

Charity no. 1158711

Sumatran Orangutan Society
Report and Unaudited Financial
Statements
31 March 2021

Sumatran Orangutan Society

Reference and administrative details

For the year ended 31 March 2021

Charity number	1158711		
Registered office and operational address	6 Lombard Street Abingdon Oxfordshire OX14 5BJ		
Trustees	<p>The trustees are who served during the year and up to the date of this report were as follows:</p> <p>Katie Arber Karen Branagh (resigned 26 September 2020) Simon Constantine Stephen Griffin Anthony Hurford (resigned 21 October 2020) Ed Matthew Gary Mitchell Peter Stimpson Steven Trent Fiona Wheatley</p>		
Director	Helen Buckland		
Bankers	<table><tr><td>The Co-Operative Bank PO Box 250 Delf House Southway Skelmersdale WN8 6WT</td><td>CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ</td></tr></table>	The Co-Operative Bank PO Box 250 Delf House Southway Skelmersdale WN8 6WT	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
The Co-Operative Bank PO Box 250 Delf House Southway Skelmersdale WN8 6WT	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ		
Solicitors	Clifford Chance LLP 10 Upper Bank Street Canary Wharf London E14 5JJ		
Independent examiners	Godfrey Wilson Limited Chartered accountants and statutory auditors 5th Floor Mariner House 62 Prince Street Bristol BS1 4QD		

Sumatran Orangutan Society

Report of the trustees

For the year ended 31 March 2021

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Constitution and the Statement of Recommended Practice - Accounting and Reporting by Charities (effective from January 2019).

OBJECTIVES AND ACTIVITIES

Sumatran and Tapanuli orangutans are critically endangered. As their rainforest habitat is carved up for farmlands, infrastructure and roads, these gentle apes, amongst our closest relatives in the animal kingdom, are being pushed to the edge of extinction. SOS is dedicated to turning this situation around.

Our mission is to protect orangutans, their forests, and their future. In order to solve the orangutan conservation crisis, we must urgently address emerging threats and scale up the conservation approaches which offer the best hope for the security of Sumatra's irreplaceable rainforest ecosystems, the iconic species that live there, and the countless lives and livelihoods which depend on their protection.

Just as there are myriad threats facing orangutans in Sumatra, our response needs to be just as diverse. We deliver impact through frontline projects and worldwide partnerships which tackle the drivers of deforestation as well as the symptoms. Our strategic and impactful campaigns bring people together to work towards our vision of wild orangutans thriving in safe forests.

We are backing brave and visionary environmental defenders, funding and developing effective conservation programmes and partnerships, supporting immediate boots-on-the-ground protection, building the capacity of our partner organisations, and setting the wheels in motion for long-term conservation solutions.

Our work encompasses three main areas of focus:

1. Protecting orangutans

With fewer than 14,000 orangutans surviving in the wild in Sumatra, every life is precious. We fund and support teams on the ground who rescue orangutans in danger and return them to safe forests, where they belong. The rapid expansion of agriculture into forest landscapes can cause conflict between people and orangutans, so we also support training for farmers to help them protect their crops without harming wildlife.

2. Saving forests

The greatest threat facing orangutans is the loss of their habitat, so it is vital that we do everything we can to protect Sumatra's forests. We achieve this by actively reclaiming and restoring lost habitat, tackling forest loss on the ground by combining forest patrol teams and remote monitoring, and advocating for governments and companies to develop and enforce forest-friendly policies, meaning deforestation can be stopped in its tracks.

3. Supporting People

Local communities are vital stakeholders in the protection, restoration and safeguarding of rainforest ecosystems, and the health and prosperity of the people of Sumatra are inextricably linked to the fate of the forests. Our partners work together with local people to develop ways of protecting the forest which have their livelihood and wellbeing at heart. This approach, building a network of rainforest guardians, reducing pressure on the forest, providing greater security for orangutans and other wildlife, and helping to prevent future conservation challenges.

Sumatran Orangutan Society

Report of the trustees

For the year ended 31 March 2021

ACHIEVEMENTS AND PERFORMANCE

Despite the Covid-19 pandemic causing inevitable disruption to projects and plans, we have maintained constant communication with our frontline partners, enabling us to understand their needs as the crisis unfolded in northern Sumatra, and be ready to respond and support them. We are proud to continue to back the incredible teams on the frontline, the conservation champions who are behind the highlights that we share here.

We welcomed our new Conservation Director, Koen Meyers, to the team this year. Koen brings a wealth of experience and insight from more than two decades of designing and managing successful conservation programmes, including 15 years in Indonesia.

Our highlights over the year are outlined below:

1. Protecting orangutans

▪ Orangutan Rescue and Translocation

We fund and support the teams on the frontline who rescue orangutans in danger and return them to safe forests, where they belong.

Human-orangutan conflict, fuelled by agricultural expansion, is a persistent problem in Sumatra. As more vital orangutan habitat is lost, orangutans are pushed into farmlands in search of food. Their crop-raiding is considered a threat to profits and livelihoods, so they may be captured, injured, or killed. In 2010, SOS and our partners Yayasan Orangutan Sumatera Lestari – Orangutan Information Centre (YOSL-OIC) established a new programme to tackle the problem. The Human Orangutan Conflict Response Unit (HOCRU) is a specialist team responsible for tackling conflict between farmers and orangutans.

It has been another busy year for the programme, with all three teams, covering North Sumatra, Batang Toru and Aceh, continuing their vital work throughout Sumatra's lockdowns. They have rescued 22 orangutans this year, some of which were able to be translocated and released immediately into safe forests, while others were confiscated from the illegal pet trade and need to be rehabilitated before their eventual release. We were pleased to be able to fund the purchase of a new 4-wheel-drive truck for the South Aceh field team, thanks to a successful public appeal - essential to enable them to continue to reach orangutans in danger.

To date, more than 200 orangutans have been given a second chance at life in the wild thanks to this project. As well as evacuating orangutans from conflict situations and confiscating others from the illegal pet trade, they also conduct consistent monitoring and community outreach to ensure that their presence has a long-term impact on reducing the incidence of negative interactions between people and wildlife.

Sumatran Orangutan Society

Report of the trustees

For the year ended 31 March 2021

2. Saving forests

Deforestation is the greatest threat facing orangutans – so protecting and restoring their habitat is crucial for their survival. Projects we support include:

- Reclaiming and restoring forests for wildlife

Since 2008, we have been supporting YOSL-OIC's work with local communities to restore and protect degraded areas of the Leuser Ecosystem, undoing the damage caused by illegal conversion for agriculture. More than 2 million trees have been planted to date on over 2,000 hectares of degraded land which have been reclaimed for nature, now thriving young forests. Wildlife is starting to return to these areas, including orangutans, elephants, tigers and sun bears. These animals, in turn, are helping the restoration process by 'planting' seeds in their dung – we think of them as 'gardeners of the forest'.

This year the restoration teams planted over 140,000 seedlings, restoring over 230 hectares of land.

This included the ongoing restoration of a 360 hectare oil palm plantation on the edge of the Gunung Leuser National Park – the Selamanya Hutan (Forever Forest) restoration site, reclaimed following an incredibly successful appeal led by SOS to secure the land for conservation. The land is now undergoing the process of restoration, turning what was once a wildlife conflict hotspot into a haven for orangutans, elephants, and tigers, and a secure buffer zone to protect the primary forests of the Leuser Ecosystem.

This year we also supported ongoing restoration efforts in the Singkil Swamps Wildlife Reserve, an area of vital importance both locally and internationally. Singkil is home to irreplaceable breeding populations of Sumatran orangutans and other critically endangered species, and hundreds of thousands of people rely on the area's natural resources and ecosystem functions as well. Outside Sumatra, Singkil also matters to all of us because its deep, carbon-rich peatlands are vital as natural carbon sinks. If drained, these would release dangerous levels of pollution into the atmosphere.

Significant degradation from oil palm plantations and road development threatens the integrity of the ecosystem and the security of the orangutans, exacerbated by unclear boundary demarcations, smallholder encroachments and human-wildlife conflict. YOSL-OIC have undertaken canal-blocking to re-wet the land and rehabilitate the hydrological function of the swamp, as well as conducting ongoing biodiversity monitoring and drone surveys, and planting trees to protect and restore several hundred hectares of Singkil.

Wild orangutans were spotted in several of the restoration sites, including Cinta Raja III and Singkil – a wonderful indicator that these programmes are contributing to rewilding land for orangutans, and giving the species more space to thrive.

- Conservation Corridors

Building on our previous research to identify potential sites for forest corridors which would have substantial conservation value for orangutans, this year we embarked on the next phase of this exciting programme.

Sumatran Orangutan Society

Report of the trustees

For the year ended 31 March 2021

Having chosen the West Toba landscape as our first pilot site, our partners YOSL-OIC have begun the process of developing a collaborative management plan with key stakeholders to promote the establishment of corridors between the Siranggas wildlife reserve (home to 80 Sumatran orangutans) with the Batu Ardan and Salak forest blocks (which hold 385 and 259 orangutans respectively). Community forest patrols are also being established to tackle the threats to the forests in this region of Sumatra, which includes agricultural encroachment and illegal logging.

- **Eyes in the Sky, Boots on the Ground**

Work to create the political and economic conditions to secure the long-term protection of Sumatra's remaining forests is underway but will take time to achieve and requires bold action by politicians, corporate stakeholders, NGOs and civil society. In the meantime, illegal encroachments and infrastructure projects continue to degrade the orangutan landscapes, with thousands of hectares lost every year.

Satellite monitoring technology enables us to observe the disappearance of these irreplaceable ecosystems. Our collaborative deforestation monitoring project turns this information into action, bringing cutting edge technology to the forefront of the fight to save orangutans' precious forest home.

This project is helping us to answer vital questions about where forests are falling and what is driving that forest loss; this data will be incorporated to support decision-making and planning about where to prioritise conservation interventions.

From directing patrol teams to recent sites of deforestation, to identifying patterns of forest loss that indicate a new deforestation frontier, this data is supporting targeted conservation action on the ground. We have also continued our work with Oxford University's Wildlife Conservation Research Unit (WildCRU) to develop a predictive deforestation model which will identify high-risk areas, a vital forward-looking tool for effective conservation in the landscape.

3. Supporting People

We support grassroots projects working with forest-adjacent communities, empowering local people to become guardians of the rainforests. Our frontline partners help communities living adjacent to orangutan habitats to understand the value of forests and embrace their role in protecting them. Projects we support include:

- **Forest-friendly livelihoods**

As well as the risks to the health and wellbeing of our colleagues and Sumatra's communities, the coronavirus also posed a new and extreme risk to wild orangutans. Due to their genetic closeness to humans, orangutans are highly vulnerable to human respiratory diseases. The risk of a wild orangutan contracting Covid-19 and the virus spreading through the population meant that, alongside the ongoing threats to their habitat, the situation became even more precarious for orangutans this year.

The Gunung Leuser National Park was closed to protect orangutans, forest guides and visitors. As a result, ecotourism was abruptly halted, and hundreds of families lost their livelihoods. These communities have been acting as forest guardians and ambassadors – not only the forest guides but guest house and restaurant owners, food and souvenir vendors, porters and drivers, who together built their local economy on protecting the forest ecosystem and its unique endemic wildlife.

Sumatran Orangutan Society

Report of the trustees

For the year ended 31 March 2021

Uncertainty about when visitors would return, coupled with tenuous food security, and limited alternative sustainable livelihood opportunities in these areas, meant that the well-being of both the communities and the forest ecosystem was in jeopardy.

In June 2020, we launched the first phase of our appeal to help affected villages. Our supporters contributed to the purchase of emergency food parcels for 558 families, which were distributed by our partners Nature for Change and Yayasan Orangutan Sumatera Lestari in Bukit Lawang, Ketambe and Tangkahan – three villages that had been heavily reliant on ecotourism.

We then devised a longer-term support system in collaboration with our local partners, establishing a new Forest Friendly Livelihoods project to bolster livelihoods through tree planting in the buffer zone of the park. This project provides an income to guides and their families by paying people to cultivate seedlings in household tree nurseries, transporting, planting and maintaining seedlings, and making biodegradable eco poly-bags from banana trunk fibres.

Forest-adjacent communities are our conservation allies, and this project enables them to improve their own livelihoods and diversify the local economy, whilst also playing an active role in safeguarding the forests.

To date, 75 people have benefitted from the project, planting over 2,500 trees. This has enabled us to help to avert immediate pressures and risks on wildlife and forests, whilst also building the strategic foundations for a longer-term, community-centred forest protection programme in these key villages which goes beyond, and reinforces ecotourism. This programme has substantial longevity, as tree-planting can be incorporated into tourism activities once visitors start to return, and ultimately will lead to a more resilient local economy, and reduced poaching and forest loss.

- **Community custodians**

We cannot tackle the decline in orangutan numbers without taking a holistic approach to ensuring that existing forest habitats are safe; that new trees are being planted; and that local people are empowered to protect orangutans and their ecosystems into the future.

Sekolah Alam Leuser, or Leuser Nature School, was built at Bukit Mas with the aim of incentivising local farmers to become guardians of the forest by providing free education for their children in exchange for their active involvement in forest restoration and protection efforts. There are now 39 pupils enrolled in the school, which was built in 2018 in tribute to Lucy Wisdom, the Founder of SOS, who was a champion of environmental education as a cornerstone of conservation. This year we supported the continued growth and success of the school, building three new classrooms to accommodate the growing number of local children who want to attend. The school has the slogan 'one pupil, one tree', as every student who joins the school plants a tree at the beginning of their time there and nurtures it until they graduate. Now that there are three grades at the school, the Grade 9 students are responsible for showing the Grade 7 students how to plant and care for their trees.

Sumatran Orangutan Society

Report of the trustees

For the year ended 31 March 2021

FINANCIAL REVIEW

As the advent of the Covid-19 pandemic brought extreme disruption and uncertainty across the world, we began the year, as did so many charities irrespective of their size, with some trepidation about what this would mean for our partners, programmes, operations and ability to sustain our organisation. We undertook detailed scenario planning, budget reforecasting, restructuring, fundraising and programme delivery reviews, and as a result have been able to achieve a huge amount to continue to drive our mission forward – thanks to our wonderful supporters and our incredible frontline partners.

We thank everyone who has supported SOS during the year. None of this work would be possible without our supporters around the world – individuals, companies, foundations and organisations that share our vision of Sumatran orangutans safe and thriving in the wild. We continue to work to grow our foundation of annual support, and we wish to thank our more than 400 monthly donors, our Orangutan Guardians, whose regular gifts enable us to develop sustainable, long-term plans to protect orangutans, their forests and their future, as well as enabling us to respond swiftly to any urgent needs in the field.

We also wish to thank the following partners who supported SOS this year:

Adva Partners; Albarine; Victoria Arney; Beautiful Cups; Berni Trust; Bill and Kris Bailey; Charlie, Chloe and Kai Sillence; Care to be Cosy; Chococo; Conservation, Food and Health Foundation; Edrington; Environmental Justice Foundation; ERM Foundation; Suzi Eszterhas; Global Giving; Gulf Breeze Zoo; Hannah Warner; Infineum; Kristin Moger Art; Paul Jennings & Jeanette Dunn Charitable Trust; Jess Ridley Art; Kate Garner; Komodo; Little Soap Company; Lush; Zac Mills; Moose Drinks; Orangutan Books; Reed Foundation; Reforest Tea; Robin Ince; Sawpod; Charlie, Chloe and Kai Sillence; Yan Skates; Space Available; Tamga; Tawny Buck; Tommy and Lottie; Tori Ratcliffe Art; Toronto Zoo; Whole Earth; Work for Good; Andrew Walmsley; Ernest Zacharevic.

Income was £449,298. This represents a steady state from 2019-20 (£442,179) which is a very positive position given the challenges of the pandemic. Donations from individuals have shown a healthy uplift this year to £212,738, an increase of 50% relative to 2019-20 (£145,434), and grant income increased by 117% relative to the previous year to £70,593 (2019-20: £32,535). We participated in the UK government's Coronavirus Job Retention Scheme, benefitting from £27,132 in funding which contributed to our income remaining at a similar level to last year. These areas of income compensated for a drop in community fundraising income of 78% (2020-21: £15,332; 2019-20: £70,646) which was expected due to the impact of Covid-19 restrictions; in addition, we did not receive any legacies this year (2019-20: £69,408).

Project expenditure was substantially lower this year (£162,091) than the previous year (£699,210). Last year we were spending down a considerable pot of brought-forward funds (2019-20: £460,074), and this year the pandemic brought some delays to the implementation of existing projects and the development and launch of new programmes, which meant slower than anticipated disbursement of funds. These programmes will be rolled forward to the following year. Fundraising expenditure increased this year to £105,952 (2019-20: £72,078), representing an investment in consultancy support to develop and strengthen our partnerships with key donors to enable the charity to continue to grow post-pandemic.

The charity's reserves stand at £174,459 and our unrestricted general funds stand at £129,335. This is above the target of £89,168, or six months' operating reserves. Additional unrestricted brought forward funds will be allocated, through the SOS Development Fund, to projects which enhance the charity's impact, at the trustees' discretion, in the year ahead.

Sumatran Orangutan Society

Report of the trustees

For the year ended 31 March 2021

Financial position

Regular detailed reviews of the unrestricted and restricted cash available are undertaken to ensure the charity has sufficient funds to meet liabilities as they fall due.

The trustees have considered the impact that the COVID-19 pandemic may continue to have on the charity's current and future financial position. The expected implications are a reduction in income from community fundraising and events, as well as a risk of reduced individual giving in the short-medium term. In order to mitigate the impacts on the organisation, the charity has pivoted its fundraising strategy and made operating efficiencies wherever possible. The trustees consider that the charity will continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved. The charity holds reserves of 6 months' operating costs, and the charity's key funders have confirmed their financial commitments for the year ahead. The trustees therefore consider it appropriate to adopt the going concern basis for the preparation of the accounts, as detailed in note 1(b) to the financial statements.

Future plans

As we approach the milestone of SOS's 20th anniversary, we are taking time to review our successes and challenges, hurdles and opportunities, to inform the development of future plans as we strive to increase the reach and impact of our work. We will launch our new 10-year strategy in 2021; this will build on the amazing work of the past 20 years and represent an evolution and re-doubling of our efforts.

Over the last two decades, SOS, our incredible frontline partners and our global network of supporters have undoubtedly helped orangutans to survive in Sumatra. From planting over 2 million trees to restore lost forests, to saving the lives of more than 200 orangutans, and engaging upwards of 20,000 local people in conservation action, we'll allow ourselves a moment of pride when we reflect on our work to date.

Yet, forests are still falling, and both Sumatran and Tapanuli orangutans are in a highly fragile position.

So, in the next decade and beyond, conservation needs to undergo a step change. We need to move beyond survival – we need to enable wild orangutans to *thrive* in safe forests.

In order to achieve this, we will continue to build ever-stronger partnerships with organisations in Sumatra and around the world, working together to amplify our efforts and our voices to ensure a future for orangutans and their precious forests. This will take innovation, determination, and long-term investment. At the heart of our approach will be a steadfast commitment to supporting Sumatra's forest-edge communities - the custodians of their natural environment and wildlife. In such dynamic and complex landscapes, there are no quick and easy solutions to reconcile conservation and development; but thanks to all of our work over the last two decades, we know that balancing the needs and aspirations of Sumatra's people with the protection of the island's precious and unique natural resources is not only possible but is indeed the only path to building resilience for nature and people.

We're thinking long-term, big-picture, striving to bring about fundamental changes to the way that Sumatra's forests are valued, managed and protected. We are reaching a point where our united voices and united actions are strong enough to turn the tide for the wildlife, forests and communities of Sumatra. We would like to thank all our partners and supporters for their role in helping us get closer to realising this vision.

Sumatran Orangutan Society

Report of the trustees

For the year ended 31 March 2021

The year ahead will be foundational to the next decade of conservation action. We will identify the landscapes where interventions are most urgently needed, and the approaches and alliances which offer the best hope of keeping Sumatra's orangutans, forests and communities safe.

Whilst we have spent many years as a small but impactful charity, we know that achieving our ambitious goals means growing our organisation at every level. We will invest in fundraising to expand and diversify our income streams to in turn grow our capacities to deliver game-changing conservation impact; we will maintain close and consistent engagement with field activities whilst upscaling our programmes; and enhanced communications will be essential to underpin our fundraising, outreach and policy work. Whilst this growth is very exciting, we will ensure that it does not change our fundamental way of working – to be personal, to achieve more with less, and to maintain focus on making a difference on the ground to the survival of the orangutans and the lives of the people who live alongside them.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity's original governing document was a trust deed dated 20 October 2000 and SOS was registered as a charity in England and Wales (registered charity number 1085600) on 16 March 2001. In September 2014 the charity completed its registration as a Charitable Incorporated Organisation (registered charity number 1158711) to put the organisation onto a more robust footing. The funds held by the old Trust were transferred to the new CIO in quarter 2 of the 2015-16 financial year, and the old Trust has now been wound up in accordance with the trust deed.

New trustees are recruited on a skills basis to complement the existing expertise of the Board of Trustees. When new trustees are appointed, they are given an introduction to the work of the CIO and provided with the information they need to fulfil their roles, which includes information about the role of the trustees and their responsibilities under the Charities Act 2011.

During the period day-to-day administration of the charity was delegated to the Director. Some decision-making powers are retained by the Trustees and exercised at regular Trustees' meetings. The Trustees meet at least four times a year. The Trustees do not receive remuneration.

The Trustees have identified and continued to monitor risks which may affect the charity and have taken reasonable steps to mitigate those risks. The Trustees set out on page 1 held office during the whole period of the report except where otherwise stated.

PUBLIC BENEFIT

The Trustees confirm that they have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission when reviewing the Charity's aims and objectives and in planning future activities.

Sumatran Orangutan Society

Report of the trustees

For the year ended 31 March 2021

Statement of responsibilities of the trustees

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with 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).

The law applicable to charities in England and Wales requires the trustees are to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing those 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 accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice 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 charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Independent examiners

Godfrey Wilson Limited were appointed as independent examiners to the charity during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 14 September 2021 and signed on their behalf by

Edward Matthew

Ed Matthew, Chair of Trustees

Independent examiner's report

To the trustees of

Sumatran Orangutan Society

I report to the trustees on my examination of the accounts of Sumatran Orangutan Society (the CIO) for the year ended 31 March 2021, which are set out on pages 12 to 27.

Responsibilities and basis of report

As the charity trustees of the CIO you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the CIO's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since the CIO'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 in England and Wales (ICAEW), which is one of the listed bodies.

Godfrey Wilson Limited also provides payroll services to the CIO. I confirm that as a member of the ICAEW I am subject to the FRC's Revised Ethical Standard 2016, which I have applied with respect to this engagement.

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

- (1) accounting records were not kept in respect of the CIO as required by section 130 of the Act; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.

Alison Godfrey

Date: 16 September 2021

Alison Godfrey FCA

Member of the ICAEW

For and on behalf of:

Godfrey Wilson Limited

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

Sumatran Orangutan Society

Statement of financial activities

For the year ended 31 March 2021

	Note	Restricted £	Unrestricted £	2021 Total £	2020 Total £
Income from:					
Donations and legacies	3	122,853	314,885	437,738	434,501
Other trading activities	4	-	11,525	11,525	7,626
Investments		-	35	35	52
Total income		<u>122,853</u>	<u>326,445</u>	<u>449,298</u>	<u>442,179</u>
Expenditure on:					
Raising funds		-	105,952	105,952	72,078
Charitable activities:					
<i>Projects and grants</i>		88,499	73,592	162,091	699,210
<i>Advocacy and campaigns</i>		<u>4,358</u>	<u>97,218</u>	<u>101,576</u>	<u>132,621</u>
Total expenditure	6	<u>92,857</u>	<u>276,762</u>	<u>369,619</u>	<u>903,909</u>
Net income / (expenditure)		29,996	49,683	79,679	(461,730)
Transfers between funds		-	-	-	-
Net movement in funds	7	29,996	49,683	79,679	(461,730)
Reconciliation of funds:					
Total funds brought forward		<u>15,128</u>	<u>79,652</u>	<u>94,780</u>	<u>556,510</u>
Total funds carried forward		<u><u>45,124</u></u>	<u><u>129,335</u></u>	<u><u>174,459</u></u>	<u><u>94,780</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 15 to the accounts.

Sumatran Orangutan Society

Balance sheet

As at 31 March 2021

	Note	£	2021 £	2020 £
Current assets				
Stocks	10	81		81
Debtors	11	3,470		2,378
Cash at bank and in hand		<u>182,066</u>		<u>98,489</u>
		185,617		100,948
Liabilities				
Creditors: amounts falling due within 1 year	12	<u>(11,158)</u>		<u>(6,168)</u>
Net current assets			<u>174,459</u>	<u>94,780</u>
Net assets	14		<u><u>174,459</u></u>	<u><u>94,780</u></u>
Funds	15			
Restricted funds			45,124	15,128
Unrestricted funds			<u>129,335</u>	<u>79,652</u>
Total charity funds			<u><u>174,459</u></u>	<u><u>94,780</u></u>

Approved by the trustees on 14 September 2021 and signed on their behalf by

Edward Matthew

Ed Matthew, Chair of Trustees

Sumatran Orangutan Society

Notes to the financial statements

For the year ended 31 March 2021

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)).

Sumatran Orangutan Society meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern. However, the COVID-19 pandemic has had a profound impact on the global economy, and has in turn affected the charity. The trustees have considered the impact of this issue on the charity's current and future financial position. The charity holds unrestricted net current assets of £129,335, and a cash balance of £182,066. The charity has taken measures to reduce costs and its key funders have confirmed their commitments for the year ahead. The trustees therefore consider that the charity is a going concern for a period of at least 12 months from the date on which these financial statements are approved.

c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have been met, then the legacy is treated as a contingent asset and disclosed if material.

d) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

Sumatran Orangutan Society

Notes to the financial statements

For the year ended 31 March 2021

e) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item, is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

For Google AdWords, the charity measures the value of the gift at 50% of the market value provided by Google. Where the market value is given in foreign currency, this is translated in line with the charity's foreign exchange policy (note 1 (p)).

f) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities on the following basis:

	2021	2020
Raising funds	33.4%	33.4%
Charitable activities:		
Projects and grants	33.3%	33.3%
Advocacy and campaigns	33.3%	33.3%

i) Grants payable

Grants payable are charged in the year in which the offer is conveyed to the recipient except in those cases where the offer is conditional.

Sumatran Orangutan Society

Notes to the financial statements

For the year ended 31 March 2021

j) Stock

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

k) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

l) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

m) Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

n) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

o) Pension costs

The charity operates a defined contribution pension scheme for its employees. There are no further liabilities other than that already recognised in the statement of financial activities.

p) Foreign currency transactions

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Balances denominated in foreign currencies are translated at the rate of exchange prevailing at the year end.

q) Termination payments

Where an employee receives a termination payment, the cost is recognised at the date that the employee is notified.

Sumatran Orangutan Society

Notes to the financial statements

For the year ended 31 March 2021

r) Accounting estimates and key judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements.

2. Prior period comparatives: statement of financial activities

	Restricted £	Unrestricted £	2020 Total £
Income from:			
Donations and legacies	117,094	317,407	434,501
Other trading activities	-	7,626	7,626
Investments	-	52	52
Total income	117,094	325,085	442,179
Expenditure on:			
Raising funds	-	72,078	72,078
Charitable activities:			
<i>Projects and grants</i>	544,163	155,047	699,210
<i>Advocacy and campaigns</i>	17,877	114,744	132,621
Total expenditure	562,040	341,869	903,909
Net expenditure and movement between funds	(444,946)	(16,784)	(461,730)

Sumatran Orangutan Society

Notes to the financial statements

For the year ended 31 March 2021

3. Income from donations and legacies

	Restricted £	Unrestricted £	2021 Total £
Grants	27,642	42,951	70,593
Corporate donations	55,000	16,166	71,166
Donations from individuals	40,211	172,527	212,738
Community fundraising	-	15,332	15,332
Coronavirus Job Retention Scheme grant	-	27,132	27,132
Gifts in kind*	-	40,777	40,777
	<u>122,853</u>	<u>314,885</u>	<u>437,738</u>

Prior period comparative:

	Restricted £	Unrestricted £	2020 Total £
Grants	23,726	8,809	32,535
Legacies	-	69,408	69,408
Corporate donations	58,748	21,099	79,847
Donations from individuals	34,220	111,214	145,434
Community fundraising	400	70,246	70,646
Gifts in kind*	-	36,631	36,631
	<u>117,094</u>	<u>317,407</u>	<u>434,501</u>

*Gifts in kind relate to the following services provided free of charge:

	2021 £	2020 £
Google AdWords	40,657	36,511
Other services	<u>120</u>	<u>120</u>
Gifts in kind	<u>40,777</u>	<u>36,631</u>

Sumatran Orangutan Society

Notes to the financial statements

For the year ended 31 March 2021

4. Income from other trading activities

	Restricted £	Unrestricted £	2021 Total £	2020 Total £
Licensing of logo	-	7,491	7,491	5,326
Merchandise sales	-	4,034	4,034	2,300
	-	11,525	11,525	7,626

All income from other trading activities was unrestricted in the prior year.

5. Government grants

The CIO received government support under the Coronavirus Job Retention Scheme to fund charitable activities. The total value of such grants in the period ending 31 March 2021 was £27,132 (2020: £nil). There are no unfulfilled conditions or contingencies attaching to this grant.

Sumatran Orangutan Society

Notes to the financial statements

For the year ended 31 March 2021

6. Total expenditure

	Raising funds £	Charitable activities <i>Projects and grants</i> £	<i>Advocacy and campaigns</i> £	Support and governance costs £	2021 Total £
Staff costs (note 8)	50,072	34,336	30,063	5,221	119,692
Grants payable (note 13)	-	85,419	-	-	85,419
Media and campaigns	-	-	6,551	-	6,551
Training and recruitment	-	-	594	1,171	1,765
Office expenses	-	940	-	16,091	17,031
General expenses	4,660	-	2,216	819	7,695
Marketing*	-	-	49,472	-	49,472
Insurance	-	-	-	1,057	1,057
Audit and accountancy	-	-	-	4,803	4,803
Consultancy	41,500	31,675	2,959	-	76,134
Sub-total	96,232	152,370	91,855	29,162	369,619
Allocation of support and governance costs	9,720	9,721	9,721	(29,162)	-
Total expenditure	105,952	162,091	101,576	-	369,619

*Marketing costs include Google AdWords gift in kind of £40,657 (2020: £36,511).

Total governance costs were £4,803 (2020: £4,026).

Sumatran Orangutan Society

Notes to the financial statements

For the year ended 31 March 2021

6. Total expenditure (continued)

Prior year comparative

	Raising funds £	Charitable activities <i>Projects and grants</i> £	<i>Advocacy and campaigns</i> £	Support and governance costs £	2020 Total £
Staff costs (note 8)	38,989	43,928	30,536	5,479	118,932
Grants payable (note 13)*	-	605,456	-	-	605,456
Partner capacity building*	-	16,137	-	-	16,137
Media and campaigns	-	-	3,257	-	3,257
Travel and subsistence	975	-	7,717	-	8,692
Training and recruitment	-	-	7,280	3,175	10,455
Office expenses	-	692	-	17,571	18,263
General expenses	21,116	-	4,671	1,453	27,240
Marketing	-	-	45,621	-	45,621
Insurance	-	-	-	872	872
Audit and accountancy	-	-	-	4,026	4,026
Consultancy	-	21,998	22,540	-	44,538
Legal and professional	-	-	-	420	420
Sub-total	61,080	688,211	121,622	32,996	903,909
Allocation of support and governance costs	10,998	10,999	10,999	(32,996)	-
Total expenditure	72,078	699,210	132,621	-	903,909

*Partner capacity building contains £13,731 of grants paid to institutions making the total grants payable in the prior year to be £619,187 (note 13).

Sumatran Orangutan Society

Notes to the financial statements

For the year ended 31 March 2021

7. Net movement in funds

This is stated after charging:

	2021 £	2020 £
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	Nil	Nil
Auditors' / independent examiners' remuneration:		
▪ Independent examination (including VAT)	3,060	3,000
▪ Other services (including VAT)	1,671	1,026
Operating lease payments	<u>12,000</u>	<u>12,000</u>

8. Staff costs and numbers

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	109,954	107,634
Social security costs	5,642	7,489
Pension costs	<u>4,096</u>	<u>3,809</u>
	<u>119,692</u>	<u>118,932</u>

No employee earned more than £60,000 during the year.

Salaries and wages includes a redundancy payment of £3,103 for one staff member (2020: £Nil).

The key management personnel of the charity comprise the Trustees and the Executive Director. The total employee benefits of the key management personnel were £42,830 (2020: £41,273).

	2021 No.	2020 No.
Average head count	<u>3.5</u>	<u>3.6</u>

9. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

10. Stock

	2021 £	2020 £
Merchandise	<u>81</u>	<u>81</u>

Sumatran Orangutan Society

Notes to the financial statements

For the year ended 31 March 2021

11. Debtors

	2021 £	2020 £
Accrued income	1,470	375
Other debtors	<u>2,000</u>	<u>2,003</u>
	<u>3,470</u>	<u>2,378</u>

12. Creditors: amounts due within 1 year

	2021 £	2020 £
Trade creditors	1,145	148
Accruals	7,803	3,360
Other taxation and social security	<u>2,210</u>	<u>2,660</u>
	<u>11,158</u>	<u>6,168</u>

13. Grants payable

	2021 £	2020 £
Grants payable to institutions:		
Orangutan Information Centre	57,172	199,621
Sumatran Orangutan Conservation Programme	-	93,709
HAKA (Yayasan Hutan Alam dan Lingkungan Aceh)	-	75,997
FKL (Forum Konservasi Leuser)	-	63,120
The Ecology Trust *	-	61,602
ACCI (Aceh Climate Change Initiative)	-	40,000
Canopy	-	37,100
University of Oxford Wildlife Conservation Research Unit	11,800	18,429
Wildlife Asia	-	17,000
Friends of the Earth US	-	7,236
Nature for Change	<u>16,447</u>	<u>5,373</u>
	<u>85,419</u>	<u>619,187</u>

Grants payable to institutions were used to deliver programmes which support our charitable objects.

* This represents a transfer of assets when the administration of the Leuser Ecosystem Action Fund was passed on to The Ecology Trust in August 2019.

Sumatran Orangutan Society

Notes to the financial statements

For the year ended 31 March 2021

14. Analysis of net assets between funds

	Restricted funds £	Unrestricted funds £	Total funds £
Current assets	45,124	140,493	185,617
Current liabilities	-	(11,158)	(11,158)
Net assets at 31 March 2021	45,124	129,335	174,459
Prior year comparative	Restricted funds £	Unrestricted funds £	Total funds £
Current assets	15,128	85,820	100,948
Current liabilities	-	(6,168)	(6,168)
Net assets at 31 March 2020	15,128	79,652	94,780

Sumatran Orangutan Society

Notes to the financial statements

For the year ended 31 March 2021

15. Movements in funds

	At 1 April 2020 £	Income £	Expenditure £	At 31 March 2021 £
Restricted funds				
The Lucy Wisdom Fund	133	16,668	(16,468)	333
Forest Restoration	8,289	35,892	(10,600)	33,581
Law Enforcement	62	915	-	977
HOCRU	3,125	13,978	(16,602)	501
Splash and Burn	3,191	837	(742)	3,286
CARE	328	3,856	-	4,184
Guides COVID-19 Appeal	-	25,847	(24,742)	1,105
Batang Toru	-	4,900	(3,743)	1,157
Deforestation Monitoring	-	19,960	(19,960)	-
Total restricted funds	15,128	122,853	(92,857)	45,124
Unrestricted funds				
General funds	79,652	326,445	(276,762)	129,335
Total unrestricted funds	79,652	326,445	(276,762)	129,335
Total funds	94,780	449,298	(369,619)	174,459

Purposes of restricted funds

The Lucy Wisdom fund

A fund set up in memory of SOS founder Lucy Wisdom for scholarships, and to purchase land for conservation in Sumatra.

Forest Restoration

Donations to support the restoration of degraded forests in Sumatra.

Law Enforcement

Supporting wildlife and forest crime patrols and investigations, and policy analysis to support effective conservation initiatives.

Human-Orangutan Conflict Response Unit (HOCRU)

Donations to support the HOCRU programme in Sumatra which rescues orangutans from conflict situations and the illegal pet trade, and provides education and training to local communities affected by human wildlife conflict.

Splash and Burn Art Campaign

Curated by renowned Street Artist, Ernest Zacharevic, the Splash & Burn campaign is an innovative platform to raise global consciousness about Sumatra's incredible forests, iconic wildlife and forest-dependent communities.

Sumatran Orangutan Society

Notes to the financial statements

For the year ended 31 March 2021

15. Movements in funds (continued)

Purposes of restricted funds (continued)

Community Agroforestry, Restoration and Education (CARE)

The Community Agroforestry, Restoration and Education (CARE) programme supports the durable restoration and protection of orangutan habitat through supporting forest-adjacent communities to become conservation ambassadors and the development of sustainable livelihoods which depend on, and contribute to, the protection of the rainforest ecosystem.

Guides COVID-19 Appeal

An appeal to provide support for forest guides and their families who lost their livelihoods due to the pandemic.

Batang Toru

Protection efforts for the world's rarest great ape species, the Tapanuli orangutan, and their habitat in the Batang Toru ecosystem.

Deforestation Monitoring

A remote satellite monitoring programme to detect and respond to deforestation events throughout the Leuser Ecosystem.

Prior year comparative

	At 1 April 2019 £	Income £	Expenditure £	At 31 March 2020 £
Restricted funds				
The Lucy Wisdom fund	536	2,000	(2,417)	-
Lucy Wisdom School	-	5,552	(5,538)	119
Rainforest Restoration	-	32,622	(31,320)	14
Rainforest Home	26,102	15,289	(34,404)	1,302
Law Enforcement	356	317	(611)	6,987
HOCRU	4,473	8,205	(9,553)	62
Splash and Burn	2,971	26,766	(26,546)	3,125
CARE	-	3,465	(3,137)	3,191
OIC operational costs	919	-	(919)	328
LEAF	424,717	-	(424,717)	-
Batang Toru	-	6,390	(6,390)	-
Deforestation Monitoring	-	15,488	(15,488)	-
SPOC	-	1,000	(1,000)	-
Total restricted funds	460,074	117,094	(562,040)	15,128
Unrestricted funds				
General funds	96,436	325,085	(341,869)	79,652
Total unrestricted funds	96,436	325,085	(341,869)	79,652
Total funds	556,510	442,179	(903,909)	94,780

Sumatran Orangutan Society

Notes to the financial statements

For the year ended 31 March 2021

16. Operating lease commitments

The charity had operating leases at the year end with total future minimum lease payments as follows:

	2021	2020
	£	£
Amount falling due:		
Within 1 year	1,000	12,000
Within 1 - 5 years	<u>-</u>	<u>1,000</u>
	<u>1,000</u>	<u>13,000</u>

17. Related party transactions

There were no related party transactions in the current or prior year.