

Forest Peoples Programme

Registered Charity No. 1082158

Company Registration No 03868836

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2012

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FOREST PEOPLES PROGRAMME**TRUSTEES AND ADVISERS**

Trustees/Directors	S Ozinga C A Marr J Phipps P Wolvekamp O L Yong J Carino C Dobson S P Finn T Rivera Zea S Siakor
Secretary	M L Henson
Principal Address And Registered Office	1c Fosseway Business Centre Stratford Road Moreton-in-Marsh Gloucestershire GL56 9NQ
Statutory Auditors	The MGROUP (incorporating Petersons) Chartered Certified Accountants and Statutory Auditors Harvestway House 28 High Street Witney Oxfordshire OX28 6RA
Bankers	National Westminster Bank 16 Market Place Chipping Norton Oxfordshire OX7 5ND
Solicitors	InterChange Legal Advisory Service InterChange Studios Hampstead Town Hall Centre 213 Haverstock Hill London NW3 4QP
Charity Registration Number	1082158
Company Registration Number	03868836

The Trustees present their report with the financial statements of the company for the year ended 31 December 2012.

OBJECTIVES

The charitable objectives as set out in the governing document 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.'

REVIEW OF BUSINESS & ACTIVITIES

The results for the period and financial position of the company are as shown in the annexed financial statements.

SUMMARY OF ACTIVITIES 2012

FPP's long-term goal is improved social, economic and environmental living conditions for indigenous and tribal forest peoples. We work towards this using a rights-based approach, to help forest peoples gain control over their futures 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 2012, we worked with indigenous and tribal peoples in Africa (Cameroon, Central African Republic, Democratic Republic of Congo, Gabon, Ghana, Liberia, Kenya, Republic of Congo and Uganda), South America (Argentina, Brazil, Colombia, Costa Rica, Guatemala, Guyana, Panama, Paraguay, Peru, Suriname and Venezuela), and Asia (Bangladesh, India, Indonesia, Malaysia, Nepal, Papua New-Guinea, Philippines and Thailand) under our programme themes:

* Legal and Human Rights * Responsible Finance & Climate and * Environmental Governance

The Legal and Human Rights Programme (LHRP), with funding from the Sigrid Rausing Trust, Oxfam-Novib, ARA, the Christensen Fund, Ford Foundation, Arcus Foundation and Woodtiger Fund, RRI, and the European Commission, continues to provide information, training and capacity-building to indigenous peoples globally and supports their participation in national and international processes. The LHRP continues to assist the indigenous Batwa people of Uganda to pursue land rights claims. Through its gender and land rights programme, the LHRP organised regional workshops in South America and Africa, supported field research and consultation to feed into human rights standard setting processes, and developed toolkits on the rights of indigenous women and regional human rights mechanisms as well as training materials. The LHRP also continued its project under the EU initiative *Forest Law Enforcement, Governance and Trade (FLEGT)* under which it provides legal and capacity-building support to civil society organisations involved in law reforms carried out under this initiative. The LHRP provides extensive support to indigenous peoples' organisations worldwide in global standard setting and policy processes. In 2012, it assisted indigenous and tribal peoples in various countries, including Cameroon, Republic of Congo, the Democratic Republic of Congo, Gabon, Ghana, Liberia, Uganda, Argentina, Brazil, Colombia, Costa Rica, Guyana, Papua New-Guinea, Paraguay, Peru, Suriname, India, Indonesia, and Nepal in asserting and advocating for their rights through the use of regional and international human rights mechanisms, support of domestic legal work, and capacity-building activities more generally.

The activities and work programme of the **Responsible Finance and Climate Programme (RFP)** were financed in 2012 with grants from the Charles Stewart Mott Foundation, NORAD, the Climate and Land Use Alliance (CLUA), Rights and Resources Initiative (RRI), the Ford Foundation, the Christensen Foundation, the United Nations Food and Agriculture Organisation, the Swedish International Development Agency and the Ecology Trust. Advocacy actions under FPP's RFP sub-programme included work on the World Bank's safeguard review and update process, including meetings with members of the Bank's governing body in London, Brussels and Washington DC as well as undertaking joint advocacy with indigenous peoples' international networks. This and other RFP work in 2012 targeted the United Nations Climate Convention, the Global Environment Facility (GEF), the World Bank's Forest Investment Programme (FIP) and Forest Carbon Partnership Facility (FCPF) and the UN REDD Programme. Standard setting work was also carried out in relation to private sector finance through advocacy within The Forest Dialogue (TFD), the High Conservation Value Resource Network (HCVRN) and the Roundtable on Sustainable Palm Oil (RSPO).

Fieldwork 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 forests and climate change. To this end, the programme assisted indigenous peoples and forest peoples' organisations in Panama, Peru, Suriname, Guyana, Paraguay, Liberia, Cameroon, Central African Republic, DRC, Kenya, Malaysia, Thailand, Philippines and Indonesia to engage directly with national and international policy-makers, including meetings of the World Bank FCPF and the RSPO. RFP actions involved the compilation of articles, briefings, books and press releases to communicate issues relating to international finance and forests to decision-makers and to social justice networks tracking the operations of international financial institutions.

The **Environmental Governance Programme (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, Indonesia, Panama, Suriname, and Thailand. This project promotes sustainable, community-based territorial management and self-determined development in the participating communities' areas. In 2012 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 transfer of traditional knowledge on sustainable use and customary laws. FPP 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. A landmark meeting was the 11th Conference of the Parties to the Convention on Biological Diversity (CBD COP11) Hyderabad, India (October 2012) where FPP and partners made significant contributions to the development of a new work plan on customary sustainable use. EGP staff have also been closely involved in IPBES (the Intergovernmental science-policy platform on biodiversity and ecosystem services); the *Satoyama* Initiative; and the Consortium on Indigenous Peoples' and Community Conserved Areas and Territories. This work was funded by Swedbio/Swedish Resilience Council, the Darwin Initiative, The Ecosystem Alliance, and Christensen Fund.

Under the Peoples and Parks project, with funding from Ford Foundation, FPP and IMPECT carried out a pilot case of the Whakatane Mechanism, a process developed with IUCN to promote best practices in relation to protected areas and indigenous peoples and to address problematic cases, in January-February 2012. This mechanism aims to support conflict resolution in protected areas by ensuring that conservation practices respect the rights of indigenous peoples and local communities. The pilot Whakatane Assessment in Thailand was carried out in Ob Luang National Park and this was done jointly with a team including staff from IMPECT, Thailand's Department of National Parks, Wildlife and Plant Conservation, Forest Peoples Programme, IUCN Thailand, local NGOs, indigenous peoples and local community networks. The assessment was presented during a side event on "addressing equitable governance and management in protected areas" at the World Conservation Congress in Jeju, Korea (6-15 September).

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	C A Marr
J Phipps	S Siakor
P Wolvekamp	J Carino
O L Yong	S P Finn
C Dobson	T Rivera Zea

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.

New trustees are briefed on their legal obligations and responsibilities under charity law. They are also encouraged to familiarise themselves with the charity's constitution. As part of the induction process, new trustees will meet key employees and other trustees.

ORGANISATION STRUCTURE

The Charity is administered by the trustees who meet annually and have regular contact throughout the year. At the annual Trustees Meeting the governing document is reviewed to ensure activities remain within permitted guidelines. Marcus Colchester has overall delegated responsibility as chief executive officer for the management of the Charity and the day to day administration of the Charity is delegated to an Executive Committee comprising senior staff and consultants who meet formally on a quarterly basis and report to the Trustees on any issues arising.

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 received grants of £3,220,745 during the year and the total incoming resources amounted to £3,260,831. Total outgoing resources amounted to £3,060,639 of which £2,893,092 was expended on direct charitable activities, £82,987 on the costs of running the office and £20,943 on other Governance costs.

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.

Total funds at 31 December 2012 amounted to £1,066,682 of which £532,500 related to Restricted Funds and £534,182 was available for unrestricted purposes.

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:

- i) 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
- ii) 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 six months' (non project funded) organizational operating costs plus six months' salary commitments for all staff. This would currently amount to approximately £650,000. 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 2012, the unrestricted income reserves were £534,182.

FUTURE PLANS

The Trustees plan to carry out similar projects and activities during the coming year to meet the objectives and aims of the charity.

FUNDRAISING ACTIVITIES

The Trustees review the Charity's fundraising activities at the Annual General Meeting and the Executive Committee also monitors progress on fundraising activities at its quarterly meetings to ensure all known sources of funds are approached for financial support.

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.

RELATED PARTIES

There were no related party transactions during the year.

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.

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

Company Law and Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustees should follow best practice and are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and statements of recommended practice 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 charity will continue in operation.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees 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.

AUDITORS

The Auditors, Petersons, have since the date of the last Financial Statements been absorbed into The M Group Partnership, which has expressed its willingness to continue in office.

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.

ON BEHALF OF THE BOARD:

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S OZINGA - DIRECTOR

Date: 5/6/13

We have audited the Financial Statements of Forest Peoples Programme for the year ended 31 December 2012 on pages 8 to 21 which comprise the Statement of Financial Activities including the Income and Expenditure Account, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditors

As explained more fully in the Trustees Responsibilities Statements (set out on page 4), 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.

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). These standards require us to comply with the Auditing Practices Boards (APB'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. 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 2012, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received; 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.

P. D. 2013

Peter Smith (Senior Statutory Auditor)
For and on behalf of
The M Group Partnership

Statutory Auditors

Harvestway House
28 High Street
Witney
Oxon OX28 6RA

Dated: 6/6 2013

FOREST PEOPLES PROGRAMME

STATEMENT OF FINANCIAL ACTIVITIES
[incorporating an income and expenditure account]
For the year ended 31 December 2012

	Note	Unrestricted Funds 2012 £	Restricted Funds 2012 £	Total Funds 2012 £	Total Funds 2011 £
Incoming Resources					
Incoming resources from Charitable Activities					
Grants	2	3,269	3,217,476	3,220,745	2,469,949
Donations		17,590	-	17,590	17,198
Publications		656	-	656	24
Other Sundry Income		4,566	3,226	7,792	8,045
FERN payments		5,200	-	5,200	4,800
Incoming resources from Generated funds		<u>31,281</u>	<u>3,220,702</u>	<u>3,251,983</u>	<u>2,500,016</u>
Investment Income					
Bank Interest		6,514	2,334	8,848	2,865
Total Incoming Resources		<u>37,795</u>	<u>3,223,036</u>	<u>3,260,831</u>	<u>2,502,881</u>
Resources Expended:					
Charitable Activity Costs	4	17,774	2,875,318	2,893,092	2,093,496
Governance Costs – Office	5	24,644	58,343	82,987	75,315
Governance Costs – Other	6	7,986	12,957	20,943	15,314
Governance Costs – Exchange	6	61,198	2,419	63,617	(4,247)
Contribution to Overheads		(164,615)	164,615	-	-
Total Resources Expended		<u>(53,013)</u>	<u>3,113,652</u>	<u>3,060,639</u>	<u>2,179,878</u>
Net Incoming/(Outgoing) Resources And Net Income(Expenditure)	7	90,808	109,384	200,192	323,003
Reconciliation of Funds:					
Total funds brought forward:		443,374	423,116	866,490	543,487
Total funds carried forward:	13	<u>534,182</u>	<u>532,500</u>	<u>1,066,682</u>	<u>866,490</u>

The Statement of Financial Activities includes all gains and losses in the year.
All incoming resources and resources expended derive from continuing activities.

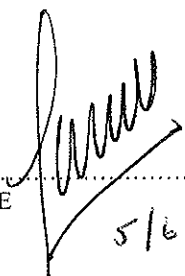
FOREST PEOPLES PROGRAMME

**BALANCE SHEET
31 December 2012
Registered No: 03868836**

	Notes	2012 £	2011 £
CURRENT ASSETS			
Prepayments and Accrued Income	9	92,922	129,723
Cash at Bank		2,150,332	1,782,696
		<u>2,243,254</u>	<u>1,912,419</u>
CURRENT LIABILITIES			
Amounts falling due within one year			
Accruals and Deferred Income	10	1,176,572	1,045,929
		<u>1,066,682</u>	<u>866,490</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			
THE FUNDS OF THE CHARITY:			
Restricted Income Funds	11	532,500	423,116
Unrestricted Income Funds	12	534,182	443,374
		<u>1,066,682</u>	<u>866,490</u>
TOTAL CHARITY FUNDS:			

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements on pages 8 to 21 were approved by the Trustees on and signed on their behalf by:

.....
S OZINGA - TRUSTEE



5/6/13

1. ACCOUNTING POLICIES

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

Basis of accounting

The financial statements have been prepared under the historical cost convention, in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the Statement of Recommended Practice: Accounting and Reporting by Charities issued in March 2005 and applicable accounting standards.

Incoming Resources

All income is accounted for gross.

Income from donations and grants is included in incoming resources when these are receivable, over the period of the grant, except when donors impose conditions which have to be fulfilled before the charity becomes entitled to such income. In this case the receipt of income is not included in incoming resources until the pre-conditions for use have been met. Investment income is included when receivable.

Incoming funds received or receivable are recognised as revenue on a basis that matches the amounts concerned with the activity which the income supports. Thus income received in 2012 in respect of activity to be undertaken in 2013 is deferred to 2013 revenue and included in creditors. Income receivable in respect of activity undertaken in 2012, but not received at 31 December 2012, is accrued as 2012 revenue and included in debtors. The amounts deferred and accrued are shown on a contract-by-contract basis in the second column of note 2.

Resources Expended

All expenditure is accounted for gross, including irrecoverable VAT, and is recognised on an accruals basis as a liability is incurred. Expenses are not netted off against related income. Expenditure is allocated to specific projects and administration costs are allocated against projects in accordance with amounts agreed in the project contracts.

Allocation of Costs

Costs are allocated between Charitable Activity Costs and Governance costs. The charitable activity costs include everything directly attributable to the main charitable activities of the company. The Governance costs are split between general office costs, other costs of running the Charity, and exchange costs.

Contributions to Overheads are apportioned to contracts in accordance with agreed contract terms.

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.

Foreign Currencies

Transactions in foreign currencies are recorded at an average rate during the year. Assets and monetary liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date.

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.

FOREST PEOPLES PROGRAMME

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2012 (cont'd)

ACCOUNTING POLICIES (Continued)

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.

2. GRANTS RECEIVED

	Gross Income	Deferred/Accrued Income Movement	Net Income	Net Income
	2012	2012	2012	2011
	£	£	£	£
Arcus Foundation	-	47,144	47,144	50,302
AW60 Trust	-	-	-	450
Bromley Trust	-	-	-	7,500
Christensen Fund	31,250	-	31,250	31,250
ClimateWorks Foundation Indonesia	293,091	-	293,091	271,875
ClimateWorks Foundation	62,500	-	62,500	52,083
Darwin Fund	90,000	-	90,000	90,000
Ecology Trust	31,600	-	31,600	40,000
Eco System Alliance	32,283	-	32,283	21,739
Esmee Fairbairn Foundation	51,949	-	51,949	-
European Commission - FLEGT	209,627	-	209,627	164,449
European Commission - Guyana	-	-	-	83,895
Food and Agriculture Organisation (of the UN)	47,125	-	47,125	20,200
Ford Foundation Conservation	-	15,625	15,625	93,277
Ford Foundation Indonesia	82,500	-	82,500	83,750
Ford Foundation Eastern Africa	18,636	-	18,636	31,098
Grassroots Foundation	-	-	-	6,957
Global Environment Facility	3,875	-	3,875	1,125
Grundtvig – Paper	-	-	-	2,609
Charles Stewart Mott Foundation	158,770	(80,645)	78,125	78,125
NORAD	325,158	(281)	324,877	325,344
Oxfam Novib	141,240	(39,370)	101,870	105,978
Oxfam Novib Evaluation	-	20,833	20,833	-
Oxfam Novib Gender and Land Rights	122,703	(39,370)	83,333	41,667
Paul K Feyerabend	3,909	-	3,909	-
RRI Cameroon	-	-	-	6,250
RRI Agribusiness	20,121	-	20,121	-
RRI Indonesia – Commodity Roundtables	15,177	-	15,177	-
RRI Indonesia – Conflict Mediation	-	-	-	(1,741)
RRI Indonesia – FPIC in Palm Oil	12,702	-	12,702	-
RRI Indonesia – HTR Review	19,372	-	19,372	5,625
RRI Indonesia- Legal Pluralism	2,313	-	2,313	10,000
RRI Indonesia – Legal Reform	2,116	-	2,116	14,833
RRI Indonesia – MIFEE (2011 SRM MIFEE)	19,610	-	19,610	34,853
RRI Indonesia – Private Sector Palm Oil	-	-	-	1,250
RRI Indonesia – Spatial Planning	19,077	-	19,077	8,750
Sub total	1,816,704	(76,064)	1,740,640	1,683,493

FOREST PEOPLES PROGRAMME

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2012 (cont'd)

Grants Received (cont'd)

	Gross Income	Deferred Income Movement	Net Income	Income
	2012 £	2012 £	2012 £	2011 £
Sub total brought forward	1,816,704	(76,064)	1,740,640	1,683,493
RRI Indonesia - Transmigration	6,903	-	6,903	5,625
RRI Jeju Meeting	16,141	-	16,141	-
RRI Liberia	12,702	-	12,702	-
RRI REDD Cameroon	31,855	-	31,855	31,250
RRI Regional Legal Pluralism	-	-	-	24,813
RRI SE Asia Regional Palm Oil	22,298	-	22,298	35,126
RRI Saramaka	-	-	-	(238)
RRI Strategic Response Mechanism/Liberia	86,935	-	86,935	15,000
RRI Strategic Response Mechanism/Peru	19,355	-	19,355	-
RSP0 High Conservation Value Areas	8,367	-	8,367	-
SIDA	993,862	(42,514)	951,348	380,606
Sigrid Rausing Trust	125,000	-	125,000	62,500
Size of Wales	25,000	-	25,000	-
Swedish Resilience Council/Swedbio	84,333	-	84,333	130,891
Tides Foundation	32,258	-	32,258	-
Umverteilen	4,331	-	4,331	-
Waterloo Foundation	-	-	-	40,000
W F Southall/Justgiving Kenya Appeal	2,866	-	2,866	1,920
Woodtiger Fund	-	47,144	47,144	50,302
WWF Deutschland	-	-	-	4,493
Grand Total	3,288,910	(71,434)	3,217,476	2,465,781

3. TAXATION

The company is a registered charity and as such is exempt from Corporation Tax.

4. CHARITABLE ACTIVITY COSTS

	2012 £	2011 £
UK Salaries and Fees	771,441	735,323
Overseas Salaries and Fees	156,798	71,019
Consultants	21,483	26,747
Travel and Project Monitoring	185,920	173,812
Translation, Publication & Research documents	64,282	68,842
Equipment and Training	27,764	16,965
Evaluation Costs	19,455	-
Indigenous Participation	93,323	81,533
Field Costs	1,451,595	844,473
Workshops	101,031	74,782
	<u>2,893,092</u>	<u>2,093,496</u>

5. GOVERNANCE COSTS – OFFICE

	2012 £	2011 £
Rent , Rates and Insurance	26,640	24,380
Light, Heat and Cleaning	5,098	3,891
Telephone and Communications	10,309	12,433
Communications and Visibility, Website Design	8,261	8,867
Postage and Stationery	7,450	14,308
Sundry Expenses	9,814	6,546
Other Staff Costs	15,415	4,890
	<u>82,987</u>	<u>75,315</u>

6. GOVERNANCE COSTS – OTHER

	2012 £	2011 £
Audit	10,613	10,514
Bank Charges	6,984	4,800
Legal Expenses	3,346	-
Exchange Differences	63,617	(4,247)
	<u>84,560</u>	<u>11,067</u>

7. NET INCOMING RESOURCES

	2012 £	2011 £
This is stated after charging:		
Auditor's Remuneration	<u>10,613</u>	<u>10,514</u>

8. STAFF COSTS & TRUSTEES REMUNERATION

	2012 £	2011 £
Wages & Salaries	469,876	456,420
Social Security Costs	49,482	47,224
Total:	<u>519,358</u>	<u>503,644</u>

The average number of full time equivalent PAYE employees was 15 (2011 – 17). No employee was paid at a rate of more than £60,000 in the year.

During the year no payments were made to Trustees.

9. PREPAYMENTS AND ACCRUED INCOME

	2012 £	2010 £
Prepayments	39,180	48,547
Accrued income on contracts	53,742	81,176
	<u>92,922</u>	<u>129,723</u>

10. ACCRUALS AND DEFERRED INCOME

	2012 £	2010 £
Accruals	86,101	40,518
Deferred income on contracts	1,078,139	991,665
Taxation and Social Security	12,332	13,746
	<u>1,176,572</u>	<u>1,045,929</u>

FOREST PEOPLES PROGRAMME

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2012 (cont'd)

11. RESTRICTED INCOME FUNDS

Active Grants at or after 01.01.11	Gross Balance At 01.01.12	Net Balance At 01.01.12	Incoming Resources	Deferred and Accrued Income Movement	Outgoing Resources	Net Balance At 31.12.12	Gross Balance At 31.12.12
ARA	2,914	2,914	-	-	77	2,837	2,837
Arcus Foundation	77,138	30,498	-	47,144	15,186	62,456	62,456
Christensen Fund	-	-	31,250	-	31,250	-	-
Climate Works Fdh Indonesia	-	-	293,091	-	290,313	2,778	2,778
Climate Works Fdh	17,224	6,807	62,500	-	65,347	3,960	14,377
Darwin Fund	-	-	90,000	-	109,671	(19,671)	(19,671)
Ecology Trust	-	-	31,600	-	17,622	13,978	13,978
Eco System Alliance	-	-	-	32,283	24,626	7,657	(24,626)
Eden Bequest	3,330	3,330	15	-	1,040	2,305	2,305
Esmee Fairbairn Foundation	-	-	51,949	-	11,115	40,834	40,834
European Commission FLEGT	(20,439)	(20,439)	209,745	-	170,345	18,961	18,961
European Commission Guyana	(3,872)	(3,872)	10	-	11,147	(15,009)	(15,009)
Food and Agriculture Organisation	9,305	9,305	47,125	-	56,430	-	-
Ford Conservation	32,071	15,438	-	15,625	31,063	-	-
Ford Foundation Indonesia	13,881	13,881	82,500	-	96,381	-	-
Ford Foundation Eastern Africa	(12,334)	528	18,636	-	18,689	475	(4,585)
Grassroots Foundation	6,658	6,658	-	-	4,474	2,184	2,184
Global Environment Facility	1,141	1,141	3,875	-	5,016	-	-
Charles Stewart Mott Fdn	-	-	158,770	(80,645)	71,696	6,429	87,074
NORAD	225,816	61,144	325,158	(281)	302,366	83,655	248,608
Oxfam Novib	-	-	141,240	(39,370)	101,870	-	39,370
Oxfam Novib Evaluation	20,833	-	-	20,833	20,833	-	-
Oxfam Novib Gender/Land Rights	-	-	122,703	(39,370)	59,479	23,854	63,224
Paul K. Feyerabend Fdn	-	-	3,909	-	1,942	1,967	1,967
Restricted Donations	2,328	2,328	3,226	-	4,452	1,102	1,102
RRI - Agribusiness	-	-	20,121	-	20,121	-	-
RRI - Commodity R tables	-	-	15,177	-	15,177	-	-
RRI - FPIC in Palm Oil	-	-	12,702	-	12,702	-	-
RRI - HTR Review	(4,453)	(4,453)	19,372	-	14,919	-	-
RRI - Legal Pluralism	(2,398)	(2,398)	2,313	-	(85)	-	-
<i>C/f</i>	369,143	122,810	1,746,987	(43,781)	1,585,264	240,752	538,164

FOREST PEOPLES PROGRAMME

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2012 (cont'd)

11. RESTRICTED INCOME FUNDS (cont'd)

Active Grants at or after 01.01.12	Gross Balance At 01.01.12	Net Balance At 01.01.12	Incoming Resources	Deferred Income Movement	Outgoing Resources	Net Balance At 31.12.12	Gross Balance At 31.12.12
B/f	369,143	122,810	1,746,987	(43,781)	1,585,264	240,752	538,164
RRI - Legal Reform	(2,164)	(2,164)	2,116	-	(48)	-	-
RRI - MIFEE	-	-	19,610	-	19,610	-	-
RRI - Spatial Planning	(6,539)	(6,539)	19,077	-	12,518	-	-
RRI - Transmigration	2,107	2,107	6,903	-	9,010	-	-
RRI - Jeju Meeting	-	-	16,141	-	16,141	-	-
RRI - Liberia	-	-	6,250	6,452	12,702	-	(6,452)
RRI - REDD Cameroon	-	-	31,855	-	31,855	-	-
RRI - SE Asia Palm Oil	-	-	22,298	-	22,298	-	-
RRI - SRM / Liberia	(4,138)	10,862	80,288	6,647	97,797	-	(6,647)
RRI - SRM / Peru	-	-	19,355	-	27,208	(7,853)	(7,853)
RSP0 HCVA's	(2,826)	(2,826)	8,367	-	5,541	-	-
SIDA	898,034	251,014	996,052	(42,514)	1,015,946	188,606	851,180
Sigrd Rausing Trust	70,320	7,820	125,000	-	109,084	23,736	86,236
Size of Wales	-	-	25,000	-	25,000	-	-
Swedish Resilience Council/Swedbio	-	-	84,333	-	83,090	1,243	1,243
Tides Foundation	-	-	32,259	-	1,515	30,744	30,744
Umwerteilen	-	-	4,331	-	1,747	2,584	2,584
Waterloo Foundation	9,537	9,537	-	-	9,537	-	-
WF Southall/Justgiving Appeal	-	-	2,866	-	2,866	-	-
Woodrger Fund	77,155	30,515	-	47,144	24,971	52,688	52,688
	1,410,609	423,116	3,249,088	(26,052)	3,113,652	532,500	1,541,887

11. RESTRICTED INCOME FUNDS (cont'd)**Arbeitsgemeinschaft Regenwald und Artenschutz (ARA)**

Support of indigenous and tribal peoples in Suriname.

Arcus Foundation

Support to model and document traditional natural resource management practices and traditional knowledge connected to the forest of the Greater Virunga Area, Uganda, DRC and Rwanda.

Christensen Fund

Support for the provision of advocacy, legal and technical advice to indigenous communities for promoting self-determined development.

ClimateWorks Foundation- Indonesia

Strengthening the land and resource rights of forest peoples and their community organisations in Indonesia.

ClimateWorks Foundation

Support to achieve upward harmonization of international and national REDD+ standards and other provisions of the UN Declaration on the Rights of Indigenous People.

Darwin Fund

Supporting indigenous and local organisations to implement CBD Article 10 (c)

Ecology Trust

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

Eco System Alliance

Support across all thematic programmes, with emphasis on the ecosystems of indigenous peoples and local communities

Eden Bequest

Funds bequeathed and granted to help secure the rights of the Amerindians of the Guyana Shield.

Esmee Fairbairn Foundation

Support for the Shrink Paper Project – creating a shared international vision for a more sustainable paper industry.

European Commission FLEGT

A Strong Seat at the Table: Effective Participation of Forest-Dependent Communities and Civil Society Organisations in FLEGT

European Commission Guyana

Sustaining and sustainably managing Wapichan traditional lands in Guyana.

Food and Agriculture Organisation of the United Nations

Support of the development of a practical implementation guide on “Land Acquisition, Free Prior and Informed Consent and Customary Land of Indigenous Peoples and Other Local Communities”.

The Ford Foundation Conservation

Support to provide technical and legal assistance to Indigenous Peoples organisations seeking to promote indigenous rights over natural resources.

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

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

11. RESTRICTED INCOME FUNDS (cont'd)**Grassroots Foundation**

Support for work on production of palm oil in Congo and Cameroon

Global Environment Facility

For support to the Indigenous Peoples Task Force for preparation of an issues paper on GEF and Indigenous Peoples

The Charles Stewart Mott Foundation

Promoting forest peoples' interests in international forest policy making.

NORAD

Support for the project "Promoting the rights of forest peoples in national and international policy making on REDD" and related forest climate initiatives.

Oxfam Novib

Support of the work of the Forest Peoples Programme generally.

Oxfam Novib Evaluation

An evaluation has taken place, by Oxfam Novib, of the work undertaken by the Forest peoples Programme which is line with the proposal that supports the core funding and the Gender and Land rights programme. The Evaluation took place in 2012 based on work done in Cameroon.

Oxfam Novib Gender and Land Rights

Support to indigenous and forest dependent peoples for the promotion and protection of land rights with a specific focus on gender.

Paul K Feyerabend Foundation

Support for the Ogiek of Mt Elgon, Kenya to regain land rights through developing and utilising evidence gathering skills to support their case in the courts, media and in dialogue with conservationists.

Restricted Donations

Donations given specifically for support of Baka Communities in Africa, and also for the provision of an Ape Conservation and Welfare Status Report for South East Asia and Central Africa.

Rights and Resources Initiative (RRI) -Agribusiness

To build regulatory capacity and standards in South East Asia by promoting the application of binding international human rights standards on the agribusiness sector.

Rights and Resources Initiative (RRI) Indonesia-Commodity Roundtables

To assess and strengthen the way commodity roundtables address community and Indigenous Peoples' rights in their certification and dispute resolution processes.

Rights and Resources Initiative (RRI) Indonesia-Free, Prior and Informed Consent (FPIC) in Palm Oil

To ensure reforms in the way palm oil companies adhere to the principle of FPIC when acquiring new lands for expanding their operations, to clean up the RSPO process and to promote reforms in voluntary best practice and statutory law to secure community rights to lands and forests and FPIC.

Rights and Resources Initiative (RRI) Indonesia- HTR Review

Support to build up effective advocacy for the allocation of community plantations (Hutan Tanaman Rakyat, HTR) in ways that suit community livelihoods, respect their rights and provide long term secure tenures. .

Rights and Resources Initiative (RRI) Indonesia- Legal Pluralism

To strengthen national understanding of legal pluralism in Indonesia as an alternative approach of achieving legal reform through advocacy, and to promote secure community land and forest tenure, including formulating models of conflict resolution.

11. RESTRICTED INCOME FUNDS (cont'd)**Rights and Resources Initiative (RRI) Indonesia-Legal Reform**

To secure legal reforms that recognise the customary rights of Indigenous Peoples and promote agrarian reforms in favour of other rural communities dependent on forests and other natural resources.

Rights and Resources Initiative (RRI) Indonesia - MIFEE

Tenure and rights advocacy related to the Merauke Integrated Food and Energy Estates' plan – to build up and support the capacities of the Malind peoples of the Merauke District to resist the takeover of their customary lands and forests.

Rights and Resources Initiative (RRI) Indonesia-Spatial Planning

Support to promote informed and coordinated engagement by local communities in land claims and spatial planning processes to secure their rights and livelihoods prior to their lands and forests being allocated to other interests.

Rights and Resources Initiative (RRI) Indonesia - Transmigration

To develop a dialogue with the National Ministry of Transmigration as it reviews and revises its criteria for assessing proposed transmigration sites, to respect the rights of indigenous communities to give or withhold their free, prior and informed consent to planned developments that will affect their customary territories.

Rights and Resources Initiative (RRI) – World Conservation Congress Meeting Jeju

Support to help the Forest Peoples Programme organise a side event on the Whakatane Mechanism during the fifth IUCN World Conservation Congress held in Jeju, Korea.

Rights and Resources Initiative (RRI) – Liberia

To provide legal support to Liberian CSOs in relation to reform processes and to improve the resource base with which to strengthen community and civil society participation and advocacy in legal reforms, FLEGT and REDD implementation, governance and decision-making processes with respect to land and forests.

Rights and Resources Initiative (RRI) REDD Cameroon

To ensure that communities' rights are taken into account in Cameroon REDD RPP and microzoning in the TRIDOM (including Ngoyla-Mintom) by building an evidence base for sustainable forest use practices by local communities, to facilitate dialogue with conservation and government institutions and to support communities in developing a participatory management plan.

Rights and Resources Initiative (RRI) South East Asia Palm Oil

Support for the project to get human rights standards directly applied by private sector oil companies in South East Asia.

Rights and Resources Initiative (RRI) SRM/Liberia

To support Liberian communities' campaign against Sime Darby's land grabs for oil palm.

Rights and Resources Initiative (RRI) SRM/Peru

Support for the project to challenge the Peruvian government's plans to expand the Camisea gas project into isolated Indigenous People's territories in the Peruvian Amazon by initiating an urgent legal and advocacy strategy and communications campaign to stop the expansion of the oil and gas lots.

Roundtable on Sustainable Palm Oil (RSPO) High Conservation Value Areas

Support to explore means of effectively securing HCV areas in palm oil development areas in Indonesia.

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.

Sigrid Rausing Trust

Promoting justice for Indigenous peoples worldwide, through technical legal support and capacity building at the local, national and international levels.

11. RESTRICTED INCOME FUNDS (cont'd)**Size of Wales**

Matched co-funding for the EU Guyana project - Sustaining and sustainably managing Wapichan traditional lands in Guyana.

Swedish Resilience Council/Swedbio

Forest peoples, biodiversity conservation and sustainable livelihoods, achieving biodiversity conservation and sustainable use through Forest Peoples rights.

Tides Foundation

Funds to establish a re-granting mechanism in FPP to support and strengthen the local, national and international work of FPP's partner organisations and to provide small grants to FPP partners to help them pump prime innovative local initiatives, undertake emergency actions in support of forest peoples' rights and enable continuity and scaling up of promising and successful initiatives.

Umverteilen

Support for research in Takamanda, in Cameroon to carry out a case study looking at the effect of German financing for REDD projects in Cameroon.

Waterloo Foundation

Support for promoting effective involvement of Bagyeli People in the Forest Reclassification Process in Cameroon.

WF Southall/Justgiving Appeal

Support for the Ogiek hunter gather peoples of Mount Elgon, Kenya to secure the legal agreement they need to regain their ancestral lands.

Woodtiger Fund

Support to model and document traditional natural resource management practices and traditional knowledge connected to the forest of the Greater Virunga Area, Uganda, DRC and Rwanda.

12. UNRESTRICTED INCOME FUNDS

	2012 £	2011 £
Balance at 1 January 2012	443,374	268,858
Incoming Resources for the year	37,795	36,177
Outgoing Resources for the year	(111,602)	(16,310)
Contribution to Overheads	164,615	154,649
Balance at 31 December 2012	<u>534,182</u>	<u>443,374</u>

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fund balances at 31 December 2012 are represented by:			
Current Assets	559,584	1,683,670	2,243,254
Current liabilities	(25,402)	(1,151,170)	(1,176,572)
Total net assets at 31 December 2012	<u>534,182</u>	<u>532,500</u>	<u>1,066,682</u>

14. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year ended 31 December 2012 or 31 December 2011.

15. OPERATING LEASE COMMITMENTS

The following operating lease payments for land and buildings are committed to be paid within one year:

	2012 £	2011 £
Expiring		
Within one year	-	-
Between one and five years	19,360	18,618
	<u>19,360</u>	<u>18,618</u>

16. COMPANY LIMITED BY GUARANTEE

The company is limited by Guarantee and not having a share capital and the members of the company undertake to contribute such amounts not exceeding £1 to the assets of the company whilst a member or up to one year after ceasing to be a member.

FOREST PEOPLES PROGRAMME

**INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 December 2012**

	2012 £	2011 £
Income:		
Grants	3,220,745	2,469,949
Donations	17,590	17,198
Publications	656	24
FERN payments	5,200	4,800
Interest	8,848	2,865
Other income	7,792	8,045
	<u>3,260,831</u>	<u>2,502,881</u>
 Expenditure:		
UK Salaries and Fees	771,441	735,323
Overseas Salaries and Fees	156,798	71,019
Consultant Fees	21,483	26,747
Travel and Project Monitoring	185,920	173,812
Translation, Publications & Research Documents	64,282	68,842
Communications and Visibility, Website Design	8,261	8,867
Equipment and Training	27,764	16,965
Evaluation Costs	19,455	-
Indigenous Participation	93,323	81,533
Field Costs (incl transfers to Partners)	1,451,595	844,473
Workshops	101,031	74,782
Rent and Rates and Insurance	26,640	24,380
Light and Heat	5,098	3,891
Telephone and Communications	10,309	12,433
Postage and Stationery	7,450	14,308
Sundry Expenses	9,814	6,546
Other Staff Costs	15,415	4,890
Audit	10,613	10,514
Legal Expenses	3,346	-
Bank Charges	6,984	4,800
Exchange Differences	(19,899)	37,962
Foreign Exchange(Gain)/ Loss on Year End Balances	83,516	(42,209)
	<u>3,060,639</u>	<u>2,179,878</u>
 NET SURPLUS	<u>£200,192</u>	<u>£323,003</u>

This page does not form part of the statutory accounts