)	-
EU Horizon via Innovate UK	8	-	43	(43)	-
ISEAL members	9	-	42	(42)	-
IDH - The Sustainable Trade Initiative	10		37	(37)	-
GIZ	11	-	33	(33)	-
IDH - The Sustainable Trade Initiative	12	-	9	(9)	-
		-	6,280	(5,902)	**378**

13. Movement on restricted funds (continued)

Funder (see note 2 for full details)	Project note	Balance 1 January 2024 £'000	Income £'000	Expenditure £'000	Balance 31 December 2024 £'000
Swiss State Secretariat for Economic Affairs, SECO	1	-	2,141	(2,141)	-
UK International Development from the UK government	2	-	1,278	(1,278)	-
Walmart Foundation	3	-	532	(532)	-
The Walton Family Foundation	4	-	159	(159)	-
The David and Lucile Packard Foundation	13	156	-	(156)	-
Walmart Foundation	14	-	148	(148)	-
CGIAR International Food Policy Research Institute	15	-	146	(146)	-
UNDP-led Good Growth Partnership, under the GEF-funded Food Systems, Land Use and Restoration (FOLUR) Impact Program	16	-	69	(69)	-
EU Horizon via Innovate UK	7	-	54	(54)	-
EU Horizon via Innovate UK	8	-	47	(47)	-
The David and Lucile Packard Foundation	17	-	43	(43)	-
ISEAL members	9	-	33	(33)	-
CGIAR Bioversity International	18	-	17	(17)	-
GIZ	19	-	19	(19)	-
IDH - The Sustainable Trade Initiative & Rainforest Alliance	20	-	3	(3)	-
IDH - The Sustainable Trade Initiative	12	-	4	(4)	-
		156	4,693	(4,849)	**-**

13. Movement on restricted funds (continued)

The restricted funds relate to donors who have funded specific projects as follows:

Notes (project names):

1. Transparency and Innovation of Sustainability Standards, Phase II

2. Tackling Deforestation through smallholder livelihood improvements and sustainable land use

3. Strengthening Certification Systems to deliver on Deforestation and Conversion Free Goals

4. Improving Equity and Livelihoods in Sutainable Value Chains through Producer Empowerment

5. Alignment of Regenerative Production Landscape Collaboratives (RPLCs) Measurement Reporting and Verification (MRV) Framework with ISEAL led working group on Jurisdictional claims

6. Enabling credible claims for advancing sustainability action

7. Sustainability Transition Assessment Rules for Bio-Based Systems (STAR4BBS)

8. Concise Consumer communication through robust labels for bio-based systems (3-CO)

9. Pesticide management, living wage

10. Developing guidance on living wage verification and guidelines for companies to make informed decisions on their selection of service providers responsible for the verification of living wage gaps and payments

11. Strengthening and Positioning LICoP as a Leading Authority on Living Income

12. Framework Guidance on making and understanding credible living income claims

13. Improving Understanding and Scaling Action on Equity and Livelihoods

14. Strengthening supplier engagement in landscape and jurisdictional initiatives

15. Rethinking food markets and value chains for inclusion and sustainability

16. Green Commodities Programme Phase II - Global Platform of the Food Systems, Land Use and Restoration Impact Program - FOLUR

17. General support to the uptake of sustainability systems and ISEAL's credibility tools

18. Harnessing gender and social equality for resilience in agrifood

19. Scaling the Living Income concept, through collaboration and action, to deliver a decent standard of living

20. Effectiveness of supply chain sustainability approaches to deliver decent work goals: a systematic review

14. SECO Fund statement

Transparency and innovation of sustainability standards Phase 2

	Deferred income 1 January 2025	Receipts	Interest income	Expenditure	Exchange differences	**Deferred income 31 December 2025**
	£'000	£'000		£'000	£'000	**£'000**
Transparency and Innovation of Sustainability Standards, Phase 2						
Innovations Programme	1,308	1,104	18	(1,405)	-	1,025
Innovations Fund	1,222	744	-	(1,059)	68	975
	CHF '000	CHF '000	CHF '000	CHF '000	CHF '000	**CHF '000**
Transparency and Innovation of Sustainability Standards, Phase 2						
Innovations Programme	1,400	1,200	20	(1,483)	-	1,137
Innovations Fund	1,467	800	-	(1,223)	-	1,044

	Deferred income 1 January 2024	Receipts	Interest income	Expenditure	Exchange differences	**Deferred income 31 December 2024**
	£'000	£'000		£'000	£'000	**£'000**
Transparency and Innovation of Sustainability Standards, Phase 2						
Innovations Programme	1,083	1,444	19	(1,238)	-	1,308
Innovations Fund	1,510	697	-	(903)	(82)	1,222
	CHF '000	CHF '000	CHF '000	CHF '000	CHF '000	**CHF '000**
Transparency and Innovation of Sustainability Standards, Phase 2						
Innovations Programme	1,168	1,600	21	(1,389)	-	1,400
Innovations Fund	1,691	800	-	(1,024)	-	1,467

15. Analysis of net assets between funds

	2025 General Unrestricted Funds £'000	2025 Designated Unrestricted Funds £'000	2025 Restricted Funds £'000	2025 **Total Funds** **£'000**
Fund balances at 31 December 2025 as represented by:				
Tangible fixed assets	63	-	-	63
Current assets	2,197	118	2,514	4,829
Current liabilities	(940)	-	(2,136)	(3,076)
Total net assets	**1,320**	**118**	**378**	**1,816**

	2024 General Unrestricted Funds £'000	2024 Designated Unrestricted Funds £'000	2024 Restricted Funds £'000	2024 **Total Funds** **£'000**
Fund balances at 31 December 2024 as represented by:				
Tangible fixed assets	33	-	-	33
Current assets	1,710	141	3,543	5,394
Current liabilities	(586)	-	(3,543)	(4,129)
Total net assets	**1,157**	**141**	**-**	**1,298**

16. Related party transactions

The ISEAL Innovations Fund has awarded grants equivalent to £1,994,931, (2024: £1,431,853) primarily to ISEAL members. Further details of the grants awarded can be found on the charity's website at www.isealalliance.org/innovations-standards/innovations-projects

Remuneration of key management personnel is described in note 8.

Reimbursement of directors' expenses is described in note 9.

There were no other related party transactions to disclose for 2025 (2024: none)

ISEAL is ultimately controlled by its members. No one member has more than 5% of the voting rights at a general meeting, so there is no single controlling party.

Some board members hold senior executive positions within member organisations, as indicated within the trustees report. All transactions between ISEAL and its members are at the same arms-length terms.

17. Operating lease commitments

ISEAL has a leases for office space, under which future rental payments will be:

	2025 £'000	2024 £'000
Due within one year	56	40
Due within two to five years	119	10

18. Company limited by guarantee

Every member of ISEAL undertakes to contribute to the assets of ISEAL in the event of ISEAL being wound up while they are a member, such amounts as may be required not exceeding £10.

19. Designated reserve

Designated funds have been established as follows:

	Fund note	1 January 2025	Transfers Into the fund during the year	Expenditure	31 December 2025
		£'000	£'000	£'000	£'000
ISEAL's Codes and credibility assets	1	57	-	(27)	30
Support Cost Management Fund	2	84	(84)	-	-
Strategic Resilience Fund	3	-	88	-	88
		141	4	(27)	118

Movements on designated funds in 2024 were as follows:

	Fund note	1 January 2024	Transfers Into the fund during the year	Expenditure	31 December 2024
		£'000	£'000	£'000	£'000
ISEAL's Codes and credibility assets	1	60	-	(3)	57
Support Cost Management Fund	2	-	84	-	84
		60	84	(3)	141

The purpose and planned use of each fund is as follows:

1. To pay for work revising the ISEAL Code, and related guidance materials which support the Code's application, which occurs on a multi-year cycle.

2. Where a donor recognises the allocation of support costs on a different basis to ISEAL's usual basis, and it is expected that support costs will be under recovered in future years, then funds are designated in order to manage this timing difference. The funds will be drawn down to cover the support costs that will not be recognised by the donor, in the future years of the projects. Any designated funds are expected to be drawn upon within 4 years.

3. To set aside funds to support organisational resilience in strategic areas over the period of ISEAL's next strategy. The funds currently designated are expected to be drawn upon within the next 6 years.

20. Post balance sheet events and going concern

The Directors have considered the decision in 2026, by the UK Government to end its funding for ISEAL's Smallholder Inclusion Project. Where relevant appropriate figures and disclosures in the financial statements explain the effect of this. As described in the Trustees' Report the going concern basis remains appropriate for preparation of the financial statements.

There are no other post balance sheet events affecting the figures or disclosures in these financial statements.



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