

Forest Peoples Programme

Registered Charity No. 1082158

Company Registration No. 03868836

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2021

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FOREST PEOPLES PROGRAMME
Year ended 31 December 2021

ADMINISTRATIVE INFORMATION

Trustees/Directors

M Pimbert (Chair)
MJ Artist
C Kalafatic
C Doyle
L Erickson
S P Finn
R Halip
B Tallack (retired 4 June 2021)
R Williams

Secretary

K Newman (appointed 1 April 2022)
S Roberts (resigned 31 March 2022)

**Principal Address
and Registered Office**

1c Fosseway Business Centre
Stratford Road
Moreton-in-Marsh
Gloucestershire
GL56 9NQ

Statutory Auditor

Crowe U.K. LLP
4th Floor, St James House
St James Square
Cheltenham
Gloucestershire
GL50 3PR

Bankers

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

Key Management Personnel

J Whitehead (left 30 June 2021)
L Claridge
T Dixon
A Gray (left 03 May 2022)
T Griffiths
M L Henson
T Lomax
A Perram
H Tugendhat
S Roberts (left 31 March 2022)

Charity Registration Number

1082158

Company Registration Number

03868836

The Trustees present their report with the financial statements of the charity for the year ended 31 December 2021.

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 2021

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

Many communities with whom FPP works continued to be 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, 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 2021, we worked with indigenous and other forest peoples in Africa (Cameroon, Democratic Republic of Congo, Liberia, Kenya, Madagascar, and Uganda), South and Central America & Caribbean

(Antigua, Brazil, Colombia, Costa Rica, Ecuador, Guyana, Panama, Paraguay, Peru, Suriname and Venezuela) and Asia and Oceania (Bangladesh, Indonesia, Philippines, Thailand, Tuvalu and Vietnam) 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 team provide legal advice and support to partners working to assert, and advocate 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.

Following the successful completion of its pilot in 2020, the Strategic Legal Response Centre (SLRC), moved into its transitional year (funded by Good Energies Foundation, FILE Foundation, Rainforest Fund, Lawyers Against Poverty). 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. In 2021, the SLRC expanded strategic litigation initiatives in Peru and Indonesia, including delivering a 6-week training programme for law students in Peru. The impact and uniqueness of the SLRC's methodology, providing technical legal support (via country teams and partners) alongside a community-driven approach, is increasingly self-evident.

Significant disruption to operations continued throughout 2021 due to the COVID-19 pandemic, although some travel was possible in the latter months of the year. Where travel budgets for FPP and in-country lawyers were underspent, these funds were again diverted to other project uses, with agreement from donors. Although some travel and field operations were delayed or curtailed, projects were able to continue via remote communication means, testimony to the resilience of relationships 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, with a landmark Constitutional Court ruling in favour of Uganda's Batwa paving the way for recognition of their rights and providing inspiration for the legal struggles of forest peoples regionally and internationally. 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. Significant funding was also secured to continue supporting the deployment of strategic legal tools to drive supply-chain accountability in Indonesia, Liberia, Colombia and Peru, and linking supply-side compliance challenges with international and demand-side policy and regulatory measures.

The programme provides extensive support to indigenous and forest peoples' organisations worldwide in global standard setting and policy processes. In 2021 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 on the rollback of environmental and social safeguards linked to commodity production in Peru, Colombia, Indonesia, Brazil and DRC was launched in 2021, prompting significant media engagement, local advocacy in country, and several discussions at Chatham House

identifying opportunities and strategies to support and facilitate economic responses to the COVID pandemic that uphold human rights and protect tropical forests.

Significant disruption to operations continued to be sustained throughout 2021 due to the COVID-19 pandemic. As well as placing LHRP colleagues, partners and their families and communities at significant personal risk, some activities were curtailed or adapted. The programme was supported in 2021 with grants from the Arcus Foundation, Climate and Land Use Alliance (CLUA), European Commission, File Foundation, Fondation Pour le Tri-National de la Sangha, Ford Foundation, Full Circle Foundation, Good Energies Foundation, the International Climate Initiative of the German Government (IKI), Land Tenure Facility (via APA), Rainforest Alliance, Rainforest Foundation US, Rainforest Fund, the Sage fund, Sall Family Foundation, Swedbio, the Waterloo Foundation and Wellspring.

The Responsible Finance Programme

Despite the ongoing pandemic, this sub-programme provided assistance throughout 2021 to local partners in Colombia, Peru, Guyana, Ecuador, Paraguay, Panama, Liberia, Cameroon and Indonesia to challenge harmful corporate conduct, demand accountability and promote private sector and public sector reforms. The programme implemented multiple advocacy actions targeting the extractive industry and the oil palm, sugar, timber, paper, pulp and soybean sectors through support for community case studies, supply chain impact assessments and reports, investigations into international value chains and direct participation of forest peoples in global policy spaces in the UK, EU and United Nations. Considerable work was completed as the facilitating organisation hosting the Zero Tolerance Initiative (ZTI) coalition to stop violence and conflict in global supply chains, including major high-level dialogues held in June between human rights and land defenders and members of the Consumer Goods Forum (CGF).

FPP continued its targeted advocacy 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). Sustained engagement and technical inputs were also made to EU forest policy and legislative initiatives on the regulation of forest risk commodities and setting of mandatory rules on sustainable corporate governance and due diligence. In the UK, FPP completed a major action to support 12 indigenous leaders to attend the UN Climate Summit in Glasgow in November where they engaged in numerous meetings with policy makers, public speaking events and collective advocacy calling for decisive action to tackle climate change.

The programme was supported in 2021 with grants from the Arcus Foundation, Ashden Trust, Climate and Land Use Alliance (CLUA), The Ecology Trust, Ford Foundation, Good Energies, IKI, Land Tenure Facility (via APA), the Norwegian International Climate and Forest Initiative (NICFI), Packard Foundation, Rainforest Foundation US, Rainforest Fund, Sage Foundation, Sall Foundation, Size of Herefordshire, Size of Wales, Wellspring and the Waterloo Foundation.

The Environmental Governance Programme

In 2021 the Environmental Governance Programme continued to work through its established four main thematic streams: 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, and are closely linked with each other and with the wider FPP programme of work.

Continued restrictions associated with the COVID-19 pandemic and continued waves of infections had an impact on communities and partners with whom we work. Key global events continued to be delayed, cancelled, or postponed (COP15 and associated meetings of the Convention on Biological Diversity), although some did happen (COP26 of the UN FCCC, and the World Conservation Congress of IUCN).

The Conservation and Human Rights stream worked across local, regional, and global spaces. Continued 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. FPP also began work in Cameroon supporting a community-led small conservation zone with management planning as a pilot for wider community conservation. In Liberia, changes in national legislation led to intensive work with partners on the possible expansion of the Liberian Protected Area system and what implications this could have for community land rights.

In Kenya we continued to work with the Mt. Elgon Ogiek, Mau Ogiek, and Sengwer communities in seeking avenues to better secure their customary land, including through working with the Kenya Land Commission.

At the global level, the World Conservation Congress was held in Marseille and FPP supported indigenous delegates in attending, and in negotiating a number of key Resolutions and Recommendations – the policy documents through which IUCN establishes its mandate. Critical in this were Resolutions addressing the need for conservation to recognise and respect land and tenure rights and to actively promote the roles of indigenous peoples in addressing the biodiversity crisis.

The Cultural, Biological and Knowledge Diversity team continued to battle with the on-going delays to the negotiation of the post-2020 Global Biodiversity Framework. Originally expected to be held in 2020, the re-scheduled 2021 session of the Conference of the Parties was again delayed. One negotiating session was held online in August and September, with a first draft of the Global Biodiversity Framework released along with a draft monitoring framework, and FPP provided detailed technical analysis. Working with a range of organisations, FPP also co-convened the Human Rights in Biodiversity Working Group, with two publications in 2021 highlighting the importance of human rights in all biodiversity planning and action.

In Territorial Governance work in 2021, we continued to expand the scope of the Indigenous Navigator, and supported Indigenous Peoples in both Suriname and Cameroon to use the Navigator tools, and in 2021 saw the finalisation of a number of self-determined development projects, in Suriname on healthy indigenous lifestyles, food, knowledge and languages, and in Cameroon on access to citizenship and community conservation. We continued to support self-determined development projects in Kenya (Mt Elgon Ogiek), in Colombia (Resguardo Lomoprieta), in Peru (the autonomous nation of the Wampis), in Indonesia (the Toba Batak), and in Cameroon (Baka and Bagyeli) through an emerging support mechanism for direct community access.

Monitoring of threats to community and indigenous territories and lands was also extended in Colombia, and Guyana and supported in Indonesia in 2021. In Kenya, the Territorial Governance work stream continued to support communities in the use of Mapeo, monitoring tools, to track and report on human rights violations as well as document indigenous knowledge and land use of their traditional lands. 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 initiated small grants through the Global Network on Indigenous-led Education (ILED) a coalition of Indigenous Peoples' organisations, northern support organisations, donors and grant making organisations and networks. This pilot network provided grants to a range of small community initiatives linked to indigenous cultural revival programmes, including education and youth leadership. Through the SwedBio-funded 'renewing cultural and biological diversity' project, we supported on-going work with local partners in Suriname, Guyana, Panama, Thailand, Bangladesh and Cameroon, plus work in some marine and coastal areas (Antigua, Tuvalu, Madagascar), focusing on community-based initiatives for conservation and restoration, sustainable livelihoods, revitalisation of traditional knowledge, and empowerment of local groups to participate in key processes.

The programme was funded in 2021 with grants from the Arcadia Fund, Arcus Foundation, Ashden Foundation, Climate and Land Use Alliance (CLUA), European Commission, Fondation Pour le Tri-National de la Sangha, Ford Foundation, Full Circle Foundation, Good Energies, the International Climate Initiative of the German Government (IKI), International Labour Organisation, International Working Group on Indigenous Affairs (IWGIA), Nia Tero Foundation, Rainforest Foundation US, Rainforest Fund, Sall Foundation, Sage Foundation, Swedbio at the Stockholm Resilience Centre, Size of Wales, VOICE, Waterloo Foundation and Wellspring.

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
SP Finn

R Halip
C Kalafatic
B Tallack (retired 4 June 2021)
R Williams

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 December 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 December full Board meetings, in addition to meeting on other occasions as required.

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.

An inflationary increase of pay 1% was approved by the Board and awarded to management and staff at the beginning of 2021. Remuneration for key management personnel is set at the time of recruitment and is reviewed on an ad hoc basis as and when required.

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, 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.

FINANCIAL REVIEW

The charity's income for charitable activities in 2021 included grants for restricted activities of £4,661k (2020: £3,878k), unrestricted fund grants of £279k (2020: £205k), service contract income and furlough of £82k (2020: £230k). Donations in the year were £235k (2020: £39k). Total income amounted to £5,283k (2020: £4,375k). Considering that 2021 included no income from a very large grant, NICFI, which had constituted 28% (£1,233k) of our income in 2020, 2021 has been a very successful year for fundraising. Grant proposals to Arcadia, CLUA, IKI, Good Energies and Swedbio have been successful, starting in 2021 and are long term projects; due to accounting requirements, we have recognised £876k of income under some of these projects that will be spent in future years. The total number of grants increased from 42 to 49. A large unrestricted donation from an individual was made in early 2021 which, with gift aid, amounted to £200k. The increase in total income from 2020 was 21%.

Total expenditure on charitable activities amounted to £3,712k (2020: £4,109k). These are broken down into Staff and Related Personnel Costs at £1,861k (2020: £2,203k), Direct Programme Costs at £1,626k (2020: £1,734k), Support Costs at £140k (2020: £127k) and Governance at £51k (2020: £34k). 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.

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. The continuing pandemic has made it very difficult to support partners in person but close working together online and the use of more local support has meant that we have

continued to support partners through the year. Travel started to resume, somewhat, towards the end of 2021.

Total funds at 31 December 2021 amounted to £3,574k (2020: £2,067k) of which £2,600k (2020: £1,144k) related to Restricted Funds and £974k (2020: £923k) was available for unrestricted purposes. At 31 December 2021 there were 3 restricted fund balances in deficit (2020: 2). The deficits in total sum to £5k (2020: £19k) and all the deficits are expected to reverse in 2022.

We are continuing to seek further funding to expand our work and are very pleased to have been selected for the Ford BUILD grant, starting in early 2022, which will allow us to invest in measures, at both an operational and strategic level, that will help secure the work of FPP.

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 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 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 £692k (2020: £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 2021, the free reserves, excluding £4k of designated reserves, were £970k (2020: £882k). Free reserves include fixed asset investments of £500k (2020: £334k) as the investments are held in deposit accounts 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 £224k of reserves during 2022 in order to continue to maintain our operational capability during the year during a funding gap between the end of the IKI conception phase (which ended in August 2021) and the start of the implementation phase (hopefully by May 2022). The deficit would leave budgeted free reserves at the end of 2022 of £746k, still above the EOR level. If the IKI conception phase is delayed beyond May, the reserves may dip lower, depending on action taken and the position on other grants at that stage.

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 £500k (2020: £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 (£379k 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. Work on organisational and strategic strengthening has been given a strong boost in 2021 by the Ford Foundation who have approved FPP's entry into Ford's BUILD programme which provides 5-years of core support to enable organisations to improve their organisational and strategic effectiveness and resilience.

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. In 2022 and beyond a key vehicle for enhancing this strategy will be via the development of a 'Forest Visions Partnership' programme of work, to better attract donors to support forest peoples to develop and implement their self-determined visions concerning sustainable stewardship of their lands and forests.

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, Indonesia and explore scope for supply chain work in DRC and value chain work in relation to accountability among investment and finance actors. 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. European Union and UK reforms continue to move in the direction of enhanced human rights due diligence regulation for companies, in order to minimise the forest and climate footprint of products to the EU and UK markets.

We will also continue to enhance the degree to which drivers of violence and intimidation for peoples and communities at the forest frontier are addressed, targeting investors and downstream companies via the 'Zero Tolerance Initiative'.

Finally, working to make the most of the policy and financial pledges and policy commitments resulting from COP 26 in Glasgow and in the policy context of the Convention on Biological Diversity (CBD) FPP will work with partners to ensure indigenous and other forest peoples' stewardship is at the heart of the conversation about protecting nature and the global climate. We will continue supporting the wider Indigenous Peoples' movement globally and work in partnership with others such as the UN Secretariat of the 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 2021 and also at the December 2021 Board Meeting. 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 £63k (2020: £58k). 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 and mitigating actions are:

1. 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.

2. Risk – Continuing reduced 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. Travelling where possible and necessary.

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 2021.

During 2021 FPP has not needed to report any safeguarding or fraud incidents to the Charity Commission or grant funders.

GOING CONCERN

The trustees have reviewed the plans and forecasts for 2022 and 2023, including reviewing the assumptions for the forecasts. As at the date of signing these financial statements, the Trustees' and the management team's forecasts up to 31 December 2023 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

FPP senior management and board trustees continue to ensure FPP complies with the UK regulatory environment for charities, including the Code.

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:

22 September 2022

Opinion

We have audited the financial statements of Forest Peoples Programme ('the charitable company') for the year ended 31 December 2021 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 2021 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 14 and 15, 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. The laws and regulations we considered in this context for the UK operations were taxation and employment legislation.

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 and contract 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 and contract 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
4th Floor
St James House
St James Square
Cheltenham
Gloucestershire
GL50 3PR

26th September 2022

FOREST PEOPLES PROGRAMME
STATEMENT OF FINANCIAL ACTIVITIES
[incorporating an income and expenditure account]
For the year ended 31 December 2021

		Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
		2021	2021	2021	2020
	Note	£	£	£	£
Income from					
Charitable Activities	2	360,744	4,661,410	5,022,154	4,313,520
Donations		226,012	8,806	234,818	39,269
Other Income		20,957	3,896	24,853	17,046
Bank Interest		1,325	6	1,331	5,058
Total		609,038	4,674,118	5,283,156	4,374,893
Expenditure on					
Charitable Activities	4	526,854	3,185,517	3,712,371	4,109,327
Raising Funds		31,062	32,758	63,820	57,613
Total		557,916	3,218,275	3,776,191	4,166,940
Net Income	5	51,122	1,455,843	1,506,965	207,953
Other recognised gains and losses					
Transfers between funds		-	-	-	-
Net movement in funds		51,122	1,455,843	1,506,965	207,953
Reconciliation of Funds:					
Total funds brought forward:		922,980	1,143,603	2,066,583	1,858,630
Total funds carried forward:	11, 12	974,102	2,599,446	3,573,548	2,066,583

The notes on pages 22 to 42 form part of these financial statements

	Note	2021 £	2020 £
Intangible Fixed Assets:			
Website	7	-	-
Fixed Assets:			
Interest Bearing Deposit Accounts	8	500,005	333,683
Current Assets:			
Debtors	9	1,275,906	229,364
Cash at Bank and in hand		1,917,639	1,730,648
		<hr/> 3,693,550	<hr/> 2,293,695
Current Liabilities:			
Amounts falling due within one year			
Creditors	10	120,002	227,112
Net Assets		<hr/> <hr/> 3,573,548	<hr/> <hr/> 2,066,583
The funds of the charity:			
Restricted Income Funds	11	2,599,446	1,143,603
Unrestricted Funds	12	974,102	922,980
Total charity funds		<hr/> <hr/> 3,573,548	<hr/> <hr/> 2,066,583

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 19 to 42 were approved and authorised for issue by the Trustees on 22 September 2022 and signed on their behalf by:

R Williams

TRUSTEE

The notes on pages 22 to 42 form part of these financial statements

	Note	2021 £	2020 £
Cash flows from operating activities:			
<i>Net cash provided by operating activities</i>	15	386,778	548,074
Cash flows from investing activities			
Interest from investments		<u>1,331</u>	<u>5,058</u>
<i>Net cash provided by investing activities</i>		1,331	5,058
<i>Change in cash and cash equivalents in the reporting period</i>		<u>388,109</u>	<u>553,132</u>
Cash and cash equivalents at the beginning of the reporting period		2,064,331	1,523,112
Change in cash and cash equivalents due to exchange rate movements		(34,796)	(11,913)
<i>Cash and cash equivalents at the end of the reporting period</i>	16	<u>2,417,644</u>	<u>2,064,331</u>

The notes on pages 22 to 42 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 2021 is 8 and their liability on a liquidation is limited to £1 each. Forest Peoples Programme is registered as a company limited by guarantee with no share capital, in England and Wales under number 03868836 and its registered office is 1c Fosseyway Business Centre, Stratford Road, Moreton-in-Marsh, GL56 9NQ. Forest Peoples Programme is a Public Benefit Entity registered with the Charity Commission under number 1082158.

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. 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. 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	2021 £	2020 £
Allen & Overy Foundation	50,000	-
Arcadia	180,981	-
Arcus Foundation - Cameroon	94,203	-
Arcus Foundation - DRC	-	13,538
Arcus Foundation - Liberia	56,338	21,484
Arcus Foundation - RoC	108,824	105,600
Arcus Foundation - Sumatra	89,928	94,175
Arcus Foundation - Uobdu	-	5,224
The Ashden Trust	-	53,500
The Ashden Trust - Hiding Shadows	14,504	-
The Ashden Trust - Political Ecology	39,050	-
Both Ends	-	17,098
Climate and Land Use Alliance - 2020/21	27,174	164,319
Climate and Land Use Alliance - 2021-25	670,008	-
Climate and Land Use Alliance - Peru & Colombia	115,942	-
Climate Justice Resilience Fund 2021/22	36,765	18,657
The Ecology Trust	24,692	-
Christensen via IWGIA	21,447	-
ILO via IWGIA	25,675	-
European Commission - Cameroon	-	266,212
European Commission - Liberia	-	68
File Foundation - SLRC	-	20,726
File Foundation - Global	109,903	-
Fondation pour le Tri-national de la Sangha	12,712	8,929
Ford Foundation	71,942	207,234
Ford Foundation - Peru & Colombia	218,185	200,000
Ford Foundation - Zero Tolerance Initiative	93,525	-
Full Circle Foundation	112,782	117,188
Good Energies Foundation - SLRC	219,599	133,573
Good Energies Foundation - Global	847,519	-
HCSA Phase III	-	-
International Climate Initiative	300,562	-
Inobu	4,783	12,320
Institute for Global Environmental Strategies	-	14,387
International Labour Office	(1,280)	13,398
IWGIA	13,502	144,982
IWGIA - Bridging Grant	18,113	87,579
Lawyers Against Poverty - Indonesia	15,000	-
Ministry of the Environment, Finland	-	17,699
Sub total	3,592,378	1,737,890

2. INCOME FROM CHARITABLE ACTIVITIES (cont'd)

RESTRICTED INCOME GRANTS	2021	2020
	£	£
Sub total brought forward	3,592,378	1,737,890
Nia Tero Foundation - LBO	-	49,362
Nia Tero Foundation - Global	109,512	-
Norwegian Agency for Development Cooperation	(2,419)	1,232,657
Packard Foundation - Indonesia	145,985	-
Rainforest Alliance	17,164	-
Rainforest Fund - Costa Rica	38,143	29,717
Rainforest Fund - Cameroon	14,493	15,625
Rainforest Foundation US 2020	-	86,381
Rainforest Foundation US 2021	53,373	-
Royal Anthropological Institute	16,000	-
RRI Kenya SRM	-	1,527
SAGE Fund 2021	6,667	6,716
SAGE Fund 2022	13,684	-
Sall Family Foundation 2020/21	-	89,552
Sall Family Foundation 2021/22	90,226	-
Secretariat of the Convention on Biodiversity	-	66,652
Size of Wales Guyana	-	6,409
Size of Wales Kenya	15,000	18,644
Size of Wales Peru	(347)	44,208
Size of Wales Peru - Rapid Response	1,899	-
Stockholm Environmental Institute	-	6,219
SwedBio at the Stockholm Resilience Centre	-	338,409
SwedBio at the Stockholm Resilience Centre 2021-24	289,261	-
SwedBio at the Stockholm Resilience Centre - Uganda	41,276	-
Timby	-	2,419
Voice via CIPD	7,969	9,009
Waterloo Foundation	-	10,000
Waterloo Foundation - Covid 19 Rollback	-	15,000
Waterloo Foundation - Responsible Finance Programme	67,000	-
Wellspring Foundation - Gender	36,232	111,940
Wellspring Foundation - Zero Tolerance Initiative	107,914	-
Grand Total	4,661,410	3,878,336
RESTRICTED INCOME OTHER	2021	2020
	£	£
Service Contracts	-	4,626
TOTAL RESTRICTED INCOME	4,661,410	3,882,962

2. INCOME FROM CHARITABLE ACTIVITIES (cont'd)

UNRESTRICTED INCOME	2021	2020
	£	£
Grants	279,140	205,347
UK Coronavirus Job Retention Scheme	14,596	25,144
Service Contracts	67,008	200,067
	<u>360,744</u>	<u>430,558</u>
TOTAL INCOME FROM CHARITABLE ACTIVITIES	<u>5,022,154</u>	<u>4,313,520</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	2021 Unrestricted £	2021 Restricted £	2021 Total £	2020 Total £
Staff and Related Personnel Costs					
UK Salaries & Fees		325,662	799,544	1,125,206	1,339,680
Overseas Staff Fees		98,945	370,740	469,685	513,586
Consultants		21,133	208,350	229,483	336,724
Other Staff Costs		27,788	8,638	36,426	13,416
		<u>473,528</u>	<u>1,387,272</u>	<u>1,860,800</u>	<u>2,203,406</u>
Direct Programme Costs					
Travel and Project Monitoring		553	85,598	86,151	83,114
Translation, Publications and Research Documents		8,965	72,809	81,774	148,235
Equipment & IT		54,523	9,328	63,851	58,448
Evaluation Costs		-	21,120	21,120	335
Indigenous Participation		-	66,853	66,853	13,177
Field Costs (incl transfers to Partners) 4a		82,683	1,211,410	1,294,093	1,424,439
Workshops		1,496	10,856	12,352	5,895
		<u>148,220</u>	<u>1,477,974</u>	<u>1,626,194</u>	<u>1,733,643</u>
Support Costs					
Rent, Rates and Insurance		55,106	5,355	60,461	61,467
Light, Heat and Cleaning		7,355	559	7,914	7,226
Telephone and Communications		5,497	2,207	7,704	7,147
Communications and Visibility		537	21,931	22,468	11,740
Membership Subscriptions		6,579	9,816	16,395	12,438
Postage and Stationery		1,128	5,913	7,041	4,961
Depreciation		-	-	-	3,582
Bank Charges and Interest		6,619	10,357	16,976	15,698
Sundry Expenses		1,263	(149)	1,114	2,304
		<u>84,084</u>	<u>55,989</u>	<u>140,073</u>	<u>126,563</u>
Governance					
Auditor's Remuneration		18,165	29,119	47,284	26,334
Legal & Professional Fees		1,724	1,500	3,224	7,468
		<u>19,889</u>	<u>30,619</u>	<u>50,508</u>	<u>33,802</u>
Contribution to overheads		(224,068)	224,068	-	-
Foreign Exchange Losses		25,201	9,595	34,796	11,913
Total Charitable Activities		<u><u>526,854</u></u>	<u><u>3,185,517</u></u>	<u><u>3,712,371</u></u>	<u><u>4,109,327</u></u>

4a. FIELD COSTS

	2021	2020
	£	£
Transfers to Partners By Country:		
Antigua and Barbuda	7,868	16,714
Bangladesh	18,870	31,117
Brazil	6,159	2,204
Cameroon	117,214	186,686
Colombia	122,929	203,423
Costa Rica	15,429	14,293
Democratic Republic of Congo	69,201	44,430
Ecuador	6,543	198
Guyana	31,563	65,775
Indonesia	201,312	226,564
Kenya	36,807	55,029
Liberia	21,839	34,599
Madagascar	12,816	16,541
Netherlands	45,208	-
Panama	13,461	26,918
Paraguay	362	5,233
Peru	151,285	204,593
Philippines	12,436	25,838
Republic of Congo	-	4,264
Suriname	167,417	83,394
Thailand	34,895	26,022
Tuvalu	12,860	16,378
Uganda	26,011	4,849
Venezuela	7,973	-
Vietnam	8,535	-
United Kingdom	58,920	-
	<hr/>	<hr/>
	1,207,913	1,295,062
Equipment for Partners	4,079	62,926
Other Field Costs	82,101	66,451
	<hr/>	<hr/>
	1,294,093	1,424,439
	<hr/>	<hr/>

4b. TRANSFERS TO PARTNERS

		2021	2020
Transfers to Significant Partners:		£	£
Centre d'Accompagnement des Minorites Vulnerables	Democratic Republic of Congo	59,611	33,429
Chepkitale Indigenous People Development Project	Kenya	15,043	18,414
Council Ditso Iriria Ajkonuk Wakpa	Costa Rica	14,346	13,391
Centro de Políticas Públicas y Derechos Humanos	Peru	38,381	13,728
Federación de Comunidades Nativas del Ucayali y Afluentes	Peru	38,599	41,514
El Gobierno Territorial Autónomo de la Nación Wampis	Peru	29,620	52,587
Instituto de Defensa Legal	Peru	38,035	99,859
Inter Mountain Peoples Education and Culture in Thailand Association	Thailand	21,016	17,002
Indepaz	Colombia	24,146	46,626
LifeMosaic	United Kingdom	20,323	-
Association Okani	Cameroon	115,650	185,705
Corporacion Rio Cauca Palenke	Colombia	29,180	33,877
Resguardo de Indigenas Canamomo y Lomaprieta	Colombia	53,786	63,543
South Central Peoples' Development Association	Guyana	32,565	47,689
Social Entrepreneurs for Sustainable Development	Liberia	21,839	31,965
University of Oxford (ICCS)	United Kingdom	33,597	-
Unnayan Onneshan	Bangladesh	18,870	31,117
United Organisation for Batwa Development in Uganda	Uganda	26,011	4,851
STG Stichting Bureau VIDS	Suriname	167,417	83,394
Yayasan Masyarakat Kehutanan Lestari	Indonesia	167,897	179,371
Stichting Forest Peoples Programme	Netherlands	45,208	-
Other		196,773	297,000
		<hr/> 1,207,913 <hr/>	<hr/> 1,295,062 <hr/>

5. NET INCOME

	2021	2020
	£	£
<i>Net income is stated after charging:</i>		
Operating lease costs	42,293	44,865
Statutory audit services for the current year	18,120	17,820
Non-statutory audit services for the current year	10,260	3,733
Non-statutory audit services for the prior year	17,107	3,052

6. STAFF COSTS & TRUSTEES' REMUNERATION

	2021	2020
	£	£
Wages & Salaries	1,040,027	1,233,425
Social Security Costs	94,308	117,062
Pension Costs	29,270	32,989
Overseas Staff	481,213	520,504
Total	1,644,818	1,903,980

	2021	2020
Number of Employees receiving remuneration in the year in the following bands:		
£60,000 - £70,000	2	3
£70,001 - £80,000	-	-
£80,001 - £90,000	1	1

The average headcount was 49 (2020: 50). The average Full Time Equivalent headcount was 39 (2020: 42).

During the year key management personnel were remunerated in total £526,005 (2020: [restated]£376,989). In July 2020 the management structure was changed to replace two management committees with one larger body. The 2020 figure therefore includes 5 additional staff for only half of the year, which explains much of the increase in remuneration year on year. During the year the Charity made termination payments amounting to £21,167 (2020: £NIL)

During the year no remuneration was paid to the Trustees (2020: £NIL). No travel and subsistence expenses costs were reimbursed to Trustees in 2021 (2020: 1 Trustees, £78).

7. INTANGIBLE FIXED ASSETS

	Website
Cost	£
Balance At 1 January 2021	10,699
Disposals	<u>(10,699)</u>
Balance at 31 December 2021	-
Amortisation	
Balance At 1 January 2021	10,699
Disposals	<u>(10,699)</u>
Balance at 31 December 2021	-
Net Book Value at 31 December 2021	<u>-</u>
Net Book Value at 31 December 2020	<u>-</u>

8. FIXED ASSET INVESTMENTS

	£
Balance At 1 January 2021	333,683
Interest earned during the year	1,226
Deposited during the year	<u>165,096</u>
Balance at 31 December 2021	<u>500,005</u>

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

9. DEBTORS

	2021	2020
	£	£
Prepayments	17,139	23,558
Accrued income	1,124,360	185,634
Amount owed by Stichting Forest Peoples Programme	94,634	-
Staff advances	13,038	8,000
Other Debtors	26,735	12,172
	<u>1,275,906</u>	<u>229,364</u>

10. CREDITORS

	2021	2020
	£	£
Accounts Payable	47,164	70,212
Accruals	72,838	83,493
Social Security and Pension Contributions	-	73,407
	<u>120,002</u>	<u>227,112</u>

11. RESTRICTED INCOME FUNDS

	b/f at 01.01.21	Income	Expenditure	Transfers in / (out)	c/f at 31.12.21
	£	£	£	£	£
Allen & Overy Foundation	-	50,000	-	-	50,000
Arcadia	-	180,981	29,406	-	151,575
Arcus Foundation - Cameroon	-	94,203	14,073	-	80,130
Arcus Foundation - DRC	10,731	-	10,731	-	-
Arcus Foundation - Liberia 2020/21	1,447	-	1,447	-	-
Arcus Foundation - Liberia 2021/22	-	56,338	21,220	-	35,118
Arcus Foundation - RoC	80,162	108,824	87,665	-	101,321
Arcus Foundation - Sumatra	12,846	89,928	97,405	-	5,369
Arcus Foundation - Uobdu	5,129	-	5,129	-	-
The Ashden Trust	51,955	-	33,282	-	18,673
The Ashden Trust - Hiding Shadows	-	14,504	9,270	-	5,234
The Ashden Trust - Political Ecology	-	39,050	10,865	-	28,185
Climate and Land Use Alliance - 2020/21	68,328	27,174	95,502	-	-
Climate and Land Use Alliance - 2021-25	-	670,008	115,110	-	554,898
Climate and Land Use Alliance - Peru & Colombia	-	115,942	68,737	-	47,205
Climate Justice Resilience Fund 2020/21	7,664	-	7,664	-	-
Climate Justice Resilience Fund 2021/22	-	36,765	(272)	-	37,037
Crowdfunder - Uchunya	906	-	55	-	851
The Ecology Trust	-	24,692	13,581	-	11,111
Christensen via IWGIA	-	21,447	21,447	-	-
ILO via IWGIA	-	25,675	25,675	-	-
European Commission Cameroon	132,610	-	132,610	-	-
File Foundation - Global	-	109,903	92,705	-	17,198
Fondation pour le Tri-national de la Sangha	5,556	12,712	17,214	-	1,054
Ford Foundation - General Support 2021	-	71,942	71,942	-	-
Ford Foundation Peru and Colombia: 2019-2021	112,246	-	112,246	-	-
Ford Foundation Peru and Colombia: 2021/22	-	218,185	131,131	-	87,054
Ford Foundation - Zero Tolerance Initiative	-	94,057	50,541	-	43,516
Full Circle Foundation	68,134	112,782	150,292	-	30,624
Good Energies Foundation - SLRC	-	219,599	148,655	-	70,944
Good Energies Foundation - Global	-	847,519	65,573	-	781,946
High Carbon Stock Approach (HCSA) - Phase 3	-	-	2,537	-	(2,537)
International Climate Initiative	-	300,562	300,562	-	-
Inobu	(1,729)	4,783	3,054	-	-
International Labour Office	-	(1,280)	(1,280)	-	-
IWGIA	108,021	16,802	124,823	-	-
IWGIA - Bridging Grant	3,404	18,113	21,517	-	-
Lawyers Against Poverty	-	15,000	15,000	-	-
Nia Tero Foundation - Global	-	109,512	42,524	-	66,988
Norwegian Agency for Development Cooperation	209,827	(2,413)	207,414	-	-
Packard Foundation - Indonesia	-	145,985	122,280	-	23,705
Rainforest Alliance - AFI	(17,321)	17,164	(157)	-	-
Rainforest Fund - Costa Rica	-	38,143	38,748	-	(605)
Subtotal carried forward	859,916	3,904,601	2,517,923	-	2,246,594

11. RESTRICTED INCOME FUNDS (cont'd)

	b/f at 01.01.21	Income	Expenditure	Transfers in / (out)	c/f at 31.12.21
Subtotal brought forward	859,916	3,904,601	2,517,923	-	2,246,594
Rainforest Fund - Cameroon	1,057	14,493	12,095	-	3,455
Rainforest Foundation US 2020	1,546	-	1,546	-	-
Rainforest Foundation US 2021	-	53,373	51,304	-	2,069
Royal Anthropological Institute	-	16,000	-	-	16,000
SAGE Fund 2020	6,152	6,667	12,819	-	-
SAGE Fund 2022	-	13,684	202	-	13,482
Sall Family Foundation 2020/21	87,350	-	87,350	-	-
Sall Family Foundation 2021/22	-	90,226	1,340	-	88,886
Size of Herefordshire	13,731	8,806	8,990	-	13,547
Size of Wales Guyana	11,346	-	11,346	-	-
Size of Wales Kenya	-	15,000	25	-	14,975
Size of Wales Peru	13,915	(239)	13,676	-	-
Size of Wales Peru Match 2019	20,037	5,681	20,034	-	5,684
Size of Wales Peru Match 2020	5,789	(5,789)	-	-	-
Size of Wales Peru Rapid Response	-	1,899	1,899	-	-
SwedBio at the Stockholm Resilience Centre - Uganda	-	289,325	272,918	-	16,407
SwedBio at the Stockholm Resilience Centre - Uganda	-	41,276	33,994	-	7,282
Voice via CIPD	5,998	7,969	15,518	-	(1,551)
Waterloo Foundation	3,840	-	3,840	-	-
Waterloo Foundation - Covid 19 Rollback	10,043	-	10,043	-	-
Waterloo Foundation - Responsible Finance Programme	-	67,000	35,497	-	31,503
Wellspring Foundation - Gender	102,883	36,232	83,762	-	55,353
Wellspring Foundation - Zero Tolerance Initiative	-	107,914	22,154	-	85,760
Grand total	1,143,603	4,674,118	3,218,275	-	2,599,446

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.

Allen & Overy Foundation

Forest Peoples Programme Strategic Legal Response Centre (SLRC).

Arcadia – Environmental Governance Programme

Core support for the Environmental Governance Programme.

Arcus Foundation - Cameroon

Lobeke National Park Baka Communities: Indigenous Visioning for Transformed Conservation Landscapes.

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.

Arcus Foundation – Liberia 2020/21 and 2021/22

Customary tenure on conservation principles – scoping mission and Phase Two.

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.

11. RESTRICTED INCOME FUNDS (cont'd)**Arcus Foundation – Uobdu**

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

Ashden Trust

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

Ashden Trust – Hiding Shadows

Hiding in the shadows' Short Film'.

Ashden Trust – Political Ecology

Exposing the hidden forces transforming the forest frontier in Indonesia.

Climate and Land Use Alliance (CLUA) 2020/21 and 2021-25

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 and Land Use Alliance (CLUA) – Peru & Colombia

Support for the recognition of ethnic communities' territorial rights as well as their efforts to sustain forests in the Amazonian regions of Peru and Colombia.

Climate Justice Resilience Fund 2020/21 and 2021/22

Support the Zero Tolerance Initiative's future trajectory.

Crowdfunder - Uchunya

Support for the Santa Clara de Uchunya community.

The Ecology Trust

Supporting indigenous peoples in Borneo facing Transmigration-supported Industrialised Townships and associated palm oil plantations.

Christensen via IWGIA

Indigenous Navigator – Convenor of the indigenous Navigator Steering Committee and provide project implementation support and administration of the grants with Okani and VIDS.

ILO via IWGIA

Promoting indigenous peoples' human development and social inclusion in the context of the implementation of the 2030 Agenda for Sustainable Development.

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 - Global

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 Ford Foundation – General Support 2021

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

11. RESTRICTED INCOME FUNDS (cont'd)**The Ford Foundation Peru and Colombia 2019/20 and 2020/21**

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.

Ford Foundation – Zero Tolerance Initiative

To end violence, intimidation, and killing of Indigenous Peoples and other human rights defenders linked to global supply chains.

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 Kauzi-Biega National Park (PNKB) itself to contribute to building a community driven, nationally supported, globally networked Whakatane process.

Good Energies Foundation - SLRC

To support the project "Piloting a Strategic Legal Response Centre for enhanced Forest Peoples' rights".

Good Energies Foundation - Global

To support the project "Defending rights, protecting forests and the global climate".

High Carbon Stock Approach (HCSA) – Phase 3

To provide technical support and development for work and deliverable connected to HCSA's P4F Phase III Grant, under Milestone 6: Social Requirements implementation has been supported through training and capacity building support.

International Climate Initiative

Transformative pathways: indigenous peoples and local communities leading and scaling up conservation and sustainable use of biodiversity – preparation phase.

Inobu

Human rights Impact Assessment in Seruyan and Kota Waringin Barat, Indonesia.

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.

Lawyers Against Poverty

Paralegal training for Indonesian CSOs supporting forest peoples.

Nia Tero Foundation - Global

Support for the project "Renewing nature and cultures: Communicating the importance of indigenous peoples and local communities for biodiversity".

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.

Packard Foundation - Indonesia

Upholding rights and securing livelihoods in Jurisdictional Approaches.

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.

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

The proposed work is focussed on providing urgent legal and strategic advice to indigenous and local communities affected by the proposed CamVert plantation in the Ocean zone.

Rainforest Foundation US – Guyana (old and new)

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

Royal Anthropological Institute

Urgent Anthropology Fellowships.

The Sage Foundation 2020 and 2022

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 2020/21 and 2021/22

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

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 grants

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.

SwedBio at the Stockholm Resilience Centre and Uganda

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.

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.

Waterloo Foundation – Responsible Finance Programme

Support for the project “Defending Rights, Defending forests: reforming international palm oil supply chains to protect people and tropical forests”.

Wellspring Foundation - Gender

Gender justice in indigenous and forest peoples’ land rights.

Wellspring Foundation – Zero Tolerance Initiative

For the Zero Tolerance Initiative to end violence, intimidation, and killing of Indigenous Peoples and other human rights defenders linked to global supply chains.

12. UNRESTRICTED FUNDS

	2021 £	2020 £
Balance at 1 January	922,980	894,153
Income for the year	609,038	477,557
Expenditure for the year	(557,916)	(435,198)
Transfers/Other gains and losses	-	(13,532)
Balance at 31 December	<u>974,102</u>	<u>922,980</u>
Designated Funds	4,408	41,403
Non-designated Funds	<u>969,694</u>	<u>881,577</u>
	<u>974,102</u>	<u>922,980</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 2021 are represented by:			
Fixed Asset Investments	500,005	-	500,005
Current Assets	533,362	2,660,183	3,193,545
Current Liabilities	(59,265)	(60,737)	(120,002)
Total Net Assets at 31 December 2021	<u>974,102</u>	<u>2,599,446</u>	<u>3,573,548</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fund balances at 31 December 2020 are represented by:			
Fixed Asset Investments and Other Assets	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>

14. RELATED PARTY TRANSACTIONS

The spouse of one member of the Programme Coordination Management Team (Key Management Personnel) provided translation and interpretation services at market rate, along with a number of other third party translators. The total received was £10,105 (from July 2020: £1,793).

Stichting Forest Peoples Programme is a separate entity registered in the Netherlands under the control of its independent board of trustees, but working towards a common vision and in coordination with Forest Peoples Programme. Direct costs of £13,362 were paid by the Netherlands entity on grants managed by FPP UK and FPP UK paid direct costs of £123,448 on grants managed by the Stichting. In addition FPP UK made a donation to the Stichting of £45,208 during the year. The amount owed by the Stichting to FPP UK at 31 December was £94,634. There were no transactions or balances between the two entities in 2020.

There were no other related party transactions to disclose.

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

	2021 £	2020 £
Net income for the reporting period (as per the statement of financial activities)	1,522,418	207,953
<i>Adjustments for:</i>		
Foreign Exchange Losses	34,796	11,913
Interest from bank & investments	(1,331)	(5,058)
Amortisation Charge	-	3,582
(Increase)/ decrease in debtors	(1,061,994)	294,823
(Decrease)/ increase in creditors	(107,111)	34,861
Net cash provided by (used in) operating activities	<u>386,778</u>	<u>548,074</u>

16. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash at bank and in hand	1,917,639	1,730,648
Notice deposits (less than 3 months)	500,005	333,683
Total cash and cash equivalents	<u>2,417,644</u>	<u>2,064,331</u>

17. RECONCILIATION OF NET DEBT

	Cash at Bank and in hand	Cash Equivalents	Total
At start of year	1,730,648	333,683	2,064,331
Cashflows	386,883	1,226	388,109
Transfer to Deposit Account	(165,096)	165,096	-
Foreign exchange movement	(34,796)	-	(34,796)
At end of year	<u>1,917,639</u>	<u>500,005</u>	<u>2,417,644</u>

18. OPERATING LEASE COMMITMENTS

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

	2021 £	2020 £
Within one year	24,341	42,644
Between two and five years	2,854	25,645
After five years	-	-
	<u>27,195</u>	<u>68,289</u> [restated]

19. STATEMENT OF FINANCIAL ACTIVITIES FOR PRIOR YEAR - 2020

	Note	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
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		<u>477,557</u>	<u>3,897,336</u>	<u>4,374,893</u>	<u>4,442,481</u>
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		<u>435,198</u>	<u>3,731,742</u>	<u>4,166,940</u>	<u>4,189,497</u>
Net Income	5	42,359	165,594	207,953	252,984
Other recognised gains and losses					
Transfers between funds		<u>(13,532)</u>	<u>13,532</u>	<u>-</u>	<u>-</u>
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	<u>922,980</u>	<u>1,143,603</u>	<u>2,066,583</u>	<u>1,858,630</u>

20. RESTRICTED INCOME FUNDS FOR PRIOR YEAR - 2020

	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

20. RESTRICTED INCOME FUNDS 2020 (Cont.)

	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

FOREST PEOPLES PROGRAMME
**INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 December 2021**

	2021	2020
	£	£
Income:		
Grants	4,955,146	4,108,826
Donations	234,818	39,269
Income from Service Contracts	67,008	204,694
Other Income	24,853	17,046
Bank Interest	1,331	5,058
	<u>5,283,156</u>	<u>4,374,893</u>
Expenditure:		
UK Salaries & Fees	1,177,353	1,384,860
Overseas Staff Fees	480,523	521,825
Consultants	229,482	336,724
Other Staff Costs	36,426	13,416
Travel and Project Monitoring	86,151	83,114
Translation, Publications and Research Documents	81,774	148,235
Equipment & IT	63,852	58,448
Evaluation Costs	21,120	335
Indigenous Participation	66,853	13,177
Field Costs (incl transfers to Partners)	1,294,094	1,424,439
Workshops	12,352	5,895
Rent, Rates and Insurance	60,461	61,467
Light, Heat and Cleaning	7,914	7,226
Telephone and Communications	7,705	7,147
Communications and Visibility	22,468	11,740
Membership Subscriptions	16,395	12,438
Postage and Stationery	7,041	4,961
Depreciation	-	3,582
Sundry Expenses	1,112	2,304
Auditor's Remuneration	47,284	26,334
Bank Charges and Interest	16,977	15,698
Legal & Professional Fees	3,224	7,468
Foreign Exchange Losses	34,796	11,913
Contribution to overheads	-	-
Fundraising Costs	834	4,194
	<u>3,776,191</u>	<u>4,166,940</u>
NET SURPLUS	<u>1,506,965</u>	<u>207,953</u>

This page does not form part of the statutory accounts.