

Company Registration Number 07391285
Charity Registration Number 01138287

THE RAINFOREST FOUNDATION (UK)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

SATURDAY



A1B81BLC

A41 16/06/2012 #103

COMPANIES HOUSE

THE RAINFOREST FOUNDATION (UK)
INDEX TO THE REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

Page no

1	Administrative information
2	Report of the trustees
3	Report of the auditors
4	Statement of financial activities
5	Balance sheet
6	Notes to the financial statements

THE RAINFOREST FOUNDATION (UK)
OFFICERS AND PROFESSIONAL ADVISERS
AS AT 31 DECEMBER 2011

Trustees	Mr J P Davidson (Chairperson) Mr R Reoch Dr J Hemming Mr M Campanale Ms L Morriss Dr H Newing Mr Z Goldsmith
Registered office	233A Kentish Town Road LONDON NW5 2JT
Company number	07391285
Charity number	01138287
Bankers	Coutts & Co St Martins Office 440 The Strand LONDON WC2R 0QS
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 2011

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report along with the financial statements of the charity for the year ended 31 December 2011. The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the charity's Trust Deed, the Charities Act 2006 and the Statement of Recommended Practice Accounting and Reporting by Charities 2005.

Reference and administrative details

The Rainforest Foundation UK, registered charity no. 1138287, is based at its registered office The Rainforest Foundation UK, 233a Kentish Town Road, London NW5 2JT, United Kingdom.

The Board of Trustees are Mr Mark Campanale (Treasurer), John Paul Davidson (Chair), Dr John Hemming (Secretary), Ms Louise Morriss, Dr Helen Newing, Mr Zac Goldsmith MP and Mr Richard Reoch.

The Executive Director is Simon Counsell.

Structure, Governance and Management

The Trust is an incorporated trust, constituted under Articles of Association and incorporated on September 29th 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 January 1st 2011.

The Trustees are appointed by the Board of Trustees and serve for an unlimited period. The Articles of Association provide for a minimum of three Trustees, 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 and organisational performance. The day-to-day administration of grants and other operational matters is delegated to the Chief Executive 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 1.

The Trust has its headquarters in London. The charity has a number of partner organisations with whom it cooperates to deliver its programmes. The principal partner organisations are set out in Note 15 to the accounts.

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 annually by the Trustees in order to satisfy themselves that adequate systems and procedures are in place to manage the risks identified.

THE RAINFOREST FOUNDATION (UK)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2011

Reserves

The total value of our reserves is £222,252

The reserve of restricted funds, £211,417 is held solely for projects expenditure

The unrestricted funds reserve is £10,835 Reserves are held as funds for the organisation's core costs The value of unrestricted reserves should not normally fall below £85,000, which is roughly three months of recurrent expenditures The Trustees are aware that funds have fallen below this level and are currently addressing this issue The Rainforest Foundation Fund, based in New York, has agreed to continue to support the charity financially, as and when needed

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 rain forests 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 rain forests 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 rain forests, 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 can be broadly categorised into the following strategic themes

Forests and Climate Change

The Foundation's Forests and Climate Change Programme aims to tackle the underlying causes of forest destruction by campaigning for changes in laws and policies, at both national and international levels The Foundation's aim is to ensure that the needs and rights of forest peoples are taken into account in the design and implementation of national mechanisms for reducing and avoiding greenhouse gas emissions from deforestation and degradation (REDD) in programme countries in the Congo Basin and in Latin America At the international level, the Foundation has campaigned for the inclusion of rigorous and clear safeguards for community rights and biodiversity in international forests and climate policy, as well as for the recognition of international principles of good governance, indigenous peoples' and community rights, and adequate land and resource rights provisions

THE RAINFOREST FOUNDATION (UK)

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2011

The Foundation will achieve this through policy and legal research, working with coalitions of like-minded organisations, and through strengthening the involvement of Southern civil society groups and indigenous peoples to influence national and international processes through capacity building and other support

Indigenous peoples and forest communities' 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 to education. 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 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.

Land and resource rights

The Foundation tackles the challenges of forest communities' lack of control of lands and resources through assisting forest peoples to map and demarcate 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 Foundation provides legal training for communities and support 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 "development" projects.

Approach

The charity delivers its charitable objectives in two ways

- (1) through direct delivery using its own staff, especially for 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.

2011 Activities, Achievements and Performance

In 2011 our work was focused in five countries in the Congo Basin, and in Peru, a broader policy focus on climate and REDD, land tenure law and policy, and the implementation of indigenous peoples' rights. Some of the main successes of our work in 2011 were as follows:

- During 2011, the Foundation completed a large participatory mapping project in three Congo Basin countries, working with 32,193 direct beneficiaries, providing technical training and facilitating the mapping of their lands. The maps were successfully used in a number of policy and legal processes in all three countries, where local communities have become engaged in the management of national parks and in the designing of regulations for allocating and managing community forests, amongst other activities. In particular the work the Foundation has been doing to ensure that community forest management mechanisms are in line with indigenous peoples' social structures, is a first for the region.

THE RAINFOREST FOUNDATION (UK)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2011

In addition to the outcomes of the project in the respective countries, the project also included the development of a new multi-media website, MappingforRights.org, which for the first time provides a web portal to most of the participatory forest maps for the Congo Basin region, and shows how community presence and rights are affected by logging, mining and other developments

This work was funded by the UK Government's Department for International Development (DfID)

- With our collaboration and support, the government of the Central African Republic developed a 'Manual' setting out the procedures by which community forests can be established. Importantly, customary social structures will be recognised as legitimate means of governing community forests – a first in Africa

This project was funded by the Rainforest Foundation Fund

- The Foundation has been instrumental in ensuring the participation of local communities in the development of the national REDD (Reducing Emissions from Deforestation and Forest Degradation) programme in the Central African Republic, the Democratic Republic of Congo, Republic of Congo and Peru

This work is funded by the Rainforest Foundation Fund, the JMG Foundation and the Grundtvig Lifelong Learning Programme

- In Peru, we helped secure an important victory in the efforts to protect the Ene Valley from the major threat posed to indigenous forest lands, livelihoods and rights by major hydroelectric dams. A decision was announced by the Brazilian construction company planning the dams that it was withdrawing from the scheme as a result of opposition by local communities

This work was funded by the Rainforest Foundation Fund

- Our long-term project in with Ashaninka people in the Ene Valley, in partnership with Central Ashaninka del Rio Ene (CARE), continued. It aims to protect the rights to lands and territories of the Ashaninka people, and supports them to generate income in culturally appropriate ways and to access fair trade arrangements. As a result of the project, CARE has completed the development of a 'Master Plan' for the management of the 184,000 hectare Ashaninka Communal Reserve, based on participatory methodologies involving Ashaninka communities and organisations, as well as with Andean settlers around the reserve, government institutions and NGOs. One hundred and sixty-six kilometres of the Reserve's borders have been demarcated, enhancing the area's protection. In terms of increasing the community's incomes, the Ashaninka cacao producers association, Kemito Ene, has dramatically improved the quality and quantity of its product, with 85% of produce reaching chocolate-suitable quality, and the enterprise receiving fair trade certification

In the process of this work, as well as the campaign to prevent the dam, tackle illegal logging and improve the health of Ashaninka people, our partner CARE has become a key political actor in the region, recognised by many as a main interlocutor on indigenous peoples and Amazon issues

This work is funded by Bettys and Taylors of Harrogate

Forests and Climate Change

In both the Cameroon and Central African Republic (CAR), the Foundation's work has been instrumental in opening up the national REDD planning processes to greater participation and scrutiny by civil society and indigenous peoples' organisations. In CAR, with local partners, the Foundation was successful in encouraging the Government to extend the national REDD planning period, allowing civil society and indigenous organizations to participate. The Foundation has also accompanied local partner NGOs in their participation in key meetings of the World Bank's Forest Carbon Partnership Facility (FCPF), Forest Investment Programme, and the United Nations REDD initiative (UNREDD)

THE RAINFOREST FOUNDATION (UK)

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2011

The Foundation facilitated the participation of southern civil society organisations in UN climate negotiations in Durban. We supported partners through research, information dissemination and capacity building support, as well as providing financial support to attend these crucial negotiations. Our work now focuses more directly on supporting civil society organisations at the national level in three Congo Basin countries, with a view to enabling more adequate civil society participation in the design of national REDD programmes, and to ensuring that adequate safeguards and rights frameworks are included and respected.

Indigenous peoples' and forest communities' rights

We commenced a new project aimed at training local lawyers to support communities in legal processes related to the defence of their rights in CAR and Gabon. The project will address issues such as basic civil and political rights (lack of birth certificates and ID cards among forest communities), land and resource rights (allocation of community forests, addressing land conflicts, participation in the management of national parks and indigenous peoples' land and resource rights). The project will also train local community members as paralegals to support these processes.

RFUK is the only NGO to have undertaken substantial work on the rights of indigenous peoples and on capacity building for indigenous peoples on rights issues in the Central African Republic (CAR). The CAR Forest Code adopted in 2008 introduced new provisions regarding the rights of local communities to own forest lands and use forest resources, following lobbying by the Foundation along with local NGOs. In collaboration with the Forest Ministry, the Foundation worked with anthropologists and local organisations to ensure that indigenous peoples' perspectives and traditional social structures were taken into account in the development of community forestry policy – resulting in agreement on the procedures for establishing community forests that will be the most progressive in the Congo Basin.

RFUK has also been instrumental in moving forward the process of implementation of ILO Convention No 169 in the CAR through training, legal advice and support to indigenous peoples. CAR was the first African country to ratify this Convention in 2010. A legal study comparing national legislation with the provisions of Convention No 169 has been produced and follow up to its recommendations on legislative changes will take place in 2012.

Mapping is also being used as a tool to defend community rights. As one example within a much broader range of activities, mapping of community resource use has been used in negotiations with national park authorities in CAR to defend communities' rights not to be evicted from a strictly protected conservation area. The Foundation and local partners have so far been successful in ensuring that an adequate consultation process is put in place, which was not planned by authorities prior to our support.

Land and resource rights

As described above, the participatory mapping work that the Foundation has been supporting is contributing greatly to effective advances at local and national levels in processes impacting on the land and resource rights of local and indigenous communities. The maps have been used in a number of ways including pushing for new laws for the governance of community forests, strengthening community participation in the management of national parks, strengthening community rights around logging concessions, developing better relations between communities and Government, and addressing issues surrounding the allocation and management of community forests.

In addition to the in-country work, the Rainforest Foundation UK also developed and launched a unique website, MappingForRights.org. This site provides easy access to accurate geographical information about the presence, land use and rights of indigenous peoples and other forest dependent communities in the Congo Basin. It is intended to enable forest communities themselves to demonstrate their presence in the forest, decision-makers and the private sector to take account of and recognise this presence, and to assist the international community in designing programmes to secure those rights and ensure that forest communities are equitable beneficiaries of future developments.

In the Congo Basin in general, the lessons from the mapping project, and other projects, are informing our regional project aimed at making feasible recommendations to improve the land tenure regime as regards community rights and forest protection. The outcomes of this should begin to have effect in 2013.

THE RAINFOREST FOUNDATION (UK)

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2011

In Peru, the Foundation continues its support for a large-scale project in the Selva Central in partnership with Central Ashaninka del Rio Ene (CARE). The project aims to support the Ashaninka to manage and control their own lands and take part in the management of local protected areas. The project has worked with nearly 10,000 Ashaninka community members in 17 villages. It has also supported Asháninka communities from the Ene to develop and implement their own systems for market-orientated forest management within their communal territories. It has made huge strides in developing viable alternatives of agricultural production for market integration that are based on the aspirations for 'living well' of the Asháninka communities of the Ene and that are feasible within their cultural, economic and environmental context by developing cocoa and coffee production.

Fundraising and communications

The Rainforest Foundation aims to reduce the risk of becoming reliant on one donor by raising funds from a variety of funding sources. This includes raising programme and core funding from institutional donors, from UK, US and European charitable trusts and foundations including those listed on this page, as well as from corporate partners. The Foundation's ethical guidelines on the selection of corporate partners means that in practice it has had over the last year one major corporate partnership with Bettys and Taylors of Harrogate, who are the main sponsor its programme work in Peru. Other, smaller corporate partnerships contribute to core funding, as do the Foundation's fundraising activities from events and from individual supporters.

In 2011, the Rainforest Foundation continued to have Golden Bond places for the Virgin London Marathon, as well as places in the British 10K run. The RFUK 10K Rainforest Run the "4 Seasons Challenge" was held in various locations in London. The charity also benefitted from being official charity partners for the Yogathon 2011. We once again held a successful on-line Christmas auction, and were beneficiaries of The Big Give Christmas Challenge.

The Foundation published a number of reports, briefings, guidelines and manuals highlighting its work and documenting lessons learned. These include "McREDD How McKinsey 'cost-curves' are distorting REDD", "Realising Rights, Protecting Forests An Alternative Vision for Reducing Deforestation", "Is REDD Readiness taking us in the right direction?", "La Cartographie Participative" (Participatory Mapping), "Parc National De Mbaéré-Bodingué Contribution Des Communautés Locales Et Autochtones Et De La Société Civile Centrafricaine Pour Une Gestion Durable Des Ressources Forestières Et De L'Environnement".

In 2011 the Rainforest Foundation UK's work attracted media attention, including major features in the Metro and New Internationalist, mentions in national press including the Independent, broadcast media including Radio 4, and extensive coverage of the 12 Days of Christmas fundraising auction.

Financial review

Restricted funds' main sources

DFID	£593,803
Rainforest Foundation Fund	£322,079
Betty's and Taylor's	£221,540
JMG Foundation	£ 40,000

Unrestricted Funds

Donations	£118,661
Fundraising Events	£165,520

Direct charity expenditure (projects) accounts for more than 80% of total expenditure.

Investment policy

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.

THE RAINFOREST FOUNDATION (UK)

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2011

Reserves policy

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. Normally the funds are spent within 3 months of their receipt.

Grant-making policy

All grants for overseas project work are issued to local partner organisations. 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 specialist programme staff and potential grant recipients. Potential partners are required to submit an application for funds, either on a yearly, two-yearly or three-yearly basis. Applications are expected to comply with 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 basic checklist of 'capacity' of the recipient organisation 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 at least two 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.

Plans for the Future

Much of the work supported by the Foundation is, by its very nature, long term. The challenges the Foundation and its partners face in the Congo Basin region and in Peru are enormous, and will continue to be the focus of the organisation's work. However, it is anticipated that we may expand the geographical areas in which we work, commencing 2012-13.

The Foundation works in line with its Programme strategy from 2009 (revised 2011)

Forests and Climate Change

- Within a five year timeframe, to ensure that the needs and rights of forests peoples are taken into account in the design and implementation of national mechanisms for reducing and avoiding deforestation and degradation in at least three Congo Basin countries and two countries in Latin America
- Within a three year period, international policy makers are aware of the risks related to REDD, in respect of ensuring community rights and biodiversity

Indigenous peoples and forest communities' rights

- In project countries in Latin America and in at least two Congo Basin countries, there is an adequate legal framework for indigenous peoples' rights and the necessary mechanisms in place to ensure their implementation
- Within a five year period, there will be at least five representative and functioning indigenous peoples' organisations in the Congo Basin able to articulate and express community needs in local and national levels/processes/fora

THE RAINFOREST FOUNDATION (UK)

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2011

Land and resource rights

- In five years' time, three countries in the Congo Basin have adopted legislation or policies that Recognize communities' customary rights to lands/resources and traditional forms of land use on a par with statutory rights, or go beyond only access and use rights, and in one project country in Latin America, policy discussions are taking place on territorial rights of indigenous peoples
- The area of forests formally managed by forest-dependent communities in the Congo Basin is increased by 200% in the next five years
- In five years, two countries in the Congo Basin and one in the Amazon will have legislation allowing for community-managed protected areas
- In five years, four NGOs and indigenous peoples' organizations in Central Africa and South America will have the capacity to influence decision makers on large development/ extractive industry projects

Internal/support to partner organisations

- Within three years, key national partners will have developed and implemented coherent organisational strategies with a/ a clear vision, missions and aims, b/ fundraising strategies, and c/ clearly defined project cycle and human resource management procedures
- In five years, five NGOs in the Congo Basin and two in the Amazon are able to employ legal skills in all areas their work requires them to do so
- In five years, all RFUK projects and partners will be informed on RFUK expertise and experiences through a permanently accessible resource base
- In five years RFUK is able to confidently execute three simultaneous campaigns on relevant issues

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 are responsible for preparing the Report of the Trustees 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 income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charity SORP,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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

THE RAINFOREST FOUNDATION (UK)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2011

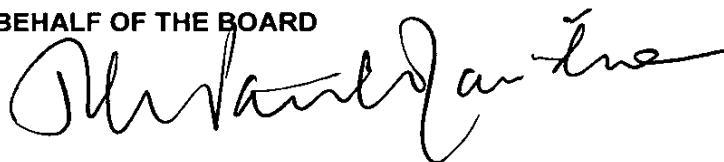
In so far as the trustees are aware

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information

Statement As To Disclosure Of Information To Auditors

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information

ON BEHALF OF THE BOARD



J P Davidson
Chairman

Date:

10/6/12

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

We have audited the financial statements of The Rainforest Foundation (UK) for the year ended 31 December 2011 on pages 4 to 11 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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.

Respective responsibilities of the trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 28 and 29, the trustees are responsible for the preparation of financial statements and for being satisfied they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charity's affairs as at 31 December 2011 and of its incoming resources and application of resources for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been properly prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you, if in our opinion

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements, or
- the charitable company has not kept adequate records, or
- the financial statements are not in agreement with the accounting records and returns, or
- we have not received all the information and explanations we require for our audit.

M G Small

15/6/12

6 Charlotte Street
Bath

Matthew Small ACA (Senior Statutory Auditor)
For and on behalf of
Berkeley Hall Marshall Limited
Chartered Accountants
and Statutory Auditor

THE RAINFOREST FOUNDATION (UK) COMPANY REGISTRATION NUMBER 07391285

STATEMENT OF FINANCIAL ACTIVITIES

INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT

AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	Unrestricted £	Restricted £	2011 £
INCOME RESOURCES				
Generated funds				
Voluntary income:				
Donations and grants		118,661	-	118,661
Activities for generating funds:				
Events etc		154,046	-	154,046
Investment income	3	11,474	-	11,474
Charitable activities:				
Grants and contracts		-	1,210,850	1,210,850
Other incoming resources:				
Funds received from unincorporated charity	4	<u>25,238</u>	<u>276,515</u>	<u>301,753</u>
Total incoming resources		<u>309,419</u>	<u>1,487,365</u>	<u>1,796,784</u>
RESOURCES EXPENDED				
Cost of generating funds:				
Costs of generating voluntary income	5	12,803	-	12,803
Fundraising and events	5	189,323	-	189,323
Charitable activities	6	68,313	1,273,513	1,341,826
Governance costs	7	<u>28,145</u>	<u>-</u>	<u>28,145</u>
Total resources expended	8	<u>298,584</u>	<u>1,273,513</u>	<u>1,572,097</u>
NET INCOME FOR THE YEAR BEFORE OTHER RECOGNISED GAINS AND LOSSES				
		10,835	213,852	224,687
Unrealised loss on foreign currency		<u>-</u>	<u>(2,435)</u>	<u>(2,435)</u>
Net movement in funds		10,835	211,417	222,252
Fund balances brought forward		<u>-</u>	<u>-</u>	<u>-</u>
Fund balances carried forward		<u>10,835</u>	<u>211,417</u>	<u>222,252</u>

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

The notes on pages 6 to 11 form part of these accounts.

THE RAINFOREST FOUNDATION (UK) COMPANY REGISTRATION NUMBER 07391285

BALANCE SHEET AS AT 31 DECEMBER 2011

	Note	£	2011 £
Fixed assets			
Tangible assets	13		3,049
Investments	14		<u>2</u>
			3,051
Current assets			
Debtors - due within one year	15	146,774	
Cash at bank and in hand		118,461	
Fund raising stock		<u>1,920</u>	
		267,155	
Current liabilities			
Creditors - due within one year	16	<u>47,954</u>	
Net current assets			<u>219,201</u>
Total assets less current liabilities			<u>222,252</u>
Reserves			
Unrestricted			10,835
Restricted			<u>211,417</u>
Total reserves			<u>222,252</u>

The financial statements on pages 4 to 11 were approved by the trustees on 15 JUNE 2012



J P Davidson
Chairperson

The notes on pages 6 to 11 form part of these accounts

THE RAINFOREST FOUNDATION (UK)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting policies

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

1.1 Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standards for Smaller Entities (effective April 2008), the Charities Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities (2005). The subsidiary of the charity's results is not material to these financial statements and so has not been consolidated.

1.2 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.

1.3 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 is 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.

1.4 Stock

Stock is valued at the lower of cost and net realisable value. The value of stock held at the period end was £1,920.

THE RAINFOREST FOUNDATION (UK)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

1.5 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.
- Costs of generating funds comprise the costs associated with attracting voluntary income.
- Costs relating to Fundraising and Events comprise such costs 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.
- Governance 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 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.

1.6 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.

1.7 Basis of preparation

The charity's accounts are prepared on a going concern basis. Unrestricted funds are below the level recommended in the trustees' report. However the trustees believe this basis of preparation is appropriate as there is continuing support from The Rainforest Foundation Fund, based in New York, who continues their commitment to the charity and pledge financial support as and when needed, to ensure unrestricted funds do not become exhausted. There is also a new agreement in place with the Department of International Development which includes core funding to cover some of the costs otherwise met by unrestricted funding.

2 Recognised gain/loss

2011
£

Unrealised loss on foreign exchange movements

2,435

3 Investments

2011
£

Donation from subsidiary
Bank interest

10,174
1,300
11,474

THE RAINFOREST FOUNDATION (UK)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

4 Other incoming resources

The Statement of Financial Activities includes £25,238 and £276,515 of unrestricted and restricted, respectively, other incoming resources. These amounts are the net assets of the former unincorporated charity The Rainforest Foundation (UK), charity number 801436. They were transferred on the 1 January 2011 when the incorporated charity of the same name (number 1138287) commenced operations. The unincorporated charity ceased operations simultaneously.

5 Costs of generating funds

	Unrestricted £	Restricted £	2011 £
Salary costs	66,691	-	66,691
Other costs	<u>135,435</u>	<u>-</u>	<u>135,435</u>
	<u>202,126</u>	<u>-</u>	<u>202,126</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 £	2011 £
Project activities	-	1,242,667	1,242,667
Project support costs	<u>68,313</u>	<u>30,846</u>	<u>99,159</u>
	<u>68,313</u>	<u>1,273,513</u>	<u>1,341,826</u>

7 Governance costs

	Unrestricted £	Restricted £	2011 £
Salary costs	14,981	-	14,981
Trustees' expenses	-	-	-
Share of office costs	9,439	-	9,439
Audit fees	3,061	-	3,061
Legal and payroll fees	<u>664</u>	<u>-</u>	<u>664</u>
	<u>28,145</u>	<u>-</u>	<u>28,145</u>

8 Total resources expended

	Staff costs £	Other costs £	2011 £
Costs of generating voluntary income	-	12,803	12,803
Fundraising and events	66,691	122,632	189,323
Charitable activities	345,262	996,564	1,341,826
Governance costs	<u>14,981</u>	<u>13,164</u>	<u>28,145</u>
	<u>426,934</u>	<u>1,145,163</u>	<u>1,572,097</u>

THE RAINFOREST FOUNDATION (UK)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

9 Transfers between funds

No transfers of funds from unrestricted to restricted were made in the year

10 Staff costs and numbers

	2011 £
Wages and salaries	368,259
Social security costs	42,112
Pension costs	16,064
Recruitment and volunteers' expenses	<u>499</u>
	<u>426,934</u>

No employee received emoluments of more than £60,000 during the year

The average number of employees in the year was 13

11 Trustees' remuneration and related party transactions

None of the trustees received any remuneration during the year. There were no trustees' meeting expenses reimbursed in the year.

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.

12 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.

13 Tangible fixed assets

	Office equipment £
Cost	
Additions	<u>7,263</u>
As at 31 December 2011	<u>7,263</u>
Depreciation	
Charge for the year	<u>4,214</u>
As at 31 December 2011	<u>4,214</u>
Net book value	
As at 31 December 2011	<u>3,049</u>

14 Investments

The investment represents a 100% shareholding in the Rainforest Foundation Trading Company Limited, a company incorporated in the United Kingdom. A total of £10,172 of profit, both current year and retained, generated by this company was donated to the charity in this period.

THE RAINFOREST FOUNDATION (UK)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

15 Debtors - Amounts due within one year

2011

	£
Grants receivable	111,734
Prepayments and accrued income	16,790
Rent deposit	13,250
Amounts due from subsidiary undertaking	<u>5,000</u>
	<u>146,774</u>

16 Creditors - Amounts due within one year

2011

	£
Accruals and deferred income	97
PAYE and social security	11,298
Other creditors	<u>36,559</u>

47,954

17 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

18 Related parties

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, New York and Tokyo 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. During the year, the charity received a donation of £31,742 from this fund.

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. During the year, the charity received an unrestricted donation of £11,474 from this fund.

THE RAINFOREST FOUNDATION (UK)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

19 Restricted funds - movements

Funders	Project	Balances b/fwd £	Incoming resources £	Expenditure £	Transfers to/(from) restricted funds £	Unrecognised gains/(losses) £	Balances c/fwd £
Betty's and Taylor's	Ashaninka Rights - Peru	3,197	221,540	195,165			29,572
Martin Willis Foundation	Gabon management national parks	0	10,000	6,275			3,725
DfID	Congo Basin Mapping	39,867	553,268	559,566			33,579
Rainforest Foundation Fund	Congo Brazzaville - Law	4,292	0	4,292			0
Rainforest Foundation Fund	Central African Republic funds	8,116	159,655	162,040			5,731
Rainforest Foundation Fund	DRC Mapping	12,808	0	12,808			0
Rainforest Foundation Fund	Climate Change	14,716	0	14,716			0
Rainforest Foundation Fund	Peru Dam Campaign	0	62,212	48,054			14,158
Rainforest Foundation Fund	Climate - National REDD Programmes	0	100,212	90,594			9,618
Grundtvig	Forest & Climate Protection/Can Carbon trade save forests?	8,253	17,138	19,053			6,338
JMG	Climate Change	3,127	0	3,127			0
JMG	Climate Change	31,762	0	27,800			3,962
JMG	Climate Change	0	40,000	0			40,000
African Development Bank	Congo Basin Forest Fund	144,707	4,280	108,538			40,449
Rainforest Concern	European Dam Delegation	1,387	3,712	5,099			0
Global Witness	REDD Research	2,202	-2,202	0			0
DfID	Community Legal Field Workers	0	40,535	15,402			25,133
Foreign exchange movement		2,081	500	994		-2,435	-848
		<u>276,515</u>	<u>1,210,850</u>	<u>1,273,513</u>	<u>0</u>	<u>-2,435</u>	<u>211,417</u>