Company Registration Number 07391285
Charity Registration Number 1138287

THE RAINFOREST FOUNDATION (UK)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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THE RAINFOREST FOUNDATION (UK)

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FOR THE YEAR ENDED 31 DECEMBER 2017

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THE RAINFOREST FOUNDATION (UK)
OFFICERS AND PROFESSIONAL ADVISERS
AS AT 31 DECEMBER 2017

Trustees	Ms L Morriss (Chair to 31 December 2017)
	Dr J Hemming
	Mr M Campanale (Treasurer)
	Dr H Newing
	Mr Z Goldsmith (resigned 31 March 2017)
	Mr B Kitchen (Chair from 1 January 2018)
	Dr L Erskine
	Mr J Howes
Executive Director	Mr S Counsell
Registered office	2 – 4 The Atelier The Old Dairy Court 17 Crouch Hill London N4 4AP
Company number	07391285
Charity number	1138287
Bankers	CAF Bank 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Solicitors	Bates Wells & Braithwaite 2 - 6 Cannon Street LONDON EC4M 6YH
Auditor	Berkeley Hall Marshall Limited Chartered Accountants and Statutory Auditor 6 Charlotte Street BATH BA1 2NE

THE RAINFOREST FOUNDATION (UK)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2017

The trustees present their report along with the financial statements of the charity for the year ended 31 December 2017. The financial statements have been prepared in accordance with the accounting policies set out in note 1 and comply with the charity's Trust Deed, the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Reference and administrative details of the charity, its trustees and advisers.
The Rainforest Foundation UK, registered charity no. 1138287 is based at The Rainforest Foundation UK, 2 – 4 The Atelier, The Old Dairy Court, 17 Crouch Hill, London, N4 4AP, United Kingdom.

The board of trustees are: Ms Louise Morriss (Chair), Mr Mark Campanale (Treasurer), Dr John Hemming (Secretary), Dr Helen Newing, Mr Zac Goldsmith MP (resigned 31 March 2017), Mr Ben Kitchen, Dr Louise Erskine and Mr Joseph Howes.

The Executive Director is Mr Simon Counsell. The Programmes are managed by Mr. Samuel Diéval, Media, Communications and Fundraising by Mrs Rachel Agnew, and Finances by Ms Emily Hodge.

Structure, Governance and Management

The trust is an incorporated trust, constituted under Articles of Agreement and incorporated on 29 September 2010 and is a registered charity, number 1138287, (company number 07391285). The charity acquired all the assets and liabilities of the unincorporated trust, the Rainforest Foundation UK (charity number 801436), with effect from 1 January 2011.

The trustees are appointed by the board and serve for an unlimited period. The Articles of Association provide for a minimum of three trustees and 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 21.

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.

The Trustees recognise different categories of risk – such as External Risks, Business Risks, and Process Risks - and address specific risks within these through the risk matrix system.

THE RAINFOREST FOUNDATION (UK)
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2017

Reserves

The total value of our reserves is £630,878.
The reserve of restricted funds, £365,457 is held solely for projects expenditure.

The unrestricted funds reserve is £265,421. 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 £170,000, 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.

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-scale "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.

2017 Activities, Achievements and Performance

In 2017 our work was focused in three countries in the Congo Basin, and in Ghana and 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 involved a scaling up of participatory forest mapping, community legal work, capacity building of local partners, and national and international policy work.

Some of the main successes of this programme in or up to 2017 were as follows:

- The implementation of 10 operational mapping teams in DRC and Cameroon, the training of 53 NGO representatives and 6,826 community mappers, and the successful mapping of nearly 829 communities whose lands cover over 4.6 million ha. of forest in Cameroon and DRC, along with the checking of the data and loading them to the updated MappingForRights online community mapping platform.

- The completion 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. Participatory land use planning was also tested in the Southwest Region of Cameroon.

2017 Activities, Achievements and Performance (continued)

- 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 publication of a series of local forest 'atlases' showing the presence of villages and livelihoods in parts of western DRC's rainforest.

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

We continued with projects working in **Ghana, Cameroon, DRC and Peru to test the recently developed Real Time Monitoring (ForestLink) technology** in a 'live' context. The project seeks to empower local communities to detect and instantaneously report forest illegalities. Technical installation of the system has been successful, and many reports of illegalities have been generated. The technology and related implementation systems continue to be developed and assessed.

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, Fondation Ensemble and Chris Redston.

We continued a major project to pilot **community forests in the Democratic Republic of Congo** (DRC), in conjunction with UK-based NGO Well Grounded.

This 42-month project commenced full operation in October 2016. It aims to develop a number of community forests in western DRC, support the government to properly administer and control community forests throughout the country, to ensure a supportive policy context for community forests generally, and to continue building consensus among local, national and international stakeholders on implementation of community forests in the country. A national DRC Roundtable on community forests established with our support has progressed well and developed and adopted a national strategy for community forests.

We continued work under a consortium project led by the International Institute for Environment and Development to support the **development of community forests in Central African Republic, Cameroon and Republic of Congo.** RFUK's specific role in this project is to assist development of community forest pilots in CAR, and also to deploy our MappingforRights platform throughout the region to provide a basis for better community forest management and integration into wider land use planning processes.

Both of the above projects were funded by the UK Department for International Development 'Improving Livelihoods and Land Use in Congo Basin Forests' fund.

In other programmes:

- We continued work with local partners in several countries to investigate, assess and document the impact of strictly protected conservation areas on local rainforest communities, and to seek redress for those communities where appropriate. A report emanating from this work was published in 2017 (The Human cost of conservation in the Republic of Congo).

This work was funded by the Arcus Foundation, Rainforest Fund and the Tikva Grassroots Empowerment Fund.

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 checklist of 'capacity' of the recipient organisation and a due diligence process is employed to ensure that potential partners have the ability and systems to manage our grant-funded project adequately. Programme staff monitor the activities of partners in the field, making usually three to four 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 with the support of our main design agency. The New Fat, which provides design and web services to us at a reduced rate. Developing this relationship over the past 12 months has enabled us to significantly improve the quality of our communications, web presence and outreach to decision-makers, supporters and members of the public.

Financial review

Restricted fund main sources:
Department for International Development (DfID) £2,753,359
Rainforest Fund £181,829

Unrestricted fund main sources:
Donations and legacies £165,198
Fundraising Events £16,462

Direct charitable expenditure accounts for 96% of total organisational expenditure.

Investment and reserves

The charity generally has too little long-term reserves to make investments possible. Any fund reserves are generally held in a short notice deposit account, where they generate limited returns. The charity holds no investment property. Any gains from foreign exchange movements or interest on short-term banking of project grants are reinvested in support of the objectives of the grant, where required by the donor.

Investment and reserves (continued)

The main reason for holding reserves is to ensure that the charity has enough resources to guarantee that our programmes can be supported through to their conclusion or passed in an orderly manner to another grant manager. It is the Foundation's policy never to commit funds that it does not have, and most project funding is therefore committed only when there are guaranteed long-term (almost always external) sources to support it. The restricted funds held by the charity are only kept for as long as is necessary to organise the use of the funds.

Thanks

We offer special thanks to all the following organisations and individuals, who gave us more than £2,500 each: UK Department for International Development; Rainforest Fund; The Samworth Foundation; Fondation Ensemble; Network for Social Change; The Reed Foundation; Langdale Trust; Mr Chris Redston; The Fulmer Charitable Trust; The Cotmore Trust; Ms Anne Redston.

The charity was fortunate to receive residuary legacy gifts from the estates of Mrs Roxane Roethlisberger and Mr John Michael William Gould.

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 different 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 security and livelihoods.

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 geotechnologies 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 2017

Statement of Responsibilities of the Trustees

The trustees (who are also directors of The Rainforest Foundation UK for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the incoming resources and application of resources, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and

- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

ON BEHALF OF THE BOARD:

Ben Kitchen
Chair

Date: 20/06/18

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

Opinion

We have audited the financial statements of The Rainforest Foundation (UK) for the year ended 31 December 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

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 2017, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 2.7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

M G Small

Date: 3 JULY 2018

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

6 Charlotte Street
Bath

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 2017

	Note	Unrestricted £	Restricted £	Total funds 2017 £	Prior period total funds 2016 £
Income and endowments from:					
Donations and legacies		165,198	-	165,198	183,902
Events and other income		16,462	-	16,462	13,417
Investments	4	1,640	-	1,640	1,107
Charitable activities		-	3,022,296	3,022,296	3,124,040
Total income and endowments		183,300	3,022,296	3,205,596	3,322,466
Expenditure on:					
Raising funds	5	82,342	-	82,342	125,626
Charitable activities	6	58,794	3,406,332	3,465,126	2,832,013
Other	7	29,193	-	29,193	25,405
Total expenditure	8	170,329	3,406,332	3,576,661	2,983,044
NET INCOME		12,971	(384,036)	(371,065)	339,422
Unrealised (loss)/gain on foreign currency		-	(34,102)	(34,102)	52,297
Net movement in funds		12,971	(418,138)	(405,167)	391,719
Total funds brought forward		252,450	783,595	1,036,045	644,326
Total funds carried forward		265,421	365,457	630,878	1,036,045

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

The notes on pages 7 to 14 form part of these accounts.

THE RAINFOREST FOUNDATION (UK) – COMPANY REGISTRATION NUMBER 07391285

BALANCE SHEET AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	12	12,429	7,840
Investments	13	2	2
		12,431	7,842
Current assets			
Stock		1,020	1,020
Debtors - due within one year	14	38,495	43,911
Cash at bank and in hand		653,577	1,040,546
		693,092	1,085,477
Current liabilities			
Creditors - due within one year	15	74,645	57,274
Net current assets		618,447	1,028,203
Total assets less current liabilities		630,878	1,036,045
Total net assets		630,878	1,036,045
Funds of the charity			
Unrestricted		265,421	252,450
Restricted		365,457	783,595
Total charity funds		630,878	1,036,045

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the Statements of Recommended Practice FRS 102.

The financial statements on pages 4 to 14 were approved and authorised for issue by the trustees on 29 JUNE 2018 and signed on their behalf by:

Ben Kitchen
Chair

The notes on pages 7 to 14 form part of these accounts.

THE RAINFOREST FOUNDATION (UK)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDING 31 DECEMBER 2017

	Note	2017 £	2016 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	20	(345,022)	376,533
Cash flows from investing activities:			
Interest income		1,640	1,107
Purchase of tangible fixed assets		(9,485)	(7,679)
Net cash used in investing activities		(7,845)	(6,572)
Change in cash and cash equivalents in the year		(352,887)	369,961
Cash and cash equivalents at the beginning of the reporting year		1,040,546	618,288
Change in cash and cash equivalents due to exchange rate movements		(34,102)	52,297
Cash and cash equivalents at the end of the reporting year		653,557	1,040,546

The notes on pages 7 to 14 form part of these accounts.

THE RAINFOREST FOUNDATION (UK)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Statutory information

The Rainforest Foundation (UK) is a charitable company, limited by guarantee, registered in England and Wales. The company's registered number is 07391285 and its registered office can be found on the Administrative Information page. The company is also registered with the Charity Commission and their registered number is 1138287.

2 Accounting policies

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

2.1 Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)); the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102); and the Companies Act 2006. The Rainforest Foundation (UK) meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

2.2 Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

2.3 Incoming resources

All income resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Income from events, etc. are recognised when it becomes receivable.
- Investment income is included when receivable.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

2.4 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.

2.5 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:
- Raising funds comprise of the costs associated with attracting voluntary income, both direct and apportioned.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Other costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the Statement of Financial Activities (SoFA) on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. floor areas, per capita or estimated usage.

2.6 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.

2.7 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

2.8 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.

2.9 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.

3 Recognised gain/loss

	2017	2016
	£	£
Unrealised (loss)/gain on foreign exchange movements	**(34,102)**	52,297

THE RAINFOREST FOUNDATION (UK)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

4 Investments

	2017	2016
	£	£
Bank interest	1,640	1,107

5 Raising funds

	Unrestricted	Restricted	2017	2016
	£	£	£	£
Salary costs	58,797	-	58,797	71,210
Other costs	23,545	-	23,545	54,416
	82,342	-	82,342	125,626

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	2017	2016
	£	£	£	£
Project activities	58,794	2,389,386	2,448,180	1,931,416
Project support costs	-	1,016,946	1,016,946	900,597
	58,794	3,406,332	3,465,126	2,832,013

7 Other

	Unrestricted	Restricted	2017	2016
	£	£	£	£
Salary costs	22,626	-	22,626	19,218
Trustees' expenses	62	-	62	405
Payroll and professional fees	1,525	-	1,525	1,382
Audit fees	4,980	-	4,980	4,400
	29,193	-	29,193	25,405

All the above costs, included in 'other', are the governance costs of the charity. The salary costs are apportioned based on time spent. The remaining costs are the actual amounts. The governance costs have been met through restricted funds, as agreed by funding providers through their inclusion of 'core costs' in the respective budgets.

8 Total expenditure

	Staff costs £	Other costs £	2017 £	2016 £
Raising funds	58,797	23,545	82,342	125,626
Charitable activities	859,955	2,605,171	3,465,126	2,832,013
Other	22,626	6,567	29,193	25,405
	941,378	2,635,283	3,576,661	2,983,044

9 Staff costs and numbers

	2017 £
Wages and salaries	827,186
Social security costs	83,325
Pension costs	30,867
	941,378

One employee received a salary between £70,000 and £80,000 during the year.

The average number of employees in the year was 23.

10 Trustees' remuneration and expenses

None of the trustees received any remuneration during the year (2016 – nil). There were trustees' meeting expenses of £62 in the year (2016 – £405).

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

11 Taxation

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

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

12 Tangible fixed assets

	Office equipment	Fixtures & fittings	Total
			£
Cost			
As at 1 January 2017	99,008	12,986	111,994
Additions	1,449	8,035	9,484
As at 31 December 2017	100,457	21,021	121,478
Depreciation			
As at 1 January 2017	94,288	9,866	104,154
Charge for the year	2,456	2,439	4,895
As at 31 December 2017	96,744	12,305	109,049
Net book value			
As at 31 December 2017	3,713	8,716	12,429
As at 31 December 2016	4,720	3,120	7,840

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 2017.

14 Debtors - Amounts due within one year

	2017	2016
	£	£
Prepayments and accrued income	30,302	36,225
Rent deposit	6,500	6,500
Gift aid	1,693	1,186
	38,495	43,911

15 Creditors - Amounts due within one year

	2017	2016
	£	£
Trade creditors	31,863	24,573
Accruals and deferred income	3,610	261
PAYE and social security	25,283	25,863
Other creditors	13,889	6,577
	74,645	57,274

16 SOFA comparatives

Restricted income for 2016 consisted of £3,124,040 from charitable activities. Expenditure consisted of £2,824,345 on charitable activities, £50,310 raising funds and £25,405 on other costs. Restricted funds opened at £507,318 and closed at £783,595.

Unrestricted income for 2016 consisted of £183,902 donations and legacies, £13,417 events and other income and £1,107 investments. Expenditure consisted of £75,316 raising funds and £7,668 of charitable activities. Unrestricted funds opened at £137,008 and closed at £252,450.

17 Funds

Total restricted funds at the year-end were £365,457, which consisted of money held in bank.

The unrestricted fund was £265,421, and consisted of £12,429 fixed assets, a £2 investment in the trading company, £1,020 stock, £38,495 debtors and £74,645 creditors. The balance, £288,120, was held as cash at bank.

18 Acknowledgements

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

19 Related party transactions

These are as follows:

The Rainforest Foundation (UK) is part of the International Rainforest Foundation network, which consists of a number of autonomous organisations. These organisations are based in Oslo and New York as well as in London.

In 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 £181,829 were received during the year. (2016 £173,986)

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

Remuneration of key management personnel
The remuneration of key management personnel is as follows.

	2017	2016
	£	£
Aggregate remuneration	**228,220**	229,278

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

	2017	2016
	£	£
Net (deficit)/surplus for the year	**(371,064)**	339,422
Depreciation charge	**4,895**	3,293
Less interest on investments	**(1,640)**	(1,107)
Decrease in debtors	**5,416**	5,141
Increase in creditors	**17,371**	29,784
Net cash provided by operating activities	**345,022**	376,533

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FOR THE YEAR ENDED 31 DECEMBER 2017

21 Restricted funds - movements

Funder/Project	Project restriction	Balances b/fwd £	Incoming resources £	Expenditure £	Transfers to/(from) restricted funds £	Unrecognised gains/(losses) £	Balances c/fwd £
General Peru Donations - Real time monitoring - ForestLink Peru	Real-time monitoring to empower indigenous peoples to protect the Amazon rainforest	2,592	5,000	3,478			4,114
JMG Foundation - Infrastructure research (2013)	Assessment of the current and future threats to the Congo Basin forests, and the impact of and prospects for REDD	19,586	0	0			19,586
Network for Social Change	Real-time monitoring to empower indigenous peoples to protect the Amazon rainforest	0	15,000	15,000			0
Fondation Ensemble - Real time monitoring, ForestLink Peru (2017)	Real-time monitoring to empower indigenous peoples to protect the Amazon rainforest	21,294	31,108	49,820			2,582
Waterloo Foundation - Real time monitoring, ForestLink Peru (2015)	Real-time monitoring to empower indigenous peoples to protect the Amazon rainforest	2,761	0	2,761			0
Waterloo Foundation - Real time monitoring, ForestLink Peru (2017)	Real-time monitoring to empower indigenous peoples to protect the Amazon rainforest	50,000	0	40,930			9,070
Rainforest Fund - Palm Oil Campaign (2014)	Reducing the negative impacts on forest communities due to the expansion of industrial palm oil plantations in the Congo Basin	2,500	0	2,214			286
Rainforest Fund - Protected areas and rights (2017)	Community rights and conservation in the Congo Basin	0	91,404	67,875			23,529
Rainforest Fund - Protected areas and rights (2016)	Community rights and conservation in the Congo Basin	24,664	0	24,664			0
Rainforest Fund - Real time monitoring, ForestLink Peru (2017)	Real-time monitoring to empower indigenous peoples to protect the Amazon rainforest	0	90,425	90,425			0
Rainforest Fund - Real time monitoring, ForestLink Peru (2016)	Real-time monitoring to empower indigenous peoples to protect the Amazon rainforest	19,187	0	19,187			0
Department for International Development - Congo Basin Mapping (2012)	Improving forest governance by documentation of community tenure in the Congo Basin	120,689	99,236	202,181			17,744
Department for International Development - Real time monitoring in the Congo Basin (2015)	Community-based real-time forest monitoring to support FLEGT processes in the Congo Basin	130,706	664,691	753,179			42,218
Department for International Development - CoNGOs CF Consortium (2016)	CoNGOs NGO collaboration for equitable and sustainable community livelihoods in Congo Basin forests	-2,225	299,266	227,931			69,110
Department for International Development - DRC Community Forests (2016)	Improving livelihoods and land use in the Congo Basin Forests	176,949	1,690,166	1,781,855			85,260

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

21 Restricted funds - movements (continued)

Funder/Project	Project restriction	Balances b/fwd £	Incoming resources £	Expenditure £	Transfers to/(from) restricted funds £	Unrecognised gains/(losses) £	Balances c/fwd £
Tides Foundation - Protected areas and rights (2015)	Promoting transparency in the conservation sector in the Congo Basin	1,344	0	1,344			0
Tides Foundation - Protected areas and rights (2016)	Promoting transparency in the conservation sector in the Congo Basin	15,892	0	11,564			4,328
Synchronicity Earth - Palm Oil Research (2013)	Field investigations into the impact of new palm oil plantations in the Congo Basin	5,283	0	0			5,283
General Congo donations	Promoting the rights of indigenous and forest communities in the Congo Basin	0	1,000	0			1,000
European Commission - Human Rights in CAR (2015)	Promoting the rights of indigenous and forest communities in CAR	6,784	0	635			6,149
Samworth Foundation	Improving the impact and implementation of REDD+	0	35,000	1,099			33,901
Chris Redston - Real time monitoring - ForestLink Peru (2016)	Real-time monitoring to empower indigenous peoples to protect the Amazon rainforest	7,082	0	4,566			2,516
Rainbow Environment Consult - Mapping Standards (2016)	Development of a community mapping protocol in Cameroon	8,348	0	0			8,348
Arcus Foundation - Lomami National Park Consultation (2017)	Lomami National Park Community Consultation	113,547	0	105,624			7,923
Gains & Losses in Exchange	N/A	56,612				-34,102	22,510
		783,595	3,022,296	3,406,332	0	-34,102	365,457