PEOPLE TREE FOUNDATION
(A Company Limited by Guarantee)

Report and financial statements
31 December 2015
PEOPLE TREE FOUNDATION

Financial statements for the year ended 31 December 2015

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PEOPLE TREE FOUNDATION

Reference and administration information

Trustees
Mr J Minney
Ms D Isaacs
Mr A Nicholls
Ms L Hitchcock

Chief Executive
Ms C Gent

Secretary
Mr S Raistrick

Registered Office
5 Huguenot Place
17a Heneage Street
London
E1 5LN

Registered company number
06691868

Registered charity number
1126532

Independent examiner
Philip Clark
Moore Stephens LLP
150 Aldersgate Street
London
EC1A 4AB

Principal bankers
Co-Operative Bank
Business Customer Services
PO Box 250
Skelmersdale
WN8 6WT
PEOPLE TREE FOUNDATION
Trustees' report (incorporating the directors' report) for the year ended 31 December 2015

Introduction

The trustees (who are also the directors) present their report and the financial statements of the Foundation for the year ended 31 December 2015. The financial statements have been prepared on the accounting policies set out in note 1 to the financial statements and comply with the Foundation's trust deed, applicable law and the requirements of Accounting and Reporting by Charities: 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 (FRS 102) (effective 1 January 2015).

Structure, governance and management

Origin of Trust

The People Tree Foundation was incorporated on the 8 September 2008 as a company limited by guarantee, and was registered as a charity with the Charity Commission on 31 October 2008.

Members

The charity is a company limited by guarantee and has no share capital. The charity is established as a sole member charity, the charity's sole member is People Tree Fair Trade Group Limited. The member has undertaken to contribute to the assets of the company in the event of the same being wound up or within one year of ceasing to be a member, for payment of debts and liabilities of the company contracted before ceasing to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors amongst themselves, such amount as may be required not exceeding £1.

Trustees and their interests

The Trustees of the charity, who are also Directors of the company, who served during the year were as follows:

Mr J Minney
Ms D Isaacs
Ms S E Singh (resigned 4 February 2016)
Ms L Hitchcock
Mr A Nichols

Recruitment and appointment of Trustees

The trustees of the charity are also directors of the company for the purposes of company law.

The persons notified to the Registrar of Companies as the first directors of the company were also the first trustees of the charity. Thereafter the trustees are appointed by the Board of People Tree Fair Trade Group. The charity must have at least three trustees at any one time. New trustees receive an induction and ongoing trustee training is undertaken when considered appropriate.

The trustees have appointed the Chief Executive to oversee the day to day running of the charity. The trustees meet regularly to review the activities and performance of the charity.

Risk management

The trustees regularly review the significant risks of the Trust, assess their likely impact (probability and magnitude) and consider the best ways of managing the risk. The trustees are satisfied that all major risks have been identified and that systems are in place to manage those risks.
PEOPLE TREE FOUNDATION
Trustees’ report (incorporating the directors’ report) for the year ended 31 December 2015 (cont’d)

Objectives and activities

Objects of the charity

The charity’s objects, set out in the Memorandum of Association, are:

- To prevent or relieve poverty;
- Advance or assist in advancing education; and
- Advance or assist in advancing environmental protection or improvement.

The trustees confirm that they have referred to the guidance contained in the Charities Commission’s general guidance on public benefit when reviewing the Foundation’s aims and objectives and in planning future activities and setting the grant making policy for the year.

Aims of the charity

The People Tree Foundation is an independent charity which works alongside People Tree Limited. The Foundation has been set up to benefit an even greater number of farmers and artisans through scaling up training, technical support and environmental initiatives that People Tree Limited has undertaken in the past. It also supports raising awareness and campaigning for fair and sustainable fashion.

Achievements and performance

In the year to 31 December 2015, People Tree Foundation made a donation to Nepal to partners working to raise their livelihoods opportunities through Fair Trade, to help mitigate the impact of the earthquake on their activities, and also donations to partner organisations in Kenya and Bangladesh.

Further, the Foundation raised funds from sale of donated products and other fundraising activities, and conducted awareness-raising events to support the charity’s objects.

Financial review

During the year the charity has generated a surplus of £10,340. Income for the year comes from donations and from sales of products donated to the Foundation, including from People Tree Limited. Expenses were also partially subsidised by cost contributions from People Tree group companies and provision of resources including space and human resource.

Reserves policy

The charity aims to hold reserves sufficient to cover at least three months of expenditure, and in some cases may elect to hold reserves against future projects. The trustees do not consider the current level of reserves to be a risk to the charity.

Subsequent events and Plans for the future

The trustees are developing plans for further activities to develop and expand the scope of the Foundation’s delivery against its objectives.
Trustees' responsibilities

The trustees (who are also the directors for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the result of the charity for that period.

In preparing these financial statements, the directors are required to:
- select suitable accounting policies and 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 adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Approval

Approved by the Board of Directors on 29 September 2016 and signed on its behalf by:

[Signature]
Trustee - James Minney
PEOPLE TREE FOUNDATION

Independent Examiner's Report to the Trustees of the People Tree Foundation for the year ended 31 December 2015

I report on the accounts of People Tree Foundation for the year ended 31 December 2015, which are set out on pages 6 to 10.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £10,000 and I am qualified to undertake the examination.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Moore Stephens LLP

PHILIP CLARK FCA
MOORE STEPHENS LLP
Chartered Accountants and Statutory Auditor
150 Aldersgate Street
London
EC1A 4AB

Date: 29 September 2015
PEOPLE TREE FOUNDATION

Statement of financial activities (incorporating an income and expenditure account) for the year ended 31 December 2015

<table>
<thead>
<tr>
<th>Income from:</th>
<th>Restricted Funds</th>
<th>Unrestricted Funds</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations and sales</td>
<td>-</td>
<td>29,715</td>
<td>29,715</td>
<td>13,121</td>
</tr>
<tr>
<td>Charitable activities</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>7,487</td>
</tr>
<tr>
<td>Investments</td>
<td>-</td>
<td>17</td>
<td>17</td>
<td>54</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td>-</td>
<td>29,732</td>
<td>29,732</td>
<td>20,662</td>
</tr>
</tbody>
</table>

| Expenditure on:                      | 4                | -                  | 19,392 | 19,392 | 18,973 |
| Charitable activities                | -                | 19,392             | 19,392 | 18,973 |
| **Total expenditure**               | -                | 19,392             | 19,392 | 18,973 |

| Net income / (expenditure)          | -                | 10,340             | 10,340 | 1,689  |
| Transfers between funds             | -                | -                  | -      | -      |
| **Net movement in funds**           | -                | 10,340             | 10,340 | 1,689  |
| Total funds brought forward         | -                | 17,338             | 17,338 | 15,649 |
| **Total funds carried forward**     | -                | 27,678             | 27,678 | 17,338 |

All of the above results are derived from continuing activities.

The notes on pages 8 to 10 form part of these financial statements.
## Balance sheet as at 31 December 2015

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Debtors</td>
<td>8</td>
<td>5,679</td>
<td>15,339</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td></td>
<td>22,999</td>
<td>19,213</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>28,678</td>
<td>34,552</td>
</tr>
<tr>
<td><strong>Creditors:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>amounts falling due within one year</td>
<td>9</td>
<td>(1,000)</td>
<td>(17,214)</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td></td>
<td>27,678</td>
<td>17,338</td>
</tr>
</tbody>
</table>

| **Funds**        |       |       |       |
| Unrestricted     |       | 27,678 | 17,338|
| **Total funds**  |       | 27,678 | 17,338|

For the financial year ended 31 December 2015 the company was entitled to exemption from audit under section 477 and no notice has been deposited under section 476 of the Act.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with s. 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its surplus or deficit for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

These financial statements were approved by the Board and authorised for issue on 29 September 2016, and are signed on their behalf by:

**Trusted - James Minney**

Company registration no: 06691868

The notes on pages 8 to 10 form part of these financial statements.
PEOPLE TREE FOUNDATION

Notes to the financial statements for the year ended 31 December 2015

1. Accounting policies

(a) Accounting convention

The financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with Accounting and Reporting by Charities: 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 (FRS 102) (effective 1 January 2015) and the Companies Act 2006.

The charity meets the definition of a public benefit entity under FRS 102.

Reduced disclosure exemptions

The Trust has taken advantage of the disclosure exemption in respect of the requirements of Section 7 “Statement of Cash Flows”, in preparing these accounts as permitted by FRS 102 and the Charities SORP (FRS 102) Update Bulletin 1

(b) Fund accounting

Restricted funds are funds that can be used for particular restricted purposes, within the objects of the company. Restrictions on incoming resources are specified by the donor or sponsor.

Unrestricted funds are any other funds and these can be used in accordance with the parent company’s objects, at the discretion of the Trustees.

(c) Income

All incoming resources are recognised when the charity is legally entitled to the income and the amount can be quantified with reasonable certainty.

Donation and grant income are classified depending on the terms of the donations and where income relates to a period, specified by the donor or sponsor, it is recognised over the length of that period.

(d) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost relating to that category. Certain expenditure is directly attributable to specific activities and has been included in those cost categories. The company is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.

Charitable expenditure includes all expenditure incurred in the pursuance of the charity’s objectives.

Governance costs are the costs associated with the governance arrangements of the charity, which relate to the general running of the charity as opposed to those costs associated with fundraising or charitable activity. Included within this category are costs associated with the strategic as opposed to day-to-day management of the charity’s activities.
PEOPLE TREE FOUNDATION

Notes to the financial statements for the year ended 31 December 2015

2. Status and member

The charity is limited by guarantee and is a registered company. The charity is established as a sole member charity, the charity's sole member being People Tree Fair Trade Group Limited. The member has undertaken to contribute to the assets of the company in the event of the same being wound up or within one year of ceasing to be a member, for payment of debts and liabilities of the company contracted before ceasing to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributor's amongst themselves, such amount as may be required not exceeding £1.

3. DFID RAGS Grant

In 2011 the Foundation was awarded a grant from the British Government's Responsible and Accountable Garment Sector (RAGS) Fund, to undertake work on capacity-building with producers to scale up and replicate the creation of Fair Trade livelihoods. The work under this project was also funded in part by the Foundation itself, including contributions in kind from itself, contributions in kind from People Tree group companies, and contributions in kind and in funds from producer partners. Contributions to the work under this project from third parties and volunteer contributions of labour are not recorded in these financial statements. The project concluded during the prior year subject to the release of a provision from previous years.

4. Resources expended

<table>
<thead>
<tr>
<th>Charitable activities</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>DfID: RAGS Project costs</td>
<td>(7,114)</td>
<td>7,560</td>
</tr>
<tr>
<td>Payments to beneficiaries</td>
<td>21,491</td>
<td>2,397</td>
</tr>
<tr>
<td>Travel</td>
<td>-</td>
<td>4,047</td>
</tr>
<tr>
<td>Events and presentations</td>
<td>800</td>
<td>3,614</td>
</tr>
<tr>
<td>Sample sale staff and expenses</td>
<td>1,227</td>
<td>763</td>
</tr>
<tr>
<td>Sundry</td>
<td>1,722</td>
<td>446</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>18,126</strong></td>
<td><strong>18,827</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Governance related support costs</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent examiner's fees</td>
<td>460</td>
<td>(650)</td>
</tr>
<tr>
<td>Trustee liability insurance</td>
<td>566</td>
<td>465</td>
</tr>
<tr>
<td>Accountancy (bookkeeping)</td>
<td>240</td>
<td>360</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>19,392</strong></td>
<td><strong>18,972</strong></td>
</tr>
</tbody>
</table>

5. Trustees

During the year the trustees were reimbursed for expenses of £Nil (2014: £Nil). No trustee received any remuneration.
PEOPLE TREE FOUNDATION
Notes to the financial statements for the year ended 31 December 2015

6. Net incoming resources

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net incoming resources are stated after charging:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Independent examiner’s fees</td>
<td>1,000</td>
<td>2,060</td>
</tr>
<tr>
<td>Accountancy</td>
<td>240</td>
<td>360</td>
</tr>
</tbody>
</table>

7. Taxation

The charitable company has no liability to taxation in view of its charitable status.

8. Debtors

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other debtors</td>
<td>5,679</td>
<td>15,339</td>
</tr>
</tbody>
</table>

9. Creditors: amounts falling due within one year

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other creditors</td>
<td></td>
<td>14,914</td>
</tr>
<tr>
<td>Accruals and deferred income</td>
<td>1,000</td>
<td>2,300</td>
</tr>
<tr>
<td></td>
<td>1,000</td>
<td>17,214</td>
</tr>
</tbody>
</table>

10. Related party transactions

During the period People Tree Limited accepted from its customers together with payments due to itself donations of £22,730 on behalf of the People Tree Foundation. Mr J Minney, a trustee is also a director of People Tree Limited. At the year end the Foundation was owed £5,679 by People Tree Limited (2014: £15,339) after People Tree Limited met expenses on behalf of the Foundation of £6,100 and paid grants on its behalf of £21,491 (2014: £23,130).

11. Ultimate control

Control of the charity is vested with the board of Trustees, who act independently. The Trustees are appointed by the member of the charity, being People Tree Fair Trade Group Limited.

12. First year adoption of FRS102

These financial statements for the year ended 31 December 2015 are the Charity's first financial statements that comply with Financial Reporting Standard 102 (FRS 102) 'the Financial Reporting Standard in the UK and Republic of Ireland'. The Charity's date of transition to FRS 102 is 1 January 2014. The Charity's last financial statements prepared in accordance with previous UK GAAP were for the year ended 31 December 2014.

The transition to FRS 102 has resulted in no changes to the Charity's accounting policies compared to those used when applying previous UK GAAP. As a result no separate reconciliation to former UK GAAP has been presented in these financial statements.