

Forest Peoples Programme

Registered Charity No. 1082158

Company Registration No. 03868836

Dutch Stichting Registration No. 41265889

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2020

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FOREST PEOPLES PROGRAMME
Year ended 31 December 2020

ADMINISTRATIVE INFORMATION

Trustees/Directors

M Pimbert (Chair)
MJ Artist
C Doyle
L Erickson (appointed 8 July 2020)
S P Finn
J Frijns (resigned 8 July 2020)
R Halip (appointed 8 July 2020)
C Kalafatic (appointed 8 July 2020)
S Morrison (retired 8 July 2020)
B Tallack
R Williams (appointed 8 July 2020)

Secretary

S Roberts

**Principal Address
and Registered Office**

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Stratford Road
Moreton-in-Marsh
Gloucestershire
GL56 9NQ

Statutory Auditor

Crowe U.K. LLP
Carrick House
Lypiatt Road
Cheltenham
Gloucestershire
GL50 2QJ

Bankers

NatWest
Banbury Branch
1 Town Hall Buildings
Bridge Street, Banbury
OX16 5JS

Key Management Personnel

J Whitehead
L Claridge
F Cottrell (left 14 February 2020)
T Dixon
A Gray (started 23 March 2020)
T Griffiths
M L Henson
T Lomax
A Perram
H Tugendhat

Charity Registration Number

1082158

Company Registration Number

03868836

Dutch Stichting Registration Number

41265889

The Trustees present their report with the financial statements of the charity for the year ended 31 December 2020.

OBJECTIVES AND ACTIVITIES

The charitable objectives as set out in Forest Peoples Programme's (FPP) governing documents 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

FPP 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 2020

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. 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.

Many communities with whom FPP's work were impacted this year by the COVID-19 pandemic. We were able to be flexible and adapt to meet the most urgent needs of Indigenous Peoples where we work and strengthened distance support to partners in response to associated travel restrictions. In several cases FPP was able to provide emergency assistance to communities and partners affected by the pandemic. (e.g. in Cameroon, Suriname, Peru, Colombia and Indonesia). FPP has documented ways that COVID-19 has affected communities with whom we work and how they have responded. Despite the challenges of the pandemic, many activities at both local and global levels continued as planned and some fieldwork proceeded with biosafety protocols carefully developed and agreed with partners (e.g. in Colombia and in Cameroon).

During 2020, we worked with indigenous and other forest peoples in Africa (Cameroon, Democratic Republic of Congo, Liberia, Kenya, Madagascar, Republic of Congo, and Uganda), South and Central America & Caribbean (Antigua, Brazil, Colombia, Costa Rica, Guyana, Panama, Paraguay, Peru and Suriname) and Asia and Oceania (Bangladesh, Indonesia, Philippines, Thailand and Tuvalu) described below under our programme themes (Legal and Human Rights, Responsible Finance and Environmental Governance).

The Legal and Human Rights Programme

The programme works 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. Lawyers and legal experts from its nine-strong team provide legal advice and support to partners working to assert, and advocating for, forest peoples' 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 Strategic Legal Response Centre (SLRC), a major new package of work which began in 2019, successfully completed its pilot in 2020 (funded by Good Energies Foundation, Rainforest Fund, and Norway's International Climate and Forests Initiative). The SLRC is designed to facilitate more flexible support for legal test cases, urgent legal action response e.g. in the context of human rights defenders at risk, and with further pillars of work (a) to better support the 'community of practice' working on land rights and forests, and (b) for legal capacity building in countries where forest peoples live and where local lawyers are available but access to justice is often least accessible.

Significant disruption to operations was sustained throughout 2020 due to the COVID-19 pandemic. As well as placing LHRP colleagues, partners and their families and communities at significant personal risk, activities were inevitably curtailed or adapted to maximise safety and comply with local lockdown rules. Travel budgets for FPP and in-country lawyers were often underspent, and wherever possible donors were flexible in allowing funding allocated to travel budgets to be diverted to other project uses. While travel and field operations were thus curtailed, projects were able to continue via remote communication means. This was aided by the resilience resulting from the fact that many of the key relationships necessary for our work have been established and built over many years.

The programme also continued its support for partners seeking to overcome discriminatory laws and improve forest governance and human rights compliance. Legal reform was closely followed across the geographic and thematic portfolio of work, including EU and UK legislative moves towards mandatory due diligence for the private sector to combat deforestation and human rights impacts embodied in product imports and their associated commodity supply chains.

The programme provides extensive support to indigenous and forest peoples' organisations worldwide in global standard setting and policy processes. In 2020 the programme continued to provide support for interventions strengthening rights protections in various global standard-setting fora, including the Roundtable on Sustainable Palm Oil (RSPO), Accountability Framework Initiative (AFI), Forestry Stewardship Council (FSC) and other global policy spaces concerned with countering deforestation in commodity supply chains. Research was also conducted on the rollback of environmental and social safeguards linked to commodity production in Peru, Colombia, Indonesia, Brazil and DRC.

In 2020, the programme assisted indigenous and forest peoples and civil society partners in various countries, including Belize, Brazil, Cameroon, Colombia, Costa Rica, Democratic Republic of Congo, Guyana, Indonesia, Kenya, Liberia, Peru, Republic of Congo, Suriname, and Uganda.

The programme was supported in 2020 with grants from the Arcus Foundation, European Commission, File Foundation, Food & Agricultural Organisation, Ford Foundation, Full Circle Foundation, Good Energies Foundation, Julian Cho Society, Land Tenure Facility, the Norwegian Agency for Development Cooperation (NORAD) as part of Norway's International Climate and Forests Initiative, Rainforest Foundation US, Rainforest Fund, Sall Family Foundation, Size of Wales and the Waterloo Foundation.

The Responsible Finance Programme

The programme supported multiple and diverse grassroots and global actions in 2020 despite the pandemic. In Peru and Colombia the programme channelled emergency assistance to fifteen distinct forest peoples and territories affected by COVID-19. At the same time, FPP field projects remained active at the start and the end of the year in Peru, Colombia, Guyana, Liberia, Cameroon and Indonesia in supporting communities to challenge destructive commercial development and illegal land acquisition by loggers, miners, cattle ranchers, and oil palm growers (field activities were largely suspended due to the pandemic from April-September). Significant work was undertaken in Colombia in support of collective community-based systems for the protection of land and forest defenders.

FPP undertook fieldwork in Colombia, Peru and Indonesia alongside desk-based work (due to the pandemic) to investigate agri-commodity supply chain and international finance impacts on human rights and forests. Additional action research and advocacy was conducted on the rollback of environmental and social safeguards linked to commodity production in Peru, Colombia, Indonesia, Brazil and DRC. Evidence was also collected on mega infrastructure projects in Borneo and the Amazon basin. At the international level, the programme has continued to support the Zero Tolerance Initiative (ZTI) to end killings and violence in global supply chains, which has supported human rights and environmental defenders to make direct inputs to global meetings on supply chains, deforestation and human rights through representations to the EU, the UN and the Consumer Goods Forum (CGF). Collaboration with the *Accountability Framework Initiative* (AFI) on ethical supply chains has continued, including through training activities with communities and companies in Colombia and use of AFI guidelines in human rights impact assessment work in Indonesia.

FPP continued its focused work on the Roundtable on Sustainable Palm Oil (RSPO), the Forest Stewardship Council (FSC), High Conservation Value Forest (HCVF) and the High Carbon Stocks Approach (HCSA). Detailed inputs were also made in 2020 by FPP and partners to the Consumer Goods Forum "Forest Positive" commodity road map for the palm oil palm sector; the Global Reporting Initiative (GRI) and the Implementation Reporting Framework (IRF) of the Palm Oil Collaboration Group (POCG). In June, FPP and local partners co-hosted an international webinar with the Tropical Forest Alliance (TFA) on emerging lessons from the ground on jurisdictional programmes for sustainable commodity production in Indonesia, Malaysia and Ecuador. Sustained engagement and technical inputs were also made to EU forest policy processes and policy development on corporate governance and due diligence in coalition with like-minded NGOs and Southern partners. In the UK, FPP contributed to the UK policies and legislative proposals on sustainable trade, 'forest risk' commodities and UK finance for forests, biodiversity and climate change mitigation, including via engagement in a high-level ministerial roundtable hosted by FCDO and DEFRA in November.

The programme was supported in 2020 with grants from the Norwegian International Climate and Forest Initiative (NICFI) via the Norwegian Agency for Development Cooperation (NORAD), Accountability Framework Initiative (AFI), Climate and Land Use Alliance (CLUA) Global Programme, File Foundation, Ford Foundation, Good Energies, Land Tenure Facility, Rainforest Foundation US, Rainforest Fund, Sage Foundation, Size of Herefordshire and the Waterloo Foundation.

The Environmental Governance Programme

In 2020 the programme continued to work through its established four main thematic streams to implement its activities, the Territorial Governance stream, the Conservation and Human Rights stream, the Cultural, Biological and Knowledge Diversity stream and the Cultural and Ecological Resilience work stream. These streams are designed to help equip our partners and indigenous communities with the tools to manage and safeguard their territories as well as the political spaces to assert their rights at the national, regional and international levels.

With the impact of COVID-19 – felt very differently across the communities and partners with whom we work – there was significant change to the original plans for 2020. Key major international meetings were cancelled (UNFCCC, CBD, the World Conservation Congress) and major local programmes of work were suspended as COVID-19 spread. Despite this, work teams in EGP continued to adapt and adjust as conditions changed and work specifically focused on alleviating the impact of COVID-19 was possible, most directly through a community information campaign supported in Cameroon to inform forest communities of strategies to slow the spread of the disease, through an intra-community communication campaign in Suriname, and through developing community radio in Kenya. The programme also worked with partners in 11 countries to chronicle and demonstrate the specific impacts, and vulnerabilities, of indigenous communities to a pandemic like this, with a major report launched during the United Nations Permanent Forum on Indigenous Issues Expert Group Meeting on the pandemic (Dec 2020).

The Conservation and Human Rights stream was active in addressing human rights violations linked to governance and management practices within (and creation of new) protected areas. This included consistent, dedicated support to the on-going challenges facing Batwa communities impacted by the Kahuzi-Biega National Park in the Democratic Republic of Congo (DRC) including supporting the Batwa to present a resolution pathway that secures their forestlands and their rights, and legal support also to communities impacted by the Salonga National Park in the same country. With the release of an independent report into human rights violations linked to World Wide Fund for Nature (WWF) managed sites, the team also engaged in tracking these impacts and advocating for reform of conservation practice, particularly in East and Central Africa. In Kenya we supported the Elgon Ogiek and Sengwer communities in negotiations that led to the EU cancelling its €31 million WaTER project when the government was unable to guarantee the project would secure rather than violate community rights.

The Cultural, Biological and Knowledge Diversity team began the year co-convening a ‘human rights in the post-2020 global biodiversity framework’ conference, which issued a set of detailed recommendations for amendments to the goals and targets under negotiation in the post-2020 Global Biodiversity Framework. Despite the significant disruption to the 2020 ‘Super Year’ of biodiversity and climate change negotiations, the team also completed and launched the 2nd edition of ‘Local Biodiversity Outlooks’, a companion publication to the 5th edition of the Global Biodiversity Outlooks released by the Secretariat of the Convention on Biological Diversity. The launch, held just before the UN Summit on Biodiversity, was hugely well received and lays important groundwork for advocacy in 2021 when negotiations towards a new Global Biodiversity Framework begin again as travel restrictions are expected to ease or continue through online meetings and consultations. During the latter part of the year, those negotiations began to move again, and the team made detailed technical inputs into those discussions.

Through our Territorial Governance work in 2020, we continued to expand the scope of the Indigenous Navigator, a global innovative set of tools for Indigenous Peoples to track and assess violations of their basic rights. We support Indigenous Peoples in both Suriname and Cameroon to use the Navigator tools, and 2020 saw the development of a series of self-determined micro-projects to address key areas where human rights are persistently violated (access to citizenship in Cameroon, access to land titles, and native language instruction in Suriname, among others). We also supported self-determined development projects in Kenya (Mt Elgon Ogiek), in Colombia (Resguardo Lomoprieta) and in Peru (the autonomous nation of the Wampis) through an emerging support mechanism for direct community access.

Monitoring of threats to community and indigenous territories and lands was also launched in Colombia, extended in Guyana and supported in Indonesia in 2020. In east Africa, the Territorial Governance work stream continued to support communities in the use of TIMBY and Mapeo, both monitoring tools, to track and report on human rights violations. Our team has helped to visualise deforestation of indigenous lands over decades of encroachment by palm oil expansion in Indonesia, Colombia, Peru

and Liberia and helped to map the interconnection of sacred mountains and the importance they have for Wapichan nao culture in Guyana.

The Cultural and Ecological Resilience workstream consolidated consultations and networking towards the launch of the Global Network on Indigenous-led Education (ILED) a coalition of Indigenous Peoples' organisations, northern support organisations, donors and grant making organisations and networks, and others interested in supporting indigenous cultural revival programmes, including education and youth leadership.

The programme was funded in 2020 with grants from Swedbio at the Stockholm Resilience Centre, Arcus Foundation, Christensen Fund, European Commission, Finnish Ministry of Environment, Fondation Pour le Tri-National de la Sangha, Ford Foundation, Full Circle Foundation, Good Energies, International Labour Organisation, International Working Group on Indigenous Affairs (IWGIA), Japanese Biodiversity Fund, Ministry of France, Nia Tero Foundation, the Norwegian Agency for Development Cooperation (NORAD) as part of Norway's International Climate and Forests Initiative, Rainforest Foundation US, Rainforest Fund, Secretariat of the Convention on Biodiversity, Size of Wales, Waterloo Foundation.

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:

M Pimbert (Chair)

MJ Artist

C Doyle

L Erickson (appointed 8 July 2020)

SP Finn

J Frijns (resigned 8 July 2020)

R Halip (appointed 8 July 2020)

C Kalafatic (appointed 8 July 2020)

S Morrison (retired 8 July 2020)

B Tallack

R Williams (appointed 8 July 2020)

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. There is also an induction meeting with the Director and other senior staff members as appropriate. The Audit Committee (a sub-committee of the full Board) meets twice a year in April and October, in preparation for the June and November full Board meetings.

The Coordination and Management Team (CMT) which led the organisation in operational terms and the wider Programme Coordinators Team (PCT) were restructured during the year and from July 2020 were replaced by a single Programme Coordination and Management Team (PCMT). The PCMT has a collective role in ensuring cross programme coordination and enabling FPP to remain true to its mission and values, strategic, responsive, fair, resilient, accountable and effective. It supports the development and renewal of FPP's strategy, learning from past and present work, and enhancing our

effectiveness to face complex challenges as well as contributing to finding solutions to operational challenges and funding gaps. The group meets every four to six weeks with subgroups of this team meeting between these meetings as required.

Until the end of June 2020 the CMT have been treated as the key management personnel of FPP in terms of disclosure of remuneration and related party transactions, and PCMT has been treated as the key management personnel from July 2020 onwards. Remuneration of key management personnel was approved by the Board before implementation.

WORKING WITH PARTNERS

FPP 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 FPP 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 11.

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.

FPP is also registered as a Dutch Stichting. It has a registered address in the Netherlands and has acquired ANBI status there. Certain trustees are also registered under the Dutch Stichting. It is organisational policy that at least one member of the Trustee Board is of Dutch nationality. During the year a Dutch bank account was opened in the name of the Stichting.

FINANCIAL REVIEW

The charity's income for charitable activities in 2020 included grants for restricted activities of £3,878k (2019: £4,033k), unrestricted fund grants of £205k (2019: £89k), service contract and other consultancy income and government grants of £230k (2019: £115k). Donations in the year were £39k (2019: £178k). Total income amounted to £4,375k (2019: £4,442k). The decrease in restricted grant income (£154k; 4%) is in part due to the funding cycle but does reflect a more challenging funding environment.

Total expenditure on charitable activities amounted to £4,109k (2019: £4,138k). These are broken down into Staff and Related Personnel Costs at £2,203k (2019: £2,027k), Direct Programme Costs at £1,734k (2019: £1,870k), Support Costs at £111k (2019: £115k) and Governance at £50k (2019: £67k). The details of these costs are in Note 4. Our transfers to partners are analysed by country in Notes 4a and 4b. 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 in 2020 has been a complex mixture of income streams from many different funding sources to enable us to complete the many strands of work set out in our programmatic reports; we received income for 42 restricted grants in 2020 (2019: 37). It continues to be a difficult environment, with little support for flexible funding in the broadest sense. However, in 2020 we received a large flexible grant from a foundation new to FPP and although we have very few individual supporters, the funding given by them in 2020 has increased in value, which is exceptional given the context at the moment. The largest part of our funding support is from single and multi-year grants, mainly from larger foundations and government agencies, which provide much needed stability in the form of larger and longer-term projects. This support comes with demanding reporting and monitoring and evaluation conditions which have encouraged us to implement strong robust systems and demonstrate transparency across all that we do. Our largest grant, from NORAD, was due to finish at the end of 2020 but, due to COVID-19, will complete at the end of March 2021. This constituted 30% of our

expenditure in 2020. We applied for a new five year grant from NORAD but unfortunately this was not successful. Another large multi-year grant, Swedbio, did complete in December 2020 and we have been successful with a further five year grant from this funder.

We also value very highly the comparatively smaller grants we receive as these usually provide 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 11.

We work closely with local partners in all the countries funded by our grants and have developed systems for due diligence assessments and capacity building to enable them to implement the activities on the ground where necessary. Due to COVID-19 it has not been possible to support partners in person in many cases but close working together online and the use of more local support has meant that we have continued to support capacity building through the year.

Total funds at 31 December 2020 amounted to £2,067k (2019: £1,859k) of which £1,144k (2019: £964k) related to Restricted Funds and £923k (2019: £894k) was available for unrestricted purposes. At 31 December 2020 there were 2 restricted fund balances in deficit (2019: 4). One grant was granted a no-cost extension after the start of its grant period which meant that activities were drawn out over longer periods of time and not completed before the year end; this will be completed in 2021 when the final tranche will be paid. The other grant had been waiting for completion of a narrative report and has since been received.

It is challenging to find support to cover our institutional costs – costs that enable us to fulfil the requirements of being a good employer, comply with best practice and good governance while supporting all of the organisation's work and smooth functioning. We have prioritised unrestricted fundraising as part of our fundraising roadmap and been successful in developing relationships with some new supporters of our general work, mission and vision. This year this has progressed more slowly than we would have wished due to the pandemic. We have also continued to selectively contract with some organisations under service level agreements which are unrestricted funds. We are still reliant on contributions towards administration costs from many of the funded projects while we actively look for separate unrestricted funding. This year saw further efforts to diversify funding for FPP's work with foundations and there has been promising progress in this area.

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 FPP's need 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 FPP 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 catastrophic or lesser but damaging events. An EOR provides the ability to continue operating when such events might arise.

The Trustees believe that the level of the EOR should normally be the equivalent of a minimum of four months' (non-project funded) organisational operating costs plus four months' salary commitments for all staff. This would currently amount to approximately £683k. The intention of the Trustees remains that the EOR is maintained at or above this minimum level wherever possible while recognising that there will be fluctuations in reserves from year to year. At 31 December 2020, the free reserves,

excluding £41k of designated reserves, were £882k (2019: £808k). Free reserves include fixed asset investments of £334k (2019: £332k) as the investments are held in deposit accounts and bonds with a notice period and are freely available to use were the need to arise.

While this is currently higher than the minimum desired EOR we have planned to draw down £139k of reserves during 2021 in order to continue to maintain our operational capability during the year despite the loss of the NORAD grant; this would leave budgeted free reserves at the end of 2021 of £743k. We have a high chance of a large multi-year grant starting in 2022, after the current development phase completes in mid-2020. The use of these reserves will allow the organisation to have the capacity to implement this large project in future years, in addition to allowing it to actively pursue other opportunities during 2021. Our reserve position allows us this possibility during 2021 but if further funding is not forthcoming during 2021, significant changes will be needed in 2021 to ensure that reserves do not reduce below our £500k reserve floor at any point.

The Trustees recognise the need to continually build and protect our unrestricted reserves to meet the desired EOR and to build and strengthen the organisational structure, its governance, policies and procedures. The Trustees agreed, over the five years from 2019, to invest up to 10% of the current level of unrestricted reserves in fundraising to develop and nurture new sources of funding. This approach is still deemed appropriate in light of the global economic climate and the risks that this poses to the robustness of funding for the charity, but will be kept under review in the light of other calls upon reserves.

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 if the need should arise.

INVESTMENT POLICY

The Trustees aim to hold funds in ethical investments or interest-bearing accounts wherever possible. Part of the unrestricted reserves (£334k) 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 all restricted reserves and the balance of unrestricted reserves (£641k at year end) are held in interest bearing accounts with the organisation's main bank, NatWest.

FUTURE PLANS

FPP offers long term support to the communities and partner organisations it works with. To achieve this FPP's future focus will continue to be on strengthening the organisation's core capacities, developing a sustainable funding model, ensuring FPP's diverse staff are well supported, and increasing collaboration with other organisations at community, national and international levels to address the complex threats that forest communities are facing.

Strategic priorities have been set for each of the main countries in which FPP works and in each of its thematic focus areas (ranging from government regulation on trade to supporting human rights defenders); these strategic priorities reflect the emerging challenges and opportunities in each area of FPP's work – allowing agility on the one hand and continuity of engagement on the other.

The organisation will continue to work flexibly with local partners to continue to adapt to challenges resulting from COVID-19. This includes efforts to address rollbacks in social and environmental safeguards and the dangers these pose for Indigenous Peoples and their territories.

Our four strategic priorities – and their respective key activities and desired outcomes – are necessarily mutually reinforcing in order to have the biggest impact for vulnerable communities seeking to uphold their rights. Fundamentally this is a question of justice, given that the key drivers of deforestation are invariably the same drivers undermining forest peoples' rights and resilience. We are therefore committed to addressing the interconnected threats to human rights, the global climate crisis and nature.

Strategy I: Strengthen forest peoples' governance of their forest territories and communities

The heart of our work is partnering with local forest communities, often over decades, in joint activities geared towards strengthening the management of their lands for future generations and a stable global climate in line with their long-term visions, traditional knowledge and customary laws. We want to deepen this crucial groundwork in specific locations and broaden its impact by connecting communities together in a movement for realising those visions, strengthening their systems of self-government and sustainably managing their forest lands and territories as a key contribution to addressing the climate crisis and enhancing their resilience to it. For example, activities include working behind the scenes in countries to support local civil society; supporting local monitoring and evidence generation; and advocating as part of global coalitions on rights-based forest protection.

Strategy II: Ramp up action to challenge human rights abuse in agricultural and extractives supply chains at the tropical forest frontier

To further this strategy our activities combine accompaniment of local struggles of Indigenous Peoples with global level action to seek redress and engagement with actors in global and national supply chains, and legislative change in producer and consumer countries. We want to continue to facilitate the Zero Tolerance Initiative for killings and violence in deforestation-risk supply chains and to deepen our impact including in Colombia, Peru, Cameroon, Liberia and Indonesia. We are already active members of the Roundtable on Sustainable Palm Oil (RSPO) and have shaped – and continue to shape – the policies and standards of the Forest Stewardship Council (FSC) and the Accountability Framework Initiative (AFI). We will continue active dialogue with companies including major consumer goods manufacturers and European supermarket chains on ethical supply chains, human rights and deforestation. We will strengthen collaboration with other organisations to achieve systemic change and use strategic fora such as the UN Forum on Business and Human Rights. In addition we will play an active role in making sure human rights is addressed in strategic policy spaces including in the development of the High Carbon Stocks Approach (HCSA) and the Jurisdictional Approach.

Strategy III: Use the law to leverage change

We will continue to integrate legal expertise into all our work – from accompaniment of communities facing external threats to detailed engagement on legislative reform. We aim to continue the growth of the Strategic Legal Response Centre which builds on our Legal and Human Rights Programme's 30-year experience of using the law to protect forest peoples' rights and deliver real accountability. The Centre is an innovative initiative that supports Indigenous Peoples and local communities dependent on tropical forests to access justice and make effective use of domestic and international law. It works in alliance with other key actors including University law schools, civil society and those in private practice. The Centre builds on our long track record of legal expertise in accompanying communities and making strategic use of a wide range of judicial and non-judicial mechanisms at both national and international levels.

Strategy IV: Influence international policy

We will continue to support indigenous and local community representatives to bring local and national cases directly into international policy making circles, and ensure that global policy is informed by, and created in consultation with, strong community voices. There will be at least three areas of focus in the coming years. First, European Union reform is now moving in the direction of new human rights due diligence regulation for companies, and a parallel regulation obliging

companies to also undertake the necessary due diligence to minimise the forest and climate footprint of products the EU market such as those containing palm oil, soya and leather.

The second push is on addressing the drivers of violence and intimidation for peoples and communities at the forest frontier targeting investors and downstream companies – known as the Zero Tolerance Initiative.

Third, putting indigenous and local community stewardship at the heart of the conversation about saving nature. We will continue supporting the wider Indigenous Peoples' movement globally and work in partnership with others such as the UN Secretariat of the Convention on Biological Diversity (CBD). We will promote and model rights-based conservation and push for greater material and financial support for community-led conservation.

FUNDRAISING ACTIVITIES

The Trustees reviewed the charity's fundraising at the Annual General Meeting in 2020 and also at the December 2020 Board Meeting. CMT/ PCMT monitors fundraising throughout the year. Fundraising expenses are categorised in terms of staff time taken to write funding proposals and budgets together with some small pieces of consultancy advice about fundraising. 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. Fundraising costs are reported in the Statement of Financial Activities as £58k (2019: £52k). The charity had no fundraising activities requiring disclosure under s162A of the Charities Act 2011.

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. Taking the Charity Commission's guidance into consideration, the Trustees are satisfied that our public benefit requirements have been met.

RISK MANAGEMENT POLICY

The Board is ultimately accountable for dealing with risk.

The identification and assessment of risks is done by management on a rolling basis with the Board able to add, subtract, elevate or relegate.

The assessment of gross risk is based on:

- Severity of impact
- Likelihood of occurrence

In order to meet its fiduciary responsibilities and govern FPP to achieve its mission most effectively, the involvement of the Board can be described as:

- Input to identification and oversight of 'High Level' risks and opportunities. A 'High Level' risk can be strategic (does this risk mean that FPP does not make a difference?) or Operational (does this risk fundamentally threaten FPP's ability to continue?)
- Sets risk appetite
- Seeks reassurance that **processes** are in place for managing operational risks rather than getting into the detail of management
- Monitors 'High Level' risks
- Holds management accountable for running the processes and taking mitigating actions
- Receives reports of critical incidents (e.g. major fraud, kidnap)

The Board also signs off on policies which have a high-risk component (e.g. staff security).

The risk register is the primary tool used by the Board to monitor risk. At each Board meeting management reports on the movement in the 'High Level' risks (getting worse, staying the same, getting better) that have occurred because of changes in the operating environment or management action.

The 'High Level' risks with the highest score identified in the most recent review of the register in November 2020 and mitigating actions are:

1. Risk – Health threat to indigenous populations from Covid. Covid used as cover for increased deforestation and human rights abuses by government and other actors.

Mitigation – Support and emergency funding to partners, sharing covid protocols between partners and communities, engagement with NGO community, states and other actors.

2. Risk – Reduced opportunities to fund programme due to global shifts in funding, government policy and Covid downturn.

Mitigation – Energetic pursuit of new funding relationships, ongoing close engagement with key donors, use of funding roadmap and planning tools to diversify and expand funding, close monitoring of reserve position and forecasting.

3. Risk – Very limited ability for international travel and staff working from home due to Covid.

Mitigation – Set up and operation of technical solutions to maintain communication and other work (e.g. Zoom, WhatsApp) for staff and with partners. Use of welfare managers for staff. Deliberate and proactive engagement with partners.

FPP has continued to take steps to further strengthen safeguarding across its work including through the development and rollout of its code of conduct, safeguarding policy and adapted partner due diligence methodology. Training has been carried out with all staff in 2020, with further development planned in 2021.

During 2020 FPP has not needed to report any safeguarding or fraud incidents to the Charity Commission or grant funders.

COVID-19

The Trustees and the management team have been monitoring the impact and potential impact of COVID-19 both directly on the charity's activities and indirectly in its areas of operations throughout the year from the start of the pandemic, through reviewing changing UK and other government policy and advice and through wider information gathering. The main considerations are as follows:

• Operational

The Trustees and the management team implemented a business continuity plan which requires all staff to operate in line with government guidelines and work remotely wherever practicable with strict protocols for limited head office access. Communications and on-line collaboration tools are being used within the charity that allow for efficient remote working and the charity's IT facilities are adequate to maintain operations on this basis for the foreseeable future. The Trustees and the management team are mindful of the differing pressures on individual members of staff, and also of the fact that these pressures change as the position nationally and locally develops during 2021.

• Fundraising

FPP has received supportive messages from key donors expressing solidarity with the charity and the communities with whom we work and have offered greater flexibility with how current grant funding is spent. Competition for funding is more intense and in some cases the amount of funds available overall lower. Our projections for 2021 take account of this. The significant negative economic impact on all countries will continue to effect the amount of funding that donors have at their disposal. However, it is likely that areas such as climate change and biodiversity will still be prioritised.

• Staff

The charity has been using, and is continuing to use, the UK government's furlough scheme in order to support employees who would otherwise have been "laid off" or made redundant during this crisis.

- **Reserves**

FPP's reserves are in a healthier position than at the end 2020 compared to the prior year but will be significantly impacted in 2021, in part due to the pandemic. See reserves note above for further detail.

- **Investments**

The Charity does not hold direct investments, but it is aware that the interest-bearing accounts that it does hold are linked to an investment portfolio held by Triodos and the CCLA. Therefore, income from those funds will fall but this is an immaterial income stream for FPP.

- **Charitable Income and Activities**

The impact on the Charity over the last year has been a suspension of all international travel and a slowdown or cessation of FPP and partner field activities as the virus reached the fragile areas where the charity works. However travel within countries has been less effected and many activities have been able to continue. If, as is hoped, international travel resumes during 2021, more direct support and work can recommence. The reduction in funding, however, will continue to impact on the activities that can be undertaken.

- **Going Concern**

A fully revised forecast for 2021 was reworked during March and presented to the Audit & Finance Committee. This takes account of funding changes and updated information in the first quarter.

As at the date of signing these financial statements, the Trustees' and the management team's forecasts up to 31 December 2022 indicate that the Charity will be able to continue to operate as a going concern. Even the most pessimistic scenario shows that the organisation can continue to operate as a going concern, albeit at a much lower level and capacity than present. The Trustees and the management team are regularly monitoring the position to determine the right way forward as events unfold.

RELATED PARTIES

The related party transactions during the year are disclosed in Note 14.

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.

CHARITY GOVERNANCE CODE

In 2019 the Trustees carried out a review of the Charity Governance Code and concluded that FPP follows most of the guidance recommended by the Code. The Board will continue to consider any further areas of development, particularly in the light of updates to the code in 2020, and make changes as appropriate.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of FPP 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

A resolution will be put to the Annual General Meeting proposing that Crowe U.K. LLP will be re-appointed as auditor.

ON BEHALF OF THE BOARD:

.....*Signature redacted for fraud prevention*.....

R Williams

TRUSTEE

Date:

27 April 2021

Opinion

We have audited the financial statements of Forest Peoples Programme ('the charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2020 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters 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' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the directors' report included within the trustees' 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 charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate and proper 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' exemptions in preparing the trustees' directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 15 and 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within transfers to partners, the timing of recognition of grant income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, designed audit procedures to test the timing of grant income, reviewing accounting estimates for biases, reviewing regulatory correspondence including that with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signature redacted for fraud prevention

Tara Westcott
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
Carrick House
Lypiatt Road
Cheltenham
Gloucestershire
GL50 2QJ

Date: 29 April 2021

FOREST PEOPLES PROGRAMME
STATEMENT OF FINANCIAL ACTIVITIES
[incorporating an income and expenditure account]
For the year ended 31 December 2020

		Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
		2020	2020	2020	2019
	Note	£	£	£	£
Income from					
Charitable Activities	2	430,558	3,882,962	4,313,520	4,235,861
Donations		29,246	10,023	39,269	178,103
Other Income		13,152	3,894	17,046	21,582
Bank Interest		4,601	457	5,058	6,935
Total		477,557	3,897,336	4,374,893	4,442,481
Expenditure on					
Charitable Activities	4	408,483	3,700,844	4,109,327	4,137,947
Raising Funds		26,715	30,898	57,613	51,550
Total		435,198	3,731,742	4,166,940	4,189,497
Net Income	5	42,359	165,594	207,953	252,984
Other recognised gains and losses					
Transfers between funds		(13,532)	13,532	-	-
Net movement in funds		28,827	179,126	207,953	252,984
Reconciliation of Funds:					
Total funds brought forward:		894,153	964,477	1,858,630	1,605,646
Total funds carried forward:	11, 12	922,980	1,143,603	2,066,583	1,858,630

The notes on pages 23 to 43 form part of these financial statements

	Note	2020 £	2019 £
Intangible Fixed Assets:			
Website	7	-	3,582
Fixed Assets:			
Interest Bearing Deposit Accounts	8	333,683	331,801
Current Assets:			
Debtors	9	229,364	524,187
Cash at Bank and in hand		1,730,648	1,191,311
		<u>2,293,695</u>	<u>2,050,881</u>
Current Liabilities:			
Amounts falling due within one year			
Creditors	10	227,112	192,251
Net Assets		<u>2,066,583</u>	<u>1,858,630</u>
The funds of the charity:			
Restricted Income Funds	11	1,143,603	964,477
Unrestricted Funds	12	922,980	894,153
Total charity funds		<u>2,066,583</u>	<u>1,858,630</u>

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 20 to 43 were approved and authorised for issue by the Trustees on 27 April 2021 and signed on their behalf by:

Signature redacted for fraud prevention

R Williams

TRUSTEE

The notes on pages 23 to 43 form part of these financial statements

	Note	2020 £	2019 £
Cash flows from operating activities:			
<i>Net cash provided by (used in) operating activities</i>	15	548,074	(424,922)
Cash flows from investing activities			
Interest from investments		<u>5,058</u>	<u>6,935</u>
<i>Net cash provided by investing activities</i>		5,058	6,935
<i>Change in cash and cash equivalents in the reporting period</i>		<u>553,132</u>	<u>(417,987)</u>
Cash and cash equivalents at the beginning of the reporting period		1,523,112	1,999,826
Change in cash and cash equivalents due to exchange rate movements		(11,913)	(58,727)
<i>Cash and cash equivalents at the end of the reporting period</i>	16	<u>2,064,331</u>	<u>1,523,112</u>

The notes on pages 23 to 43 form part of these financial statements

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 2020 is 9 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 and applicable accounting standards.

Income

All income is accounted for gross.

Income from donations and grants, including government 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.

Intangible Fixed Assets and Amortisation

Intangible 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 (website: 3 years).

Financial Instruments

With the exception of fixed asset investments as noted below, 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.

Fixed asset investments are investments held for the longer term and deposits, with a maturity of longer than three months. Deposits within fixed asset 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. Within the unrestricted funds are designated funds which are balances set aside for specific areas of work by the Programme Coordination and Management Team. This separation is an internal matter and the funds are deemed to be fully flexible.
- 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

FPP normally 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. These budgets have been reconsidered in the light of the COVID-19 pandemic. The charity has identified secured funding over the next 12-18 months. It has also identified grant funding renewals and opportunities which have been applied for or are in the process of being applied for and which the Trustees have a high expectation will be successfully secured. Based on this funding and the related expenditure models the Trustees have reasonable expectation that the charity has adequate resources to continue in operational existence and meet all its obligations as they fall due in the normal course in the short to medium term. The Trustees have set out their analysis of the ways in which the COVID-19 pandemic is likely to impact the charity in the Trustees' Annual Report. 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 FPP 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 FPP 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 Aviva. 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

Income is recognised when there is evidence of entitlement, the amount can be measured and the receipt is probable. Where terms and conditions have not been met, or, uncertainty exists as to whether FPP 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

RESTRICTED INCOME GRANTS	2020	2019
	£	£
Arcus Foundation - DRC	13,538	59,682
Arcus Foundation - Liberia	21,484	-
Arcus Foundation - RoC	105,600	-
Arcus Foundation - Sumatra	94,175	-
Arcus Foundation - Uobdu	5,224	-
The Ashden Trust	53,500	-
Both Ends	17,098	-
Christensen Fund	-	38,760
Climate and Land Use Alliance Indonesia	-	236,220
Climate and Land Use Alliance	164,319	118,110
Climate Justice	18,657	-
European Commission - Cameroon	266,212	245,071
European Commission - ENRTP	-	266,231
European Commission - Guyana	-	(8,094)
European Commission - Liberia	68	51,948
European Commission - Peru	-	14,221
File Foundation	20,726	-
Fondation pour le Tri-national de la Sangha	8,929	-
Ford Foundation	207,234	-
Ford Foundation Peru Colombia	200,000	231,664
Full Circle Foundation	117,188	87,258
Good Energies Foundation	133,573	107,759
Inobu	12,320	-
Institute for Global Environmental Strategies	14,387	-
International Institute for the Environment and Development	-	13,064
International Labour Office	13,398	102,926
IWGIA - Making SDGS work for indigenous peoples	144,982	204,677
IWGIA - Bridging Grant	87,579	-
Ministry of the Environment, Finland	17,699	30,973
Ministry of France	-	9,000
Nia Tero Foundation	49,362	52,846
Norwegian Agency for Development Cooperation	1,232,657	1,394,518
Rainforest Alliance	-	22,405
Rainforest Fund - Costa Rica	29,717	15,957
Rainforest Fund - Cameroon	15,625	-
Rainforest Fund - Legal	-	15,748
Rainforest Foundation US	86,381	100,517
Sub total	3,151,632	3,411,461

2. INCOME FROM CHARITABLE ACTIVITIES (cont'd)

RESTRICTED INCOME GRANTS	2020	2019
	£	£
Sub total brought forward	3,151,632	3,411,461
RRI Agribusiness	-	8,075
RRI via Katiba Institute	-	6,163
RRI Kenya SRM	1,527	-
Sage Foundation	6,716	15,041
Sall Foundation 2019/20	-	51,163
Sall Foundation 2020/21	89,552	-
Samdhana Institute	-	4,667
Secretariat of the Convention on Biodiversity	66,652	89,663
Size of Wales Guyana	6,409	22,081
Size of Wales Kenya	18,644	42,000
Size of Wales Peru	44,208	-
Stockholm Environmental Institute	6,219	31,631
Swedbio at the Stockholm Resilience Centre	338,409	278,199
Timby	2,419	8,268
Torres Strait	-	5,261
Voice (Oxfam Novib)	9,009	-
Waterloo Foundation	10,000	50,000
Waterloo Foundation - Covid 19 Response	15,000	-
Wellspring Foundation - Gender	111,940	-
WCMC	-	9,000
Grand Total	<u>3,878,336</u>	<u>4,032,673</u>
RESTRICTED INCOME OTHER	2020	2019
	£	£
Service Contracts	4,626	33,146
Other Consultancies	-	19,486
	<u>4,626</u>	<u>52,632</u>
TOTAL RESTRICTED INCOME	<u>3,882,962</u>	<u>4,085,305</u>
UNRESTRICTED INCOME	2020	2019
	£	£
Grants	205,347	88,509
UK Coronavirus Job Retention Scheme	25,144	-
Service Contracts	200,067	62,047
	<u>430,558</u>	<u>150,556</u>
TOTAL INCOME FROM CHARITABLE ACTIVITIES	<u>4,313,520</u>	<u>4,235,861</u>

3. TAXATION

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

4. CHARITABLE ACTIVITY COSTS

	Note	2020 Unrestricted £	2020 Restricted £	2020 Total £	2019 Total £
Staff and Related Personnel Costs					
UK Salaries & Fees		276,718	1,062,962	1,339,680	1,253,800
Overseas Staff Fees		136,661	376,925	513,586	519,024
Consultants		45,090	291,634	336,724	238,511
Other Staff Costs		12,326	1,090	13,416	15,655
		<u>470,795</u>	<u>1,732,611</u>	<u>2,203,406</u>	<u>2,026,990</u>
Direct Programme Costs					
Travel and Project Monitoring		9,075	74,039	83,114	266,528
Translation, Publications and Research Documents		6,906	141,329	148,235	76,294
Equipment & IT		43,231	15,217	58,448	52,261
Evaluation Costs		-	335	335	-
Indigenous Participation		-	13,177	13,177	129,573
Field Costs (incl transfers to Partners) 4a		32,957	1,383,618	1,416,575	1,252,351
Workshops		-	5,895	5,895	75,925
Emergency Payments		-	7,864	7,864	17,254
		<u>92,169</u>	<u>1,641,474</u>	<u>1,733,643</u>	<u>1,870,186</u>
Support Costs					
Rent, Rates and Insurance		51,330	10,137	61,467	54,671
Light, Heat and Cleaning		6,981	245	7,226	8,029
Telephone and Communications		5,679	1,468	7,147	7,761
Communications and Visibility		2,850	8,890	11,740	10,401
Membership Subscriptions		2,627	9,811	12,438	16,563
Postage and Stationery		3,357	1,604	4,961	4,227
Depreciation		3,582	-	3,582	3,566
Sundry Expenses		2,160	144	2,304	10,237
		<u>78,566</u>	<u>32,299</u>	<u>110,865</u>	<u>115,455</u>
Governance					
Auditor's Remuneration		20,810	5,524	26,334	44,991
Bank Charges and Interest		5,767	9,931	15,698	15,843
Legal & Professional Fees		5	7,463	7,468	5,755
		<u>26,582</u>	<u>22,918</u>	<u>49,500</u>	<u>66,589</u>
Contribution to overheads		(271,445)	271,445	-	-
Foreign Exchange Losses		11,816	97	11,913	58,727
Total Charitable Activities		<u>408,483</u>	<u>3,700,844</u>	<u>4,109,327</u>	<u>4,137,947</u>

4a. FIELD COSTS

	2020	2019
	£	£
Transfers to Partners By Country:		
Antigua and Barbuda	16,714	10,504
Bangladesh	31,117	17,083
Brazil	2,204	-
Cameroon	186,686	223,502
Central Africa Republic	-	7,502
Colombia	203,423	148,993
Costa Rica	14,293	13,353
Democratic Republic of Congo	44,430	63,500
Ecuador	198	-
Guyana	65,775	44,278
Indonesia	226,564	258,543
Kenya	55,029	5,903
Liberia	34,599	37,599
Madagascar	16,541	10,504
New Zealand	-	3,937
Panama	26,918	17,083
Paraguay	5,233	-
Peru	204,593	137,019
Philippines	25,838	12,111
Republic of Congo	4,264	28,887
Suriname	83,394	112,842
Thailand	26,022	12,618
Tuvalu	16,378	11,417
Uganda	4,849	9,943
	<hr/>	<hr/>
	1,295,062	1,187,121
Equipment for Partners	62,926	27,928
Other Field Costs	58,587	37,302
	<hr/>	<hr/>
	1,416,575	1,252,351
	<hr/>	<hr/>

4b. TRANSFERS TO PARTNERS

		2020	2019
		£	£
Transfers to Significant Partners:			
Association Okani	Cameroon	185,705	223,155
Cabildo Resguardo Indígena Cañamomo Lomapieta	Colombia	63,543	33,846
Centre d'Accompagnement des Minorités Vulnérables	Democratic Republic of Congo	33,429	34,952
Comisión Intereclesial de Justicia y Paz	Colombia	36,480	39,189
Corporación Desarrollo Solidario	Colombia	25,806	24,815
Corporación Río Cauca Palenke	Colombia	33,877	36,923
Federación de Comunidades Nativas del Ucayali y Afluentes (FECONAU)	Peru	41,514	28,318
Fundación para la Promoción del Conocimiento Indígena	Panama	26,918	21,240
GTANW (Wampis)	Peru	52,587	36,461
Indepaz	Colombia	46,626	977
Instituto de Defensa Legal	Peru	99,859	56,021
Organisation pour le Développement et les Droits Humains au Congo	Republic of Congo	-	27,799
Pusaka	Indonesia	-	83,126
Social Entrepreneurs for Sustainable Development	Liberia	31,965	29,460
South Central Peoples' Development Association	Guyana	47,689	20,444
Stichting Vids	Suriname	83,394	112,842
Unnayan Onneshan	Bangladesh	31,117	17,727
Yayasan Masyarakat Kehutanan Lestari	Indonesia	179,371	81,678
Other		275,182	278,148
		<hr/>	<hr/>
		1,295,062	1,187,121
		<hr/>	<hr/>

100% of transfers to partners (2019: 100%) are made to institutions. No transfers are made to individuals (2019: £nil)

5. NET INCOME

	2020	2019
	£	£
Net income is stated after charging:		
Operating lease costs	44,865	40,389
Statutory audit services for the current year	17,820	14,550
Statutory audit services for the prior year	-	225
Non-statutory audit services for the current year	3,733	21,838
Non-statutory audit services for the prior year	3,052	850
	<hr/>	<hr/>

6. STAFF COSTS & TRUSTEES' REMUNERATION

	2020	2019
	£	£
Wages & Salaries	1,233,425	1,155,788
Social Security Costs	117,062	117,881
Pension Costs	32,989	28,758
Overseas Staff	520,504	514,522
Total	1,903,980	1,816,949

	2020	2019
Number of Employees receiving remuneration in the year in the following bands:		
£60,000 - £70,000	3	2
£70,000 - £80,000	-	1
£80,000 - £90,000	1	1

The average headcount was 50 (2019: 47). The average Full Time Equivalent headcount was 42 (2019: 40).

During the year no remuneration was paid to the Trustees (2019: £NIL). Travel and subsistence expenses costs were reimbursed to 1 Trustee (2019: 4 Trustees) of £78 (2019: £425).

During the year key management personnel were remunerated in total £621,419 (2019: £222,713). During the year the management structure was changed to replace two management committees with one larger body. The 2020 figure therefore includes 5 additional staff.

7. INTANGIBLE FIXED ASSETS

	Website
Cost	£
Balance At 1 January 2020	10,699
Balance at 31 December 2020	10,699
Amortisation	
Balance At 1 January 2020	7,117
Charges in the Year	3,582
Balance at 31 December 2020	10,699
Net Book Value at 31 December 2019	3,582
Net Book Value at 31 December 2020	-

8. FIXED ASSET INVESTMENTS

	£
Balance at 1 January 2020	331,801
Interest earned during the year	1,882
Cash withdrawal in the year	-
Balance at 31 December 2020	<u>333,683</u>

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

9. DEBTORS

	2020	2019
	£	£
Prepayments	23,558	47,473
Accrued income on contracts	185,634	469,927
Staff advances	8,000	6,787
Other Debtors	12,172	-
	<u>229,364</u>	<u>524,187</u>

10. CREDITORS

	2020	2019
	£	£
Accounts Payable	70,212	91,730
Accruals	83,493	68,117
Taxation and Social Security	73,407	32,404
	<u>227,112</u>	<u>192,251</u>

11. RESTRICTED INCOME FUNDS

	b/f at 01.01.20	Income	Expenditure	Transfers in / (out)	c/f at 31.12.20
	£	£	£	£	£
Arcus Foundation - DRC	41,670	13,538	44,477	-	10,731
Arcus Foundation - Liberia	-	21,484	20,037	-	1,447
Arcus Foundation - RoC	-	105,600	25,438	-	80,162
Arcus Foundation - Sumatra	-	94,175	81,329	-	12,846
Arcus Foundation - Uobdu	-	5,224	95	-	5,129
Ashden Foundation	-	53,500	1,545	-	51,955
Both Ends	-	17,098	17,098	-	-
Christensen Fund	24,197	-	24,999	802	-
Climate and Land Use Alliance - 2019/20	60,464	-	62,956	2,492	-
Climate and Land Use Alliance - 2020/21	-	164,319	95,991	-	68,328
Climate Justice Resilience Fund	-	18,657	10,993	-	7,664
Crowdfunder - Uchunya	-	-	(906)	-	906
European Commission Cameroon	116,880	266,212	250,482	-	132,610
European Commission Liberia	2,624	68	757	(1,935)	-
File Foundation	-	20,726	20,726	-	-
Fondation pour le Tri-national de la Sangha	-	8,929	3,373	-	5,556
Food and Agriculture Organisation	9,122	4,626	14,141	393	-
Ford Foundation	-	207,234	207,234	-	-
Ford Foundation Peru and Colombia: 2019-2021	78,409	200,000	166,163	-	112,246
Forest Stewardship Council	1,905	-	1,461	(444)	-
Full Circle Foundation	23,380	117,188	72,434	-	68,134
Good Energies Foundation	98,124	133,573	231,697	-	-
Inobu	-	12,320	14,049	-	(1,729)
Institute for Global Environmental Strategies	(3,906)	14,387	10,312	(169)	-
International Labour Office	24,553	13,398	37,651	(300)	-
IWGIA - Making SDGs work for indigenous people	71,448	144,982	108,409	-	108,021
IWGIA - Bridging Grant	-	87,579	84,175	-	3,404
Ministry of the Environment Finland	6,692	17,699	25,233	842	-
Ministry of France	811	-	811	-	-
Natural Justice	-	3,894	3,894	-	-
Nia Tero Foundation	35,570	49,362	88,453	3,521	-
Norwegian Agency for Development Cooperation	205,982	1,233,114	1,229,269	-	209,827
Rainforest Alliance - AFI	-	-	17,321	-	(17,321)
Rainforest Fund - Costa Rica	-	29,717	29,717	-	-
Rainforest Fund - Cameroon	-	15,625	14,568	-	1,057
Rainforest Fund - Legal	2,958	-	3,029	71	-
Rainforest US	17,208	86,381	102,043	-	1,546
RRI Kenya SRM	(752)	1,527	752	(23)	-
Sage Foundation 2019	5,665	-	6,530	865	-
Sage Foundation 2020	-	6,716	564	-	6,152
Subtotal carried forward	823,004	3,168,852	3,129,300	6,115	868,671

11. RESTRICTED INCOME FUNDS (cont'd)

	b/f at 01.01.20	Income	Expenditure	Transfers in / (out)	c/f at 31.12.20
Subtotal brought forward	823,004	3,168,852	3,129,300	6,115	868,671
Sall Foundation 2019/20	49,737	-	52,231	2,494	-
Sall Foundation 2020/21	-	89,552	2,202	-	87,350
Secretariat of the Convention on Biodiversity	22,387	66,652	88,273	(766)	-
Size of Herefordshire	8,753	10,023	5,045	-	13,731
Size of Wales Guyana	12,119	6,409	7,182	-	11,346
Size of Wales Kenya	4,798	18,644	23,442	-	-
Size of Wales Peru	(4,467)	44,208	-	-	39,741
Stockholm Environmental Institute	(3,100)	6,219	2,278	(841)	-
Swedbio at the Stockholm Resilience Centre	6,513	338,409	351,144	6,222	-
Timby Productions Inc	6,701	2,419	9,428	308	-
Voice	-	9,009	3,011	-	5,998
Waterloo Foundation	38,032	10,000	44,192	-	3,840
Waterloo Foundation - Covid Rollback	-	15,000	4,957	-	10,043
Wellspring Foundation - Gender	-	111,940	9,057	-	102,883
Grand total	964,477	3,897,336	3,731,742	13,532	1,143,603

Transfers between funds are the final exchange differences on restricted funds as they come to a close, being transferred to unrestricted funds. The funds in currency have been spent in full.

Arcus Foundation - DRC

Support on a project to address critical priorities identified in the revised version of the Conservation Action Plan for Great Apes, in Eastern Democratic Republic of Congo (July 2015).

Arcus Foundation - Liberia

Customary tenure on conservation principles – scoping mission.

Arcus Foundation – Republic of Congo

Messok Dja Great Apes conservation and human rights sustainable stewardship.

Arcus Foundation – Sumatra

A jurisdictional approach to securing land around Tanjung Puting National Park.

Arcus Foundation – Uobdu

Capacity support of United Organisation for Batwa Development in Uganda (UOBDU) under FPPs Forest visions project that supports communities to focus on their own visions for their forests and landscapes.

Ashden Foundation

To hold Palm Oil Companies accountable for the misdeeds of their 'shadow companies'.

Both Ends

Sengwer Women's Traditional Singing Group take a stand: lobby and advocacy related to cultural and biological conservation in Embobut Forest.

11. RESTRICTED INCOME FUNDS (cont'd)**Christensen Fund**

Support for capacity development of and direct representation of Indigenous Peoples in global policy processes such as the Strategic Plan for Biodiversity and the Sustainable Development Agenda. Also support to develop the 2nd Local Biodiversity Outlooks: Indigenous Peoples' and Local Communities' Contributions to the Implementation of the Strategic Plan for Biodiversity 2011-2020 (LBO-2).

Climate and Land Use Alliance (CLUA) 2019/20 and 2020/21

Support to ensure global policies, intergovernmental and private sector initiatives, and finance for forest and climate protection address the drivers of tropical deforestation and enable increased recognition of forest peoples' rights.

Climate Justice Resilience Fund

Support the Zero Tolerance Initiative.

Crowdfunder - Uchunya

Support for the Santa Clara de Uchunya community.

European Commission Cameroon

A grant to finance the implementation of the Action entitled 'Supporting the active participation of Indigenous Peoples' CSOs in natural resource management and decision making in Cameroon's South and East forest zone'.

European Commission Liberia

Support for the project entitled: Land Rights in Liberia: equitable access to land for the poor and marginalised in Nimba, Lofa, Bong and Margibi counties.

File Foundation

Conduct legal and regulatory research on environmental and social regulatory rollback in the top five tropically forested countries: Brazil, DRC, Indonesia, Colombia, and Peru.

Fondation pour le Tri-national de la Sangha

Independent evaluation and technical support for the revision of the management plan for the Lobeke National Park, Cameroon.

The Food and Agriculture Organization of the United Nations

For provision of "Training and distance coaching to guide and support an implementation of FPIC adapted to the context of the Sustainable Wildlife Management Programme sites and models in Gabon, Congo and DRC".

The Ford Foundation

Support for the FPP's work on advancing international global processes and voluntary business standards relating to sustainable development, forests, climate change and land tenure.

The Ford Foundation Peru and Colombia

To promote and support the efforts of Indigenous Peoples and Afro-descendant communities in Colombia and Peru to strengthen the sustainable governance of their natural resources and territories.

The Forest Stewardship Council

Service agreement for technical services to support the FAO-EU FLEGT Project "Strengthening capacities at various levels to improve protection of the rights of Indigenous Peoples and Local communities and ensure their effective participation in responsible forest management".

Full Circle Foundation

Support for the project: Securing forests through Securing Forest Peoples' Rights: DRC Whakatane and the Batwa of Kahuzi-Biega, which aims to enable the Batwa of Kahuzi-Biega, DRC and Kahuzi-Biega National Park (PNKB) itself to contribute to building a community driven, nationally supported, globally networked Whakatane process.

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

To support the project “Piloting a Strategic Legal Response Centre for enhanced Forest Peoples’ rights”.

Inobu

Human rights Impact Assessment in Seruyan and Kota Waringin Barat, Indonesia. Final payment under the grant will be received in 2021 when the delayed work, due to COVID-19, will be completed.

Institute for Global Environmental Strategies (IGES)

Support for the capacity building project for the implementation of the IPBES Asia-Pacific Regional Assessment Component 1, including the integration of Indigenous and Local Knowledge into implementation of Asia-Pacific regional assessment on biodiversity and ecosystem services and strengthening the network of ILK holders/experts in the Asia-Pacific region.

International Labour Office

Support for the project “Supporting key actors – International Labour Office (ILO) Improving Indigenous Peoples’ access to justice and development through community-based monitoring”.

International Working Group for Indigenous Affairs (IWGIA) – Making SDGs Work

Support for the project “Making the SDGs work for Indigenous Peoples”.

International Working Group for Indigenous Affairs (IWGIA) – Bridging Grant

Improving Indigenous Peoples' access to justice and development through community monitoring.

Ministry of the Environment, Finland

Support for the preparation of the Second Edition of the Local Biodiversity Outlooks (LBO-2) and development and use of the LBO online.

Ministry of France

Support for the preparation of the Second Edition of the Local Biodiversity Outlooks (LBO-2) and development and use of the LBO online.

Natural Justice

Support for the preparation of the Second Edition of the Local Biodiversity Outlooks (LBO-2) and development and use of the LBO online.

Nia Tero Foundation

Support for generation of analytical and case studies through the Local Biodiversity Outlooks – 2nd Edition (LBO-2).

Norwegian Agency for Development Cooperation

Support for the project “Focus on the Frontline” which will work towards slowed deforestation and reduced human rights abuses by strengthening legal rights and land tenure for forest peoples and ensuring that private sector and supply chain reforms address deforestation more effectively.

Rainforest Alliance - AFI

Support to ensure that the Accountability Framework Initiative is human rights compliant and internally consistent. Payment was received in early 2021 to close the grant at a nil balance.

Rainforest Fund – Costa Rica

Support for the Indigenous Project for the Bribri of Saltire entitled: Defence of the Ancestral and Legal Rights of the Bribri People.

Rainforest Fund – Cameroon

Support for the Indigenous Project for the Bribri of Saltire entitled: Defence of the Ancestral and Legal Rights of the Bribri People.

Rainforest Fund - Legal

Emergency funding for the Batwa court case in Uganda.

Rainforest US

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

11. RESTRICTED INCOME FUNDS (cont'd)**Rights and Resources Initiative (RRI) – Kenya SRM**

Support for the project “A Strategic Opportunity to Secure Forest Peoples’ Customary Tenure in Kenya”.

The Sage Foundation 2019 and 2020

Support for the project “Holding the palm oil industry to account for destruction of indigenous territories and deforestation in the Peruvian amazon”.

The Sall Foundation 2019 and 2020

Support for the capacity building and organisational strengthening of indigenous entities.

Secretariat of the Convention on Biological Diversity

Support for the preparation of the second edition of the Local Biodiversity Outlooks (LBO-2) and further development, including the further development of content, of the LBO online website.

Size of Herefordshire

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

Size of Wales – Guyana, Kenya and Peru

Funding for three separate projects: Support for the Wapichan mapping project in Guyana; Securing Wampis territory, biodiversity and livelihoods in northern Peru; Securing Ogiek community lands, indigenous forest, knowledge and livelihoods, Cheptikale, Mt Elgon, Bungoma County, Kenya.

Stockholm Environment Institute

Support for the planning and implementation and post-event monitoring and evaluation of the “9th South East Asian human rights and business conference”.

Swedbio at the Stockholm Resilience Centre

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.

Timby Productions Inc

For mapping and policy input for use in negotiations relating to the Community Lands Act and the Sengwer’s Community Land Registration Proposal, Kenya.

Voice

Support for Boititap Korenyo (The Wealth of Our Lands), through Chepkitale Indigenous People Development Project, Kenya.

Waterloo Foundation

Funds for the “Strengthening communities’ ability to monitor and hold oil palm concessions to account in Liberia” project.

Waterloo Foundation – Covid Rollback

Study of the rollback of legislation and regulation resulting from the COVID-19 pandemic.

Wellspring Foundation - Gender

Gender justice in indigenous and forest peoples’ land rights.

12. UNRESTRICTED FUNDS

	2020	2019
	£	£
Balance at 1 January 2020	894,153	566,509
Income for the year	477,557	344,111
Expenditure for the year	(435,198)	(108,261)
Transfers/Other gains and losses	(13,532)	91,794
Balance at 31 December 2020	<u>922,980</u>	<u>894,153</u>
Designated Funds	41,403	82,642
Non-designated Funds	<u>881,577</u>	<u>811,511</u>
	<u>922,980</u>	<u>894,153</u>

Surpluses on consultancy and service contracts are treated as designated funds and are spent in the following financial year.

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Fund balances at 31 December 2020 are represented by:			
Fixed Asset Investments	333,683	-	333,683
Current Assets	672,690	1,287,322	1,960,012
Current Liabilities	(83,393)	(143,719)	(227,112)
Total Net Assets at 31 December 2020	<u>922,980</u>	<u>1,143,603</u>	<u>2,066,583</u>
	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Fund balances at 31 December 2019 are represented by:			
Fixed Asset Investments and Other Assets	335,383	-	335,383
Current Assets	664,737	1,050,761	1,715,498
Current Liabilities	(105,967)	(86,284)	(192,251)
Total Net Assets at 31 December 2019	<u>894,153</u>	<u>964,477</u>	<u>1,858,630</u>

14. RELATED PARTY TRANSACTIONS

In 2020 the spouse of one member of the Programme Coordination & Management Team formed in July 2020 (Key Management Personnel) provided translation and interpretation services at market rate, along with a number of other third party translators. The total received from July 2020 was £1,793.

In 2019 a member of the Coordination Management Team received reimbursement of £854 for bed and breakfast services at below market rate to enable remotely based staff to attend staff meetings. No payments were made in 2020.

There were no other related party transactions to disclose.

15. RECONCILIATION OF NET INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	2020	2019
	£	£
Net income for the reporting period (as per the statement of financial activities)	207,953	252,984
Adjustments for:		
Foreign Exchange Losses	11,913	58,727
Interest from bank & investments	(5,058)	(6,935)
Amortisation Charge	3,582	3,566
Decrease/ (increase) in debtors	294,823	(207,235)
Increase/(decrease) in creditors	34,861	(526,029)
Net cash provided by (used in) operating activities	<u>548,074</u>	<u>(424,922)</u>

16. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020	2019
	£	£
Cash at bank and in hand	1,730,648	1,191,311
Notice deposits (less than 3 months)	<u>333,683</u>	<u>331,801</u>
Total cash and cash equivalents	<u>2,064,331</u>	<u>1,523,112</u>

17. RECONCILIATION OF NET DEBT

	Cash	Cash Equivalents	Total
At start of year	1,191,311	331,801	1,523,112
Cashflows	551,250	1,882	553,132
Foreign exchange movement	(11,913)	-	(11,913)
At end of year	<u>1,730,648</u>	<u>333,683</u>	<u>2,064,331</u>

18. OPERATING LEASE COMMITMENTS

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

	2020	2019
	£	£
Within one year	39,999	38,649
Between two and five years	25,645	65,644
After five years	-	-
	<u>65,644</u>	<u>104,293</u>

19. STATEMENT OF FINANCIAL ACTIVITIES 2019

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £
Income from			
Charitable Activities	150,556	4,085,305	4,235,861
Donations	165,776	12,327	178,103
Other	21,582	-	21,582
Bank Interest	6,197	738	6,935
Total	344,111	4,098,370	4,442,481
Expenditure on			
Charitable Activities	79,839	4,058,108	4,137,947
Raising Funds	28,422	23,128	51,550
Total	108,261	4,081,236	4,189,497
Net Income	235,850	17,134	252,984
Other recognised gains and losses			
Transfers between funds	91,794	(91,794)	-
Net movement in funds	327,644	(74,660)	252,984
Reconciliation of Funds:			
Total funds brought forward:	566,509	1,039,137	1,605,646
Total funds carried forward:	894,153	964,477	1,858,630

20. RESTRICTED INCOME FUNDS 2019

	b/f at 01.01.19	Income	Expenditure	Transfers in / (out)	c/f at 31.12.19
	£	£	£	£	£
ARCUS	37,415	59,682	55,427	-	41,670
Christensen Fund	1,012	38,760	15,492	(83)	24,197
Climate and Land Use Alliance Indonesia	-	236,220	234,132	(2,088)	-
Climate and Land Use Alliance	49,434	118,110	105,708	(1,372)	60,464
European Commission Cameroon	-	245,071	128,191	-	116,880
European Commission ENRTP	294,185	266,231	486,386	(74,030)	-
European Commission Guyana	97,292	(8,094)	85,647	(3,551)	-
European Commission Liberia	(166)	51,948	49,158	-	2,624
European Commission Peru	11,863	14,221	18,810	(7,274)	-
Evan Cornish Foundation	2,512	-	2,512	-	-
Food and Agriculture Organisation	-	19,321	10,199	-	9,122
Ford Foundation	201,459	-	200,411	(1,048)	-
Ford Foundation Peru and Colombia	-	231,664	153,255	-	78,409
Forest Stewardship Council	1,688	13,825	13,608	-	1,905
Full Circle Foundation	36,896	87,258	100,774	-	23,380
Good Energies Foundation	-	107,759	9,635	-	98,124
Institute for Global Environmental Strategies	9,569	-	13,475	-	(3,906)
International Institute for the Environment and Development	56,051	13,064	66,154	(2,961)	-
International Labour Office	25,270	102,926	103,643	-	24,553
International Work Group for Indigenous Affairs	25,053	204,677	158,282	-	71,448
Ministry of the Environment Finland	-	30,973	24,281	-	6,692
Ministry of France	-	9,000	8,189	-	811
Nia Tero Foundation	-	52,846	17,276	-	35,570
Norwegian Agency for Development Cooperation	98,282	1,395,256	1,287,556	-	205,982
Rainforest Alliance	9,940	22,405	32,296	(49)	-
Rainforest Fund - Costa Rica	7,476	15,957	23,565	132	-
Rainforest Fund - Legal	-	15,748	12,790	-	2,958
Rainforest US	-	100,517	83,309	-	17,208
RRI - Human Rights and Business Conference	-	8,075	8,075	-	-
RRI - via Katiba Institute	-	6,163	6,915	-	(752)
Sage Foundation	-	15,041	9,376	-	5,665
Sall Foundation	19,685	51,163	20,958	(153)	49,737
Samdhana Institute	-	4,667	4,623	(44)	-
Secretariat of the Convention on Biodiversity	-	89,663	67,276	-	22,387
Size of Herefordshire	1,920	12,327	5,494	-	8,753
Subtotal carried forward	986,836	3,632,444	3,622,878	(92,521)	903,881

20. RESTRICTED INCOME FUNDS 2019 (Cont.)

	b/f at 01.01.19	Income	Expenditure	Transfers in / (out)	c/f at 31.12.19
Subtotal brought forward	986,836	3,632,444	3,622,878	(92,521)	903,881
Size of Wales Guyana	15,331	22,081	25,293	-	12,119
Size of Wales Kenya	2,969	42,000	40,171	-	4,798
Size of Wales Peru	19,154	-	23,621	-	(4,467)
Stockholm Environmental Institute	-	31,631	34,731	-	(3,100)
Swedbio at the Stockholm Resilience Centre	(5,160)	278,199	266,526	-	6,513
Synchronicity Earth	1,176	-	1,176	-	-
Timby	-	8,268	1,567	-	6,701
Torres Strait	-	5,261	5,261	-	-
Waterloo Foundation	18,831	50,000	30,799	-	38,032
WCMC	-	9,000	9,000	-	-
Other Consultancies	-	19,486	20,213	727	-
Grand total	1,039,137	4,098,370	4,081,236	(91,794)	964,477

FOREST PEOPLES PROGRAMME
**INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 December 2020**

	2020	2019
	£	£
Income:		
Grants	4,108,826	4,121,181
Donations	39,269	178,104
Income from Service Contracts	204,694	95,193
Other Income	17,046	41,068
Bank Interest	5,058	6,935
	<u>4,374,893</u>	<u>4,442,481</u>
Expenditure:		
UK Salaries & Fees	1,384,860	1,292,480
Overseas Staff Fees	521,825	523,374
Consultants	336,724	238,511
Other Staff Costs	13,416	15,655
Travel and Project Monitoring	83,114	266,528
Translation, Publications and Research Documents	148,235	76,294
Equipment & IT	58,448	52,262
Evaluation Costs	335	-
Indigenous Participation	13,177	129,573
Field Costs (incl transfers to Partners)	1,416,575	1,252,351
Workshops	5,895	75,925
Emergency Payments	7,864	17,254
Rent, Rates and Insurance	61,467	54,671
Light, Heat and Cleaning	7,226	8,029
Telephone and Communications	7,147	7,761
Communications and Visibility	11,740	10,402
Membership Subscriptions	12,438	16,562
Postage and Stationery	4,961	4,226
Depreciation	3,582	3,566
Sundry Expenses	2,304	10,238
Auditor's Remuneration	26,334	44,991
Bank Charges and Interest	15,698	15,843
Legal & Professional Fees	7,468	5,755
Foreign Exchange Losses	11,913	58,727
Fundraising Costs	4,194	8,519
	<u>4,166,940</u>	<u>4,189,497</u>
NET SURPLUS	<u>207,953</u>	<u>252,984</u>

This page does not form part of the statutory accounts.