

Company Registration Number 07391285
Charity Registration Number 1138287

THE RAINFOREST FOUNDATION (UK)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

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THE RAINFOREST FOUNDATION (UK)
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FOR THE YEAR ENDED 31 DECEMBER 2012

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THE RAINFOREST FOUNDATION (UK)
OFFICERS AND PROFESSIONAL ADVISERS
AS AT 31 DECEMBER 2012

Trustees	Mr J P Davidson (Chair) Mr R Reoch Dr J Hemming Mr M Campanale Ms L Morriss Dr H Newing Mr Z Goldsmith Mr B Kitchen (appointed 27 November 2012)
Registered office	233A Kentish Town Road LONDON NW5 2JT
Company number	07391285
Charity number	01138287
Bankers	Coutts & Co 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 2012**

The trustees present their report along with the financial statements of the charity for the year ended 31 December 2012. 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 of the charity, its trustees and advisers

The Rainforest Foundation UK, registered charity no 1138287 is based at 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, Mr Ben Kitchen and Mr Richard Reoch

The executive director is Simon Counsell

Structure, Governance and Management

The trust is an incorporated trust, constituted under Articles of Agreement 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 bi-annually by the trustees in order to satisfy themselves that adequate systems and procedures are in place to manage the risks identified.

Reserves

The total value of our reserves is £198,303.

The reserve of restricted funds, £174,540 is held solely for projects expenditure.

**THE RAINFOREST FOUNDATION (UK)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2012**

The unrestricted funds reserve is £23,763. 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 £85,000, which is approximately three months of recurrent expenditures. The trustees are aware that the funds have fallen below this level and are currently addressing this issue. The Rainforest Foundation Fund, a sister organisation 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 rainforests of the world, including all flora, fauna, rivers, waterways and other natural resources therein,
- (2) to advance the education of the general public in the need to conserve the rainforests and other natural resources of the world and the balance of such resources for the long-term benefit of the human race and all other living things therein,
- (3) to relieve sickness amongst the inhabitants of the rainforests, including but without limitation, by assisting such inhabitants to access local healthcare services,
- (4) to advance the education of the said inhabitants including but without limitation in the field of health and the environment.

Mission Statement

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

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

Activities

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

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 Foundation has achieved 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.

**THE RAINFOREST FOUNDATION (UK)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2012**

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.

2012 Activities, Achievements and Performance

In 2012 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. The overall programme of projects and activities was heavily influenced by the successful application for funding for a large new project to take place in the Democratic Republic of Congo and Central African Republic, and concerning a scaling up of participatory forest mapping, community legal work, capacity building of local partners, and national and international policy work. This new programme – known as the Mapping and Forest Governance Programme (MFG) started on July 1st 2012, and involved substantial 'pro-project' work and then project preparation and commencement with several local partners.

Some of the main successes of our work in 2012 were thus as follows:

- Setting up of national project management structures with partner organisations for the Mapping and Forest Governance (MFG) Programme, including extensive assessment by project staff of potential partner organizations, partner selection, establishment of administrative and project management mechanisms, strategy development, procurement of project equipment, and development of an advocacy and a communications strategy.

**THE RAINFOREST FOUNDATION (UK)
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- This work is funded by the Department for International Development Forest Governance Markets and Climate programme
- Further development of the MappingForRights database structure and content to include the possibilities of including forest community territorial mapping information, and information on poverty, following common poverty measurement indicators, to contribute to the debate on the link between land rights and poverty reduction

This work is also funded by the Department for International Development Forest Governance Markets and Climate programme

- The continued implementation of the Community Legal Fieldworkers project in Central African Republic and Gabon. Community Legal Fieldworkers have been selected, recruited, trained and deployed to the field in both countries. Some of the 'paralegal' community members have also been recruited and trained, and training of others is underway. Work undertaken by the Community Lawyers so far includes helping BaAka indigenous people in CAR to obtain birth certificates and national Identity Cards

This work is funded by the Department for International Development Civil Society Challenge 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. The 'Master Plan' for the management of the 184,000 hectare Ashaninka Communal Reserve which CARE provided substantial input, was adopted in a revised form by the government and then was agreed to be further revised after lobbying by CARE. 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. The project will be continued under a new phase which began in December 2012

This work was funded by Bettys and Taylors of Harrogate

- Research was commissioned and completed into the extent and impacts of large-scale palm-oil development in the Congo Basin. The report was expected to be published in early 2013

This work was funded by Synchronicity Earth and the Anthony Rae Foundation

- A national workshop on the implementation of ILO Convention No. 169 was held in Bangui in December 2012, preceded by a 2-day preparatory workshop for indigenous representatives to enable their effective participation in the national workshop. Also in CAR, a study was undertaken on the ongoing land reform process

This work was funded by the Congo Basin Forest Fund

- Our Cameroonian partner, Centre for Environment and Development, successfully raised indigenous peoples' issues and participation in the national REDD plan and won important improvements to make the process more inclusive and ultimately beneficial to all. MEFP, our partner in Central African Republic, has managed to hold the government to commitments previously made to donors, and to train more community members on their rights concerning REDD. At the international level, RFUK published an influential briefing on REDD financing, and supported partners to attend relevant crucial World Bank and UN-REDD meetings

This work was funded by the JMG Foundation and the Rainforest Foundation Fund

**THE RAINFOREST FOUNDATION (UK)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2012**

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 2012, the Rainforest Foundation continued to have Golden Bond places for the Virgin London Marathon, as well as places in the British 10K run. The charity also benefitted from being official charity partners for the Yogathon 2012. We once again held a successful on-line Christmas auction.

The Foundation published a number of reports, briefings, guidelines and manuals highlighting its work and documenting lessons learned. These included "*Rainforest Roulette? Why creating a forest carbon offset market is a risky bet for REDD*", "*Etude de a Legislation de la Republique Centrafricaine au vu de la Convention 169 d l'Organisation internationale du travail relative aux peuples indigenes at tribaux*", and "*Mapping and Forest Governance in the Congo Basin*".

Financial review

Restricted fund main sources

DFID	£1,029,402
Betty's and Taylor's	£245,785
Rainforest Foundation Fund	£177,166
Congo Basin Fund/AfDB	£165,223

Unrestricted fund main sources

Donations	£156,349
Fundraising Events	£32,236

Direct charitable expenditure accounts for 89% of total organisational 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.

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.

**THE RAINFOREST FOUNDATION (UK)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2012**

Grant-making policy (continued)

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 2012)

Addressing the main threats to forests and communities

- Develop an adequate evidence base to instigate a broader review of strategies to tackle deforestation in the Congo and Amazon basins
- Improve forest governance and help reduce deforestation in two countries in the Congo Basin and one country in the Amazon through independent monitoring of REDD+ safeguards and investments

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

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

**THE RAINFOREST FOUNDATION (UK)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2012**

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 [name of charity] 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 income and expenditure, 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 Charity SORP,
- 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

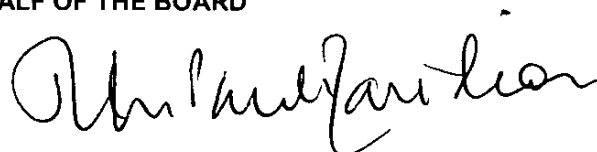
The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding 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 information

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



**J P Davidson
Chairman**

Date

2/9/13

**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 2012 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 trustees, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's trustees 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 trustees 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 27, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of financial statements and for being satisfied they give a true and fair view.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 [APB'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 2012 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 (applicable to smaller entities), 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.

6 Charlotte Street
Bath

M L Small
4/9/13

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

Berkeley Hall Marshall Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

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 2012

	Unrestricted Note	Restricted £	2012 £	2011 £
INCOME RESOURCES				
Generated funds				
Voluntary income				
Donations and grants		148,957	148,957	118,661
Activities for generating funds				
Events etc		32,236	32,236	154,046
Investment income	3	167	9,167	11,474
Charitable activities				
Grants and contracts		- 1,680,270	1,680,270	1,210,850
Other incoming resources.				
Funds received from unincorporated charity	4	-	-	301,753
Total incoming resources		181,360	1,689,270	1,796,784
RESOURCES EXPENDED				
Cost of generating funds				
Costs of generating voluntary income	5	19,718	19,718	12,803
Fundraising and events	5	131,975	131,975	189,323
Charitable activities	6	-	1,716,271	1,341,826
Governance costs	7	<u>25,713</u>	<u>25,713</u>	<u>28,145</u>
Total resources expended	8	<u>177,406</u>	<u>1,716,271</u>	<u>1,572,097</u>
NET INCOME FOR THE YEAR BEFORE TRANSFERS AND OTHER RECOGNISED GAINS AND LOSSES				
		<u>3,954</u>	<u>(27,001)</u>	<u>(23,047)</u>
Transfer between funds		8,974	(8,974)	-
Unrealised loss on foreign currency		-	(902)	(2,435)
Net movement in funds		<u>12,928</u>	<u>(36,877)</u>	<u>222,252</u>
Fund balances brought forward		<u>10,835</u>	<u>222,252</u>	-
Fund balances carried forward		<u>23,763</u>	<u>198,303</u>	<u>222,252</u>

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 6 to 11 form part of these accounts.

THE RAINFOREST FOUNDATION (UK) – COMPANY REGISTRATION NUMBER 07391285

BALANCE SHEET AS AT 31 DECEMBER 2012

	Note	£	2012 £	£	2011 £
Fixed assets					
Tangible assets	13		12,069		3,049
Investments	14		<u>2</u>		<u>2</u>
			12,071		3,051
Current assets					
Fund raising stock		1,660		1,920	
Debtors - due within one year	15	52,593		146,774	
Cash at bank and in hand		<u>174,380</u>		<u>118,461</u>	
		228,633		267,155	
Current liabilities					
Creditors - due within one year	16	<u>42,401</u>		<u>47,954</u>	
Net current assets			<u>186,232</u>		<u>219,201</u>
Total assets less current liabilities			<u>198,303</u>		<u>222,252</u>
Reserves					
Unrestricted			23,763		10,835
Restricted			<u>174,540</u>		<u>211,417</u>
Total reserves			<u>198,303</u>		<u>222,252</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 Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements on pages 4 to 11 were approved and authorised for issue by the trustees on 2 September 2013 and signed on their behalf by



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 2012

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 year end was £1,660.

THE RAINFOREST FOUNDATION (UK)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

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.

1 8 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 Recognised gain/loss

	2012 £	2011 £
Unrealised loss on foreign exchange movements	<u>902</u>	<u>2,435</u>

3 Investment income

	2012 £	2011 £
Donation from subsidiary	9,000	10,174
Bank interest	<u>167</u>	<u>1,300</u>
	<u>9,167</u>	11,474

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4 Other incoming resources

In 2011, the Statement of Financial Activities included £25,238 and £276,515 of unrestricted and restricted, respectively, other incoming resources. These amounts were 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. There were no transactions during this financial year.

5 Costs of generating funds

	Unrestricted £	Restricted £	2012 £	2011 £
Salary costs	77,278	-	77,278	66,691
Other costs	<u>74,415</u>	<u>-</u>	<u>74,415</u>	<u>135,435</u>
	<u>151,693</u>	<u>-</u>	<u>151,693</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 £	2012 £	2011 £
Project activities	-	1,123,210	1,123,210	1,242,667
Project support costs	<u>-</u>	<u>593,061</u>	<u>593,061</u>	<u>99,159</u>
	<u>-</u>	<u>1,716,271</u>	<u>1,716,271</u>	<u>1,341,826</u>

7 Governance costs

	Unrestricted £	Restricted £	2012 £	2011 £
Salary costs	16,644	-	16,644	14,981
Trustees' expenses	60	-	60	-
Share of office costs	3,989	-	3,989	9,439
Audit fees	3,924	-	3,924	3,061
Legal and payroll fees	<u>1,096</u>	<u>-</u>	<u>1,096</u>	<u>664</u>
	<u>25,713</u>	<u>-</u>	<u>25,713</u>	<u>28,145</u>

8 Total resources expended

	Staff costs £	Other costs £	2012 £	2011 £
Costs of generating voluntary income	-	19,718	19,718	12,803
Fundraising and events	77,278	54,697	131,975	189,323
Charitable activities	381,632	1,334,639	1,716,271	1,341,826
Governance costs	<u>16,644</u>	<u>9,069</u>	<u>25,713</u>	<u>28,145</u>
	<u>475,554</u>	<u>1,418,123</u>	<u>1,893,677</u>	<u>1,572,097</u>

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9 Transfers between funds

Funds totalling £7,098 were transferred from restricted to unrestricted during the year. These were balances made available for unrestricted purposes following discussion with the donor.

10 Staff costs and numbers

	2012 £
Wages and salaries	419,344
Social security costs	39,344
Pension costs	14,497
Recruitment and volunteers' expenses	<u>2,369</u>
	<u>475,554</u>

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

The average number of employees in the year was 16.

11 Trustees' remuneration and related party transactions

None of the trustees received any remuneration during the year (2011 – nil). There were trustees' meeting expenses of £60 in the year (2011 – nil).

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	Fixtures & fittings	Total £
Cost			
As at 1 January 2012	75,240	7,985	83,225
Additions	<u>14,596</u>	<u>840</u>	<u>15,436</u>
As at 31 December 2012	<u>89,836</u>	<u>8,825</u>	<u>98,661</u>
Depreciation			
As at 1 January 2012	72,191	7,985	80,176
Charge for the year	<u>6,248</u>	<u>168</u>	<u>6,416</u>
As at 31 December 2012	<u>78,439</u>	<u>8,153</u>	<u>86,592</u>
Net book value			
As at 31 December 2012	<u>11,397</u>	<u>672</u>	<u>12,069</u>
As at 31 December 2011	<u>3,049</u>	-	<u>3,049</u>

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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 £9,000 of profit generated by this company was donated to the charity in this year. The subsidiary's capital and reserves at the year end were £138, consisting of £2 called up share capital and £136 retained profit.

15 Debtors - Amounts due within one year

	2012	2011
	£	£
Grants/donations receivable	19,708	108,734
Prepayments and accrued income	23,822	16,790
Rent deposit	6,500	13,250
Gift aid	563	3,000
Amounts due from subsidiary undertaking	<u>2,000</u>	<u>5,000</u>
	<u>52,593</u>	<u>146,774</u>

16 Creditors - Amounts due within one year

	2012	2011
	£	£
Accruals and deferred income	159	97
PAYE and social security	14,691	11,298
Other creditors	<u>27,551</u>	<u>36,559</u>
	<u>42,401</u>	<u>47,954</u>

17 Restricted funds

Total restricted funds at the year end were £174,540, which consisted of £3,273 debtors and £171,267 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 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. No donation was received during the year (2011 £31,742).

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 £9,000 from this fund.

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20 Restricted funds - movements

Funders	Project	Balances b/fwd £	Incoming resources £	Expenditure £	Transfers to/(from) restricted funds £	Unrecognised gains/(losses) £	Balances c/fwd £
Simon Waters		0	8,250	8,250			0
Betty's and Taylor's	Ashaninka Rights - Peru	29,572	202,678	181,545	-50,705		0
Betty's and Taylor's	Peru Cocoa Project	0	50,000	50,352	50,705		50,353
General Peru Donations		0	5,000	940			4,060
Martin Wills Foundation	Gabon management national parks	3,725		3,725			0
DfID	Congo Basin Mapping	33,579		31,703	-1,876		0
Rainforest Foundation Fund	Central African Republic funds	5,731	2,385	6,474	-1,642		0
Rainforest Foundation Fund	Peru Dam Campaign	14,158		14,099	-59		0
Rainforest Foundation Fund	Climate - National REDD Programmes	9,618		4,541	-729		4,348
Rainforest Foundation Fund	CAR & Gabon	0	112,417	110,697	-1,164		556
Rainforest Foundation Fund	IP s Climate Change Mitigation	0	64,749	56,978			7,771
Grundtvig	Forest & Climate Protection/Can Carbon trade save forests	6,338	4,750	10,795			293
JMG	Climate Change	3,962	-3,862	100			0
JMG	Climate Change	40,000		35,247	-3,753		1,000
African Development Bank	Congo Basin Forest Fund	40,449	165,223	142,166	249		63,755
DfID	Community Legal Field Workers	25,133	225,808	250,821			120
DfID	REG 2012	0	803,594	772,051			31,543
Charapa	IP s Climate Change in ROC	0	32,203	26,001			6,202
C Redstone	CLFW capital	0	7,000	6,803			197
Synch	REG 2012	0	9,075	2,983			6,092
Foreign exchange movement		-848					-1,750
		<u>211,417</u>	<u>1,689,270</u>	<u>1,716,271</u>	<u>-8,974</u>	<u>-902</u>	<u>174,540</u>