

Company Registration Number 07391285
Charity Registration Number 1138287

THE RAINFOREST FOUNDATION (UK)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

THE RAINFOREST FOUNDATION (UK)
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FOR THE YEAR ENDED 31 DECEMBER 2020

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**THE RAINFOREST FOUNDATION (UK)
OFFICERS AND PROFESSIONAL ADVISERS
AS AT 31 DECEMBER 2020**

Trustees

Mr B Kitchen – resigned 16 March 2021
Dr J Hemming – resigned 8 December 2020
Mr M Campanale – resigned 8 December 2020
Dr L Erskine
Mr J Howes (Interim Chair, as of 16 March 2021)
Prof R Coward
Mr D Morgan – appointed 16 March 2021
Miss Josceline Cluff – appointed 16 March 2021
Ms L Claridge – appointed 16 March 2021
Ms O Owczarek – appointed 16 March 2021
Mr R Poore – appointed 16 March 2021
Ms S Natt – appointed 16 March 2021
Mr S Hoyte – appointed 16 March 2021

Executive Director

Mr J Eisen

Registered office

2 – 4 The Atelier
The Old Dairy Court
17 Crouch Hill
LONDON
N4 4AP

Company number

07391285

Charity number

1138287

Bankers

CAF Bank
25 Kings Hill Avenue
Kings Hill
West Malling
KENT
ME19 4JQ

Solicitors

Bates Wells & Braithwaite
2 - 6 Cannon Street
LONDON
EC4M 6YH

Auditor

Berkeley Hall Marshall Limited
Chartered Accountants
and Statutory Auditor
6 Charlotte Street
BATH
BA1 2NE

**THE RAINFOREST FOUNDATION (UK)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

The trustees present their report along with the financial statements of the charity for the year ended 31 December 2020. 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 2019).

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 throughout 2020 were: Mr Ben Kitchen (Chair), Mr Mark Campanale (Treasurer), Dr John Hemming (Secretary), Dr Louise Erskine, Mr Joseph Howes and Prof Rosalind Coward.

The Executive Director is Mr Joe Eisen. The Programmes are managed by Ms Ana Osuna Orozco, and Finances by Ms 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 may serve a maximum of three year terms not exceeding in aggregate nine years. The Articles of Association provide for a minimum of three trustees and up to a maximum of ten trustees. At the minimum of four 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 foundation 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 2020**

Reserves

The total value of our reserves is £539,769

The reserve of restricted funds, £344,762 is held solely for projects expenditure.

The unrestricted funds reserve is £195,007. 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 £200,000, 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 carried out by the charity during the period can be broadly categorised into the following strategic themes:

Tackling the threats to forests and forest peoples

RFUK tackles forest destruction by investigating and exposing its underlying causes, by supporting community-led monitoring of forests, by building partnerships for change, and by pressing governments and companies to improve practices.

Land and resource rights

RFUK addresses communities' lack of control over forest lands by supporting them to map, secure and sustainably manage these areas. At the national and international levels, we campaign for changes in laws and policies that protect rainforests and their inhabitants.

**THE RAINFOREST FOUNDATION (UK)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

Activities (continued)

Indigenous Peoples' rights and social inclusion

RFUK supports partner NGOs and Indigenous Peoples' organisations to help forest communities realise their rights to lands and resources, to free, prior and informed consent (FPIC) and to self-determination. All of our programmes are developed on the basis of 'full participation' to ensure that communities are able to set their own priorities with special attention paid to the participation of marginalised groups such as women.

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 impact and value to the beneficiary groups.

2020 Activities, Achievements and Performance

Our work in 2020 was mainly focused in seven countries; the Democratic Republic of Congo (DRC), Republic of Congo (RoC), Central African Republic (CAR), Cameroon, Ghana, Liberia and Peru. Despite the challenges the global pandemic has brought this year, the organisation has continued to deliver strong programmes and campaigns while also providing Covid-19 support to our partners and beneficiaries.

The **ForestLink forest monitoring** programme, that aims to improve forest governance by enabling forest communities to send real-time illegal logging alerts, continued in Ghana, Liberia, Cameroon, DRC, RoC and Peru. The programme has performed strongly in terms of reducing illegal forest activities in the target areas and increasing demand for the system from civil society and governments. The work in Liberia is supported by Tropenbos International and in the rest of Africa by the UK Foreign, Commonwealth and Development Office's Forest Governance Markets and Climate programme (FCDO-FGMC). The Peru project is supported by the Waterloo Foundation and Fondation Ensemble.

Our **community forests** work in CAR and DRC is aimed at supporting communities to secure, manage and protect their forest lands. In CAR, with the support of the Rainforest Fund, we further laid the ground for community forests in the country by supporting pilot projects and the development of the legal and policy framework there. In DRC, we supported oversight and management of community forests by rolling out the national database, with support from the Turing Foundation, and via deforestation monitoring funded by Synchronicity Earth. In October, the organisation began a major new 5-year programme to support community forest development in DRC with support from USAID.

Our **conservation and human rights** work has made significant strides with the landmark conviction of anti-poaching agents for human rights violations against forest communities in DRC and also several biodiversity conservation reforms made at the international level. This work is funded by the Tikva Grassroots Empowerment Fund. The Arcus Foundation-funded project in the Lomami National Park in DRC continued to incorporate the needs and perspectives of the local population into the management of the area.

**THE RAINFOREST FOUNDATION (UK)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

2020 Activities, Achievements and Performance (continued)

In other programmes:

- With support from the Samworth Foundation, we completed a **participatory research study into the impacts of one of the world's highest profile emissions reductions programmes** in DRC that showed it has failed to deliver benefits to the local population or reduce deforestation. This work is supporting calls for reform of international climate finance for tropical forest protection.
- 2020 also saw the launch of an upgraded version of our award-winning **MappingForRights** community mapping platform, as well as a major study on how **land use planning processes** in the Congo Basin can better secure the rights of local communities and Indigenous Peoples.
- We also provided Covid-19 support and awareness to our partner organisations and forest communities with whom we work.

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, although travel was restricted in 2020 due to Covid-19. 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 when possible. 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.

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. Continuing to develop this relationship over the past 12 months has enabled us to maintain the high quality of our communications, web presence and outreach to decision-makers, supporters and members of the public.

**THE RAINFOREST FOUNDATION (UK)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

Financial review

Restricted fund main sources:

Foreign, Commonwealth & Development Office (FCDO, formerly DfID) £973,143

Arcus Foundation £206,639

Samworth Foundation £125,000

Rainforest Fund £61,965

Unrestricted fund main sources:

Donations and legacies £302,764

Fundraising events £18,367

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.

Thanks

We offer special thanks to all the following organisations and individuals, who gave us more than £2,500 each: UK Foreign, Commonwealth and Development Office (FCDO, formally DFID); Rainforest Fund; Samworth Foundation; Arcus Foundation; Fondation Ensemble; The Waterloo Foundation; Langdale Trust; The Reed Foundation; The Cotmore Trust; The Ericson Trust; Turing Foundation; Tropenbos International; Belvedere Trust; Bettys and Taylors; Synchronicity Earth; TikTok; Rights and Resources Initiative; Paragon Trust; Ms Chloe Sanders; Mr Anthony Rae.

The charity was fortunate to receive a residuary legacy gift from the estate of Ms Joan Shaw.

Plans for the Future

The organisation has made significant strides over the past year in supporting some of the world's most vulnerable people to protect their rainforest home against a very difficult global backdrop of the Covid-19 outbreak. The current cycles of our organisational and programmes strategies are due to come to an end in 2021 and will pursue the following objectives:

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.

**THE RAINFOREST FOUNDATION (UK)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

Plans for the future (continued)

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.

Work has already begun on the new organisational and programmes strategies that will take effect from 2022. The organisation is also expanding and diversifying its Board of Trustees to support development and implementation of these strategies. The organisation will also expand the ForestLink programme to the Ivory Coast in 2021.

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.

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:



Joseph Howes
Interim Chair

Date: 7/7/21.

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 2020 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".

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 2020, 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 trustees' 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 2.6, 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.

We identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- enquiring of trustees, including obtaining and reviewing supporting documentation concerning the charity's policies and procedures relating to:

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

Auditor's responsibilities for the audit of the financial statements (continued)

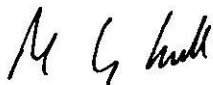
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.
- obtaining an understanding of the legal and regulatory framework that the company operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the charity. The key laws and regulations we considered in this context included the Companies Act 2006, Charities Act 2011 and Tax legislation.

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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involved intentional concealment, forgery, collusion, omission or misrepresentation.

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.



Date: 8 JULY 2021

6 Charlotte Street
Bath

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 2020

		Unrestricted	Restricted	Total funds	Prior period
	Note	£	£	2020	total funds
				£	2019
					£
Income and endowments from:					
Donations and legacies		302,764	-	302,764	328,053
Events and other income		18,367	-	18,367	21,304
Investments	4	287	-	287	2,199
Charitable activities		-	1,619,799	1,619,799	2,782,571
Total income and endowments		321,418	1,619,799	1,941,217	3,134,127
Expenditure on:					
Raising funds	5	32,202	-	32,202	48,466
Charitable activities	6	267,836	1,519,361	1,787,197	3,426,478
Other	7	23,087	2,330	25,417	69,799
Total expenditure	8	323,125	1,521,691	1,844,816	3,544,743
NET INCOME		(1,707)	98,108	96,401	(410,616)
Unrealised (loss)/gain on foreign currency		(1,210)	2,306	1,096	(21,042)
Transfer between funds		(503)	503	-	-
Net movement in funds		(3,420)	100,916	97,497	(431,657)
Total funds brought forward		198,427	243,846	442,273	873,931
Total funds carried forward		195,007	344,762	539,769	442,273

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 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	7,514	10,348
Investments	13	<u>2</u>	<u>2</u>
		7,516	10,350
Current asset			
Debtors - due within one year	14	80,394	179,731
Cash at bank and in hand		<u>740,500</u>	<u>297,859</u>
		820,894	477,590
Current liabilities			
Creditors - due within one year	15	<u>88,641</u>	<u>45,667</u>
Net current assets		<u>732,253</u>	<u>431,923</u>
Total assets less current liabilities		739,769	442,273
Creditors – amounts falling due after one year		200,000	-
Total net assets		<u>539,769</u>	<u>442,273</u>
Funds of the charity			
Unrestricted		195,007	198,427
Restricted		<u>344,762</u>	<u>243,846</u>
Total charity funds		<u>539,769</u>	<u>442,273</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 ...7 July 2021 and signed on their behalf by:



Joseph Howes
Interim Chair

THE RAINFOREST FOUNDATION (UK)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDING 31 DECEMBER 2020

	Note	2020 £	2019 £
Cash flows from operating activities:			
Net cash provided by/(used in) operating activities	20	<u>444,669</u>	<u>(479,827)</u>
Cash flows from investing activities:			
Interest income		287	2,199
Purchase of tangible fixed assets		(2,315)	-
Net cash used in investing activities		<u>(2,028)</u>	<u>2,199</u>
Net increase/(decrease) cash and cash equivalents		442,641	(495,628)
Cash and cash equivalents at the beginning of the reporting year		297,859	793,487
Cash and cash equivalents at the end of the reporting year		<u>740,500</u>	<u>297,859</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 2020

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.

THE RAINFOREST FOUNDATION (UK)

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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

	2020	2019
	£	£
Unrealised (loss)/gain on foreign exchange movements	1,096	(21,042)

4 Investments

	2020	2019
	£	£
Bank interest	287	2,199

5 Raising funds

	Unrestricted	Restricted	2020	2019
	£	£	£	£
Salary costs	20,872	-	20,872	36,341
Other costs	11,330	-	11,330	12,125
	32,202	-	32,202	48,466

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	2020	2019
	£	£	£	£
Project activities	25,886	949,189	975,075	2,235,081
Project support costs	241,949	570,172	812,122	1,191,397
	267,836	1,519,361	1,787,197	3,426,478

7 Other

	Unrestricted	Restricted	2020	2019
	£	£	£	£
Salary costs	15,387	2,330	17,717	63,120
Trustees' expenses	-	-	-	89
Payroll and professional fees	2,516	-	2,516	1,166
Audit fees	5,184	-	5,184	5,424
	23,087	2,330	25,417	69,799

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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FOR THE YEAR ENDED 31 DECEMBER 2020

8 Total expenditure

	Staff costs £	Other costs £	2020 £	2019 £
Raising funds	20,872	11,330	32,202	48,466
Charitable activities	685,710	1,101,487	1,787,197	3,426,478
Other	<u>17,717</u>	<u>7,700</u>	<u>25,417</u>	<u>69,799</u>
	<u>724,798</u>	<u>1,120,518</u>	<u>1,844,816</u>	<u>3,544,743</u>

9 Staff costs and numbers

	2020 £
Wages and salaries	637,082
Social security costs	61,823
Pension costs	<u>25,393</u>
	724,298

One employee received a salary between £60,000 and £70,000 during the year.

The average number of employees in the year was 19.

10 Trustees' remuneration and expenses

None of the trustees received any remuneration during the year (2019 – nil). There were trustees' meeting expenses of nil in the year (2019 – £89).

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 2020	26,835	19,397	46,232
Additions	695	1,619	2,314
Disposals	-	-	-
As at 31 December 2020	<u>27,530</u>	<u>21,016</u>	<u>48,546</u>
Depreciation			
As at 1 January 2020	25,150	10,733	35,883
Charge for the year	1,197	3,952	5,149
Depreciation on disposals	-	-	-
As at 31 December 2020	<u>26,347</u>	<u>14,685</u>	<u>41,032</u>
Net book value			
As at 31 December 2020	<u>1,183</u>	<u>6,331</u>	<u>7,514</u>
As at 31 December 2019	<u>1,685</u>	<u>8,663</u>	<u>10,348</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 2020.

14 Debtors - Amounts due within one year

	2020 £	2019 £
Prepayments and accrued income	60,387	159,564
Rent deposit	19,500	19,500
Gift aid	<u>507</u>	<u>667</u>
	<u>80,394</u>	<u>179,731</u>

15 Creditors - Amounts due within one year

	2020 £	2019 £
Trade creditors	27,245	11,418
Accruals and deferred income	97	6,330
PAYE and social security	15,381	26,965
Other creditors	<u>45,918</u>	<u>954</u>
	<u>88,641</u>	<u>45,667</u>

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16 SOFA comparatives

Restricted income for 2019 consisted of £2,782,571 from charitable activities. Expenditure consisted of £3,120,469 on charitable activities and £27,961 on other expenditure. Restricted funds opened at £630,747 and closed at £243,846.

Unrestricted income for 2019 consisted of £328,053 donations and legacies, £21,304 events and other income and £2,199 investments. Expenditure consisted of £48,466 raising funds, £306,009 charitable activities and £41,838 of other expenditure. Unrestricted funds opened at £243,184 and closed at £198,427.

17 Funds

Total restricted funds at the year-end were £344,762, which consisted of money held in bank.

The unrestricted fund was £195,007, and consisted of £7,514 fixed assets, a £2 investment in the trading company, £80,394 debtors and £288,641 creditors. The balance, £395,738, 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 1989, a Rainforest Foundation Fund, which is based in New York, was set up in order to provide funding to Rainforest Foundation projects. Donations of £61,965 were received during the year (2019 - £97,359).

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.

	2020 £	2019 £
Aggregate remuneration	234,333	241,083

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

	2020 £	2019 £
Net surplus/(deficit) for the year	97,497	(431,657)
Depreciation charge	5,149	5,804
Less interest on investments	(287)	(2,199)
Decrease/(increase) in debtors	99,336	(79,041)
Increase in creditors	242,974	9,266
Net cash provided by/(used in) operating activities	444,669	(497,827)

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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 £
Foreign, Commonwealth & Development Office (2018)	Embedding community real time monitoring to sustain livelihoods and forests in Central and West Africa	52,641	973,143	915,052			110,733
US Agency for International Development (2020)	Improving livelihoods and land use in DRC through community forest activity			11,787			-11,787
Arcus Foundation (2019)	Lomami National Park community engagement, DRC	111,705	206,639	207,291			111,053
Turing Foundation (2020)	Supporting DRC's authorities to manage community forest allocations through a geospatial database		40,164	49,049			-8,885
Rainforest Fund (2020)	Community forests in CAR		61,965	61,965			0
Rights and Resources Initiative (2019)	Making community forests work for indigenous peoples in the Central African Republic	-6,415	7,260	1,094	-249		0
Tides Foundation (2019)	Sustainable conservation in DRC	30,000		30,000			0
Tropenbos International (2020)	Real time community based independent forest monitoring, Liberia		27,320	27,320			0
Synchronicity Earth (2019)	Implementation of the new community forestry law in DRC	646		646			0
Synchronicity Earth (2020)	Monitoring sustainability of community forests in DRC		10,000	2,564			7,436
Belvedere Trust (2020)	Kenito Ene: Forest-friendly farming for sustainable development of Asháninka people in Peru		17,930	0			17,930
Fondation Ensemble (2019)	Real time monitoring to empower indigenous peoples to protect the Amazon rainforest	15,299	26,518	33,676			8,141
Waterloo Foundation (2019)	Real time monitoring to empower indigenous peoples to protect the Amazon rainforest	22,160	40,000	27,017			35,142
Waterloo Foundation (2020)	COVID-19 support, Peru		10,000	10,000			0
TikTok Inc (2020)	COVID-19 support, Peru		62,344	62,348	-4		0
General COVID-19 donations (2020)	COVID-19 support, Congo Basin		11,516	11,465	50		0
Samworth Foundation (2020)	COVID-19 support, core funding		15,000	15,000			0
Samworth Foundation (2020)	Core funding		75,000	0			75,000
Samworth Foundation (2017)	Improving the impact and implementation of REDD+	-2,360	35,000	32,640			0
JMG Foundation (2013)	Assessment of the current and future threats to the Congo Basin forests, and the impact of and prospects for REDD	12,694		12,694			0
Rainbow Environment Consult (2016)	Development of a community mapping protocol in Cameroon	3,932		3,932			0
European Commission (2015)	Promoting the rights of indigenous and forest communities in CAR	6,149		6,149			0
Gains & Losses in Exchange	N/A	-2,606		-2,306	-300		0
		243,846	1,619,799	1,519,385	-503	0	344,762