

Company Registration Number 07391285
Charity Registration Number 1138287

**THE RAINFOREST FOUNDATION (UK)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

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**THE RAINFOREST FOUNDATION (UK)
OFFICERS AND PROFESSIONAL ADVISERS
AS AT 31 DECEMBER 2013**

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

Executive Director

Mr S Counsell

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 2013**

The trustees present their report along with the financial statements of the charity for the year ended 31 December 2013. The financial statements have been prepared in accordance with the accounting policies set out in note 1 and comply with the charity's Trust Deed, the Charities Act 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 Mr 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 and serve for an unlimited period. The Articles of Association provide for a minimum of three trustees, up to a maximum of nine trustees. At the minimum of two trustees' meetings each year, the trustees agree the broad strategy and areas of activity for the trust, including consideration of geographical areas for intervention, grant-making, information, education and campaigning activities as well as organisational performance.

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

The trustees who held office during the financial year and at the date of this report are set out on page one. The trust has its headquarters in London. The charity has a number of partner organisations with whom it cooperates to deliver its programmes. The principal partner organisations are set out in Note 15.

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

Risk management

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

Reserves

The total value of our reserves is £311,217.
The reserve of restricted funds, £304,723 is held solely for projects expenditure.

The unrestricted funds reserve is £6,494. 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. In the financial year, whilst the fund balance has been positive, it has been reliant on the value of fixed assets, stock and debtors to achieve this. There are net current liabilities at the year-end but the charity considers it is still a going concern as debts are able to be paid as they fall due and the 12 month forecast shows an improving situation.

**THE RAINFOREST FOUNDATION (UK)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2013**

Activities (continued)

Securing indigenous peoples' rights

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

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

Approach

The charity delivers its charitable objectives in two ways:

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

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

2013 Activities, Achievements and Performance

In 2013 our work was focused in three countries in the Congo Basin, and in Peru.

We continued to implement a large new project – the Mapping and Forest Governance Programme (MFG) – in the Democratic Republic of Congo, (DRC) and Central African Republic, (CAR), which involves a scaling up of participatory forest mapping, community legal work, capacity building of local partners, and national and international policy work.

During the early part of the year, our work under two DFID-funded programmes in CAR had to be suspended due to the coup d'état in Bangui and the widespread violence and unrest which followed. Tragically, several individuals and family members connected with our partner organisation (Maison de l'Enfant et de la Femmes Pygmées – MEFP) were killed in random sectarian attacks. We were able to help evacuate several key staff of the organisation and their families to safety.

Some of the main successes of our work in 2013 were as follows:

- mobilisation of new mapping teams in two locations in the DRC and the completion of several dozen community maps covering around 300,000 hectares of forest.

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

- Launch of 'MappingForRights 2.0', a unique website that 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. Through the online interactive map – the first of its kind – authorised users are able to view community occupation and forest usage in the context of other claims on, and users of, the forest, such as logging activities and strictly protected areas. The site now contains community maps covering around 2.5 million hectares of forest.

**THE RAINFOREST FOUNDATION (UK)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2013**

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

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

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

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

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

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

Mission Statement

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

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

Activities

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

Tackling the Threats to Forests

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

Land and resource rights

The Foundation challenges forest communities' lack of control of lands. The Foundation tackles this challenge by 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 supporting 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.

**THE RAINFOREST FOUNDATION (UK)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2013**

2013 Activities, Achievements and Performance (continued)

Alongside the community forest mapping work, we have also started developing a team of community lawyers to help forest people deal with infringements of their rights, illegal logging, and securing protected areas for their own community use.

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 Gabon. 2,500 people in 35 forest communities have received training on their rights, and four communities have initiated specific actions to ensure that their rights are upheld. Agreement has been reached with the University of Libreville to establish a new course providing special training in human and forest community rights for law students from 2014.

This work is funded by the Department for International Development Civil Society Challenge Fund, the Rainforest Fund, and Chris Redstone.

- Our long-term project with Asháninka people in the Ene Valley, Peru, in partnership with Central Asháninka del Rio Ene (CARE), continued. It aims to protect the rights to lands and territories of the Asháninka people, and supports them to generate income in culturally appropriate ways and to access fair trade arrangements. Recent work has focused on cocoa production; the local producers' association has continued greatly to increase the quantity and quality of its product. The income of families participating has increased by an average of 20%.

This work was funded by Bettys and Taylors of Harrogate, Foundation Ensemble, and the Peru Opportunity Fund.

- We published the results of a major investigation into the expansion of industrial oil palm plantations in the Congo Basin and the likely environmental and social impacts of this. Alongside this, we started providing information to the public to help avoid the purchase of products containing palm oil from destructive sources.

This work is funded by the Rainforest Fund.

Fundraising

The Rainforest Foundation UK 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, such as with restaurant chain Carluccios, contribute to core funding, as do the Foundation's fundraising activities from events and from individual supporters.

Financial review

Restricted fund main sources:

DFID £1,591,367
Betty's and Taylor's £180,911
Rainforest Foundation Fund £129,688

Unrestricted fund main sources:

Donations £135,137
Fundraising Events £25,156

Direct charitable expenditure accounts for 91% of total organisational expenditure.

**THE RAINFOREST FOUNDATION (UK)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2013**

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 three 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.

The Foundation works in line with its Programme strategy from 2009 (revised 2013):

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.
- 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' time, two countries in the Congo Basin and one in the Amazon will have legislation allowing for community-managed protected areas.

**THE RAINFOREST FOUNDATION (UK)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2013**

Plans for the future (continued)

- In five years' time, four NGOs and indigenous peoples' organisations 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' time, 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' time, all RFUK projects and partners will be informed on RFUK expertise and experiences through a permanently accessible resource base.
- In five years' time, 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 (who are also directors of The Rainforest Foundation UK for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the 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 Charities 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.

**THE RAINFOREST FOUNDATION (UK)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2013**

Statement of Responsibilities Of The Trustees (continued)

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.

Auditors

The auditors, Berkeley Hall Marshall Limited, will be proposed for re-appointment at the forth coming Annual General Meeting.

ON BEHALF OF THE BOARD:



**Mr Mark Campanale
Treasurer**

Date: 13 AUGUST 2014

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

We have audited the financial statements of The Rainforest Foundation (UK) for the year ended 31 December 2013 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 Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

Respective responsibilities of the trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on pages 2.6 and 2.7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of 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 [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 FRC'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 charitable company's affairs as at 31 December 2013 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you, if in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made returns; or

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

- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

M Small

Date: 14 August 2014

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)
 STATEMENT OF FINANCIAL ACTIVITIES
 INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT
 AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
 FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	Unrestricted £	Restricted £	2013 £	2012 £
INCOME RESOURCES					
Generated funds					
Voluntary income:					
Donations and grants		139,095	-	139,095	148,957
Activities for generating funds:					
Events etc		25,156	-	25,156	32,236
Investment income	3	137	-	137	9,167
Charitable activities:					
Grants and contracts		-	2,087,943	2,087,943	1,680,270
Other incoming resources:					
Sundry receipts	4	<u>2,967</u>	<u>-</u>	<u>2,967</u>	<u>-</u>
Total incoming resources		<u>167,355</u>	<u>2,087,943</u>	<u>2,255,298</u>	<u>1,870,630</u>
RESOURCES EXPENDED					
Cost of generating funds:					
Costs of generating voluntary income	5	29,147	-	29,147	19,718
Fundraising and events	5	142,315	-	142,315	131,975
Charitable activities	6	-	1,952,616	1,952,616	1,716,271
Governance costs	7	<u>20,087</u>	<u>-</u>	<u>20,087</u>	<u>25,713</u>
Total resources expended	8	<u>191,549</u>	<u>1,952,616</u>	<u>2,144,165</u>	<u>1,893,677</u>
NET INCOME FOR THE YEAR BEFORE TRANSFERS AND OTHER RECOGNISED GAINS AND LOSSES					
		<u>(24,194)</u>	<u>135,327</u>	<u>111,133</u>	<u>(23,047)</u>
Transfer between funds		6,925	(6,925)	-	-
Unrealised gain/(loss) on foreign currency		<u>-</u>	<u>1,781</u>	<u>1,781</u>	<u>(902)</u>
Net movement in funds		<u>(17,269)</u>	<u>130,183</u>	<u>112,914</u>	<u>(23,949)</u>
Fund balances brought forward		<u>23,763</u>	<u>174,540</u>	<u>198,303</u>	<u>222,252</u>
Fund balances carried forward		<u>6,494</u>	<u>304,723</u>	<u>311,217</u>	<u>198,303</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 12 form part of these accounts.

THE RAINFOREST FOUNDATION (UK) – COMPANY REGISTRATION NUMBER 07391285

BALANCE SHEET AS AT 31 DECEMBER 2013

	Note	2013 £	2012 £
Fixed assets			
Tangible assets	13	8,576	12,069
Investments	14	<u>2</u>	<u>2</u>
		8,578	12,071
Current assets			
Fund raising stock		1,609	1,660
Debtors - due within one year	15	122,826	52,593
Cash at bank and in hand		<u>210,088</u>	<u>174,380</u>
		334,523	228,633
Current liabilities			
Creditors - due within one year	16	<u>31,884</u>	<u>42,401</u>
Total assets less current liabilities		<u>302,639</u>	<u>186,232</u>
Total assets		<u>311,217</u>	<u>198,303</u>
Reserves			
Unrestricted		6,494	23,763
Restricted		<u>304,723</u>	<u>174,540</u>
Total reserves		<u>311,217</u>	<u>198,303</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 12 were approved and authorised for issue by the trustees on 13 AUGUST 2014 and signed on their behalf by:

Mr Mark Campanale
Treasurer

Mark Campanale

The notes on pages 6 to 12 form part of these accounts.

THE RAINFOREST FOUNDATION (UK)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2013****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. are recognised when it becomes receivable.
- Investment income is included when receivable.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

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 £1,609.

THE RAINFOREST FOUNDATION (UK)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

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. The trustees are aware that the unrestricted funds have fallen below the level they would usually require and are currently addressing this issue. In the financial year, whilst the fund balance has been positive, it has been reliant on the value of fixed assets, stock and debtors to achieve this. The unrestricted fund shows net current liabilities at the year-end but the trustees consider the charity is still a going concern as debts are able to be paid as they fall due, and the 12 month forecast shows an improving situation. New agreements with some major funders are including 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.

1.9 Company status

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

2 Recognised gain/loss

	2013	2012
	£	£
Unrealised gain/(loss) on foreign exchange movements	<u>1,781</u>	<u>(902)</u>

THE RAINFOREST FOUNDATION (UK)
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2013

3 Investment income

	2013 £	2012 £
Donation from subsidiary	-	9,000
Bank interest	<u>137</u>	<u>167</u>
	<u>137</u>	<u>9,167</u>

4 Other incoming resources

During the year the charity over spent on a restricted project. The funders have been informed and are refunding this money back to the charity in 2014. The closing debtor amount is £2,967 which is showing as sundry receipts on the SOFA.

5 Costs of generating funds

	Unrestricted £	Restricted £	2013 £	2012 £
Salary costs	114,518	-	114,518	77,278
Other costs	<u>56,944</u>	<u>-</u>	<u>56,944</u>	<u>74,415</u>
	<u>171,462</u>	<u>-</u>	<u>171,462</u>	<u>151,693</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 £	2013 £	2012 £
Project activities	-	1,291,836	1,291,836	1,123,210
Project support costs	<u>-</u>	<u>660,780</u>	<u>660,780</u>	<u>593,061</u>
	<u>-</u>	<u>1,952,616</u>	<u>1,952,616</u>	<u>1,716,271</u>

7 Governance costs

	Unrestricted £	Restricted £	2013 £	2012 £
Salary costs	12,724	-	12,724	16,644
Trustees' expenses	84	-	84	60
Share of office costs	1,822	-	1,822	3,989
Audit fees	4,200	-	4,200	3,924
Legal and payroll fees	<u>1,257</u>	<u>-</u>	<u>1,257</u>	<u>1,096</u>
	<u>20,087</u>	<u>-</u>	<u>20,087</u>	<u>25,713</u>

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8 Total resources expended

	Staff costs £	Other costs £	2013 £	2012 £
Costs of generating voluntary income	-	29,147	29,147	19,718
Fundraising and events	114,518	27,797	142,315	131,975
Charitable activities	472,301	1,480,315	1,952,616	1,716,271
Governance costs	<u>12,724</u>	<u>7,363</u>	<u>20,087</u>	<u>25,713</u>
	599,543	1,544,622	2,144,165	1,893,677

9 Transfers between funds

Funds totalling £6,925 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

	2013 £
Wages and salaries	530,234
Social security costs	51,023
Pension costs	<u>18,286</u>
	<u>599,543</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 (2012 – nil). There were trustees' meeting expenses of £84 in the year (2012 – £60).

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.

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13 Tangible fixed assets

	Office equipment	Fixtures & fittings	Total £
Cost			
As at 1 January 2013	89,836	8,825	98,661
Additions	<u>793</u>	<u>-</u>	<u>793</u>
As at 31 December 2013	<u>90,629</u>	<u>8,825</u>	<u>99,454</u>
Depreciation			
As at 1 January 2013	78,439	8,153	86,592
Charge for the year	<u>4,118</u>	<u>168</u>	<u>4,286</u>
As at 31 December 2013	<u>82,557</u>	<u>8,321</u>	<u>90,878</u>
Net book value			
As at 31 December 2013	<u>8,072</u>	<u>504</u>	<u>8,576</u>
As at 31 December 2012	<u>11,397</u>	<u>672</u>	<u>12,069</u>

14 Investments

The investment represents a 100% shareholding in the Rainforest Foundation Trading Company Limited, a company incorporated in the United Kingdom. A closing debtor of £1,500 is included in these financial statements due from the trading company. The capital and reserves of the trading company total £2 called up share capital and £205 distributable profit at 31 December 2013.

15 Debtors - Amounts due within one year

	2013 £	2012 £
Grants/donations receivable	55,000	19,708
Prepayments and accrued income	59,291	23,822
Rent deposit	6,500	6,500
Gift aid	535	563
Amounts due from subsidiary undertaking	<u>1,500</u>	<u>2,000</u>
	<u>122,826</u>	<u>52,593</u>

16 Creditors - Amounts due within one year

	2013 £	2012 £
Accruals and deferred income	819	159
PAYE and social security	15,312	14,691
Other creditors	<u>15,753</u>	<u>27,551</u>
	<u>31,884</u>	<u>42,401</u>

17 Funds

Total restricted funds at the year-end were £304,723, which consisted of £55,259 debtors and £6,127 creditors. The unrestricted fund was £6,494, and consisted of £8,576 fixed assets, a £2 investment in the trading company, £1,609 stock, £67,567 debtors and £25,757 creditors.

The balance, £210,088, was held as cash at bank.

THE RAINFOREST FOUNDATION (UK)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2013****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. Donations of £129,688 were received during the year. (2012 £177,166)

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

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FOR THE YEAR ENDED 31 DECEMBER 2013

20 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	Peru Cocoa Project	50,353	30,471	78,177			2,647
Betty's and Taylor's	Communal Reserves	0	100,440	75,743			24,697
Betty's and Taylor's	Cocoa	0	50,000	1,895			48,105
General Peru Donations		4,060	10,000	12,233			1,827
POF	Peru/2013/001 - Cocoa	0	91,554	4,870			86,684
FE	FE/2013/001 - Cocoa	0	17,992	2,971			15,021
Rainforest Foundation Fund	Climate - National REDD Programmes	4,348		4,348			0
Rainforest Foundation Fund	CAR & Gabon	556		503	-53		0
Rainforest Foundation Fund	IP s Climate Change Mitigation	7,771		6,308	-1,500	37	0
Rainforest Foundation Fund	Palm Oil	0	24,581	20,193		-70	4,318
Rainforest Foundation Fund	CLFW	0	105,107	96,850	-3,257		5,000
Grundtvig	Forest & Climate Protection/Can Carbon trade save forests	293		3,153		15	-2,845
JMG	Reg 2013	0	31,700	9,000			22,700
JMG	Climate Change	1,000		1,000			0
African Development Bank	Congo Basin Forest Fund	63,755		61,383	-2,115	-246	11
DfID	Community Legal Field Workers	120	123,775	123,819		-138	-62
DfID	REG 2012	31,543	1,467,612	1,428,545		-115	70,495
Charapa	Ips & Climate Change in ROC	6,202		3,450		16	2,768
Charapa	Ips & Climate Change	0	3,235	3,235			0
Rhododendron Trust			500	400			100
C Redstone	CLFW capital	197		197			0
Synch	REG 2012	6,092		7,874		8	-1,774
Synch	REG 2013	0	25,000				25,000
EU	Emergency Funds for CAR	0	5,976	5,976			0
Foreign exchange movement		-1,750				1,781	31
		<u>174,540</u>	<u>2,087,943</u>	<u>1,952,123</u>	<u>-6,925</u>	<u>1,288</u>	<u>304,723</u>