

Company Registration Number 07391285  
Charity Registration Number 1138287

**THE RAINFOREST FOUNDATION (UK)**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**



**THE RAINFOREST FOUNDATION (UK)**  
**INDEX TO THE REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**Page no**

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

**THE RAINFOREST FOUNDATION (UK)  
OFFICERS AND PROFESSIONAL ADVISERS  
AS AT 31 DECEMBER 2018**

**Trustees**

Mr B Kitchen (Chair from 1 January 2018)  
Dr J Hemming (Secretary)  
Mr M Campanale (Treasurer)  
Dr L Erskine  
Mr J Howes  
Prof R Coward (appointed 8 March 2018)  
Mr R Mahendra (appointed 8 March 2018)

**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 2018**

The trustees present their report along with the financial statements of the charity for the year ended 31 December 2018. 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: Mr Ben Kitchen (Chair), Mr Mark Campanale (Treasurer), Dr John Hemming (Secretary), Dr Louise Erskine, Mr Joseph Howes, Prof Rosalind Coward (appointed 8 March 2018) and Mr Rabiendran Mahendra (appointed 8 March 2018).

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 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 2018**

**Reserves**

The total value of our reserves is £873,931.  
The reserve of restricted funds, £630,747 is held solely for projects expenditure.

The unrestricted funds reserve is £243,184. 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, 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 2018**

**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.

**2018 Activities, Achievements and Performance**

In 2018 our work was focused in three countries in the Congo Basin, and in Ghana and Peru.

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.

**THE RAINFOREST FOUNDATION (UK)  
REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**2018 Activities, Achievements and Performance (continued)**

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 (CAR), 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.

We initiated an innovative major new project to develop participatory land use planning with forest communities in the province of Maniema in Eastern DRC. This work is financed by the German Development Cooperation Agency, GIZ.

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 Republic of Congo).

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

- We undertook preliminary work developing a new project to assist the Asháninka people of Peru to develop sustainable livelihoods through the production of high quality cocoa.

This project is funded by Inter-American Development Bank.

- We undertook research into new industrial palm oil developments in the Congo Basin.

This work is funded by Synchronicity Earth.

- We continued to monitor the development of REDD projects in the DRC, and to work to strengthen the ability of local communities to understand, analyse and engage with the relevant policy makers and programme implementers.

This work is supported by the Samworth Foundation.

**THE RAINFOREST FOUNDATION (UK)  
REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**Grant-making policy**

All grants for overseas project work are issued to local partner organisations and occasionally to short-term specialist contractors. 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 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. 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. Continuing to develop 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) £2,755,459  
Rainforest Fund £122,579

Unrestricted fund main sources:

Donations and legacies £179,099  
Fundraising Events £32,865

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.



**THE RAINFOREST FOUNDATION (UK)  
REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**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; GIZ (German Development Cooperation); Inter-American Development Bank; Fondation Ensemble; The Waterloo Foundation; The Samworth Foundation; Tikva Grassroots Empowerment Fund; Synchronicity Earth; Network for Social Change; Langdale Trust; The Reed Foundation; The Cotmore Trust; The Marjorie Coote Animal Charity Trust; The Ericson Trust.

**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 2019-2021) 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 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 2018**

**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**

24 MAY 2019

## **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 2018 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 2018, 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

*M Small*

6 Charlotte Street  
Bath

31 MAY 2019

**Matthew Small FCA (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 2018**

	Note	Unrestricted £	Restricted £	Total funds 2018 £	Prior period total funds 2017 £
<b>Income and endowments from:</b>					
Donations and legacies		179,099	-	179,099	165,198
Events and other income		32,865	-	32,865	16,462
Investments	4	2,660	-	2,660	1,640
Charitable activities		-	3,908,778	3,908,778	3,022,296
<b>Total income and endowments</b>		<b>214,624</b>	<b>3,908,778</b>	<b>4,123,402</b>	<b>3,205,596</b>
<b>Expenditure on:</b>					
Raising funds	5	94,319	-	94,319	82,342
Charitable activities	6	96,929	3,633,310	3,730,239	3,465,126
Other	7	45,613	6,103	51,716	29,193
<b>Total expenditure</b>	8	<b>236,861</b>	<b>3,639,413</b>	<b>3,876,274</b>	<b>3,576,661</b>
<b>NET INCOME</b>		<b>(22,237)</b>	<b>269,365</b>	<b>247,128</b>	<b>(371,065)</b>
Unrealised (loss)/gain on foreign currency		-	(4,075)	(4,075)	(34,102)
<b>Net movement in funds</b>		<b>(22,237)</b>	<b>265,290</b>	<b>243,053</b>	<b>(405,167)</b>
<b>Total funds brought forward</b>		<b>265,421</b>	<b>365,457</b>	<b>630,878</b>	<b>1,036,045</b>
<b>Total funds carried forward</b>		<b>243,184</b>	<b>630,747</b>	<b>873,931</b>	<b>630,878</b>

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 RAINFOREST FOUNDATION (UK) – COMPANY REGISTRATION NUMBER 07391285

## BALANCE SHEET AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	12	16,153	12,429
Investments	13	<u>2</u>	<u>2</u>
		16,155	12,431
<b>Current assets</b>			
Stock		-	1,020
Debtors - due within one year	14	100,690	38,495
Cash at bank and in hand		<u>793,487</u>	<u>653,577</u>
		894,177	693,092
<b>Current liabilities</b>			
Creditors - due within one year	15	<u>36,401</u>	<u>74,645</u>
<b>Net current assets</b>		<u>857,776</u>	<u>618,447</u>
<b>Total assets less current liabilities</b>		873,931	630,878
<b>Total net assets</b>		<u>873,931</u>	<u>630,878</u>
<b>Funds of the charity</b>			
Unrestricted		243,184	265,421
Restricted		<u>630,747</u>	<u>365,457</u>
<b>Total charity funds</b>		<u>873,931</u>	<u>630,878</u>

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

The financial statements on pages 4 to 14 were approved and authorised for issue by the trustees on 24 MAY 2019 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 2018**

	Note	2018 £	2017 £
<b>Cash flows from operating activities:</b>			
<b>Net cash provided by (used in) operating activities</b>	<b>20</b>	<b><u>66,079</u></b>	<b><u>(345,022)</u></b>
<b>Cash flows from investing activities:</b>			
Interest income		2,660	1,640
Purchase of tangible fixed assets		(12,235)	(9,485)
Disposal of tangible fixed assets		<u>87,481</u>	-
<b>Net cash used in investing activities</b>		<b><u>77,906</u></b>	<b><u>(7,845)</u></b>
<b>Change in cash and cash equivalents in the year</b>		<b>143,985</b>	<b>(352,887)</b>
<b>Cash and cash equivalents at the beginning of the reporting year</b>		<b>653,577</b>	<b>1,040,546</b>
<b>Change in cash and cash equivalents due to exchange rate movements</b>		<b><u>(4,075)</u></b>	<b><u>(34,102)</u></b>
<b>Cash and cash equivalents at the end of the reporting year</b>		<b><u>793,487</u></b>	<b><u>653,577</u></b>

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 2018

#### 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.



**THE RAINFOREST FOUNDATION (UK)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**2.4 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.

**2.5 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.

**2.6 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.

**2.7 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.

**2.8 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**

	2018 £	2017 £
Unrealised (loss)/gain on foreign exchange movements	<u>(4,075)</u>	<u>(34,102)</u>

**THE RAINFOREST FOUNDATION (UK)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

<b>4</b>	<b>Investments</b>			<b>2018</b>	<b>2017</b>
				£	£
	Bank interest			<u>2,660</u>	<u>1,640</u>
<b>5</b>	<b>Raising funds</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2018</b>	<b>2017</b>
		£	£	£	£
	Salary costs	50,085	-	50,085	58,797
	Other costs	<u>44,234</u>	-	<u>44,234</u>	<u>23,545</u>
		<u>94,319</u>	-	<u>94,319</u>	<u>82,342</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.

<b>6</b>	<b>Charitable activities</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2018</b>	<b>2017</b>
		£	£	£	£
	Project activities	8,680	2,512,682	2,521,362	2,448,180
	Project support costs	<u>88,249</u>	<u>1,120,628</u>	<u>1,208,877</u>	<u>1,016,946</u>
		<u>96,929</u>	<u>3,633,310</u>	<u>3,730,239</u>	<u>3,465,126</u>
<b>7</b>	<b>Other</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2018</b>	<b>2017</b>
		£	£	£	£
	Salary costs	39,002	6,103	45,105	22,626
	Trustees' expenses	288	-	288	62
	Payroll and professional fees	1,187	-	1,187	1,525
	Audit fees	<u>5,136</u>	-	<u>5,136</u>	<u>4,980</u>
		<u>45,613</u>	<u>6,103</u>	<u>51,716</u>	<u>29,193</u>

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.

**THE RAINFOREST FOUNDATION (UK)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**8 Total expenditure**

	Staff costs £	Other costs £	2018 £	2017 £
Raising funds	50,085	44,234	94,319	82,342
Charitable activities	958,537	2,771,702	3,730,239	3,465,126
Other	<u>45,105</u>	<u>6,611</u>	<u>51,716</u>	<u>29,193</u>
	<u>1,053,727</u>	<u>2,822,547</u>	<u>3,876,274</u>	<u>3,576,661</u>

**9 Staff costs and numbers**

	2018 £
Wages and salaries	922,863
Social security costs	94,728
Pension costs	<u>36,136</u>
	1,053,727

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

The average number of employees in the year was 27.

**10 Trustees' remuneration and expenses**

None of the trustees received any remuneration during the year (2017 – nil). There were trustees' meeting expenses of £288 in the year (2017 – £62).

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 2018**

**12 Tangible fixed assets**

	Office equipment	Fixtures & fittings	Total £
<b>Cost</b>			
As at 1 January 2018	100,457	21,021	121,478
Additions	2,645	9,590	12,235
Disposals	<u>(76,267)</u>	<u>(11,214)</u>	<u>(87,482)</u>
As at 31 December 2018	<u>26,835</u>	<u>19,397</u>	<u>46,231</u>
<b>Depreciation</b>			
As at 1 January 2018	96,744	12,305	109,049
Charge for the year	2,365	4,695	7,060
Depreciation on disposals	<u>(76,088)</u>	<u>(9,942)</u>	<u>(86,030)</u>
As at 31 December 2018	<u>23,021</u>	<u>7,058</u>	<u>30,079</u>
<b>Net book value</b>			
As at 31 December 2018	<u>3,814</u>	<u>12,339</u>	<u>16,153</u>
As at 31 December 2017	<u>3,713</u>	<u>8,716</u>	<u>12,429</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 2018.

**14 Debtors - Amounts due within one year**

	2018 £	2017 £
Prepayments and accrued income	76,540	30,302
Rent deposit	19,500	6,500
Gift aid	<u>4,650</u>	<u>1,693</u>
	<u>100,690</u>	<u>38,495</u>

**15 Creditors - Amounts due within one year**

	2018 £	2017 £
Trade creditors	7,257	31,863
Accruals and deferred income	1,275	3,610
PAYE and social security	25,242	25,283
Other creditors	<u>2,627</u>	<u>13,889</u>
	<u>36,401</u>	<u>74,645</u>

**THE RAINFOREST FOUNDATION (UK)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**16 SOFA comparatives**

Restricted income for 2017 consisted of £3,022,296 from charitable activities. Expenditure consisted of £3,406,332 on charitable activities. Restricted funds opened at £783,595 and closed at £365,457.

Unrestricted income for 2017 consisted of £165,198 donations and legacies, £16,462 events and other income and £1,640 investments. Expenditure consisted of £82,342 raising funds, £58,794 charitable activities and £29,193 of other expenditure. Unrestricted funds opened at £252,450 and closed at £265,421.

**17 Funds**

Total restricted funds at the year-end were £630,747, which consisted of money held in bank.

The unrestricted fund was £243,183, and consisted of £16,152 fixed assets, a £2 investment in the trading company, £100,690 debtors and £36,401 creditors. The balance, £162,740, 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 £122,579 were received during the year (2017 - £181,829).

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.

	2018	2017
	£	£
Aggregate remuneration	235,784	228,220

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

	2018	2017
	£	£
Net (deficit)/surplus for the year	247,128	(371,064)
Depreciation charge	7,060	4,895
Depreciation on disposals	(86,030)	-
Less interest on investments	(2,660)	(1,640)
Increase in debtors	(62,195)	5,416
Decrease in stock	1,020	-
Decrease in creditors	<u>(38,244)</u>	<u>17,371</u>
<b>Net cash provided by operating activities</b>	<b><u>66,079</u></b>	<b><u>345,022</u></b>

THE RAINFOREST FOUNDATION (UK)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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 £
Department for International Development - Congo Basin Mapping (2012)	Improving forest governance by documentation of community tenure in the Congo Basin	17,744	14,672	32,416			0
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	42,217	68,106	110,320	3		0
Department for International Development - Real-time monitoring in the Congo Basin (2018)	Embedding community real-time monitoring to sustain livelihoods and forests in Central and West Africa	0	493,828	502,165			-8,337
Department for International Development - CoNGOs CF Consortium (2016)	NGO collaboration for equitable and sustainable community livelihoods in Congo Basin forests	69,110	190,000	187,186			71,924
Department for International Development - DRC Community Forests (2016)	Improving livelihoods and land use in the Congo Basin Forests	85,260	1,988,853	1,895,185			178,928
GIZ - German Development Cooperation Agency - Participatory mapping & land use planning in DRC (2017)	Achieving effective community participation in spatial planning and development priority-setting in Maniema province, DRC	0	779,210	556,241			222,969
Rainforest Fund - Protected areas and rights (2017)	Community rights and conservation in the Congo Basin	23,529	0	23,529			0
Rainforest Fund - Protected areas and rights (2018)	Community rights and conservation in the Congo Basin	0	65,271	54,395			10,876
Tides Foundation - Protected areas and rights (2016)	Promoting transparency in the conservation sector in the Congo Basin	4,328	0	4,328			0
Tides Foundation - Human impact of conservation in DRC (2017)	Raising awareness of the human impacts of conservation in DRC	0	14,890	14,890			0
Tides Foundation - Human impact of conservation in Congo Basin (2018)	Raising awareness of the human impacts of conservation in DRC	0	20,000				20,000
Rainforest Fund - Real-time monitoring, ForestLink Peru (2018)	Real-time monitoring to empower indigenous peoples to protect the Amazon rainforest	0	57,308	45,741			11,567
Waterloo Foundation - Real-time monitoring, ForestLink Peru (2017)	Real-time monitoring to empower indigenous peoples to protect the Amazon rainforest	9,070	50,000	49,423			9,647
Chris Redston - Real-time monitoring - ForestLink Peru (2016)	Real-time monitoring to empower indigenous peoples to protect the Amazon rainforest	2,516	0	2,079			437
Fondation Ensemble - Real-time monitoring, ForestLink Peru (2017)	Real-time monitoring to empower indigenous peoples to protect the Amazon rainforest	2,582	52,773	42,936			12,419
Inter-American Development Bank - Development Impact Bond (2018)	Improving agroforestry products and the conservation of the forests of the Ashaninka communities in the Peruvian Amazon	0	54,837	54,633			204
Synchronicity Earth - Community Forests (2019)	Implementation of the new community forestry law in DRC	0	15,000				15,000
Synchronicity Earth - Palm Oil (2018)	Advocacy support to communities affected by Sudcam's plantations in South Cameroon	0	9,031	9,031			0
Synchronicity Earth - Palm Oil (2013)	Field investigations into the impact of new palm oil plantations in the Congo Basin	5,283	0	5,113			170

THE RAINFOREST FOUNDATION (UK)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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
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	286	0	286			0
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	3,278			16,308
Rainbow Environment Consult - Mapping Standards (2016)	Development of a community mapping protocol in Cameroon	8,348	0	4,416			3,932
Arcus Foundation - Lomami National Park Consultation (2017)	Lomami National Park Community Consultation	7,924	0	7,924			0
Samworth Foundation (2017) - REDD+	Improving the impact and implementation of REDD+	33,901	35,000	31,373			37,528
European Commission - Human Rights in CAR (2015)	Promoting the rights of indigenous and forest communities in CAR	6,149	0	0			6,149
General Peru Donations - Real-time monitoring - ForestLink Peru	Real-time monitoring to empower indigenous peoples to protect the Amazon rainforest	4,114	0	1,523			2,591
General Congo donations	Promoting the rights of indigenous and forest communities in the Congo Basin	1,000	0	1,000			0
Gains & Losses in Exchange	N/A	22,510	0	0		-4,075	18,435
		<u>365,457</u>	<u>3,908,779</u>	<u>3,639,411</u>	<u>3</u>	<u>-4,075</u>	<u>630,747</u>