

Company Registration Number 07391285
Charity Registration Number 1138287

THE RAINFOREST FOUNDATION (UK)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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THE RAINFOREST FOUNDATION (UK)
INDEX TO THE REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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

1

**THE RAINFOREST FOUNDATION (UK)
OFFICERS AND PROFESSIONAL ADVISERS
AS AT 31 DECEMBER 2015**

Trustees

Ms L Morriss (Chair)
Dr J Hemming
Mr M Campanale (Treasurer)
Dr H Newing
Mr Z Goldsmith
Mr B Kitchen
Mr J P Davidson resigned 24 September 2015
Mr R Reoch resigned 24 September 2015
Dr L Erskine appointed 26 November 2015
Mr J Howes appointed 26 November 2015

Executive Director

Mr S Counsell

Registered office

233A Kentish Town Road
LONDON
NW5 2JT

Company number

07391285

Charity number

01138287

Bankers

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

Solicitors

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

Auditor

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

**THE RAINFOREST FOUNDATION (UK)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2015**

The trustees present their report along with the financial statements of the charity for the year ended 31 December 2015. 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 (SORP 2015 (FRSSE)).

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: Ms Louise Morriss (Chair), Mr Mark Campanale (Treasurer), Dr John Hemming (Secretary), Dr Helen Newing, Mr Zac Goldsmith MP, Mr Ben Kitchen, Dr Louise Erskine and Mr Joseph Howes.

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 principle partner organisations are set out in Note 20.

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.

During 2015, RFUK underwent a thorough-going due diligence process conducted by KPMG, on behalf of the Department for the International Development, in respect of the organisation's legal compliance, financial management systems and processes, governance, management and administration, grant -making and partner-relations. The due diligence was passed, with minimal areas for improvement identified, and rectified.

Risk management

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

**THE RAINFOREST FOUNDATION (UK)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2015**

Reserves

The total value of our reserves is £644,326.
The reserve of restricted funds, £507,318 is held solely for projects expenditure.

The unrestricted funds reserve is £137,008. 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 in the past and are always addressing this issue. The charity considers it is a going concern as debts are able to be paid as they fall due and the 12 month forecast shows a positive situation.

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

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

- (1) to conserve or assist in the conservation of the rainforests of the world; including all flora, fauna, rivers, waterways and other natural resources therein;
- (2) to advance the education of the general public in the need to conserve the rainforests and other natural resources of the world and the balance of such resources for the long-term benefit of the human race and all other living things therein;
- (3) to relieve sickness amongst the inhabitants of the rainforests, including but without limitation, by assisting such inhabitants to access local healthcare services;
- (4) to advance the education of the said inhabitants including but without limitation in the field of health and the environment.

Mission Statement

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

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

Activities

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

Tackling the Threats to Forests

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

Land and resource rights

The Foundation tackles the challenges 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 RAINFOREST FOUNDATION (UK)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2015**

Activities (continued)

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

Securing indigenous peoples' rights

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

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

Approach

The charity delivers its charitable objectives in two ways:

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

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

2015 Activities, Achievements and Performance

In 2015 our work was focused in three countries in the Congo Basin, and in Peru.

We continued to implement a large project – the Mapping and Forest Governance Programme (MFG) – in the Democratic Republic of Congo, (DRC) and Cameroon, 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 2015 were as follows:

- The implementation of a new participatory methodology for community mapping in the Congo Basin, with nine operational mapping teams in DRC and Cameroon, the training of 45 NGO representatives and 6,520 community mappers, and the successful mapping of nearly 700 communities whose lands cover several hundred thousand hectares of forest in Cameroon and DRC, along with the checking of the data and loading them to the updated MappingForRights online community mapping platform. Data for about 300 of these communities is now available online.

**THE RAINFOREST FOUNDATION (UK)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2015**

2015 Activities, Achievements and Performance (continued)

- The updating and upgrading 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 implementation of preliminary work in Maniema Province in south-eastern DRC, in collaboration with the German Development Cooperation Agency, GIZ, to test participatory land use planning in a forested area.
- The implementation of community mapping activities in three locations in Cameroon, all of which have been identified as deforestation 'hotspots' and sites of potential abuse of local peoples' rights and loss of livelihoods.
- The successful testing in Cameroon of new technology which allows communities to report incidents of illegal logging (or other events) to a central database in real-time without reliance on mobile phone networks or internet connection.
- Alongside the community forest mapping work, we have also developed a small team of six community lawyers to help forest people deal with infringements of their rights, illegal logging and assisting them in securing protected areas for their own community use. The lawyers have delivered training and capacity building for about 180 community paralegals.
- The publication of numerous reports and briefings, including a detailed methodological guide to the Foundation's participatory mapping work.
- The project has led the response to DRC's community forest decree passed in August 2014 through the publication of influential research, briefings and by building consensus among local, national and international stakeholders on implementation of community forests in the country.
- In coordination with other international NGOs, the project has provided analysis in the context of the development of the REDD+ programme in DRC.

This work is all funded by the Department for International Development Forest Governance Markets and Climate programme (DFID-FGMC).

In other programmes:

- Our long-term project with Ashaninka people in the Ene Valley, in partnership with Central Ashaninka del Rio Ene (CARE), concluded during the year. It has sought 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. 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 more than 20%.

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

- We commenced new projects working in Ghana, Cameroon, DRC and Peru to test the recently developed Real Time Monitoring (ForestLink) technology in a 'live' context. The project will seek to empower local communities to detect and instantaneously report forest illegalities.

The work in Africa is supported by the Department for International Development Forest Governance Markets and Climate programme (DFID-FGMC), with the Peru project supported by the Rainforest Fund, Waterloo Foundation and Chris Redston.

- We undertook a major consultation and feasibility study into the possibility of establishing a pan-tropical, online mapping facility to enhance the use of participatory maps developed by indigenous and other forest peoples.

This work was funded by the Ford Foundation.

**THE RAINFOREST FOUNDATION (UK)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2015**

2015 Activities, Achievements and Performance (continued)

- We initiated a new project to promote the rights of indigenous people and other traditional communities in the Central African Republic.

This work was funded by the European Commission.

- We undertook work with local partners in several countries to investigate, assess and document the impact of strictly protected conservation areas on local rainforest communities.

This work was funded by the Rainforest Fund and the Tides Foundation.

- We undertook work with local partners in two countries to investigate, assess and document the impact of new industrial scale palm oil plantations.

This work was funded by the Rainforest Fund and Synchronicity Earth.

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.

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

Fundraising

The Foundation aims to establish a diverse base of funding from institutional donors, charitable trusts and foundations, and from individuals. The charity is open to support from the corporate sector subject to ethical review. In addition to traditional grant and voluntary income, the Foundation is also engaging in new models of funding, such as the Development Impact Bond implementation with the Common Fund for Commodities and The Schmidt Family Foundation. The Foundation's fundraising mix is reviewed regularly according to a range of factors including charitable needs, likely return on investment and projected levels of free reserves.

Communications

Our communications outputs were largely delivered under partnership agreements with 999 Design Ltd and Accelerate Ltd, which provide design and web services to us at very modest rates and some pro-bono work. These relationships have enabled us to significantly improve our outreach to decision-makers, supporters and members of the public.

Financial review

Restricted fund main sources:
DfID FGMC £2,017,739

Unrestricted fund main sources:
Donations and legacies £273,191
Fundraising Events £22,749

Direct charitable expenditure accounts for 93% of total organisational expenditure.

**THE RAINFOREST FOUNDATION (UK)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2015**

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. Any gains from foreign exchange movements or interest on short-term banking of project grants are reinvested in support of the objectives of the grant, where required by the donor.

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.

Thanks

We offer special thanks to all the following organisations and individuals, who gave us more than £5,000 each: Department for International Development; Rainforest Fund; Peru Opportunity Fund; The European Commission; The Schmidt Family Foundation – Mission Investing Portfolio; The Samworth Foundation; The Waterloo Foundation; World Resources Institute; Network for Social Change; Fondation Ensemble; Tides Foundation; The Orr Mackintosh Foundation; Caffe Musetti; Langdale Trust; The Bay Tree Charitable Trust; Mr Chris Redston; Mr Derek Clough; Ms Trudie Styler.

The charity was fortunate to receive a residuary legacy gift from the estate of Mrs Roxane Roethlisberger.

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, which was revised in 2015 and will guide the programmes work until 2020. The new strategy (which is part of a new Organisational Strategy for 2016-2018) represents a difference approach from previous strategies, with our major long-term external aims being that:

1. Agro-industrial expansion doesn't happen at the expense of forest peoples' rights and livelihoods and does not destroy the rainforest.
2. Monitoring, and assisting local partners, to challenge damaging infrastructure development and extractive industry projects.
3. An alternative model of conservation is in place which fully recognises the role of communities and does not undermine their rights to land and livelihoods.
4. REDD policies and programmes in the Congo Basin do not undermine community rights but serve to strengthen tenure of local communities.
5. Formalised community based forest management systems are widespread and respond to the differing needs of local communities.
6. Land laws and spatial planning processes recognise the land rights of local and indigenous communities.
7. New geo-technologies are scaled-up and diversified in use in forest governance.
8. In project countries in Latin America and in at least two Congo Basin countries, there is an adequate legal framework for indigenous peoples' rights.

Public Benefit

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

**THE RAINFOREST FOUNDATION (UK)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2015**

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:

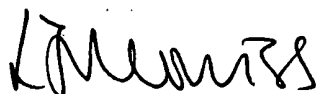
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that.

The 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:



**Louise Morriss
Chair**

Date: 22/6/2016

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 2015 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 the Financial Reporting Standard for Smaller Entities (effective January 2015) (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 page 2.7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2015 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 G Small

Date: 7 JULY 2016

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 2015

	Note	Unrestricted £	Restricted £	Total funds 2015 £	Prior period total funds 2014 £
Income and endowments from:					
Donations and legacies		273,191	-	273,191	174,351
Events and other income		22,749	-	22,749	40,749
Investments	3	450	-	450	276
Charitable activities		-	2,513,968	2,513,968	2,230,469
Total income and endowments		296,390	2,513,968	2,810,358	2,445,845
Expenditure on:					
Raising funds	4	121,047	10,606	131,653	129,224
Charitable activities	5	15,922	2,190,373	2,206,295	2,403,113
Other	6	26,907	-	26,907	30,186
Total expenditure	7	163,876	2,200,979	2,364,855	2,562,523
NET INCOME / (EXPENDITURE)		132,514	312,989	445,503	(116,678)
Transfer between funds		(62)	62	-	-
Unrealised gain/(loss) on foreign currency		-	1,173	1,173	3,111
Net movement in funds		132,452	314,224	446,676	(113,567)
Total funds brought forward		4,556	193,094	197,650	311,217
Total funds carried forward		137,008	507,318	644,326	197,650

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 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	12	3,454	6,207
Investments	13	<u>2</u>	<u>2</u>
		3,456	6,209
Current assets			
Fund raising stock		1,020	1,107
Debtors - due within one year	14	49,052	91,226
Cash at bank and in hand		<u>618,288</u>	<u>160,794</u>
		668,360	253,127
Current liabilities			
Creditors - due within one year	15	<u>27,490</u>	<u>61,686</u>
Net current assets		640,870	191,441
Total assets		644,326	197,650
Reserves			
Unrestricted		137,008	4,556
Restricted		<u>507,318</u>	<u>193,094</u>
Total reserves		644,326	197,650

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 January 2015).

The financial statements on pages 4 to 12 were approved and authorised for issue by the trustees on 26.10.16 and signed on their behalf by:

Louise Morriss
Chair

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 2015

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 January 2015), the Charities Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2015 (FRSSE)). 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 £1,020.

THE RAINFOREST FOUNDATION (UK)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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

	2015 £	2014 £
Unrealised gain on foreign exchange movements	<u>1,173</u>	<u>3,111</u>

THE RAINFOREST FOUNDATION (UK)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

3 Investments

	2015 £	2014 £
Bank interest	<u>450</u>	<u>276</u>

4 Raising funds

	Unrestricted £	Restricted £	2015 £	2014 £
Salary costs	83,884	-	83,884	67,645
Other costs	<u>37,163</u>	<u>10,606</u>	<u>47,769</u>	<u>61,579</u>
	<u>121,047</u>	<u>10,606</u>	<u>131,653</u>	<u>129,224</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.

5 Charitable activities

	Unrestricted £	Restricted £	2015 £	2014 £
Project activities	-	1,410,517	1,410,517	1,560,549
Project support costs	<u>15,922</u>	<u>779,856</u>	<u>795,778</u>	<u>842,564</u>
	<u>15,922</u>	<u>2,190,373</u>	<u>2,206,295</u>	<u>2,403,113</u>

6 Other

	Unrestricted £	Restricted £	2015 £	2014 £
Salary costs	19,551	-	19,551	23,559
Trustees' expenses	53	-	53	25
Payroll and professional fees	2,903	-	2,903	2,282
Audit fees	<u>4,400</u>	-	<u>4,400</u>	<u>4,321</u>
	<u>26,907</u>	-	<u>26,907</u>	<u>30,186</u>

THE RAINFOREST FOUNDATION (UK)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

7 Total

	Staff costs £	Other costs £	2015 £	2014 £
Costs of generating voluntary income	-	40,606	40,606	29,147
Fundraising and events	83,884	7,163	91,047	142,315
Charitable activities	592,899	1,613,396	2,206,295	1,952,616
Governance costs	19,551	7,356	26,907	20,087
	<u>696,334</u>	<u>1,668,521</u>	<u>2,364,855</u>	<u>2,144,165</u>

8 Transfers between funds

Funds totalling £62 were transferred from unrestricted to restricted during the year. These were balances made available for restricted purposes following discussion with the donor.

9 Staff costs and numbers

	2015 £
Wages and salaries	612,338
Social security costs	61,895
Pension costs	<u>22,101</u>
	<u>696,334</u>

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

The average number of employees in the year was 19.

10 Trustees' remuneration and related party transactions

None of the trustees received any remuneration during the year (2014 – nil). There were trustees' meeting expenses of £53 in the year (2014 – £25).

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

11 Taxation

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

THE RAINFOREST FOUNDATION (UK)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

12 Tangible fixed assets

	Office equipment	Fixtures & fittings	Total £
Cost			
As at 1 January 2015	93,064	8,825	101,889
Additions	<u>1,383</u>	<u>1,043</u>	<u>2,426</u>
As at 31 December 2015	<u>94,447</u>	<u>9,868</u>	<u>104,315</u>
Depreciation			
As at 1 January 2015	87,193	8,489	95,682
Charge for the year	<u>4,802</u>	<u>377</u>	<u>5,179</u>
As at 31 December 2015	<u>91,995</u>	<u>8,866</u>	<u>100,861</u>
Net book value			
As at 31 December 2015	<u>2,452</u>	<u>1,002</u>	<u>3,454</u>
As at 31 December 2014	<u>5,871</u>	<u>336</u>	<u>6,207</u>

13 Investments

The investment represents a 100% shareholding in the Rainforest Foundation Trading Company Limited, a company incorporated in the United Kingdom. The capital and reserves of the trading company total £2 called up share capital and no distributable profit at 31 December 2015.

14 Debtors - Amounts due within one year

	2015 £	2014 £
Grants/donations receivable	-	11,000
Prepayments and accrued income	41,725	73,219
Rent deposit	6,500	6,500
Gift aid	<u>827</u>	<u>507</u>
	<u>49,052</u>	<u>91,226</u>

15 Creditors - Amounts due within one year

	2015 £	2014 £
Accruals and deferred income	1,651	-
PAYE and social security	20,651	16,383
Other creditors	<u>5,188</u>	<u>45,303</u>
	<u>27,490</u>	<u>61,686</u>

16 SOFA comparatives

Restricted income for 2014 consisted of £2,230,469 from charitable activities. Expenditure consisted of £2,337,776 on charitable activities. Restricted funds opened at £304,723 and closed at £193,094.

Unrestricted income for 2014 consisted of £174,351 donations and legacies, £40,749 events and other income and £276 investments. Expenditure consisted of £202,465 raising funds and £22,282 of other costs. Unrestricted funds opened at £6,494 and closed at £4,556.

THE RAINFOREST FOUNDATION (UK)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2015****17 Funds**

Total restricted funds at the year-end were £507,318, which consisted of £162 debtors and £507,156 held in bank. The unrestricted fund was £137,008, and consisted of £3,454 fixed assets, a £2 investment in the trading company, £1,020 stock, £48,890 debtors and £27,490 creditors.

The balance, £111,132, was held as cash at bank.

18 Acknowledgements

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

19 Related 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 £156,498 were received during the year. (2014 £129,695)

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.

THE RAINFOREST FOUNDATION (UK)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

20 Restricted funds - movements

Funders	Project	Balances b/fwd £	Incoming resources £	Expenditure £	Transfers to/(from) restricted funds £	Unrecognised gains/(losses) £	Balances c/fwd £
JMG Foundation	JMG/REG/2013/001 - Infrastructure research	19,586		0			19,586
Betty's & Taylor's	B&T/PER/2012/001 - Ashaninka Cocoa Project	2,647		0	2,647		0
Betty's & Taylor's	B&T/PER/2013/001 - Communal Reserves in Peru	8,642		3,945	4,697		0
General Peru Donations	General Peru Donations	1,827	293	0	-10,699		12,818
Peru Opportunity Fund	POF/PER/2013/001 - Ashaninka Cocoa Project	-3,085	87,515	84,354			76
Fondation Ensemble	FE/PER/2013/001 - Ashaninka Cocoa Project	15,533	10,729	26,324	-62		0
Betty's & Taylor's	B&T/PER/2013/002 - Ashaninka Cocoa Project	8,141		4,724	3,417		0
Common Fund for Commodities	CFC/PER/2015/001 - Ashaninka Cocoa Project	0	74,209	74,066			143
Waterloo Foundation	WAT/PER/2015/001 - Real time monitoring pilot, Peru	0	30,000	0			30,000
Rainforest Foundation Fund	RFF/REG/2013/001 - Palm Oil campaign	543		195	348		0
Rainforest Foundation Fund	RFF/REG/2014/001 - Palm Oil campaign	12,533		8,373	-348		4,508
Rainforest Foundation Fund	RFF/ROC/2015/001 - Protected areas and rights	0	156,498	100,228			56,271
Department for International Development	DFID/REG/2011/001 - Community Legal Field Workers	6,959		7,021	-62		0
Department for International Development	FGMC/REG/2012/001 - Congo Basin Mapping	0	1,774,858	1,656,065			118,793
Department for International Development	FGMC/REG/2015/001 - Real time monitoring in Congo Basin	0	242,881	83,134			159,747
Tides Foundation	TDS/REG/2014/001 - Protected areas and rights	706		706			0
Tides Foundation	TDS/REG/2015/001 - Protected areas and rights	0	10,437	0			10,437
Charapa	CHPA/CNGB/2012/001 - IPs & Climate Change in ROC	891		891			0
Synchronicity Earth	SYNCH/REG/2013/001 - Palm Oil research	11,056		1,500			9,556
Ford Foundation	FF/REG/2014/001 - Global Mapping Feasibility Study	92,973		86,816			6,157
European Commission	EC/CAR/2015/001 - Human Rights in CAR	0	82,432	32,902			49,530
World Resources Institute / USAID	USAID/DRC/2015/001 - DRC Community Forest Roundtable	0	16,615	16,622			-7
Chris Redston	REDSTON/REG/2014/001 - Mapping Equipment	11,000		10,612	388		776
Chris Redston	REDSTON/PER/2015/001 - Real time monitoring pilot, Peru	0	10,000	0	-388		9,612
Network for Social Change	NFSC/REG/2015/001 - Palm Oil investigations	0	15,000	0			15,000
Rhododendron Trust		0	500	500			0
Unicorn Grocery Fund	UNICORN/CAM/2015/001 - Palm Oil research	0	2,000	2,000			0
Gains & Losses in Exchange	N/A	3,142				-1,173	4,315
		<u>193,094</u>	<u>2,513,968</u>	<u>2,200,978</u>	<u>-62</u>	<u>-1,173</u>	<u>507,318</u>