

# Report and financial statements

for the year ended 31 December 2016



Forest  
Peoples  
Programme

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Registered Charity No. 1082158

Company Registration No. 03868836

Report and financial statements for the year ended 31 December 2016

## Administrative information

Trustees/Directors	S Ozinga (resigned 16 June 2016) P Wolvekamp C Yong C Dobson (resigned 10 October 2016) S P Finn S Siakor K Geary M Sirait S Morrison (appointed 15 June 2016) B Tallack (appointed 2 September 2016)
Secretary	S Roberts (appointed 2 September 2016)
Principal Address and Registered Office	1c Fosseyway Business Centre Stratford Road Moreton-in-Marsh Gloucestershire GL56 9NQ
Statutory Auditor	Crowe Clark Whitehill LLP Carrick House Lypiatt Road Cheltenham Gloucestershire GL50 2QJ
Bankers	NatWest Chipping Norton Branch 16 Market Place Chipping Norton Oxfordshire OX7 5ND
Key Management Personnel	M L Henson F Cottrell T Lomax H Tugendhat
Charity Registration Number	1082158
Company Registration Number	03868836

## Report of the trustees

The Trustees present their report with the financial statements of the charity for the year ended 31 December 2016.

### Objectives and activities

The charitable objectives as set out in the governing documents, of the Memorandum and Articles of Association, are 'To promote any charitable purpose for the benefit of indigenous and local peoples and other disadvantaged communities anywhere in the world who depend on forests for their livelihoods by enabling them to preserve, conserve and protect their environment and the prudent use of its resources, promoting human rights (as set out in the United Nations Declaration of Human Rights and subsequent United Nations conventions and declarations), and by the relief of poverty and improvement of the conditions of life of those communities'.

### Our vision

Forests are owned and controlled by forest peoples in ways that ensure sustainable livelihoods, equity and well-being based on respect for their rights, knowledge, culture and identities.

### Our mission

Forest Peoples Programme supports the rights of the peoples who live in forests and depend on them for their livelihoods. We work to create political space for forest peoples to secure their rights, control their lands and decide their futures.

### Our strategic goals to achieve this are:

- Get the rights and interests of forest peoples recognised in laws, policies and programmes.
- Support forest peoples to build their own capacities to claim and exercise their human rights.
- Counter top-down policies and projects that threaten the rights of forest peoples.
- Promote community-based sustainable forest management.
- Ensure equity, counter discrimination and promote gender justice.
- Inform NGO actions on forests in line with forest peoples' visions.
- Link up indigenous and forest peoples' movements at the regional and international levels.

### Summary of activities 2016

FPP's long-term goal is improved social, economic and environmental living conditions for indigenous and tribal forest peoples, especially through actions to secure collective land rights and improve land tenure security. We work towards this using a rights-based approach, to help forest peoples gain control over their future through capacity building to defend their own rights, educate policy makers and develop sustainable livelihood skills for the long-term relief of poverty. FPP also carries out education and advocacy on the forest crisis with the aim of getting forests protected for sustainable use by people with secure rights.

During 2016, we worked with indigenous and tribal peoples in Africa (Cameroon, Central African Republic, Democratic Republic of Congo, Liberia, Kenya, Republic of Congo, Tanzania and Uganda), South America (Colombia, Costa Rica, Guyana, Panama, Paraguay, Peru and Suriname) and Asia (Bangladesh, Cambodia, Indonesia, Malaysia, Nepal, Philippines and Thailand) described below under our programme themes (Legal and Human Rights; Responsible Finance and Climate; and Environmental Governance) and from our Africa Programme.

### **The Legal and Human Rights Programme (LHRP)**

The LHRP is funded in 2016 with grants from the Department for International Development (DFID), the Samworth Foundation, the Ford Foundation, Arcus, the Rights and Resources Initiative (RRI), the Swedish International Development Agency (SIDA), the Waterloo Foundation and the European Commission.

The LHRP continues to work with community and civil society partners to maximise the effective use of existing and innovative legal tools to support forest peoples to gain control over their traditional lands, territories and resources. Its lawyers and legal experts provide legal advice, information, training and capacity-building to indigenous and forest peoples globally and supports their participation in national and international processes to better ensure their human rights are respected and protected, and that rights violations are properly remedied. This has included supporting national or international court cases being brought by forest peoples in Africa and South America.

The LHRP supported communities to raise the bar in human rights standard setting processes such as those of the United Nations (UN), the Inter-American Court of Human Rights (IACHR) and the African Commission on Human and Peoples' Rights (ACHPR).

The LHRP also continued its support for partners seeking to overcome discriminatory laws and improve forest governance and human rights compliance in countries participating in the EU's Forest Law Enforcement, Governance and Trade (FLEGT) mechanism in several African and South American countries.

The LHRP provides extensive support to indigenous and forest peoples' organisations worldwide in global standard setting and policy processes.

In 2016, it assisted indigenous and forest peoples and civil society partners in various countries, including Cameroon, Central African Republic, Republic of Congo, Democratic Republic of Congo, Kenya, Liberia, Uganda, Colombia, Costa Rica, Guyana, Peru, Suriname, Indonesia, Thailand and Nepal in asserting and advocating for their rights through grassroots capacity-building and regional sharing activities, the use of regional and international human rights law mechanisms and international finance or commodity-specific industry grievance mechanisms, and support of legal reform and human rights advocacy at the national level.

### **The Responsible Finance and Climate Programme (RFP)**

The RFP is funded in 2016 with grants from the Charles Stewart Mott Foundation, the Department for International Development (DFID), the Climate and Land Use Alliance (CLUA), Good Energies Foundation, Rainforest US, the Rights and Resources Initiative (RRI), the Ford Foundation, the Christensen Fund, IDH, IIED, the JMG Foundation and the Swedish International Development Agency (SIDA). It was also funded by Oxfam Novib via grants under its Global Call to Action on Community Land Rights and received income from the Zoological Society of London (ZSL).

RFP activities included ongoing work on the World Bank's safeguard review and update process, including multiple meetings with UK Executive Director to the World Bank Group and submission of formal comments to the World Bank. RFP work in 2016 targeted the United Nations Climate Convention, the UN Business and Human Rights Forum, the Inter-American Development Bank (IADB), the Asian Infrastructure Investment Bank (AIIB) and the Forest Carbon Partnership Facility (FCPF) and its Carbon Fund. RFP work was also undertaken on UK bilateral aid for forests and climate change, including the REDD Early Mover Programme (REM) in Colombia. Standard setting work was also carried out in relation to private sector finance through advocacy within the Roundtable on Sustainable Palm Oil (RSPO), the High Carbon Stocks Approach and joint NGO campaigns targeting pulp and paper companies active in SE Asia.

A highlight in 2016 for the RFP was the support it gave to the major efforts by indigenous peoples and local community partners to influence EU and EC policies on palm oil supply chain regulation. This was through a high profile EU tour and high level meetings with decision-makers in Belgium, Germany, the Netherlands and the UK, which received radio, television and internet coverage and was funded by the Department for International Development. This was followed up by FPP presentations to the European Parliament and technical submissions to the EP environmental committee report on palm oil and deforestation.

Fieldwork in 2016 includes support to indigenous peoples' organisations in Latin America, Africa and Asia to document land conflicts and land rights issues for input to national and global policy making on human rights, forests, forest governance and climate change. To this end, the programme assisted indigenous peoples and forest peoples' organisations in Panama, Peru, Colombia, Suriname, and Guyana, as well as Cameroon, Central African Republic, Liberia, Democratic Republic of Congo, Kenya, Malaysia, Tanzania, Thailand, Philippines and Indonesia to engage directly with national and international policy-makers, including meetings of the World Bank and the RSPO. A major international gathering on business and human rights was convened by FPP and partners in Malaysia in November. FPP partners also participated in the UN Climate Convention (COP22) in Marrakesh where community representatives were able to make public talks and present issues to the international press and media relating to their land, livelihoods and forests. In addition, RFP published articles, briefings, books and press releases jointly with local partners to communicate issues relating to international finance and forests to decision-makers and to social justice networks tracking the operations of international financial institutions. One major RFP publication included a detailed 150 page land tenure assessment report for Region 1 and Region 2 in Guyana, South America which was published in December.

### **The Environmental Governance Programme (EGP)**

The EGP is funded in 2016 with grants from Swedbio/the Stockholm Resilience Centre, the Department for International Development (DFID), the European Commission on Targeted Actions, the Secretariat of the Convention on Biodiversity, the Size of Wales, the Size of Herefordshire, the Full Circle Foundation and the Christensen Fund.

The EGP has continued to carry out the "Forest Peoples, Biodiversity, Livelihoods, Conservation and Climate Change Project", in collaboration with indigenous peoples and local community organizations and support organizations from Bangladesh, Guyana, Panama, Suriname and Thailand. This project promotes sustainable, community-based territorial management and self-determined development in the participating communities' areas. In 2016 work included community capacity-building on rights and biodiversity issues; strengthening community institutions and organizations; community-based biodiversity monitoring; community mapping and development of community-based land management plans; research on climate change impacts, vulnerability, and adaptation; and documentation and transmission of traditional knowledge on sustainable use and customary laws.

The EGP also supported partners with advocacy and lobby work at national levels and to influence and monitor international policymaking, in particular under the Convention on Biological Diversity (CBD). A key meeting was the thirteenth meeting of the Conference of the Parties to the Convention on Biological Diversity (CBD COP13) in Cancun, Mexico from 4 to 17 December where FPP and the International Indigenous Forum on Biodiversity launched the Local Biodiversity Outlooks Publications funded by Swedbio and the Secretariat to the CBD.

EGP staff have also been closely involved in IPBES (the Intergovernmental Platform on Biodiversity and Ecosystem Services); the Satoyama Initiative; the Consortium on Indigenous Peoples' and Community Conserved Areas and Territories.

Under the Peoples and Parks project, EGP continued to provide support to IMPECT in Thailand, to the Ogiek community in Mt Elgon, Kenya and to the Batwa at Kahuzi-Biega in DRC, to implement recommendations that arose from the Whakatane Assessments pilot cases in the three countries. FPP also attended the IUCN World Conservation Congress in September in Honolulu, Hawaii, where it organized a workshop on the Whakatane mechanism and a knowledge café on Customary Use. There have also been further meetings throughout 2016 between FPP and IUCN as we have sought the further development and support from IUCN for this key initiative in addressing human rights in conservation.

EGP staff also attended a meeting and co-authored an article on equity and protected areas, which may become the basis for developing global indicators to assess equitable governance and management in protected areas.

### **Territorial Governance Team (TGT) Sub-Programme (a part of EGP)**

In 2016 the TGT is funded by grants from the Swedish International Development Agency (SIDA), the Department for International Development (DFID), the European Commission, the Waterloo Foundation, the Rights and Resources Initiative (RRI), the Ford Foundation, the Size of Wales, Swedbio/the Stockholm Resilience Centre and Both Ends.

Mapping and monitoring have evolved organically and separately within FPP's core programme structure (EGP, RFP, LHRP) and only recently understood to be cross-programme activities requiring discrete skills via a Mapping Unit (MU) and Community-based Monitoring approaches and methodologies.

Territorial Governance has also been cross-programme in nature, and will continue to be cross-programme to the extent that it underpins everything we do. However, in light of the EGP's '10(c)' work, understanding community customary land and resource governance through the lens of CBD articles associated with customary sustainable use and local knowledge. For this reason the Territorial Governance Team (TGT) has been established as a sub-programme of EGP.

This Sub-Programme underscores FPP's community-grounded approach and FPP's emphasis on the realisation of the right to self-determination including through activities such as:

- Participatory approaches to working with communities in general terms
- Empowering communities to gather, manage and communicate field data themselves on their own platforms without relying on complex and inappropriate tools and specialist personnel
- Strengthening customary governance structures and rules
- Supporting communities in their land and resource management
- Strengthening community information and awareness of what is happening on their land and what they can do about it to better protect their rights.

The work of the TGT focuses in large part on providing communities with training and support in the use of mapping and monitoring tools as a way of strengthening community governance. Using inclusive participatory methods, this can support them to develop their internal governance structures as well as help them to map and monitor their lands to better develop land use plans, monitor human rights abuses and other infringements, and to provide them with advocacy tools and with resources for legal, media and dialogue processes through which they seek to assert their rights in relation to a range of actors from extractive industries seeking to take their lands to governments and more powerful neighbours to whom they need to prove their customary rights to their lands.

The focus of the work of the TGT has been across all three continents where FPP works, and across almost all the EGP, RFP and LHRP work outlined above, as well as across the Africa programme work described below.

### **The Africa Programme**

The Africa Programme has been funded in 2016 with grants from the Swedish International Development Agency (SIDA), the Department for International Development (DFID), the European Commission, the Waterloo Foundation, the Rights and Resources Initiative (RRI), the Ford Foundation and Both Ends.

The Africa Programme has continued to work across the three FPP thematic areas to provide direct support to communities confronted by conservation, logging, palm oil and mining projects affecting their lands and territories on the ground in half a dozen African countries.

In the internal reorganization of FPP's work undertaken in 2016, just as we have recognized the need for the emergence of the cross-cutting Territorial Governance Team, we have also recognised the need to reintegrate the Africa programme into the 3 core themes.

The work in Africa continues to target the implementation of international human rights standards in order to bring concrete results on the ground for communities, backed up by national and regional engagement and advocacy.

During 2016 in the Democratic Republic of Congo (DRC) our SIDA funded REDD and Human Rights project continued to reach over 300 communities across 6 provinces in REDD pilot areas by working through key partner CSOs in these provinces. In the process we have provided training and information on climate, REDD, rights, legal and policy issues, with over 120 local and indigenous communities receiving direct support for community activities related to engaging specific REDD pilot projects, including dozens benefiting from direct investments in the development of new, community based benefit sharing mechanisms (PDEs) for potential scaling up through DRC REDD pilots, as well as through engaging with the DRC Forest Investment Programme (FIP) that started in 2015, including through analysing and advocating for changes in the way the FIP is implemented so that it more clearly recognizes that one of the underlying drivers of deforestation as being the appropriation of resources by powerful players, and that the securing of the forests requires, amongst other interventions, security of tenure for forest communities.

In Cameroon, using EC and DFID funds, we continued to support the indigenous Baka and Bagyeli from across the southern forest zone to develop their capacity to document their customary territories and engage palm oil companies, conservation organisations and mining companies, coupled with investment in the capacity of a network of 6 indigenous peoples' organisations. The Cameroon team initiated a new DFID-funded consortium project exploring how community-based forest management can be used to secure forest spaces in Cameroon and also in the Central African Republic (CAR) and Republic of Congo.

In Kenya our Africa team continues to support Sengwer communities to make their claim in the courts and through dialogue and advocacy, so that they can regain ownership and traditional management of their customary lands in the face of Kenya Forest Services attempts to evict them from their ancestral lands. Likewise we have been supporting the Ogiek at Mt Elgon, the Sengwer of Embobut and other forest communities to engage in dialogue with the Kenyan Government and the World Bank to seek an amicable solution while also supporting their legal cases.

In Liberia, working in collaboration with a network of local organisations, our team has supported dozens of communities negotiating with 4 major palm oil companies. This process of generating awareness and capacity has involved training for communities on the FAO Voluntary Guidelines for the Responsible Governance of Tenure of Land, Fisheries and Forests in the context of National Food Security (VGGTs) to protect community rights including the right to Free, Prior and Informed Consent over decisions affecting their lands.

In 2016 our EU ENRTP funded project targeting safeguard implementation in the DRC, Cameroon, Liberia, CAR and the Republic of Congo has been developing in a way that integrates with our pre-existing work to support communities, enabling FPP to expand our geographical reach to CAR and Republic of Congo and start piloting community-based monitoring in Cameroon ahead of wider deployment in 2017.

We also continued to support the Whakatane process in DRC, enabling the Batwa to engage with conservation and Provincial Government Authorities to make their claim to their ancestral lands at Kahuzi Biega. Their eviction from these lands 40 years ago has left them landless, and part of FPP's work has been to support the Ogiek from Kenya to provide them with capacity building support.

## Directors & Trustees

The directors of the charitable company (the charity) are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees serving during the year under review were:

- |  |   |
|--|---|
| — S Ozinga ( <i>resigned 16 June 2016</i> )    | — C Yong  |
| — K Geary                                      | — P Wolvekamp                                     |
| — S P Finn                                     | — M Sirait  |
| — C Dobson ( <i>resigned 10 October 2016</i> ) | — S Morrison ( <i>appointed 15 June 2016</i> )    |
| — S Siakor                                     | — B Tallack ( <i>appointed 2 September 2016</i> ) |

All the Trustees are eligible to remain on the Board of Trustees for a five year term at which time they are eligible for re-election at the Annual General Meeting.

The Board of Trustees are entitled to appoint additional Trustees and the methods, policies and procedures within the charity for recruitment, appointments, induction and training for Trustees are continually reviewed.

## Organisation structure

The charity is administered by the Trustees who meet twice a year in June and November and who have regular contact throughout the year. At the June Trustees Meeting the governing document is reviewed to ensure activities remain within permitted guidelines. Trustees are recruited and appointed by the existing Trustees based on an assessment of skills and experience. New Trustees receive a Board pack of papers and institutional policies before attending their first meeting. At a new Trustee's first Board meeting procedures and policies are explained by existing members. At the AGM in June 2016 an Audit Committee was set up, with specific Terms of Reference. This committee meets twice a year in April and October.

During the last quarter of 2015, the organisational structure was reviewed and a change plan proposed. As a result of the review and change plan a small Coordination and Management Team (CMT) was formed, answerable to FPP's Board of Trustees and taking the place of an overall Director. The CMT is responsible for the operational health of the organisation and includes Louise Henson (Managing Director), Tom Lomax (Strategy Lead), Fiona Cottrell (Finance Lead) and Helen Tugendhat (Projects and Operations Lead) and meets every two weeks. This arrangement is an interim arrangement from 1 February 2016. A review of this new structure and change plan is planned during 2017. At the same time a Senior Strategy Group (SSG) was formed. This group has the primary concern of supporting the development and renewal of FPP's strategy, learning from past and present work, and enhancing our effectiveness to face complex challenges. Joji Carino, the former Executive Director joined other senior staff as a member of the SSG which meets quarterly. Remuneration of key management personnel is proposed by the Coordination and Management Team and approved by the Board before implementation.

## Working with partners

Forest Peoples Programme builds long term relationships with local non-governmental organisations in country, providing technical support and training to these organisations to enable them to secure their rights, control their lands and decide their futures.

Together, the Forest Peoples Programme and its partner organisations develop programmes of work for which funding is sought. Once funding is secured activities are implemented under the terms of the respective grant. A summary of each grant's purpose is set out in Note 10.

## Legal status

The charity was incorporated as a company limited by guarantee on 29 October 1999 and registered as a charity on 24 August 2000. The liability of the company's members for its debts is limited to their guarantee to contribute such amounts as may be required not exceeding £1 to the assets of the company if it should be wound up whilst he/she is a member or within one year after he/she ceases to be a member.

The charity is also registered as a Dutch Stichting.

## Financial review

The charity's income for the year included grants of £4,667,603 (2015: £4,040,008) and total income amounted to £4,871,475 (2015: £4,098,875). Total expenditure on charitable activities excluding foreign currency movements amounted to £4,296,640 (2015: £3,758,306). These are broken down into Staff and Related Personnel Costs at £1,786,105 (2015: £1,506,796), Direct Programme Costs at £2,342,702 (2015: £2,064,467), Support Costs at £108,203 (2015: £114,038) and Governance at £59,550 (2015: £40,830). The details of these costs are in Note 4. Our transfers to partners are analysed by country in Note 4a. These payments are to enable our partners (local indigenous and other NGOs that we work with on the ground, and with whom we have a long term working relationship) to carry out agreed activities in accordance with our funding agreements.

The funding environment continues to move towards a reduction in the total number of grants we receive which supports our work, but the largest part of that funding support is multi-year grants mainly from larger foundations and government agencies which provide much needed stability to larger and longer term projects. In 2016 we renewed our funding with the Swedish Resilience Council/Swedbio for 4 years for support for promoting diverse cultural values of biodiversity and ecosystem services which follows on from our longstanding project working with forest peoples and biodiversity, livelihoods and climate. In 2016 we were also successful in securing a three year grant with the International Institute for Environment and Development in the Congo Basin which complements our work on our large SIDA and European Commission ENRTP projects. We also value very highly the comparatively smaller grants we receive as they provide a little more flexibility in terms of reporting and are more responsive to urgent needs. Without them we could not undertake many of the more narrowly targeted projects that can make a huge difference to specific peoples in defined areas. Details of funding sources are shown in Note 2 to the accounts and details of how expenditure has met the objectives are set out in the summary of activities earlier in this report. The title of each income stream is detailed in Note 10.

Yet again the fluctuations of the currency markets have affected our net income, our expenditure and our year end reserve levels with large unrealised gains on currency being recognised on the Statement of Financial Activities. The pound has fallen sharply against the Euro and the US Dollar in 2016 after the result of the EU Referendum in June. Although costs in currency have increased, particularly for overseas staffing and consultancy costs, the value of the income receivable has more than compensated for these higher costs and the administration contributions to overheads have also been higher than budgeted. The exchange rate movements during the year and at the year-end have meant that the unrestricted funds have incurred a realised and unrealised exchange gain of £2,373 and the restricted funds have incurred an exchange gain of £283,499 at the year end.

Total funds at 31 December 2016 amounted to £2,464,277 (2015: £1,633,240) of which £1,798,154 (2015: £995,012) related to Restricted Funds and £666,123 (2015: £638,228) was available for unrestricted purposes. It has become increasingly difficult to source funding for our institutional costs and find unrestricted funding. However in 2016 we were fortunate to secure a grant from the Ford Foundation for institutional capacity building as we implement our change plan. We also secured an unrestricted service level agreement with the Zoological Society of London for work on the Sumsel project in south west Sumatra in Indonesia which has boosted our unrestricted funds. We are indebted to our regular supporter Mr Simon Gershon for his generosity in providing unrestricted funds but as we grow in size, the amount that is required to fulfil the requirements of being a good employer, complying with best practice and good governance while supporting the projects administratively has inevitably increased too. We are very reliant on contributions towards administration costs from many of the funded projects but we are always actively looking for separate unrestricted funding.

The Trustees are satisfied that the charity's activities during the year have met their objectives and are satisfied with the financial position at the year end.

### Reserves policy

The Trustees have reviewed the Forest Peoples Programme's needs for reserves in line with the guidance issued by the Charity Commission where the term "reserves" describes that part of a charity's income funds that is freely available for its general purposes at the Trustees' discretion in furtherance of any of the charity's objects.

The Trustees believe that the Forest Peoples Programme should hold financial reserves (an Emergency Operating Reserve (EOR)) because:

- It has no endowment funding and is entirely dependent for income upon donor funding from year to year which is inevitably subject to fluctuation; and
- It requires protection against, and the ability to, continue operating, despite catastrophic or lesser but damaging events.

The Trustees believe that the minimum level of the EOR should normally be the equivalent of four months' (non project funded) organizational operating costs plus four months' salary commitments for all staff. This would currently amount to approximately £691,135. The intention of the Trustees remains that the EOR should be built up to the desired level in stages consistent with the charity's overall financial position and its need to maintain and develop its charitable activities. This is particularly appropriate in light of the global economic climate and the risks that poses to the robustness of funding. At 31 December 2016, the unrestricted income reserves, including £41,279 of designated reserves, were £666,123. The Trustees recognise the need to increase the actual unrestricted reserves to meet the desired EOR and it is a focus of the organisation's fundraising activities for 2017 and beyond. Designated reserves on the balance sheet are funds that are set aside for specific areas of work within the unrestricted funds and are considered to be sufficiently flexible to form part of the EOR.

### Investment policy

The Trustees aim to hold funds in ethical investments or interest bearing accounts wherever possible. The unrestricted reserves are held with ethical institutions (Triodos Bank and the CCLA) on deposit. For daily transactions and working capital demands the charity requires the flexibility and responsiveness that a multinational bank provides. This means that restricted reserves are held in interest bearing accounts with the organisation's main bank, NatWest.

### Future plans

The Forest Peoples Programme offers long term support to the communities and partner organisations it works with. The aims of the organisation can only be achieved through long term engagement and commitment. Therefore, the Trustees plan to carry out similar projects and activities during the coming year to meet the objectives and aims of the charity as set out above.

### Fundraising activities

The Trustees reviewed the charity's fundraising at the Annual General Meeting in 2016 and also at the November 2016 Board Meeting. The Coordination Management Team monitors fundraising throughout the year, assisted by a Funding Coordination Group, in conjunction with the Senior Strategy Group. Fundraising expenses are only categorised in terms of staff time taken to write funding proposals and budgets. Many proposals are for grants from funders with whom we have existing relationships and so are often part of the grants that are in progress. Applications to new funders or for different pieces of work can take more time to prepare and put together but the staff time is not an additional cost to that contracted to carry out the project work. These costs are reported in the Statement of Financial Activities as £29,670 (2015: £32,175).

## Public benefit

The Trustees have regard to the Charity Commissioners' guidance on public benefit and the activities carried out are consistent with the requirements. The overseas projects carried out are to assist local communities to improve their living conditions and environment.

## Risk management policy

The Trustees confirm that they identify and review on an annual basis the major risks to which the charity is exposed and have established systems to manage these risks and have implemented procedures designed to minimise any potential impact on the charity should these risks materialise. During the year actual risk assessments were carried out on governance, fundraising, competition, operations, information technology, finances and legal compliance. Specific identified risks and the actions taken include:

- Operational Risk: Working with partners overseas could lead to funds being used for incorrect purposes, or being mislaid. Measures to reduce this risk include provision of training for partner staff, provision of technical support and physical oversight
- Financial Risk: Changes to funding opportunities due to global shifts, government policy and economic downturns. Measures to mitigate this risk include horizon scanning, proactively seeking funding opportunities and judicious building of reserves.
- Operational Risk: Conflicts and natural disasters in the countries where we work leading to an inability to complete our activities and to fulfil our mission. Measures to reduce the effects of this risk include close communications with our partners in country and providing remote support.

## Related parties

There were no related party transactions during the year other than those disclosed in Note 16.

## Taxation status

The Company is a charity within the provisions of the ICTA 1988 (Income and Corporation Taxes Act) and hence no corporation tax is payable on income received, which is properly applied for its primary purpose.

## Statement of Trustees' responsibilities

The Trustees (who are also directors of Forest Peoples Programme 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Statement as to disclosure of information to auditors**

So far as the Trustees are aware, there is no relevant audit information (as defined by Section 418(2) of the Companies Act 2006) of which the company's auditors are unaware and each Trustee has taken all the steps that he or she ought to have taken as a Trustee in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities and in accordance with the special provisions of the Companies Act 2006 relating to small entities.

### **Auditors**

We will put a resolution to the Annual General Meeting proposing that Crowe Clark Whitehill LLP will be re-appointed as auditor.

On behalf of the board:

**S Morrison**

Trustee

25 April 2017

# Independent auditor report to the members of Forest Peoples Programme

We have audited the financial statements of Forest Peoples Programme for the year ended 31 December 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's 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 company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2016 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

- the information given in the Trustees Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees Annual Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Annual Report.

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

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

#### **Guy Biggin**

*Senior Statutory Auditor*

For and on behalf of

#### **Crowe Clark Whitehill LLP**

*Statutory Auditor*

Carrick House  
Lypiatt Road  
Cheltenham  
Gloucestershire  
GL50 2QJ

3 May 2017

# Statement of financial activities

## Incorporating an income and expenditure account

for the year ended 31 December 2016

		Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
		2016	2016	2016	2015
	Note	£	£	£	£
<b>Income from</b>					
Charitable Activities	2	140,820	4,684,946	4,825,766	4,040,008
Donations		18,762	4,560	23,322	27,004
Other		17,772	75	17,847	27,080
Bank Interest		3,847	693	4,540	4,783
<b>Total</b>		<b>181,201</b>	<b>4,690,274</b>	<b>4,871,475</b>	<b>4,098,875</b>
<b>Expenditure on</b>					
Charitable Activities	4	129,282	3,881,486	4,010,768	3,698,780
Raising Funds		-	29,670	29,670	32,175
<b>Total</b>		<b>129,282</b>	<b>3,911,156</b>	<b>4,040,438</b>	<b>3,730,955</b>
<b>Net Income</b>	5	51,919	779,118	831,037	367,920
<b>Other recognised gains and losses</b>					
Transfers between funds		(24,024)	24,024	-	-
<b>Net movement in funds</b>		27,895	803,142	831,037	367,920
<b>Reconciliation of Funds:</b>					
<b>Total funds brought forward:</b>		638,228	995,012	1,633,240	1,265,320
<b>Total funds carried forward:</b>	10,11	<b>666,123</b>	<b>1,798,154</b>	<b>2,464,277</b>	<b>1,633,240</b>

The notes on pages 19 to 34 form part of these financial statements.

## Balance sheet

31 December 2016

Registered No. 03868836

	<i>Note</i>	<i>2016</i>	<i>2015</i>
		£	£
<b>Fixed Assets:</b>			
Interest Bearing Deposit Accounts	7	524,551	620,884
<b>Current Assets:</b>			
Debtors	8	290,359	70,074
Cash at Bank and in hand		2,623,294	1,744,963
		<hr/>	<hr/>
		3,438,204	2,435,921
<b>Current Liabilities:</b>			
Amounts falling due within one year			
Creditors	9	973,927	802,681
		<hr/>	<hr/>
<b>Net Assets</b>		2,464,277	1,633,240
		<hr/> <hr/>	<hr/> <hr/>
<b>The funds of the charity:</b>			
Restricted Income Funds	10	1,798,154	995,012
Unrestricted Funds	11	666,123	638,228
		<hr/>	<hr/>
<b>Total charity funds</b>		2,464,277	1,633,240
		<hr/> <hr/>	<hr/> <hr/>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. These financial statements have been prepared in accordance with the Companies Act 2006 and Financial Reporting Standard 102. The financial statements on pages 14 to 32 were approved and authorised for issue by the Trustees on 25 April 2017 and signed on their behalf by:

**S Morrison**

TRUSTEE

The notes on pages 19 to 34 form part of these financial statements.

## Cash flow statement

31 December 2016

Registered No. 03868836

	Note	2016 £	2015 £
<b>Cash flows from operating activities:</b>			
<b>Net cash provided by (used in) operating activities</b>	15	491,586	(159,627)
<b>Cash flows from investing activities</b>			
Interest from investments		4,540	4,783
<b>Net cash provided by (used in) investing activities</b>		4,540	4,783
<b>Change in cash and cash equivalents in the reporting period</b>		496,126	(154,844)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		2,365,847	2,493,340
<b>Change in cash and cash equivalents due to exchange rate movements</b>		285,872	27,351
<b>Cash and cash equivalents at the end of the reporting period</b>	16	<u>3,147,845</u>	<u>2,365,847</u>

The notes on pages 19 to 34 form part of these financial statements.

# Notes to the financial statements

For the year ended 31 December 2016

## 1 Accounting policies

### Company Information

Forest Peoples Programme is a registered charity and as such is a non-profit making organisation. The number of members at 31 December 2016 is 8 and their liability on a liquidation is limited to £1 each. Forest Peoples Programme is registered as a company limited by guarantee with no share capital, in England and Wales under number 03868836 and its registered office is 1c Fosseyway Business Centre, Stratford Road, Moreton-in-Marsh, GL56 9NQ. Forest Peoples Programme is a Public Benefit Entity registered with the Charity Commission under number 1082158. Forest Peoples Programme is also registered as a Dutch Stichting.

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

### Basis of Accounting

The financial statements have been prepared under the historical cost convention, in accordance with the Financial Reporting Standard 102, the Companies Act 2006 and the Statement of Recommended Practice: Accounting and Reporting by Charities issued in 2015 and applicable accounting standards.

Forest Peoples Programme has a country office in Kinshasa in the Democratic Republic of Congo for logistical and practical operations. For the purposes of these financial statements and in accordance with SORP 2015, this office is treated as a branch of the charity and its results are included herein.

### Income

All income is accounted for gross.

Income from donations and grants is included in income when there is evidence of entitlement, the amount can be measured and the receipt is probable. When donors impose conditions which have to be fulfilled before the charity becomes entitled to such income, the receipt of income is not included in income until the pre-conditions for use have been met. Investment income is included when receivable.

### Expenditure

All expenditure is accounted for gross, including irrecoverable VAT, and is recognised on an accruals basis as a liability is incurred. Expenditure is allocated to specific projects and administration costs are allocated against projects in accordance with the terms of the project contracts.

### Allocation of Costs

The Charitable Activity Costs include all costs attributable to delivering and supporting the main charitable activities of the organisation. All support costs are allocated to Charitable Activities.

The expenditure on raising funds is the cost of applying for new and renewing existing grants.

Contributions to Overheads are apportioned to contracts in accordance with agreed contract terms. They are allocated to specific overheads when the budget lines within a grant agreement specify that this is the case. For most of our grants this is not the case and overhead contributions are set against the unrestricted overhead and staff costs of the organisation within the financial year.

Field Costs are part of Charitable Activity Costs. These payments are to enable our partners (local indigenous and other NGOs that we work with on the ground, and with whom we have a long term working relationship) to carry out agreed activities in accordance with our funding agreements.

### **Tangible Fixed Assets and Depreciation**

Tangible fixed assets with a value greater than £2,000 are capitalised at cost and written off by equal annual instalments over their expected useful lives

### **Financial Instruments**

The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like accounts receivable and trade and other accounts payable.

Basic financial assets and liabilities that are payable or receivable within one year, typically trade payables or receivables, are measured initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Investments are held as long term cash deposits i.e for longer than twelve months, and earn a fixed rate of interest. Cash which is needed for daily grant expenditure is held as cash and cash in hand. Some bank accounts are interest bearing but the balances on these accounts fluctuate on a regular basis.

### **Fund Accounting**

Funds held by the charity are either:

- Unrestricted general funds: these are funds which can be used in accordance with the general charitable objects of the charity at the discretion of the Trustees.
- Restricted funds: these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

### **Going Concern**

Forest Peoples Programme produces annual budgets and forecasts which take into account expected changes in the funding streams and which demonstrate that the charity will be able to continue to operate for the foreseeable future. Due to secured funding the Trustees have reasonable expectation that the charity has adequate resources to continue in operational existence in the short to medium term. On this basis, the Trustees consider it appropriate to continue to prepare the financial statements on the going concern basis.

### **Foreign Currencies**

Transactions in foreign currencies are recorded at monthly rates during the year. Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date.

### **Presentational and Functional Currency**

The functional currency of Forest Peoples Programme is considered to be pounds sterling because it is the currency of the primary economic environment in which the charity operates. The financial statements are presented in pounds sterling.

## Pensions

Auto-enrolment was applicable for Forest Peoples Programme from 1 July 2016 and the charity follows the guidelines for pension contributions according to the auto-enrolment rules. The pension scheme is a defined-contribution scheme administered by Friends Provident. Eligible staff are auto-enrolled, unless they request to opt-out. Staff may contribute more than the statutory minimum contributions for employees. The charity follows the minimum contribution levels for employers. Pensions are allocated across funds in the same way as salary costs.

## Operating Leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

## Irrecoverable VAT

The company is not registered for VAT and all VAT incurred on expenditure is included as part of the cost of the item concerned.

## Judgments in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include the following:

### Accruals

Included in accruals are liabilities where the amount and/or timing of its settlement is uncertain. An accrual is only recognised where:

- There is a present obligation at the reporting date as a result of a past event;
- It is probable that a transfer of economic benefit will be required in settlement; and
- The amount of the settlement can be estimated reliably

### Deferred Income

Where terms and conditions have not been met, or, uncertainty exists as to whether Forest Peoples Programme can meet the terms and conditions otherwise within its control, the income is not recognised but deferred as a liability until it is probable that the terms and conditions imposed can be met.

## 2 Income from charitable activities

<b>Restricted income grants</b>	<i>2016</i>	<i>2015</i>
	<i>£</i>	<i>£</i>
Arcus Foundation	57,715	-
Both Ends (2)	34,130	29,630
Both Ends (3)	-	2,460
Christensen Fund	51,451	34,620
Climate and Land Use Alliance Indonesia	261,028	328,734
Climate and Land Use Alliance	137,931	163,687
DFID	839,968	943,279
Eco System Alliance (2)	-	34,806
Eco System Alliance (3)	-	46,065
European Commission - Cameroon	220,569	99,606
European Commission - CIDT	56,913	19,531
European Commission - ENRTP	347,730	322,977
European Commission Targeted Actions	13,824	59,111
Food and Agriculture Organisation (of the UN)	-	46,468
Ford Foundation Build Grant	245,902	-
Ford Foundation Eastern Africa Kenya	148,148	45,230
Ford Foundation Indonesia	153,061	175,487
Ford Foundation Eastern Africa Uganda	-	7,958
Full Circle Foundation	4,441	-
Good Energies Foundation	99,998	-
IDH Sustainable Trade Initiative	23,539	66,966
International Institute for the Environment and Development	134,097	-
JMG Foundation	10,000	20,000
Charles Stewart Mott Foundation	92,593	82,237
Oxfam Novib GCA	36,696	37,037
Rainforest Foundation US	95,692	-
Resguardo, Colombia	3,461	9,709
RRI Agribusiness	29,415	32,895
RRI Cameroon	1,071	4,276
RRI Legal	-	21,094
RRI Kenya	38,598	-
RRI London	-	1,973
RRI Philippines	17,629	-
Sub total	<u>3,155,600</u>	<u>2,635,836</u>

continued

<b>Restricted income grants</b>	2016	2015
	£	£
Sub total brought forward	3,155,600	2,635,836
RRI Strategic Response Mechanism - Kenya	-	50,973
RRI Strategic Response Mechanism - Liberia	26,316	
RRI Strategic Response Mechanism - Peru	74,595	-
Samworth Foundation	30,000	30,000
SIDA 2011-2014	-	(68,631)
SIDA 2015-2017	1,108,409	1,074,851
Sigrid Rausing Trust	-	62,500
Size of Wales	4,959	37,717
Swedish Resilience Council/Swedbio	148,165	94,865
Swedish Resilience Council/Swedbio with SCBD	85,875	20,581
Synchronicity Earth	-	10,000
Waterloo Foundation	60,000	65,000
<b>Grand Total</b>	<b>4,667,603</b>	<b>4,040,008</b>
<b>Restricted income other</b>	2016	2015
	£	£
Service Contracts	17,343	-
	17,343	-
<b>Unrestricted income other</b>	2016	2015
	£	£
Service Contracts	140,820	-
	140,820	-
<b>Total income from charitable activities</b>	<b>4,825,766</b>	<b>4,040,008</b>

### 3 Taxation

As a charity, Forest Peoples Programme is generally exempt from corporation tax on income it receives which is properly applied for its charitable purpose.

## 4 Charitable activity costs

	2016 <i>Unrestricted</i>	2016 <i>Restricted</i>	2016 <i>Total</i>	2015 <i>Total</i>
	£	£	£	£
<b>Staff and Related Personnel Costs</b>				
Salaries and Fees	185,903	1,136,719	1,322,622	1,141,813
In-country Staff Costs	29,770	254,700	284,470	209,512
Consultants	3,156	163,717	166,873	145,756
Other Staff Costs	6,588	5,552	12,140	9,715
	<u>225,417</u>	<u>1,560,688</u>	<u>1,786,105</u>	<u>1,506,796</u>
<b>Direct Programme Costs</b>				
Travel and Project Monitoring	24,819	222,731	247,550	239,343
Translation, Publication and Research documents	2,966	76,743	79,709	72,944
Equipment and Training	40,887	51,661	92,548	45,527
Indigenous Participation	348	103,752	104,100	150,713
Field Costs	42,126	1,562,972	1,605,098	1,288,706
Kinshasa Office Costs	-	134,560	134,560	177,980
Workshops	-	79,137	79,137	89,254
	<u>111,146</u>	<u>2,231,556</u>	<u>2,342,702</u>	<u>2,064,467</u>
<b>Support Costs</b>				
Rent, Rates and Insurance	35,085	5,795	40,880	37,620
Light, Heat and Cleaning	7,932	-	7,932	11,372
Telephone and Communications	6,593	10,794	17,387	12,962
Communications and Visibility	1,347	7,577	8,924	25,579
Membership Subscriptions	3,347	7,665	11,012	3,821
Postage and Stationery	4,618	8,946	13,564	11,283
Sundry Expenses	6,504	2,080	8,584	11,401
	<u>65,426</u>	<u>42,857</u>	<u>108,283</u>	<u>114,038</u>
<b>Governance</b>				
Auditor's Remuneration	11,384	11,455	22,839	28,455
Bank Charges and Interest	4,998	8,206	13,204	11,178
Legal Expenses	8,955	14,552	23,507	1,197
	<u>25,337</u>	<u>34,213</u>	<u>59,550</u>	<u>40,830</u>
Contribution to overheads	(295,671)	295,671	-	-
Foreign Exchange Gains	(2,373)	(283,499)	(285,872)	(27,351)
	<u>(298,044)</u>	<u>(287,828)</u>	<u>(585,872)</u>	<u>(504,701)</u>
<b>Grand Total</b>	<u><u>129,282</u></u>	<u><u>3,881,486</u></u>	<u><u>4,010,768</u></u>	<u><u>3,698,780</u></u>

## 4a Field costs

	2016	2015
Transfers to Partners By Country:		
Bangladesh	6,299	6,193
Brazil	-	8,882
Cambodia	1,361	-
Cameroon	202,006	145,493
Central Africa Republic	26,060	6,770
Colombia	16,750	25,526
Democratic Republic of Congo	607,254	386,867
Guyana	67,623	101,323
Indonesia	329,768	286,193
Kenya	47,886	33,102
Liberia	73,247	89,487
Malaysia	7,369	-
Panama	8,568	14,421
Peru	60,078	39,939
Philippines	11,014	14,483
Republic of Congo	23,546	-
Suriname	10,777	21,225
Tanzania	3,244	-
Thailand	7,692	10,614
Uganda	33,200	-
	<hr/>	<hr/>
	1,543,742	1,190,518
Kinshasa Office Costs	134,560	177,980
Equipment for Partners	47,648	85,755
Other Field Costs	13,708	12,434
	<hr/>	<hr/>
	1,739,658	1,466,687

100% of transfers to partners (2015: 100%) are made to institutions. No transfers are made to individuals (2015: £nil)

## 5 Net income

	2016	2015
	£	£
Net income is stated after charging:		
Operating Lease Costs	43,839	33,962
Audit Services for the Current Year	13,500	13,250
Audit Services for the Prior Year	-	538
Non-audit Services for the Current Year	5,900	7,705
Non-audit Services for the Prior Year	-	2,209

## 6 Staff costs & Trustees' remuneration

	2016	2015
	£	£
Wages & Salaries	953,033	852,880
Social Security Costs	101,291	89,577
Pension Costs	4,831	-
Total	<u>1,059,155</u>	<u>942,457</u>

The average headcount was 27 (FTE 25.0) (2015: 25.5 (FTE 23.5)). No employee received total remuneration of more than £60,000 in the year.

During the year no remuneration was paid to the Trustees (2015: £NIL). Travel and subsistence expenses costs were reimbursed to 4 Trustees (2015: 4 Trustees) of £1,732 (2015: £3,264).

During the year key management personnel were remunerated in total £220,440 (2015: £358,330).

## 7 Fixed asset investments

	£
Balance at 1 January 2016	620,884
Interest earned during the year	3,667
Cash withdrawal in the year	(100,000)
Balance at 31 December 2016	<u>524,551</u>

The total value of the funds are held within UK registered banks.

## 8 Debtors

	2016	2015
	£	£
Prepayments	30,064	40,101
Accrued income on contracts	248,659	25,876
Staff advances	11,636	2,370
Emergency Loans	-	1,727
	<u>290,359</u>	<u>70,074</u>

## 9 Creditors

	2016	2015
	£	£
Accounts Payable	86,769	60,492
Accruals	72,773	117,568
Deferred income on contracts	784,726	573,886
Taxation and Social Security	29,659	50,735
	<u>973,927</u>	<u>802,681</u>

### 9a Deferred income

	£	£
Balance at 1 January 2016		573,886
Amounts released in 2016:		
Christensen Fund	(50,803)	
SIDA	(523,083)	
		<u>(573,886)</u>
Amounts Deferred at 31 December 2016		
Christensen Fund	60,827	
European Commission Peru	138,572	
SIDA	585,327	
		<u>784,726</u>
Balance at 31 December 2016		<u>784,726</u>

## 10 Restricted income funds

	<i>b/f at 01.01.16</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers</i>	<i>c/f at 31.12.16</i>
	£	£	£	£	£
ARCUS	-	57,715	57,715	-	-
Both Ends (2)	18,308	34,130	28,811	-	23,627
Both Ends (3)	1,024	-	1,316	(292)	-
Christensen Fund	-	51,451	33,405	-	18,046
Climate and Land Use Alliance Indonesia	20,039	261,028	263,156	-	17,911
Climate and Land Use Alliance	44,881	137,931	83,243	-	99,569
DFID	163,175	839,968	918,043	-	85,100
European Commission Cameroon	(24,818)	220,612	160,740	-	35,054
European Commission CIDT	(14,093)	56,913	40,562	2,258	-
European Commission ENRTP	408,731	347,987	275,917	-	480,801
European Commission Targeted Actions	2,018	13,824	15,842	-	-
Ford Foundation Build Grant	-	245,902	18,052	-	227,850
Ford Foundation Eastern Africa (1)	36,048	148,148	105,306	-	78,890
Ford Foundation Indonesia	-	153,061	124,206	-	28,855
Ford Foundation Eastern Africa (2)	4,474	-	4,474	-	-
Full Circle Foundation	-	4,441	4,428	13	-
Good Energies Foundation	-	99,998	119,572	(19,574)	-
IDH Sustainable Trade Initiative	-	23,539	23,526	13	-
International Institute for the Environment and Development	-	134,097	82,550	-	51,547
JMG Foundation	-	10,000	10,000	-	-
Charles Stewart Mott Fdn	-	92,593	94,987	(2,394)	-
Oxfam Novib GCA	-	36,696	26,711	-	9,985
Rainforest US	-	95,692	101,222	(5,530)	-
Resguardo Colombia	4,673	3,461	5,557	-	2,577
RRI - Agribusiness	-	29,415	29,264	151	-
RRI - Cameroon	(534)	1,071	552	(15)	-
RRI - Kenya	-	38,598	37,509	1,089	-
RRI - Philippines	-	17,629	17,570	59	-
RRI - SRM Peru	-	74,595	74,976	(381)	-
Rainbow	-	17,343	17,463	(120)	-
Samworth Foundation	24,737	30,000	30,342	-	24,395
SIDA 2015-2017	309,215	1,108,802	819,095	-	598,922
Size of Herefordshire	709	4,645	2,904	-	2,450
Size of Wales	32,603	4,949	33,905	-	3,647
Swedish Resilience Council/Swedbio	-	148,165	139,237	-	8,928
SCBD	(28,111)	85,875	57,065	699	-
Waterloo Foundation	(8,067)	60,000	51,933	-	-
<b>Grand total</b>	<b>995,012</b>	<b>4,690,274</b>	<b>3,911,156</b>	<b>(24,024)</b>	<b>1,798,154</b>

**ARCUS Foundation**

Support on a project to address critical priorities identified in the revised version of the Great Apes Conservation Action Plan, with specific focus on the Whakatane Process.

**Both Ends (2) Upholding Human Rights – bridging the gender-environment divide**

Support to assist women in Kenya to claim their rights to food, water and sanitation, and a healthy and clean environment.

**Both Ends (3) Customary Rights for Palm Oil Concession Tenures**

Support for the research and drafting of pamphlet on threats to customary rights.

**Christensen Fund**

Continued support of Indigenous Peoples' initiatives to establish and to develop Community-based Monitoring and Information Systems and to make CBMIS integral to local and global monitoring of human rights.

**Climate and Land Use Alliance (CLUA) - Indonesia**

Support to strengthen the land and resource rights of forest peoples and their community organisations in Indonesia.

**Climate and Land Use Alliance (CLUA)**

Support to increase recognition of forest peoples' rights in global policies, intergovernmental initiatives and finance in an effort to address the drivers of tropical deforestation.

**Department for International Development (DFID)**

Community-based forest monitoring in support of community livelihoods, forest sector reforms and effective implementation of legal and voluntary standards on human rights, sustainable commodity production and climate protection.

**European Commission Cameroon**

Support for building and reinforcing structures for legitimate decision-making and effective representation of indigenous forest peoples. The balance on this fund at 31 December 2015 was negative due to the pre-financing of activities as agreed under the terms of the grant. The funds were received in April 2016.

**European Commission CIDT**

Support for lawyers and legal resources in Cameroon. The balance on this fund at 31 December 2015 was negative. The funds were claimed and received in February 2016.

**European Commission ENRTP**

Support for promoting Forest Peoples' Rights and Food Security with Good Governance in Forest and Climate Policies: from principles to practice, in 5 African countries.

**European Commission Targeted Actions**

Improving indigenous peoples' access to justice through strategic monitoring.

**The Ford Foundation Build Grant**

Support for increasing the organisational capacity within the Forest Peoples Programme.

**The Ford Foundation Eastern Africa (1)**

Support for securing the rights of forest peoples in Kenya and Uganda.

**The Ford Foundation Indonesia**

Support for activities to ensure that international private sector standard-setting processes and codes of conduct related to forest products help secure the livelihood of forest-dependent Indonesians.

**The Ford Foundation Eastern Africa (2)**

Assisting the indigenous Batwa people of Uganda to pursue land rights claims.

**Full Circle Foundation**

Support for furthering the Whakatane Process at the IUCN World Conservation Congress.

**Good Energies Foundation**

Project support for ensuring respect for forest peoples' rights in forestry and land use change in Indonesia.

**IDH The Sustainable Trade Initiative**

Support the palm oil programme – converging the social requirements of HCS Approach and HCS+.

**International Institute for Environment and Development**

CONGOs: NGOs collaborating for equitable and sustainable community livelihoods in Congo Basin forests.

**JMG Foundation**

Support of forest peoples to secure land and resource rights and to engage with forest and climate change mitigation policy-makers to ensure these rights are respected.

**The Charles Stewart Mott Foundation**

Protecting the environment and securing the rights of forest peoples in international development finance.

**Oxfam Novib**

Support to help amplify and strengthen the Global Call to Action (GCA) linking indigenous land rights struggles to the global GCA platform.

**Rainforest US**

Support for the project "Protecting forests through protecting rights in Guyana".

**Resguardo, Colombia**

Support for the implementation of the project "Development of Standards and Mechanisms for the Protection of Ethnic Peoples Against Mining Projects and Energy in Colombia.

**Rights and Resources Initiative (RRI) - Agribusiness**

To maintain the impetus of the commitment to push for better regulation of agribusinesses and transnational investments so they can respect human rights and prevent unjust land grabs by holding the 6<sup>th</sup> South East Asian Regional Conference on Human Rights in Agribusiness conference.

**Rights and Resources Initiative (RRI) – Cameroon**

To evaluate the inclusion of communities' rights in the Ngoyla-Mintoum REDD+ pilot project. The balance on this fund was negative at 31 December 2015. The project was completed on 19 February 2016 and the remaining tranche of funds which covered this expenditure was received in March 2016

**Rights and Resources Initiative (RRI) – Kenya**

The objective of the project is to provide forest-dwelling communities with support in legal processes and in the documentation and mapping of their land to obtain legal recognition of their collective and customary tenure rights in Kenya.

**Rights and Resources Initiative (RRI) - Philippines**

The objective of the project is to advance national reforms needed to make human rights obligations binding on agribusiness in the Philippines.

**Rights and Resources Initiative (RRI) – Strategic Response Mechanism Peru**

The objectives of the project are to secure the legal titling and protection of lands for the indigenous community of Santa Clara de Uchunya; and to hold the Peruvian government and palm oil sector accountable to environmental and social standards.

**Rainbow**

Subcontract working with Rainbow Environment Consult on the project "Development of a Community Mapping Protocol in Cameroon".

**The Samworth Foundation**

Support for emergent responsive legal work which is not covered by planned programme work.

**Swedish International Development Cooperation Agency (SIDA)**

Support for REDD financing, human rights and economic development for sustainable poverty reduction of forest communities in the Democratic Republic of Congo.

**Size of Herefordshire**

Support for the protection of the rainforest and lands of the Wampis people in Peru.

**Size of Wales**

Support for the Wapichan mapping project in Guyana.

**Swedish Resilience Council/Swedbio**

Support for promoting diverse cultural values of biodiversity and ecosystem services so that strong and resilient communities have the capacity and authority to sustainably govern and use their lands and resources, improve their well-being and effectively engage in diverse knowledge platforms at all levels, based on self-determined development.

**Secretariat of the Convention on Biodiversity (SCBD)**

Support for the production of a publication focusing on indigenous people and local communities and the implementation of the 2011-2020 Strategic Plan for Biodiversity – the Local Biodiversity Outlook publication.

**Waterloo Foundation**

Funds for "Protecting Liberian Forests and Communities Threatened by Palm Oil Development Project". Funds to cover the negative balance on this fund at 31 December 2015 were received in January 2016.

## 11 Unrestricted funds

	2016	2015
	£	£
Balance at 1 January 2016	638,228	656,390
Income for the year	181,201	55,211
Expenditure for the year	(131,655)	(40,737)
Transfers/Other gains and losses	(21,651)	(32,636)
Balance at 31 December 2016	<u>666,123</u>	<u>638,228</u>
Designated Funds	41,279	21,493
Non-designated Funds	624,844	616,735
	<u>666,123</u>	<u>638,228</u>

Designated funds are held to fund unexpected and emergency fieldwork. By its nature this work is ad hoc and the funds will be spent in the short to medium terms.

## 12 Analysis of net assets between funds

	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Total Funds</i>
	£	£	£
Fund balances at 31 December 2016 are represented by:			
Current Assets	777,223	2,660,981	3,438,204
Current Liabilities	(111,100)	(862,827)	(973,927)
Total Net Assets at 31 December 2016	<u>666,123</u>	<u>1,798,154</u>	<u>2,464,277</u>

## 13 Related party transactions

In 2016 there were no related party transactions. In 2015 the spouse of a member of the Executive Committee (Key Management Personnel) was contracted at an arms-length basis to carry out translation and proofreading work in her professional capacity. She was paid £11,620.

## 14 Basic financial instruments

	<i>2016</i>	<i>2015</i>
	£	£
Financial assets that are debt instruments measured at amortised cost:		
Accrued income on contracts	248,659	25,876
Other debtors	11,636	4,097
Cash at bank and in hand	2,623,294	1,744,963
Long term bank deposits	524,551	620,884
	<u>                    </u>	<u>                    </u>
Financial liabilities measured at amortised cost:		
Trade creditors	86,769	60,492
Accruals	72,773	117,568
	<u>                    </u>	<u>                    </u>

## 15 Reconciliation of net income to net cash flows from operating activities

	2016	2015
	£	£
<b>Net income for the reporting period (as per the statement of financial activities)</b>	545,165	340,569
<b>Adjustments for:</b>		
Dividends, interest and rents from investments	(4,540)	(4,783)
(Increase)/decrease in debtors	(220,285)	167,044
Increase/(decrease) in creditors	171,246	(662,457)
<b>Net cash provided by (used in) operating activities</b>	<u>491,586</u>	<u>(159,627)</u>

## 16 Analysis of cash and cash equivalents

	2016	2015
	£	£
Cash at bank and in hand	2,623,294	1,744,963
Notice deposits (less than 3 months)	524,551	620,884
<b>Total cash and cash equivalents</b>	<u>3,147,845</u>	<u>2,365,847</u>

## 17 Operating lease commitments

The following total operating lease payments for land and buildings are committed to be paid :

	2016	2015
	£	£
Within one year	34,680	33,067
Between two and five years	75,610	101,620
After five years	-	2,765
	<u>110,290</u>	<u>137,452</u>

## 18 Statement of financial activities 2015

	Unrestricted Funds	Restricted Funds	Total Funds
	2015	2015	2015
	£	£	£
<b>Income from</b>			
Charitable Activities	-	4,040,008	4,040,008
Donations	23,625	3,379	27,004
Other	27,080	-	27,080
Bank Interest	4,506	277	4,783
<b>Total</b>	<b>55,211</b>	<b>4,043,664</b>	<b>4,098,875</b>
<b>Expenditure on</b>			
Charitable Activities	73,373	3,625,407	3,698,780
Raising Funds	-	32,175	32,175
<b>Total</b>	<b>73,373</b>	<b>3,657,582</b>	<b>3,730,955</b>
<b>Net Income</b>	<b>-18,162</b>	<b>386,082</b>	<b>367,920</b>
<b>Other recognised gains and losses</b>			
Transfers between funds	-	-	-
<b>Net movement in funds</b>	<b>(18,162)</b>	<b>386,082</b>	<b>367,920</b>
<b>Reconciliation of Funds:</b>			
<b>Total funds brought forward:</b>	<b>656,390</b>	<b>608,930</b>	<b>1,265,320</b>
<b>Total funds carried forward:</b>	<b>638,228</b>	<b>995,012</b>	<b>1,633,240</b>

## Detailed income and expenditure account

For the year ended 31 December 2016

This page does not form part of the statutory accounts

	2016	2015
	£	£
<b>Income:</b>		
Grants	4,667,603	4,040,008
Donations	23,322	27,004
Income from Service Contracts	158,163	-
Other Income	17,847	27,080
Interest	4,540	4,783
	<u>4,871,475</u>	<u>4,098,875</u>
<b>Expenditure:</b>		
UK Salaries and Fees	1,352,292	1,173,988
Overseas Salaries and Fees	284,470	209,512
Consultant Fees	166,873	145,756
Travel and Project Monitoring	247,550	239,343
Translation, Publications and Research Documents	79,709	72,944
Communications and Visibility	8,924	25,579
Equipment and Training	92,548	45,526
Indigenous Participation	104,100	150,713
Field Costs (incl transfers to Partners)	1,605,098	1,288,706
Workshops	79,137	89,254
Kinshasa Office Costs	134,560	177,980
Rent, Rates and Insurance	40,880	37,620
Light and Heat	7,932	11,372
Telephone and Communications	17,387	12,963
Postage and Stationery	13,564	11,284
Membership Subscriptions	11,012	3,821
Sundry Expenses	8,584	11,399
Other Staff Costs	12,140	9,715
Auditor's Remuneration	22,839	28,455
Legal Expenses	23,507	1,197
Bank Charges	13,204	11,179
Exchange Differences	(285,872)	(27,351)
	<u>4,040,438</u>	<u>3,730,955</u>
<b>NET SURPLUS</b>	<u>831,037</u>	<u>367,920</u>



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Forest Peoples Programme is a company limited by guarantee (England & Wales) Reg. No. 3868836, our registered office is stated above. UK-registered Charity No. 1082158. It is also registered as a non-profit Stichting in the Netherlands.