

Company Registration Number 07391285
Charity Registration Number 1138287

THE RAINFOREST FOUNDATION (UK)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

THE RAINFOREST FOUNDATION (UK)
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FOR THE YEAR ENDED 31 DECEMBER 2019

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**THE RAINFOREST FOUNDATION (UK)
OFFICERS AND PROFESSIONAL ADVISERS
AS AT 31 DECEMBER 2019**

Trustees	<p>Mr B Kitchen (Chair)</p> <p>Dr J Hemming (Secretary)</p> <p>Mr M Campanale (Treasurer)</p> <p>Dr L Erskine</p> <p>Mr J Howes</p> <p>Prof R Coward</p> <p>Mr R Mahendra (resigned 31 December 2019)</p>
Executive Director	<p>Mr S Counsell (resigned 31 December 2019)</p> <p>Mr J Eisen (appointed 1 January 2020)</p>
Registered office	<p>2 – 4 The Atelier The Old Dairy Court 17 Crouch Hill LONDON N4 4AP</p>
Company number	07391285
Charity number	1138287
Bankers	<p>CAF Bank 25 Kings Hill Avenue Kings Hill West Malling KENT ME19 4JQ</p>
Solicitors	<p>Bates Wells & Braithwaite 2 - 6 Cannon Street LONDON EC4M 6YH</p>
Auditor	<p>Berkeley Hall Marshall Limited Chartered Accountants and Statutory Auditor 6 Charlotte Street BATH BA1 2NE</p>

**THE RAINFOREST FOUNDATION (UK)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019**

The trustees present their report along with the financial statements of the charity for the year ended 31 December 2019. The financial statements have been prepared in accordance with the accounting policies set out in note 1 and comply with the charity's Trust Deed, the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Reference and administrative details of the charity, its trustees and advisers.

The Rainforest Foundation (UK), registered charity no. 1138287 is based at The Rainforest Foundation (UK), 2 – 4 The Atelier, The Old Dairy Court, 17 Crouch Hill, London, N4 4AP, United Kingdom.

The board of trustees are: Ben Kitchen (Chair), Mark Campanale (Treasurer), Dr John Hemming (Secretary), Dr Louise Erskine, Joseph Howes, Prof Rosalind Coward and Rabiendran Mahendra.

The Executive Director was Simon Counsell throughout the year. He was replaced on 1 January 2020 by Joe Eisen. The Programmes are managed by Samuel Diéval, Media, Communications and Fundraising by Rachel Agnew, and Finances by Emily Hodge.

Structure, Governance and Management

The trust is an incorporated trust, constituted under Articles of Agreement and incorporated on 29 September 2010 and is a registered charity, number 1138287, (company number 07391285). The charity acquired all the assets and liabilities of the unincorporated trust, the Rainforest Foundation (UK) (charity number 801436), with effect from 1 January 2011.

The trustees are appointed by the board and serve for an unlimited period. The Articles of Association provide for a minimum of three trustees and up to a maximum of nine trustees. At the minimum of two trustees' meetings each year, the trustees agree the broad strategy and areas of activity for the trust, including consideration of geographical areas for intervention, grant-making, information, education and campaigning activities as well as organisational performance.

The day-to-day administration of grants and other operational matters is delegated to the Executive Director and specialist staff. The board keeps the skills requirements for the trustee body under review. New trustees may be sought by open advertisement or through a dialogue with candidates in relevant sectors. The ultimate decision on selection is a matter for the board of trustees. When new trustees are appointed, they are given an introduction to the work of the trust and provided with the information they need to fulfil their roles, which includes information about the role of trustees and charity law.

The trustees who held office during the financial year and at the date of this report are set out on page one. The trust has its headquarters in London. The charity has a number of partner organisations with whom it cooperates to deliver its programmes.

The Rainforest Foundation UK is part of a small 'family' of independent organisations, which includes Rainforest Foundations in the USA and Norway. These organisations, whilst sharing the same mission and objectives, are fully autonomous in terms of funding and governance.

Risk management

The trust operates a risk management strategy. This consists of the maintenance of a risk register, which lists major risks rated according to likelihood and severity of impact, along with mitigation measures. The register is kept under constant review by the Executive Director and reviewed by the trustees at each of their meetings in order to satisfy themselves that adequate systems and procedures are in place to manage the risks identified.

The Trustees recognise different categories of risk – such as External Risks, Business Risks, and Process Risks – and address specific risks within these through the risk matrix system.

**THE RAINFOREST FOUNDATION (UK)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019**

Reserves

The total value of our reserves is £442,273.

The reserve of restricted funds, £243,846 is held solely for projects expenditure.

The unrestricted funds reserve is £198,427. Unrestricted reserves are held as funds for the organisation's core costs. The charity's policy is that unrestricted reserves should not normally fall below £170,000, which is approximately three months of recurrent expenditures. The charity considers it is a going concern as debts are able to be paid as they fall due and the 12 month forecast shows a positive situation.

Status: The Rainforest Foundation UK is an international non-governmental, non-political, non-religious organisation.

The Articles of Association define the charity's objects as being:

(1) to conserve or assist in the conservation of the rainforests of the world; including all flora, fauna, rivers, waterways and other natural resources therein;

(2) to advance the education of the general public in the need to conserve the rainforests and other natural resources of the world and the balance of such resources for the long-term benefit of the human race and all other living things therein;

(3) to relieve sickness amongst the inhabitants of the rainforests, including but without limitation, by assisting such inhabitants to access local healthcare services;

(4) to advance the education of the said inhabitants including but without limitation in the field of health and the environment.

Mission Statement

The mission of the Rainforest Foundation UK is to support indigenous peoples and traditional populations of the world's rainforests in their efforts to protect their environment and fulfil their rights to land, life and livelihood by assisting them in:

- Securing and controlling the natural resources necessary for their long term well-being and managing these resources in ways which do not harm their environment, violate their culture or compromise their future.
- Developing means to protect their individual and collective rights and obtain, shape and control basic services from the state.

Activities

The activities currently carried out by the charity during the period can be broadly categorised into the following strategic themes:

Tackling the Threats to Forests

The Foundation aims to tackle forest destruction by investigating and exposing the underlying causes, building partnerships for change, and pressing governments and companies to improve practices and reduce forest damage and destruction. We campaign for changes in laws and policies, at both national and international levels.

Land and resource rights

The Foundation tackles the challenges of forest communities' lack of control of lands, by assisting forest peoples to map and monitor their lands and resources, and to use this information as a basis for advocating for improved rights to land and resources. This work is developed on the basis of participatory processes to ensure that communities are able to properly decide what they need and how they want the information to be used.

**THE RAINFOREST FOUNDATION (UK)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019**

Activities (continued)

The Foundation provides legal training for communities and supporting non-governmental organisations (NGOs), to enable them to engage in processes of developing and implementing legislation that affects their rights. The Foundation promotes the local knowledge and traditional methods used by indigenous and traditional communities to sustain rainforests. It also supports forest communities in negotiating with timber companies, government and other agencies to protect their forests from threats such as logging and large-scale "development" projects.

Securing indigenous peoples' rights

The Foundation supports partner NGOs and indigenous peoples' organisations to help forest communities realise their rights to lands and resources, to free, prior and informed consent over matters affecting their land, and their rights in general. By working in partnership with local NGOs, indigenous peoples and other experts, the Foundation aims to improve laws and policies to protect the rights of forest indigenous peoples. It supports the development of indigenous peoples' own organisations as well as supporting them in their efforts to manage their own affairs, through the development of mechanisms at local and national levels that allow for them to be consulted properly on issues affecting them.

The Foundation also builds the capacity of indigenous communities and organisations to understand how to exercise their rights and make sure they are adequately respected. It also provides support to indigenous organisations and local NGOs to develop legal analyses and strategies for the improvement of indigenous peoples' rights. The Foundation also trains local NGOs on appropriate methodologies for working with communities.

Approach

The charity delivers its charitable objectives in two ways:

- (1) through direct delivery using its own staff, especially for technical and project management support, information and policy activities; and,
- (2) through grant-making, chiefly in support of partner organisations, involving substantial support to increase local capacity to design and implement projects.

The latter constitutes the greater part of the expenditure. It also ensures that the Foundation's work is firmly rooted in local knowledge and expertise. The Foundation has found from experience that this approach delivers maximum value to the beneficiary groups.

2019 Activities, Achievements and Performance

In 2019 our work was mainly focused in the Democratic Republic of Congo, Republic of Congo, Central African Republic, Cameroon, Ghana and Peru.

We continued with projects to **develop and institutionalise our Real Time Monitoring (ForestLink) technology in Ghana, Cameroon, DRC, RoC and Peru** that seeks to empower local communities to transmit instantaneous reports of forest illegalities, even in remote areas with no telecommunications infrastructure. The programme continues to deliver strong results with governments, civil society organisations and international donors using or promoting the system.

The work in Africa is supported by the UK Department for International Development Forest Governance Markets and Climate programme (DFID-FGMC), and the Peru project is supported by the Waterloo Foundation and Fondation Ensemble.

Our large **community forests in the Democratic Republic of Congo** project finished in September, achieving exceptional results including developing the policy and institutional framework for community forests and the establishment and piloting of eight community forests on the ground.

**THE RAINFOREST FOUNDATION (UK)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019**

2019 Activities, Achievements and Performance (continued)

We finalised a project to support **development of community forests in Central African Republic, Cameroon and Republic of Congo**, a consortium based intervention led by the International Institute for Environment and Development. This again delivered strong results such as leading to some of the first community forests in CAR and the further deployment of our award-winning MappingForRights initiative.

Both of the above projects were funded by the UK Department for International Development 'Improving Livelihoods and Land Use in Congo Basin Forests' fund.

We also completed an innovative major initiative to develop **participatory land use planning with forest communities in the province of Maniema in Eastern Democratic Republic of Congo**. This has led to a new methodology for participatory land use planning, the creation of dozens of community land use plans and an in-depth policy study on how such approaches can be scaled up nationally. This work was financed by the German Development Cooperation Agency, GIZ.

In other programmes:

- We ran a project aimed at supporting oversight and management of community forests in DRC, including through the development of a national community forest database and civil society-led monitoring of community forests on the ground. This work was funded by Synchronicity Earth.
- We provided further support to the development of community forests at the policy and field level in CAR. This work was funded by the Rainforest Fund and the Rights and Resources Initiative.
- Following field research, we instigated a new project aimed at supporting community engagement in the newly established Lomami national park in DRC through resolving land issues, incorporating local needs and perspectives into the management of the park and developing accessible grievance mechanisms. This work is funded by the Arcus Foundation.
- We continued work with local partners in the DRC to investigate, assess and document the impact of strictly protected conservation areas on local rainforest communities, and to seek redress for those communities where appropriate. This work has led to major reforms in the international biodiversity conservation funding and policy arena. This work is funded by the Tikva Grassroots Empowerment Fund and was also supported by DFID.
- We ran a project supporting community based monitoring in DRC and Cameroon where local people were supported to monitor the impacts of projects to reduce emissions from deforestation and degradation (REDD+) in DRC and poaching activities on the edge of the Dja Faunal Reserve in Cameroon. This work was funded by the Rainforest Fund.
- We continued to monitor the development of REDD projects in the Congo Basin and carried out research and policy work on major international climate initiatives including through the publication of our influential report on the Green Climate Fund, the world's foremost fund for climate adaptation and mitigation in the global south. This work is supported by the Samworth Foundation.

**THE RAINFOREST FOUNDATION (UK)
REPORT OF THE TRUSTEES
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Grant-making policy

All grants for overseas project work are issued to local partner organisations and occasionally to short-term specialist contractors. All local partners are fully autonomous organisations with their own financial management and governance structures. In almost all cases, the allocation of grants is determined through close dialogue between the Foundation's programme staff and potential grant recipients. Funds are managed according to the Foundation's internal guidelines and requirements. Funds are rarely granted to organisations with whom the Foundation has had no direct contact.

Programme staff usually visit the potential recipient's offices and meet with relevant staff and board members. A checklist of 'capacity' of the recipient organisation and a due-diligence process is employed to ensure that potential partners have the ability and systems to manage our grant-funded project adequately. Programme staff monitor the activities of partners in the field, making usually three to four project visits each year. Grant recipients are required to provide narrative and financial reports on project activities up to four times per year, depending on the size of the grant concerned.

The Foundation has set up, for all its main partners and foreseen implementation partners, a due diligence process to evaluate their level of organisational internal controls and systems at the commencement of the project and at regular intervals.

Fundraising

The Foundation aims to establish a diverse base of funding from institutional donors, charitable trusts and foundations, and from individuals. The charity is open to support from the corporate sector subject to ethical review. In addition to traditional grants and voluntary income, the Foundation is also engaging in new models of funding, such as the Development Impact Bond model. The Foundation's fundraising mix is reviewed regularly according to a range of factors including charitable needs, likely return on investment and projected levels of free reserves. During the year, we updated our programmes fundraising, unrestricted fundraising and communications strategies as part of a wider revision of our organisational strategy.

Communications

Our communications outputs were largely delivered with the support of our main design agency, The New Fat, which provides design and web services to us at a reduced rate. Continuing to develop this relationship over the past 12 months has enabled us to maintain and the high quality of our communications, web presence and outreach to decision-makers, supporters and members of the public.

Financial review

Restricted fund main sources:

Department for International Development (DfID) £2,163,228

Rainforest Fund £97,359

Arcus Foundation £195,140

Unrestricted fund main sources:

Donations and legacies £328,053

Fundraising Events £21,304

Direct charitable expenditure accounts for 97% of total organisational expenditure.

Investment and reserves

The charity generally has too little long-term reserves to make investments possible. Any fund reserves are generally held in a short notice deposit account, where they generate limited returns. The charity holds no investment property. Any gains from foreign exchange movements or interest on short-term banking of project grants are reinvested in support of the objectives of the grant, where required by the donor.

The main reason for holding reserves is to ensure that the charity has enough resources to guarantee that our programmes can be supported through to their conclusion or passed in an orderly manner to another grant manager. It is the Foundation's policy never to commit funds that it does not have, and most project funding is therefore committed only when there are guaranteed long term (almost always external) sources to support it. The restricted funds held by the charity are only kept for as long as is necessary to organise the use of the funds.

**THE RAINFOREST FOUNDATION (UK)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019**

Thanks

We offer special thanks to all the following organisations and individuals, who gave us more than £2,500 each: UK Department for International Development; Rainforest Fund; Arcus Foundation; GIZ (German Development Cooperation); Fondation Ensemble; The Waterloo Foundation; Tikva Grassroots Empowerment Fund; Rights and Resources Initiative; Langdale Trust; The Reed Foundation; The Cotmore Trust; The Ericson Trust; The Swire Charitable Trust; The Bay Tree Charitable Trust; The Fulmer Charitable Trust; Mrs Val Carill; Ms Maureen Gardner; Mr Ben Eyre; Ms Georgia Hayes.

The charity was fortunate to receive a residuary legacy gift from the estate of Mr John Arthur Cook.

Plans for the Future

The organisation has made significant progress over the past year in empowering local forest communities, addressing threats to forests and advocating rights-based approaches solutions. However, there are no short-term fixes to the enormous challenges facing tropical forests and their inhabitants.

In accordance with this long-term view, the Foundation works in line with its Programme strategy, which was further revised in 2019 as part of a new Organisational Strategy for 2015-2021. It represents a different approach from previous strategies, with our major long-term external aims being that:

1. Agro-industrial expansion doesn't happen at the expense of forest peoples' rights and livelihoods and does not destroy the rainforest.
2. Infrastructure development in the Congo Basin and the Amazon is carried out in a way that is environmentally and socially sustainable.
3. In the Congo Basin, an alternative model of conservation fully recognises the role of communities and does not undermine their rights to land and livelihood.
4. REDD policies and programmes in the Congo Basin do not undermine community rights but serve to strengthen tenure security and livelihoods.
5. Formalised community based forest management is established, operational and sustainable and responds to the differing needs of local communities.
6. Overarching land laws and spatial planning processes formally recognise the traditional land rights of local and indigenous communities.
7. Participatory applications of ICTs inform relevant processes for improved forest governance and community rights.
8. Ensuring adequate participation of community marginalised groups (Indigenous Peoples and women) in forest management and conservation.

Since 2018, RFUK has also expanded its work to West-African countries, namely Ghana and more recently Liberia, through the deployment of the ForestLink Real-Time Monitoring Technology.

As with many organisations, RFUK is also dealing with the impacts of COVID-19 on our staff and business model. It is likely there may be a slight drop in income from individual givers as well as some trusts and foundations, at least in the short term, although this does appear to be offset by increasing support and flexibility from our existing donor base as well as COVID-19 specific fundraising we are undertaking to support RFUK and our partners through this period. A large part of our income also comes from larger institutional fundraising which does not appear to be greatly affected at this stage, particularly with forests and climate issues remaining high on the international agenda.

Public Benefit

The trustees have complied with section 4 of the 2006 Charities Act, having due regard for the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives.

THE RAINFOREST FOUNDATION (UK)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019

Statement of Responsibilities of the Trustees

The trustees (who are also directors of The Rainforest Foundation UK for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the incoming resources and application of resources, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and 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 trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

ON BEHALF OF THE BOARD:



Ben Kitchen
Chair

Date: 29 June 2020

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE RAINFOREST FOUNDATION (UK)

Opinion

We have audited the financial statements of The Rainforest Foundation (UK) for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

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 2019, and of its incoming resources and application of resources, including 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE RAINFOREST FOUNDATION (UK) (continued)**

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 (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 directors' 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 directors' 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 directors' 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 2.7, 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.

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

Date: 14/7/2020

6 Charlotte Street
Bath

M G Small
Matthew Small FCA (Senior Statutory Auditor)
For and on behalf of:
Berkeley Hall Marshall Limited
Chartered Accountants and Statutory Auditor

THE RAINFOREST FOUNDATION (UK)

STATEMENT OF FINANCIAL ACTIVITIES

INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT

AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Unrestricted £	Restricted £	Total funds 2019 £	Prior period total funds 2018 £
Income and endowments from:					
Donations and legacies		328,053	-	328,053	179,099
Events and other income		21,304	-	21,304	32,865
Investments	4	2,199	-	2,199	2,660
Charitable activities		-	2,782,571	2,782,571	3,908,778
Total income and endowments		351,556	2,782,571	3,134,127	4,123,402
Expenditure on:					
Raising funds	5	48,466	-	48,466	94,319
Charitable activities	6	306,009	3,120,469	3,426,478	3,730,239
Other	7	41,838	27,961	69,799	51,716
Total expenditure	8	396,313	3,148,430	3,544,743	3,876,274
NET INCOME		(44,757)	(365,859)	(410,616)	247,128
Unrealised (loss)/gain on foreign currency		-	(21,042)	(21,042)	(4,075)
Net movement in funds		(44,757)	(386,901)	(431,657)	243,053
Total funds brought forward		243,184	630,747	873,931	630,878
Total funds carried forward		198,427	243,846	442,273	873,931

None of the Foundation's activities were acquired or discontinued during the above year. There were no recognised gains and losses other than the net movement of funds during the year.

The notes on pages 7 to 14 form part of these accounts.

THE RAINFOREST FOUNDATION (UK) – COMPANY REGISTRATION NUMBER 07391285

BALANCE SHEET AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	12	10,348	16,153
Investments	13	<u>2</u>	<u>2</u>
		10,350	16,155
Current asset			
Debtors - due within one year	14	179,731	100,690
Cash at bank and in hand		<u>297,859</u>	<u>793,487</u>
		477,590	894,177
Current liabilities			
Creditors - due within one year	15	<u>45,667</u>	<u>36,401</u>
Net current assets		<u>431,923</u>	<u>857,776</u>
Total assets less current liabilities		<u>442,273</u>	873,931
Total net assets		<u>442,273</u>	<u>873,931</u>
Funds of the charity			
Unrestricted		198,427	243,184
Restricted		<u>243,846</u>	<u>630,747</u>
Total charity funds		<u>442,273</u>	<u>873,931</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the Statements of Recommended Practice FRS 102.

The financial statements on pages 4 to 14 were approved and authorised for issue by the trustees on 29 JUNE 2020 and signed on their behalf by:



Ben Kitchen
Chair

The notes on pages 7 to 14 form part of these accounts.

THE RAINFOREST FOUNDATION (UK)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDING 31 DECEMBER 2019

	Note	2019 £	2018 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	20	<u>(479,827)</u>	<u>66,079</u>
Cash flows from investing activities:			
Interest income		2,199	2,660
Purchase of tangible fixed assets		-	(12,235)
Disposal of tangible fixed assets		-	<u>87,481</u>
Net cash used in investing activities		<u>2,199</u>	<u>77,906</u>
Change in cash and cash equivalents in the year		<u>(495,628)</u>	143,985
Cash and cash equivalents at the beginning of the reporting year		793,487	653,577
Change in cash and cash equivalents due to exchange rate movements		<u>(495,628)</u>	<u>(4,075)</u>
Cash and cash equivalents at the end of the reporting year		<u>297,859</u>	<u>793,487</u>

The notes on pages 7 to 14 form part of these accounts.

THE RAINFOREST FOUNDATION (UK)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Statutory information

The Rainforest Foundation (UK) is a charitable company, limited by guarantee, registered in England and Wales. The company's registered number is 07391285 and its registered office can be found on the Administrative Information page. The company is also registered with the Charity Commission and their registered number is 1138287.

2 Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

2.1 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)); the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102); and the Companies Act 2006. The Rainforest Foundation (UK) meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

2.2 Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

2.3 Incoming resources

All income resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Income from events, etc. are recognised when it becomes receivable.
- Investment income is included when receivable.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

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2.4 Resources expended

- Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT, which cannot be fully recovered, and is reported as part of the expenditure to which it relates:
- Raising funds comprise of the costs associated with attracting voluntary income, both direct and apportioned.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Other costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the Statement of Financial Activities (SoFA) on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. floor areas, per capita or estimated usage.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life. Computers and office equipment estimated at 4 years and fixtures and fittings estimated at 5 years. Assets are reviewed annually for impairment.

2.6 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

The effect of Covid-19 is actively being assessed by the Trustees. The future impact remains unknown. The Trustees are of the opinion that there is no reason to believe there will be any effect in respect of the Charity's going concern status for the foreseeable future.

2.7 Foreign currency

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

2.8 Company status

The charity is a company limited by guarantee. The members of the company are the trustees named on page one. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

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3 Recognised gain/loss

	2019 £	2018 £
Unrealised (loss)/gain on foreign exchange movements	<u>(21,042)</u>	<u>(4,075)</u>

4 Investments

	2019 £	2018 £
Bank interest	<u>2,199</u>	<u>2,660</u>

5 Raising funds

	Unrestricted £	Restricted £	2019 £	2018 £
Salary costs	36,341	-	36,341	50,085
Other costs	<u>12,125</u>	<u>-</u>	<u>12,125</u>	<u>44,234</u>
	<u>48,466</u>	<u>-</u>	<u>48,466</u>	<u>94,319</u>

Other costs consist of communications and media, management and office, and the costs associated with staging events and participating in various fund raising events, such as the London Marathon.

6 Charitable activities

	Unrestricted £	Restricted £	2019 £	2018 £
Project activities	65,058	2,170,023	2,235,081	2,521,362
Project support costs	<u>240,951</u>	<u>950,446</u>	<u>1,191,397</u>	<u>1,208,877</u>
	<u>306,009</u>	<u>3,120,469</u>	<u>3,426,478</u>	<u>3,730,239</u>

7 Other

	Unrestricted £	Restricted £	2019 £	2018 £
Salary costs	35,159	27,961	63,120	45,105
Trustees' expenses	89	-	89	288
Payroll and professional fees	1,166	-	1,166	1,187
Audit fees	<u>5,424</u>	<u>-</u>	<u>5,424</u>	<u>5,136</u>
	<u>41,838</u>	<u>27,961</u>	<u>69,799</u>	<u>51,716</u>

All the above costs, included in 'other', are the governance costs of the charity. The salary costs are apportioned based on time spent. The remaining costs are the actual amounts. The governance costs have been met through restricted funds, as agreed by funding providers through their inclusion of 'core costs' in the respective budgets.

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8 Total expenditure

	Staff costs £	Other costs £	2019 £	2018 £
Raising funds	36,341	12,125	48,466	94,319
Charitable activities	994,008	2,432,470	3,426,478	3,730,239
Other	<u>63,120</u>	<u>6,679</u>	<u>69,799</u>	<u>51,716</u>
	<u>1,093,469</u>	<u>2,451,274</u>	<u>3,544,743</u>	<u>3,876,274</u>

9 Staff costs and numbers

	2019 £
Wages and salaries	958,442
Social security costs	97,075
Pension costs	<u>37,951</u>
	<u>1,093,468</u>

One employee received a salary between £70,000 and £80,000 during the year.

The average number of employees in the year was 26.

10 Trustees' remuneration and expenses

None of the trustees received any remuneration during the year (2018 – nil). There were trustees' meeting expenses of £89 in the year (2018 – £288).

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year.

11 Taxation

As a charity, the Foundation is exempt from taxation on income and gains to the extent that these are applied to its charitable objects. No liability has arisen in the year.

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12 Tangible fixed assets

	Office equipment	Fixtures & fittings	Total £
Cost			
As at 1 January 2019	26,835	19,397	46,231
Additions	-	-	-
Disposals	-	-	-
As at 31 December 2019	<u>26,835</u>	<u>19,397</u>	<u>46,231</u>
Depreciation			
As at 1 January 2019	23,021	7,058	30,079
Charge for the year	2,129	3,675	5,804
Depreciation on disposals	-	-	-
As at 31 December 2019	<u>25,150</u>	<u>10,733</u>	<u>35,833</u>
Net book value			
As at 31 December 2019	<u>1,685</u>	<u>8,663</u>	<u>10,348</u>
As at 31 December 2018	<u>3,814</u>	<u>12,339</u>	<u>16,153</u>

13 Investments

The investment represents a 100% shareholding in the Rainforest Foundation Trading Company Limited, a company incorporated in the United Kingdom. The capital and reserves of the trading company total £2 called up share capital and no distributable profit at 31 December 2019.

14 Debtors - Amounts due within one year

	2019 £	2018 £
Prepayments and accrued income	159,564	76,540
Rent deposit	19,500	19,500
Gift aid	<u>667</u>	<u>4,650</u>
	<u>179,731</u>	<u>100,690</u>

15 Creditors - Amounts due within one year

	2019 £	2018 £
Trade creditors	11,418	7,257
Accruals and deferred income	6,330	1,275
PAYE and social security	26,965	25,242
Other creditors	<u>954</u>	<u>2,627</u>
	<u>45,667</u>	<u>36,401</u>

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16 SOFA comparatives

Restricted income for 2018 consisted of £3,908,778 from charitable activities. Expenditure consisted of £3,633,310 on charitable activities and £6,103 on other expenditure. Restricted funds opened at £365,457 and closed at £630,747.

Unrestricted income for 2018 consisted of £179,099 donations and legacies, £32,865 events and other income and £2,660 investments. Expenditure consisted of £94,319 raising funds, £96,929 charitable activities and £45,613 of other expenditure. Unrestricted funds opened at £265,421 and closed at £243,184.

17 Funds

Total restricted funds at the year-end were £243,846, which consisted of £244,622 money held in bank and £776 in creditors.

The unrestricted fund was £198,427, and consisted of £10,348 fixed assets, a £2 investment in the trading company, £179,731 debtors and £44,891 creditors. The balance, £53,237, was held as cash at bank.

18 Acknowledgements

The Rainforest Foundation (UK) would like to thank the companies and organisations (too many to mention here) for their invaluable support during the year by way of gifts in kind.

19 Related party transactions

These are as follows:

The Rainforest Foundation (UK) is part of the International Rainforest Foundation network, which consists of a number of autonomous organisations. These organisations are based in Oslo and New York as well as in London.

In 1999, a Rainforest Foundation Fund, which is based in New York, was set up in order to provide funding to Rainforest Foundation projects. Donations of £97,359 were received during the year (2018 - £122,579).

Rainforest Foundation Trading Company Limited is a 100% owned subsidiary and the profits of this company are donated to the charity. As the results of the subsidiary are not material to the financial statements of the charity, group accounts are not prepared. No donations were received during the year.

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2019 £	2018 £
Aggregate remuneration	241,083	235,784

20 Reconciliation of net movement in funds to net cash flow from operating activities

	2019 £	2018 £
Net (deficit)/surplus for the year	(431,657)	247,128
Depreciation charge	5,804	7,060
Depreciation on disposals	-	(86,030)
Less interest on investments	(2,199)	(2,660)
Increase in debtors	(79,041)	(62,195)
Decrease in stock	-	1,020
Decrease in creditors	9,266	(38,244)
Net cash provided by operating activities	(497,827)	66,079

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21 Restricted funds - movements

Funder/Project	Project restriction	Balances b/fwd £	Incoming resources £	Expenditure £	Transfers to/(from) restricted funds £	Unrecognised gains/(losses) £	Balances c/fwd £
Department for International Development - Real time monitoring in the Congo Basin (2018)	Embedding community real-time monitoring to sustain livelihoods and forests in Central and West Africa	-8,337	919,397	858,419			52,641
Department for International Development - CoNGOs CF Consortium (2016)	CoNGOs NGO collaboration for equitable and sustainable community livelihoods in Congo Basin forests	71,924	12,920	87,429	2,586		0
Department for International Development - DRC Community Forests (2016)	Improving livelihoods and land use in the Congo Basin Forests	178,928	1,230,911	1,431,719	21,881		0
GLZ - German Development Cooperation Agency - Participatory mapping & land use planning in DRC (2017)	Achieving effective community participation in spatial planning and development priority-setting in Maniema province, DRC	222,969	189,619	412,589			0
Arcus Foundation - Lomami National Park community engagement (2019)	Lomami National Park community engagement	0	195,140	83,435			111,705
Rainforest Fund - Protected areas and rights (2018)	Community rights and conservation in the Congo Basin	10,876	0	10,876			0
Rainforest Fund - Human rights monitoring (2019)	BoLuki Luki: Monitoring rights under the canopy, DRC	0	44,905	44,905			0
Rainforest Fund - Community Forests (2019)	Making community forests work for indigenous peoples in the Central African Republic	0	52,454	52,454			0
Rights and Resources Initiative - Community Forests (2019)	Making community forests work for indigenous peoples in the Central African Republic	0	31,687	38,102			-6,415
Tides Foundation - Human impact of conservation in Congo Basin (2018)	Raising awareness of the human impacts of conservation in DRC	20,000	0	20,000			0
Tides Foundation - Sustainable conservation in DRC (2019)	Sustainable conservation in DRC	0	30,000	0			30,000
Synchronicity Earth - Palm Oil Research (2013)	Field investigations into the impact of new palm oil plantations in the Congo Basin	170	0	170			0
Synchronicity Earth - Community Forests (2019)	Implementation of the new community forestry law in DRC	15,000	0	14,354			646
Rainforest Fund - Real time monitoring, ForestLink Peru (2018)	Real-time monitoring to empower indigenous peoples to protect the Amazon rainforest	11,567	0	11,567			0
Fondation Ensemble - Real time monitoring, ForestLink Peru (2017)	Real-time monitoring to empower indigenous peoples to protect the Amazon rainforest	12,419	0	12,419			0
Fondation Ensemble - Real time monitoring, ForestLink Peru (2019)	Real-time monitoring to empower indigenous peoples to protect the Amazon rainforest		35,537	20,238			15,299
Waterloo Foundation - Real time monitoring, ForestLink Peru (2017)	Real-time monitoring to empower indigenous peoples to protect the Amazon rainforest	9,647	0	9,647			0
Waterloo Foundation - Real time monitoring, ForestLink Peru (2019)	Real-time monitoring to empower indigenous peoples to protect the Amazon rainforest		40,000	17,840			22,160

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21 Restricted funds - movements

Chris Redston - Real time monitoring - ForestLink Peru (2016)	Real-time monitoring to empower indigenous peoples to protect the Amazon rainforest	437	0	437				0
General Peru Donations - Real time monitoring - ForestLink Peru	Real-time monitoring to empower indigenous peoples to protect the Amazon rainforest	2,591	0	2,591				0
Inter-American Development Bank - Development Impact Bond (2018)	Development Impact Bond	204	0	204				0
Samworth Foundation (2017)	Improving the impact and implementation of REDD+	37,528	0	39,888				-2,360
JMG Foundation - Infrastructure research (2013)	Assessment of the current and future threats to the Congo Basin forests, and the impact of and prospects for REDD	16,308	0	3,614				12,694
Rainbow Environment Consult - Mapping Standards (2016)	Development of a community mapping protocol in Cameroon	3,932	0	0				3,932
European Commission - Human Rights in CAR (2015)	Promoting the rights of indigenous and forest communities in CAR	6,149	0	0				6,149
Gains & Losses in Exchange	N/A	18,435	0	0			-21,041	-2,606
		<u>630,747</u>	<u>2,782,570</u>	<u>3,172,897</u>	<u>24,467</u>	<u>-21,041</u>	<u>243,846</u>	