

Reviewed by Moore Kingston Smith

Unaudited
Report and Financial Statements

For the year ended 31 December 2020

Orangutan Foundation

Company Number: 4624177

Charity number: 1095660

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Orangutan Foundation

Reference and Administrative Details

Trustees: Ashley Leiman OBE (Chair)
Guy Sanders (Treasurer)
Sir Richard Gozney
Marcus Phipps
Ian Redmond OBE
Dr Jack Rieley
Richard Robinow

Scientific Advisor: Dr John Mackinnon

Principal address & Registered Office: 7 Kent Terrace
London
NW1 4RP

Registered company number: 4624177

Registered Charity number: 1095660

Independent examiner: Neil Finlayson
Moore Kingston Smith
Devonshire House
60 Goswell Road
London
EC1M 7AD

Bankers: Lloyds Bank Plc
185 Baker Street
London
NW1 6XB

Orangutan Foundation

Trustees' report

The Trustees present their Annual Report and Accounts for the year ended 31 December 2020.

Objects and Activities

The objects of the Orangutan Foundation are:

- to promote for the public benefit, the preservation of non-human primates in their natural habitat, to promote their long-term welfare in all parts of the world and to protect them from extinction;
- to advance education for the public benefit in the study, preservation and protection from extinction of non-human primates; and
- to ensure a future for orangutans, forests & people.

Public Benefit

All Trustees give their time voluntarily and receive no benefit from the Charity.

Details of the work undertaken by the Orangutan Foundation in 2020, as set out in this report, satisfies the public benefit requirements for Charities engaged in animal welfare, promoting the environment and the advancement of education. The Charity's Trustees have thus complied with the Charities Act 2011 to have due regard to Public Benefit guidance published by the Charities Commission.

Structure, Governance and Management

The Orangutan Foundation ("the Foundation") was established as a Charity under a trust deed approved by the Charity Commission (No 1042194) in 1994. The objects of the original Charity were to promote the preservation of wild orangutans and to advance education to preserve and protect the species from extinction. As the Foundation evolved, it became necessary to widen its activities. A second Charity, 'Orangutan Foundation', was established as a Company Limited by Guarantee (No 4624177). The company is registered with the Charity Commissioners (No 1095660) and is governed by a Memorandum and Articles of Association, which were incorporated in December 2002. A uniting direction was given by the Charity Commissioners in October 2003 'linking' the two Charities together. This means that whilst both Charities remain separate legal entities, there is no requirement for separate financial statements or annual returns. The Foundation provides funds to fulfil its objectives, to its Indonesia Country Office, which is registered as a foreign non-governmental organisation (NGO).

The governance of the Charity is vested in a Board of Trustees, which meets on at least two occasions each year. The Board has continued to widen its skills base and recruit Trustees with relevant experience on an ongoing basis. New Trustees receive induction training and are briefed on developments in charity law and financial matters, as appropriate. Details of Trustees, all of whom served for the whole period, are shown on page 2 of this report.

Day-to-day management of the Charity's affairs is the responsibility of the Director, who is also a Trustee, assisted by a small number of employed staff. Remuneration for other key management personnel is set with reference both to an individual's skills and performance and to current market rates. A review of remuneration is undertaken on an annual basis and changes implemented with effect from 1 January each year.

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Risk management

The Trustees have a risk management strategy which comprises:

- an annual review of the risks the Charity may face;
- the establishment of systems and procedures to mitigate those risks identified; and
- the implementation of procedures designed to minimise any potential impact on the Charity should those risks materialise.

The Trustees are satisfied that major risks to which the Charity is exposed have been discussed and systems have been put in place to mitigate those risks. The principal risks identified by the Trustees are as follows:

- Loss of income from the economic downturn as a result of the current Covid-19 pandemic.
- Ongoing threats of habitat loss and degradation, particularly in the face of commercial pressures in Indonesia.
- Challenges raising unrestricted funds to enable continued support of field operations, due to the current financial climate.
- Depreciation of sterling, especially relative to the US dollar, as a result of global economic factors, increasing operating costs of the Country Office in Indonesia.

2020 Activities and Achievements

The Orangutan Foundation offers its appreciation to all grant giving bodies, donors and supporters without whom we would not be able to support this essential conservation work in Indonesian Borneo, which is carried out by the Foundation's Indonesia Country Office.

The Indonesia Country Office activities

Notable achievements of the Foundation's Indonesia Country Office during the year include:

Lamandau Wildlife Reserve, Central Kalimantan, Indonesian Borneo.

The reserve was established as a release site for orangutans. The Foundation supports the government's conservation agency BKSDA in protecting the reserve and its orangutan population.

Habitat protection

- Habitat protection efforts focused on the operation of eight guard posts at strategic locations around the Reserve, both to control access and to launch patrols to monitor and prevent illegal logging, encroachment and hunting. Patrols were conducted weekly in a radius of 5 km from each guard post, with the results always reported to BKSDA. Patrol staff use GPS with SMART Patrol software.
- During routine monitoring patrols, 16 incidents of illegal activities were detected and disrupted during the year, comprising: 12 cases of encroachment; 1 case of illegal logging; and 3 incidents of illegal mining. All these cases were reported to BKSDA and then followed up with five sets of joint patrols carried out together with BKSDA.
- The patrol staff also played a crucial role in the early detection and extinguishing of bush fires. Towards the end of the dry season, two integrated fire prevention patrols were conducted in high-

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risk locations together with BKSDA and community partners. Two socialisation meetings were also held to raise awareness about fire prevention with surrounding villagers, conducted together with BKSDA, FMU's, and the district forest fire-fighting unit (Manggala Agni).

- In addition to ground monitoring, aerial monitoring was conducted using a drone and Geographic Information System (GIS) analysis of satellite imagery. GIS analyses were used to plot the locations of illegal activities and outbreaks of wildfires using input data from SMART Patrols, to assist with conservation management planning and collaboration with the conservation agency BKSDA.
- A GIS landcover analysis of the reserve was crucial in being able to identify a number of small areas of encroachment deep in the reserve, which are not normally covered by the patrol teams, so that an effective resolution plan could be designed. Despite this, there was virtually no change in the amount of forest cover compared to the previous year (less than 0.4% reduction), indicating that overall, the patrol system was effective in protecting the integrity of the forests in the reserve.
- All eight guard posts have been equipped with firefighting equipment, comprising portable water pumps and hoses, whilst two are equipped with jet shooters.

Orangutan rescues and post-release monitoring

- Five orangutan release camps were operated as part of the post-release monitoring programme. Foundation staff monitored the presence of fifty-six orangutans in the surrounding forest (thirty-seven reintroduced orangutans, nineteen wild orangutans). Ten orphaned infants were still undergoing the soft-release process. Eight graduates of soft release have been released and are now living independently in the forest; of these, five were seen regularly in the forest around release camps. A total of 71 orangutans were monitored regularly during the year.
- Seven orangutans gave birth during the last six months of 2020. This was a record birth year for the reserve (cf. 2019 two; 2018 also two) and shows the success of the Foundation's conservation programme. Three of them were second generation mothers who had been born in the wild to mothers of reintroduced females. There have now been more than 92 infants born under the reintroduction programme, showing that we have helped to establish a self-sustaining viable population.
- The health of all released orangutans still under observation is monitored by camp staff, whilst weekly and on-call health checks are made by the Foundation's Veterinary Doctor, especially for the infants in soft-release.
- One orangutan was rescued and released into the reserve by BKSDA; whilst two sun bears, one salt-water crocodile, a python, and a slow loris were released at Camp Gemini during the year.

Habitat restoration

- Three nurseries were maintained to support the habitat restoration programme, where 49,808 wild seedlings from 10 species that had been collected by local villagers were maintained and nurtured before planting out. Seedlings that died in the nursery or after planting out were replaced so as to maintain the planted-out target and density.
- To restore degraded habitat and increase the carrying capacity of the Reserve, a target total of 36,500 wild seedlings was planted out in March and November at four locations, covering 28 ha. The area restored now covers 193 acres (78 hectares), with over 112,000 seedlings planted out since 2015. To maximise their survival, maintenance work is carried out on each seedling at intervals since planting of about 3 months, 12 months and 24 months. The total area maintained in 2020 was 87.1 ha (including seedlings planting out in previous two years). The collection of wild seedlings, planting out, and after-planting maintenance is carried out using 15-20 daily labourers from local communities.

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- Three deep-bore wells were installed in the western part of the reserve in areas close to the primary restoration sites, bringing the total deep wells installed to ten. These will be used as a source of water by nursery staff for the maintenance of wild seedlings in the nurseries, as well as by guard post staff for filling up jet shooters used to extinguish bush fires during the dry season.

Tanjung Puting National Park, Central Kalimantan, Indonesian Borneo

The Foundation collaborates with the park management BTNTP to protect the park and conduct research to support conservation management planning.

Habitat protection

- The Foundation operates two guard posts on the western side of the park, which are strategically located to control the main river access points into the core zone, and from which both weekly river and weekly land forest monitoring patrols were carried out. The weekly patrols use SMART Patrol software with handheld GPS units, with the data being processed in the GIS and shared with BTNTP. All incidents of illegal activities are reported to Head of BTNTP.
- Three joint patrols were conducted together with BTNTP staff.
- The guard post staff also helped BTNTP staff to monitor the park for any outbreaks of fire.
- A new body was bought for the patrol longboats, whilst repairs were made to the kelotok longboats and guard posts.

Research and education

- The Foundation continued to operate an international Tropical Forest Research Station at Pondok Ambung in the northern sector of the park.
- The camera-trapping programme continued, with five camera traps in operation around the Pondok Ambung area, recording 23 species. Overall, thirty rare species have been recorded, including the endangered Bornean Clouded Leopard, Sun Bear, porcupine, three species of primates, two species of small wild cats, two species of Fireback Pheasant and monitor lizards.
- Night-time surveys of Bornean Tarsier (nocturnal primate), Slow Loris (nocturnal primate), and Tomistoma (crocodilian) were conducted, together with daytime surveys of Proboscis Monkeys.
- Growth development of 30 trees in two vegetation plots was measured twice (every six months), whilst a survey of the phenology of 53 tree species was carried out every month.
- The field research project supported one Indonesian student based at Pondok Ambung Tropical Research station.

The Information Centre in the park operated by the Foundation with a local guide was closed for visitors from April-September due to the Covid-19 pandemic. During the restricted opening periods, there were only 386 visitors from 34 countries (cf. 3,110 from 62 countries in 2019).

Forests outside conservation areas, western Central Kalimantan, Indonesian Borneo

This is a joint initiative with Yayorin, a local conservation NGO in Central Kalimantan, to conserve populations of the critically endangered Bornean Orangutan and other wildlife that survive in forests outside of conservation areas, where the majority of orangutans and their habitats are found.

Highlights of our work in this area include:

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- Collaborating with Forest Management Units (FMU's) that are responsible for managing all state forest lands outside conservation areas in five districts of western Central Kalimantan, which together cover over 1 million hectares (2.5 million acres) of forests. This work focuses on high biodiversity forests, mainly in Limited Production Forests, Protection Forests and buffer zones.
- Initiating a process to create an Essential Ecosystem Area (KEE) covering some 21,260 hectares of forest land through conducting a preliminary survey in collaboration with the Provincial Forestry Service, FMU's, BKSDA, Yayasan and other partners. This was followed up by a workshop to discuss the findings and the submission of a report to the Forestry Service.
- Holding a workshop for managing orangutan populations in logging concession, aimed at logging companies, FMU agencies, and BKSDA.
- Holding a separate workshop for managing orangutan populations in industrial plantation concessions aimed at oil-palm companies, timber plantation companies, and BKSDA.
- Preparing a draft Orangutan Population Management Plan at the landscape level for one district FMU, carried out in collaboration with Yayasan, FMU's, BKSDA and other partners. The results were discussed at a multi-party workshop for FMU's, BKSDA and logging concessionaires to receive recommendations for the final revision.
- Preparing a draft orangutan population management plan for areas of high conservation value (HCV) outside of FMU areas, mainly being in plantation concessions, carried out in collaboration with Yayasan. The results were discussed at a separate workshop for oil-palm companies, BKSDA, and District Environment Service to receive inputs for the final version.
- Conducting an orangutan survey in Limited Production Forest of a large logging concession, together with Yayasan and FMU's, where a population of about 500-600 orangutans was found.
- Conducting a survey in a 9,000 ha degraded Protected Forest area, where only old signs of orangutan presence were found.
- Conducting a habitat survey in an industrial timber plantation.
- Conducting forest monitoring patrols in the buffer zone forests around the Lamandau Reserve under the responsibility of two district's FMU's to protect the forests from illegal logging, encroachment and outbreaks of wildfires.
- Carrying out four training programmes in wildlife and habitat survey techniques for staff of four related FMU agencies, two conservation agencies (BKSDA, BTNTP), and concession holders, as well as one comparative study for concessionaires and FMU's to West Kalimantan.
- Conducting one training programme with the related FMU agency for a women's group interested in mat weaving handicraft using locally collected *purun* wild grass.
- Supporting a community agro-forestry demonstration plot in an FMU area through provision of 500 *Blangeran* seedlings and 2,800 cuttings of several income-generating plant species.
- Supporting a local community ecotourism initiative to help protect a forest block and its biodiversity within an FMU area situated beside an oxbow lake, through preparation and printing of a guidebook and annotated visitors map, with 100 copies of each, followed by a training programme on guiding.

Education, research, and co-ordination

- Education and awareness are a vital part of the Foundation's work, and we are proud to be working on this with Yayasan, our long-term local Indonesian partner. Due to the pandemic, many awareness events were either moved online or cancelled.
- One high school visit was conducted at the beginning of the year.

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- The Foundation participated in two local conservation awareness-raising events together with other local NGO's, including planting out mangrove seedlings at an event to celebrate National Tree Planting Day, whilst four 'Conservation Corner' events with guest speakers hosted by the Country Office were mainly moved online and held to celebrate events including Primate Day, Earth Day, Biodiversity Day and International Orangutan Day.
- The field teams provide regular video clips, photographic documentation and news updates that are used on the Foundation's social media platforms both in Indonesia and the UK.
- Two research grants of £500 each were awarded to Indonesian students to conduct fieldwork in tropical ecology. This long-term programme aims to support the development of future conservation leaders and practitioners.
- Regular meetings for presenting work plans and co-ordinating activities were held with officials from the Ministry of Environment & Forestry, local government agencies, NGO's and other stakeholders.

UK office activities

- 2020 should have been a year of celebration for the Foundation's 30th Anniversary founded in 1990. Unfortunately, Covid 19 didn't allow for events and so activities have been cancelled and postponed.
- A 40 page colour booklet 'Orangutan Foundation Celebrating 30 years of Conservation' was produced, which was sent out to members and supporters, resulting in donations and positive feedback.
- The 30th Anniversary Appeal to 'Save all three species of orangutans' with our partners PanEco/SOCP raised over £50,000.
- There were no visits to Indonesia. The UK is in touch daily with the field office through emails and telephone and has maintained good communication.
- Instagram continues to be our most popular platform in terms of engaging and communicating with supporters with 20.9k followers and an overall increase in likes and comments on social media activity. Facebook currently has 15.9K followers and we have also seen growth in online fundraisers, whether they are celebrating a birthday or creating an activity of their own. In 2021 so far, we have seen over 70 individual fundraising accounts created via Facebook. Twitter has 14.5K followers and LinkedIn over 1.2K.
- Sponsor an Acre raised £10,650 from 482 orders online (a sizeable jump from the previous year's £7,824 as 2020 was the first year we began our week of sponsoring acres for International Orangutan Day in August)
- Adoptions through the website generated sales of £25,155 in 2020. Mona adoptions were £15,220 (Interestingly, half of sales were via e-adoptions instead of physical packs likely due to the temporary website closure and restrictions from the pandemic) Okto adoptions were £9,935. (£5,180 from physical packs, £4,755 from e-adoptions)
- Guardians of Lamandau raised £1,000 from 5 individual one-off website orders. (Bearing in mind this does not include people who set this up via monthly Direct Debit. In context, currently we have 63 valid Guardians across one-off payments and Direct Debits)
- These are the majority of sales for these items in 2020 but it's worth noting that these figures reflect online sales only. They do not include people who have set up/renewed adoptions via cheque or people who have created direct debits for Sponsor an Acre etc.
- The Foundation participated in the Big Give Christmas Challenge raising £25,000
- Christmas, despite Covid and lockdown, was as busy as previous years.

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Staff and volunteers

- Pak Hendra continues as Programme Manager and it is hoped he will continue beyond his contract which ends in March 2021
- Helen Shearon resigned as Financial Officer in July and Asher Levy took over as an intern from June - December 2020. Coreen Reilly joined the Foundation as Finance Manager in January 2021. Rob Durgut continues as Communication and Project Officer. We had one volunteer in the period under review.

The Foundation achieved most of its main aims for 2020, although many awareness-raising meetings in Q2-Q3 had to be cancelled due to the Covid-19 pandemic. Nevertheless, most field activities could still be conducted, whilst many coordination meetings with government agencies and multi-party workshops could still be held effectively online.

Aims for 2021

In 2021, we have set ourselves the following challenges:

- To increase collaboration with government conservation agencies for the protection of orangutan habitat in the Lamandau Wildlife Reserve and Tanjung Puting National Park.
- To continue the Forest Restoration Programme in the Lamandau Wildlife Reserve through nurturing and then planting out 25,200 wild seedlings to restore 20 ha of degraded orangutan habitat, and carrying out maintenance work on saplings planted out in the previous two years.
- To install five deep wells in the Lamandau Wildlife Reserve to provide a deep-water source during the dry season for both firefighting and maintenance of seedlings in the nurseries.
- To monitor changes in forest cover of the Lamandau Wildlife Reserve in 2021 through GIS analysis of satellite imagery.
- To prepare a conservation strategy to resolve outbreaks of encroachment within the reserve.
- To increase collaboration with industrial concessionaires for supporting orangutan conservation efforts outside conservation areas.
- To increase collaboration with logging concessionaires to survey orangutan populations within logging concessions and prepare orangutan population management plans.
- To support the provincial Forestry Service in initiating and conduct a formal public consultation process to establish an Essential Ecosystem Area of some 21,000 hectares of forest land for the buffer zone forests adjoining the reserve.
- To engage with industrial concession holders and government agencies to prevent and mitigate human-wildlife conflicts within and around their concessions.
- To continue a study of the Tarsier (a rare nocturnal primate) at Pondok Ambung Tropical Forest Research Station.
- To facilitate Indonesian research students to conduct ecological field research based at Pondok Ambung Research Station and the Lamandau Wildlife Reserve.
- To renew the Foundation's MoU with the Ministry of Environment and Forestry.
- To continue the new partnership to support orangutan conservation in Sumatra.
- To continue with a fundraising drive to boost membership and donations, whilst simultaneously maintaining field costs in line with revenues.

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Financial Review for the year ended 31 December 2020

The Statement of Financial Activities is set out on page 14 of the financial statements. A summary of the financial results is set out below.

Income

Total income for 2020 amounted to £629k (2019: 874k). Income from donations and legacies, including membership subscriptions, amounted to £551k (2019: £752k). Income from charitable activities amounted to £74k (2019: £122k) and other income was £3k (2019: nil).

Expenditure

Expenditure totalled £444k (2019: £471k). The cost of raising funds related to expenditure on fundraising and publicity and amounted to £29k (2019: £33k). Expenditure on supporting activities in the field amounted to £369k (2019: £388k). Education costs were £4k (2019: £5k). Governance and support costs were £41k (2019: £45k). The net result for the year was an increase in funds of £185k (2019: £402k).

Designated Funds

The Foundation received several legacies in 2019 that helped create a favourable financial position at the end of 2019. The Board of Trustees decided it is critical to support a programme for conservation of endangered apes outside conservation areas, where the majority of orangutans are found. This complements an ongoing collaboration started in 2017. The trustees believe that this programme is in accordance with the Foundation's long-term strategy and, in 2020, allocated £50,000 per year over three years to support it. Due to the coronavirus pandemic however, recruitment of a Landscape Conservation Manager and Landscape Conservation Officer was delayed until October 2020 with reimbursement of mobilisation and salary costs only being sent to the field in quarter 1 of 2021 therefore no spend is recorded from designated funds in 2020. In addition, following several years with limited renewal of equipment and infrastructure of other field programmes, the trustees agreed to allocate £50,000 to capital expenditure in 2020. In March 2020, however, the Foundation received a donation of £42,000 from an individual donor which was used to invest in new equipment and a new vehicle. No further capital expenditure was required in 2020 so £50,000 is carried over to 2021, some of which will be used to purchase new monitoring equipment for the Landscape Conservation Programme. As such, designated funds of £200,000 are carried over into 2021.

Reserves policy

The Trustees believe that it is essential that the Foundation maintains sufficient reserves to allow it to continue its work through difficult economic times, to allow flexibility for cash flow requirements in respect of committed programmes, as well as providing resources in the event of any significant and unexpected expenditure.

The Trustees have set a target of twelve months' expenditure as a prudent level of free reserves. This takes into account the impact of Covid 19 on income as well as previous experience of fluctuations in income streams, a weak pound against the US dollar (increasing expenditure for programme costs in Indonesian Rupiah) and the need to have a responsible level of cover for our long-term programmes,

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facilities and staff – which include 10 guard posts, 5 orangutan reintroduction and monitoring camps, 10 infant orangutans under soft-release process, 3 forest restoration sites, 1 research station and a Country Office with 55 fulltime staff, and the responsibility to implement work programmes that have been agreed under an MoU with the central government.

Our current level of reserves exceeds the target. Free reserves as at 31 December 2020 amounted to £859k (2019: £667k) which are available to fund ongoing operations. This equates to approximately 23 months' (2019: 15 months') operating costs. Under the current economic conditions, however, – with major uncertainties in future income streams from donations as a result of the unprecedented economic downturn from the Covid-19 pandemic along with the unpredictability of legacy donations – the trustees believe it is prudent to carry higher free reserves to support the long-term nature of ongoing conservation work in the field in order to ensure the future of the critically endangered orangutan.

The trustees will review this policy on an annual basis.

The Trustees have determined to write off the value of a property in Indonesia which was purchased in 2011 as they have become aware that the legal ownership of the property rests with a partner organisation with whom the Foundation has a goodwill arrangement to enjoy continued use of the property.

As a result of this, a prior year adjustment has been recognised in these financial statements. This is further explained in the notes to the financial statements, under note 14.

The net assets of the Orangutan Foundation as at 31 December 2020 amounted to £1,059k (2019: £874k), there were no restricted funds at the year end (2019: £7k), £200k is designated funds and £859k is unrestricted funds.

The financial outlook

Although income overall was reduced in 2020, a number of large legacies in 2019 combined with prudent expenditure means the Foundation's financial position as at 31 December 2020 was stronger than at the end of 2019.

We continue to have a sufficient cash balance, which at the end of the year was £982k (2019: £637k), to meet forecast expenditure in 2021.

Policy for remuneration of key management

The Charity is managed, on a pro-bono basis by Ashley Leiman, who is a Director and Trustee. Remuneration for other key management personnel is set with reference to an individual's skills and performance with reference to current market rates. A review of remuneration is undertaken on an annual basis and changes implemented with effect from 1 January each year.

Related parties

Details of related parties are given in note 13 to the financial statements.

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Trustees' report

Statement of Trustees' responsibility in relation to the financial statements

The Charity Trustees (who are also the directors of the Orangutan Foundation Limited for the purposes of company law) are responsible for preparing a Trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Charity Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the Charity and of the income and expenditure for that period. In preparing the 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Orangutan Foundation website (www.orangutan.org.uk). Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent examiner

Moore Kingston Smith was appointed to act as independent examiner for the Foundation in 2019.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Trustees on 16th September 2021 and signed on their behalf by:



Ashley Leiman OBE, Director and Trustee

Independent Examiner's report to the Trustees of Orangutan Foundation

Independent examiner's report to the Trustees of Orangutan Foundation ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2020.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

28/09/2021

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants of England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statements of Recommended Practice for accounting and reporting by charities.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Moore Kingston Smith LLP

Neil Finlayson, FCA
For and on behalf of Moore Kingston Smith LLP
Chartered Accountants
Devonshire House, 60 Goswell Road, London, EC1M 7AD

Date: 28/09/2021

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Statement of Financial Activities For the year ended 31 December 2020

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2020 £	2019
INCOME					
Income from grants, donations and legacies		471,877	79,467	551,344	751,786
Income from charitable activities		36,900	37,261	74,161	121,654
Other income		3,082	-	3,082	164
TOTAL INCOME	2	511,859	116,728	628,587	873,604
EXPENDITURE					
Expenditure on raising funds		28,990	-	28,990	33,080
Expenditure on charitable activities				-	
· Activities in the field		245,724	123,534	369,258	387,861
· Education		3,986	-	3,986	4,791
Governance and support costs		41,408	-	41,408	45,437
TOTAL EXPENDITURE	3	320,108	123,534	443,642	471,169
NET INCOME / (EXPENDITURE) FOR THE YEAR		191,751	(6,806)	184,945	402,435
FUND BALANCES BROUGHT FORWARD		867,261	6,806	874,067	471,632
FUND BALANCES CARRIED FORWARD	9	1,059,012	-	1,059,012	874,067

All income and expenditure derive from continuing activities.

There were no recognised gains or losses other than those included above. The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes of pages 16 to 24 form part of these financial statements.

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Balance sheet as at 31 December 2020 (Company Registration Number 4624177)

	Notes	2020 £	Restated 2019 £
CURRENT ASSETS			
Cash at bank and in hand		981,897	637,204
Debtors	6	82,406	242,034
		<u>1,064,303</u>	<u>879,238</u>
CREDITORS: Amounts falling due within one year	7	(5,291)	(5,171)
		<u>1,059,012</u>	<u>874,067</u>
NET CURRENT ASSETS			
		<u>1,059,012</u>	<u>874,067</u>
NET ASSETS		<u>1,059,012</u>	<u>874,067</u>
Represented by:			
Unrestricted reserves		859,012	667,261
Designated funds		200,000	200,000
Restricted reserves	8	-	6,806
	9	<u>1,059,012</u>	<u>874,067</u>

For the financial year ended 31 December 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and for preparing accounts which give a true and fair view of the state of affairs of the Charity as at 31 December 2020 and of its surplus for the year then ended in accordance with the requirements of S396 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to the financial statements so far as applicable to the Charity.

These accounts have been prepared in accordance with the provisions applicable to companies, subject to the small companies' regime.

The accounts were approved by the Board of Trustees on 16th September 2021 and signed on its behalf by



A Leiman, OBE. Director and Chair of Trustees

Orangutan Foundation

Notes to the financial statements For the year ended 31 December 2020

1. NOTES TO THE FINANCIAL STATEMENTS

The principal accounting policies adopted in the preparation of the financial statements of the Charity are set out below.

a) ***Basis of preparation***

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The charitable company is a public benefit entity for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), including Update Bulletin 2, the Companies Act 2006 and the Charities Act 2011.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

b) Orangutan Foundation Limited meets the definition of a public benefit entity as defined by FRS 102.

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

c) ***Going concern***

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of the approval of the financial statements. In particular, the trustees have considered the charitable company's forecasts and projections and have taken account of pressures on income.

In making this assessment the trustees have considered the impact of Covid-19 and while income streams have been affected, these will not affect the charity's ability to continue its charitable objectives, however operations may be at a potentially reduced level.

d) ***Income***

Donations and subscriptions are recognised when they have been received by the Charity. Legacies are recognised when the Charity has entitlement to the funds and the amount due can be estimated with reasonable certainty.

Orangutan Foundation

Notes to the financial statements For the year ended 31 December 2020

e) ***Expenditure and liabilities***

Expenditure is recognised on an accruals basis as a liability is incurred, and irrecoverable VAT is charged against the category of expenditure for which it was incurred.

Costs of raising funds are those costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

Charitable activities include expenditure associated with donations direct to the field, with much of the remainder relating to the printing of educational newsletters/brochures, and include both direct costs and support costs relating to these activities.

Governance costs represent costs of Independent Examination fees and other costs directly attributable to the management of the Charity's assets, organisational, administration and compliance with constitutional and statutory requirements.

Support costs include office and staff costs and have been allocated to activity cost categories on a basis consistent with the use of resources e.g. staff costs by the time spent, and other costs by their usage.

Liabilities are recognised as soon as there is a legal or constructive obligation to make payment.

f) ***Debtors***

Debtors are valued at the settlement amount due.

g) ***Cash***

Cash comprises bank deposits repayable on demand.

h) ***Creditors***

Creditors and accruals are recognised at their settlement amount.

i) ***Taxation***

As a charity Orangutan Foundation benefits from exemptions on income and gains falling within Sections 466-493 of the Corporation Tax Act 2010 to the extent they are derived from charitable activities.

j) ***Fund accounting***

Unrestricted funds are those that can be expended at the discretion of the Trustees in the furtherance of the objects of the Charity.

Designated funds are those that have been set aside by the Trustees to meet essential future spending.

Restricted funds are those that may only be used for specific purposes. Restrictions arise when specified by a funder, or when funds are raised for a specific purpose.

Orangutan Foundation

Notes to the financial statements For the year ended 31 December 2020

k) *Operating lease*

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

l) *Foreign exchange currency*

Assets, liabilities, income and costs expressed in foreign currencies are translated into sterling at rates of exchange ruling on the day in which the transactions occur, except for monetary assets and liabilities which are translated at the rate ruling at the balance sheet date.

(i) *Pensions*

The Orangutan Foundation operates a pension scheme in accordance with the current pension regulations. The Foundation contributes to a Defined Contribution Scheme operated by NEST, which came into effect on 1 January 2017.

(j) *Critical accounting estimates and areas of judgement*

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. There are no significant estimates or judgements that have a material effect on amounts recognised in the financial statements.

2. INCOME

	2020			2019		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Income from donation and legacies						
Membership Subscriptions	18,091	-	18,091	20,520	-	20,520
Donations, appeals and gifts	322,644	-	322,644	281,673	-	281,673
Legacies	131,142	-	131,142	311,676	-	311,676
Grants: programmes	-	79,467	79,467	-	137,917	137,917
	471,877	79,467	551,344	613,869	137,917	751,786
Income from charitable activities						
Study tours/ volunteer programme	-	-	-	15,186	-	15,186
Adoption	24,035	-	24,035	33,090	-	33,090
Sale of merchandise	12,792	-	12,792	13,214	-	13,214
Grants: projects	-	37,261	37,261	-	60,165	60,165
Other	73	-	73	-	-	-
	36,900	37,261	74,161	61,490	60,165	121,654
Investment Income						
Interest received	3,082	-	3,082	164	-	164
Total income	511,859	116,728	628,587	675,523	198,082	873,604

Orangutan Foundation

Notes to the financial statements For the year ended 31 December 2020

3. EXPENDITURE

	2020			2019		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
<i>Expenditure on raising funds</i>						
Staff costs	22,739	-	22,739	28,310	-	28,310
Fundraising	-	-	-	533	-	533
Merchandise	6,196	-	6,196	3,103	-	3,103
Travel and subsistence	55	-	55	1,134	-	1,134
	28,990	-	28,990	33,080	-	33,080
<i>Expenditure on charitable activities</i>						
Staff costs	49,147	-	49,147	45,432	-	45,432
Project costs	-	37,261	37,261	-	60,165	60,165
Programme costs	193,977	86,273	280,250	114,603	153,611	268,214
Travel and subsistence	2,600	-	2,600	14,050	-	14,050
Cost of field operations	245,724	123,534	369,258	174,085	213,776	387,861
<i>Education</i>	3,986		3,986	3,791	1,000	4,791
Total expenditure on charitable activities	249,710	123,534	373,244	177,876	214,776	392,652
<i>Governance and support costs</i>						
Staff costs	9,510	-	9,510	11,961	-	11,961
Office costs, IT and telephony	28,762	-	28,762	29,288	-	29,288
Governance costs	3,164	-	3,164	2,716	-	2,716
Foreign exchange (gain) / loss	(28)	-	(28)	1,472	-	1,472
	41,408	-	41,408	45,437	-	45,437
Total expenditure	320,108	123,534	443,642	256,393	214,776	471,169

Project costs represent amounts donated for specific projects as directed by the funding organisation.

These include: the Conservation of Endangered Ape Populations Outside Protected Areas in Central Kalimantan; the Protection of the Lamandau Wildlife Reserve and Buffer Zone.

Programme costs represent the cost of on-going operations in the field as undertaken by the Independent Country Office.

Orangutan Foundation

Notes to the financial statements For the year ended 31 December 2020

4. STAFF COSTS	2020 £	2019 £
Wages and salaries	76,859	80,138
Pension costs	1,648	1,524
Social security costs	2,889	4,041
	<u>81,396</u>	<u>85,703</u>
	<u>81,396</u>	<u>85,703</u>
The average number of UK employees during the year	<u>3</u>	<u>3</u>
The average headcount of UK employees during the year	<u>3</u>	<u>3</u>

Field staff are employed and remunerated directly by the Indonesian Country Office.

Remuneration of key management personnel amounts to £41,567 (2019: £40,052) and relates to 1 employee (2019: 1 employee). Ashley Leiman provides her services to the Charity on a pro-bono basis.

There were no employees earning in excess of £60,000 (2018: nil).

5. TRUSTEES' REMUNERATION, REIMBURSEMENT OF EXPENSES AND TRANSACTIONS

Remuneration and reimbursement of expenses

Trustees received no remuneration (2019: nil) and no trustees received reimbursement of expenses (2019: nil).

Transactions

During the year, payments of £12,000 (2019: £12,000) were made to Ashley Leiman for rent of the Foundation's premises. Ashley, as owner of the property, is a Director and Trustee of the Orangutan Foundation. The payment, approved by the Charity Commissioners, recognises the arms-length commercial relationship between the owner of the property and the Foundation.

Orangutan Foundation

Notes to the financial statements For the year ended 31 December 2020

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Accrued income	21,398	15,267
Gift aid receivable	2,500	12,767
Legacies receivable	58,508	214,000
	<hr/>	<hr/>
	82,406	242,034
	<hr/>	<hr/>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Accruals and deferred income	5,291	5,171
	<hr/>	<hr/>
	5,291	5,171
	<hr/>	<hr/>

Orangutan Foundation

Notes to the financial statements For the year ended 31 December 2020

8. RESTRICTED FUNDS

	Balance at 1 Jan 2020	Income	Expenditure	Balance at 31 Dec 2020
	£	£	£	£
LAMANDAU WILDLIFE RESERVE				
Operating Costs	-	29,500	(29,500)	-
Camp Gemini costs and medical equipment	-	6,998	(6,998)	-
Forest Restoration Programme	-	26,469	(26,469)	-
Habitat Protection and Orangutan Rescue and Reintroduction programme		16,500	(16,500)	-
OTHER AREAS				-
Endangered orangutan populations outside protected areas	-	37,261	(37,261)	-
Research Grants and Education	6,806	-	(6,806)	-
	-	116,728	(123,534)	-

Description of Restricted Funds

Operating costs are funds received to cover general operating costs in the Lamandau Wildlife Reserve.

Camp Gemini costs and medical equipment are funds received to cover general maintenance and medical equipment at Camp Gemini.

Forest Restoration Programme is funds received to cover forest restoration work including seed collection, nursery, planting out and maintenance.

Habitat Protection and Orangutan Rescue and Reintroduction programme is funds received to cover operating costs for Guard Post 25 and updates on orangutan TimTom in soft release for Born Free adoption programme.

Endangered orangutan populations outside protected areas is funds received to undertake surveys of orangutan population outside protected areas as well as local stakeholder biodiversity training.

Research Grants and Education is funds received for Pondok Ambung Tropical Forest Research station.

Orangutan Foundation

Notes to the financial statements For the year ended 31 December 2020

9. NET ANALYSIS OF ASSETS BETWEEN FUNDS

	Unrestricted	Restricted	2020	2019 Restated
	£	£	£	£
Current assets	1,064,303	-	1,064,303	879,238
Current liabilities	(5,291)	-	(5,291)	(5,171)
	<u>1,059,012</u>	<u>-</u>	<u>1,059,012</u>	<u>874,067</u>

10. COMMITMENTS UNDER OPERATING LEASES

	Land & Building	
	2020	2019
	£	£
Within 1 year	<u>12,000</u>	<u>12,000</u>

The amount expensed to the Statement of Financial Activities in the year was £12,000 (2019: £12,000).

11. INDEPENDENT EXAMINER'S

	2020	2019
	£	£
Independent examiner's remuneration is as follows:		
Independent examination	<u>2,990</u>	<u>2,880</u>

12. RELATED PARTIES

Except as disclosed in note 5 above, the Foundation did not undertake any transactions with related parties in the year under review.

13. CAPITAL COMMITMENTS

At 31 December 2020 the Company had no capital commitment not provided for in the financial statements.

Orangutan Foundation

Notes to the financial statements For the year ended 31 December 2020

14. PRIOR YEAR ADJUSTMENT

A prior year adjustment has been recognised in these financial statements.

The trustees have reviewed the conditions for holding tangible fixed assets in Indonesia, as a result of additional information being available at the 31 December 2020.

Further details of this are included in the Trustee Report.

The fixed asset, representing a property in Indonesia has been written off in a prior year, which has increased expenditure by £32,298.

This has resulted in a decrease in the net funds of the charity as at 1st January 2019 of £32,298.