Company registration number 7293440 (England and Wales)

Charity registration number 1137523 (England and Wales)

THE PROFOREST INITIATIVE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

THE PROFOREST INITIATIVE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	C A Elliott (Chair) B A Lindhe J Mcinnes	 (Appointed 26 March 2026)
Charity number	1137523	
Company number	7293440	
Registered office	South Suite Frewin Chambers Frewin Court Oxford OX1 3HZ	
Auditor	Gravita Audit Oxford LLP First Floor, Park Central 40-41 Park End Street Oxford OX1 1JD	
Bankers	HSBC plc 65 Cornmarket Street Oxford OX1 3HY	
Solicitors	Blake Morgan Seacourt Tower West Way Botley Oxford OX2 0FB	

THE PROFOREST INITIATIVE

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THE PROFOREST INITIATIVE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2025

The Trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 December 2025.

Legal and administrative information set out on page 1 forms part of this report. The financial statements comply with the Charities Act 2011, the Companies Act 2006 and 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 2019).

Objectives and activities

1. To promote for the benefit of the public conservation and improvement of the physical and natural environment by promoting sustainable development by:

1.1. The preservation, conservation and the protection of the environment and the prudent use of resources,

1.2. The relief of poverty and the improvement of the conditions of life in socially and economically disadvantaged communities,

1.3. the promotion of sustainable means of achieving economic growth and regeneration.

Sustainable development means development which meets the needs of the present without compromising the ability of future generations to meet their own needs.

2. To advance the education of the public in the conservation, protection and improvement of the physical and natural environment relating to sustainable development and the protection, enhancement and rehabilitation of the environment.

During the year ended 31 December 2025, the Charity received funding to carry out a variety of activities to support implementation of its programmes to improve the environmental and social sustainability of agriculture and forestry commodity production and sourcing. These programmes included work in Europe, Southeast Asia and Latin America to contribute to the implementation of sustainable production practices for major commodity crops. To this end, the Charity supported stakeholders including private sector, government and civil society to align action to reduce deforestation; developed tools and guidance to enable agricultural commodity buyers to reduce the environmental and social impacts of their supply chains; and supported large scale collaborative approaches to sustainable land management.

The Charity successfully fundraised for two new multi-year programmes in 2025. One focuses on bridging the disconnect between consumer country regulations (including EU, UK and China) and the realities of production on the ground through engagement and technical support for policy makers and implementers. The other centres on Landscape and Supply Chain Finance - scaling up support and investment from both philanthropic and financial sectors in landscape and jurisdictional initiatives, and other large-scale approaches to environmentally and socially responsible agricultural commodity production.

The Charity was involved in fundraising activities for future projects related to the responsible management of agricultural commodities to enhance conservation and improve living conditions of workers and local communities around the world. The Charity was represented at London Climate Action Week, COP 30 and UN Forum on Business and Human Rights. Further grant and project proposals were submitted to donor organisations, including for work in Africa such as the continued activity of the Africa Sustainable Commodities Initiative (ASCI), and Free, Prior and Informed Consent (FPIC) in the Congo Basin.

The Charity continued to support ‘landscape and jurisdictional‘ approaches to land management with on-the ground activities in Indonesia. The charity continued contributing to the Siak Pelalawan Landscape Programme with several workstreams such as village intervention program, multi-stakeholder platform, mill engagement and traceability, social dialogue, deforestation monitoring and response protocol, and conservation. The Charity also began a collaboration with WWF-UK on their European landscapes programme, ‘Wholescapes’ – completing a feasibility study on financial scale-up.

Over the year, the Charity continued to provide significant technical support to organisations developing voluntary standards systems and methodologies for defining, implementing and assessing the sustainable management of agricultural production. This included continued support to the Accountability Framework Initiative, Roundtable on Sustainable Palm Oil (RSPO),the ISEAL Alliance, IDH and Global Canopy. The Charity continued to develop an e-learning platform to support the activities of the Accountability Framework Initiative. The Charity has continued to build a profile of recognised expertise on questions around new due diligence regulations (such as the EUDR) and the role of voluntary standards systems, as this has become an important theme in agricultural commodity production, trade and sustainability.

The Trustees continue to oversee the implementation of policies and procedures to govern the charity's relationship with third parties, and to strengthen the management and transparency of the charity.

The Trustees confirm that they have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

Achievements and performance

Financial review

During 2025, the Charity recorded an increase in both income and expenditure on charitable activities, resulting in an overall net income of £1,171k - made up of unrestricted net expenditure of £80k and restricted net income of £1,251k compared to net income of £24k in the previous year.

Total income increased significantly from £1,054k in 2024, to £2,585k in 2025, whilst expenditure increased by 37% from £1,031k in 2024 to £1,413k in 2025.

In 2025 the Charity secured programme grant funding which will have continuity for next 3-5 years. These multi-year programme funding grants were secured in the second half of 2025, which resulted in the increase of restricted funding within the charity's funds balances.

As at 31.12.2025, the Charity carried forward £1.171m restricted funds (2024: £Nil) plus £402k unrestricted funds The Charity plans to fully utilise the restricted fund balance within 2026.

During 2025, the Charity also succeeded in securing more funding than planned, for a number of Collaboration and Multi-Stakeholder shorter term projects, which reduced the impact of the delays with contracting the grant funding.

The delivery of our programmes and grant funded projects was funded in 2025 by several grants from donors with the two largest being from HSBC Holding charitable funding and the FCDO FGMC2 2025-29 initiative.

Fixed costs, excluding foreign currency impact, increased from £129k (2024) to £306k due to a combination of increased administrative support and increased charitable activities. During the year the charity suffered foreign currency losses £10k (2024: £8k).

Reserves policy

The Proforest Initiative has a policy of building and maintaining reserves approximately equal to six months (50%) of the annual running costs in order to ensure the organisation can deal with fluctuations in income and payment schedules. In addition to the agreed level of operational reserves, the charity also chooses to ringfence a certain level of additional reserves approximately equivalent to 11% of annual running costs, to act as a buffer against significant future foreign exchange rate fluctuations and direct programme related expenses not covered by grant or donor funding. Proforest Ltd agrees to underwrite the Proforest Initiative should adequate reserves not be available.

The reserve levels are reviewed annually by the Trustees, as part of the review of the accounts and, where the unrestricted reserves are not at the required level, a strategy for adjusting the reserves over the following year will be agreed.

The unrestricted reserves held at 31 December 2025 are £330k (2024: £402k) In addition to the ringfenced reserves, the trustees approved a drawdown of £58k against unrestricted reserves to cover unfunded internal projects and business development activities in 2025, which was fully utilised. Delays with grant contracting contributed toa higher drawdown of £73k by the end of the financial year. At the end of the 2025 financial year, the Charity carried forward £1,244k restricted reserves (2024: £Nil), which will be fully allocated to the Charity's Finance for Resilient Landscapes programme in 2026.

The current unrestricted reserve level is slightly below the annual operating cost of the Charity. The trustees continue to monitor the reserve levels with the aim to build unrestricted reserves in accordance with the reserves policy, as any surplus unrestricted reserves above requirement, is considered a useful buffer against short-term funding gaps.

It is the opinion of the trustees that there is no significant impact on the charity's activities and going concern status.

Plans for future periods

In 2026, the Charity is seeking substantial funding to expand existing programmes and build increased footprint in Europe:

• Bridging the disconnect between consumer country regulations and the realities of production on the ground through engagement and technical support for policy makers and implementers

• Scale up support and investment from both philanthropic and financial sectors in landscape and jurisdictional initiatives, and other large-scale approaches to environmentally and socially responsible agricultural commodity production.

• Develop toolkits and guidance for the private sector and financial institutions which support accelerated implementation of commitments to exclude deforestation and exploitation from their own supply chains and support wider initiatives for responsible production beyond their supply chains.

• Partner with existing collaborative spaces and landscapes in Europe to help them ensure commodity production does not contribute to deforestation and other adverse environmental and social impacts.

The Charity is continually improving its financial and management systems, overseen by the Trustees.

Structure, governance and management

The Proforest Initiative is a company limited by guarantee (registered at Cardiff on 23 June 2010) and a charity (registered on 17 August 2010) governed by its Memorandum and Articles of Association. Charity number: 1137523. Company number: 7293440.

The directors of the charitable company ('the Charity') are its trustees for the purpose of Charity Law and throughout this report are collectively referred to as the Trustees.

The number of Trustees is at least three, and not more than six. Trustees serve for an initial term of three years and approximately one third of Trustees retire at each AGM. A Trustee may volunteer to stay on the Board for a second period of three years. The trustees meet approximately quarterly, by telephone if they so agree, but in person at least once a year.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

C A Elliott (Chair)	
M Hobley	(Resigned 27 March 2026)
B A Lindhe	
J Mcinnes	(Appointed 26 March 2026)

Under the Memorandum and Articles of Association, the Charity has the power to make any investment, but only after obtaining such advice from a financial expert as the Trustees consider necessary, and having regard to the suitability of investments and the need for diversification. No investment has been made to date.

Pay policy for senior staff
The board of directors, who are the Charity's Trustees, and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Charity on a day to day basis. All Trustees give of their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses are disclosed in note 7 to the accounts.

The pay of the senior staff is reviewed annually and normally increased in line with inflation. The Board of Trustees are informed of pay reviews for senior staff.

Risk Management
The major risks to which the Charity is exposed, as identified by the Trustees, have been reviewed and systems or procedures have been established to manage those risks. A risk management matrix details risks and confirms the procedures in place and is reviewed and approved each year. As several programmes include work in high-risk countries (post-conflict or limited infrastructure to respond to accidents and emergencies) work plans are reviewed and, if necessary amended, to respond to any risk which cannot be adequately mitigated.

Auditor
In accordance with the company's articles, a resolution proposing that Gravita Audit Oxford LLP be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor
Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

C. Elliott
.....
C A Elliott (Chair)
Trustee

Date: June 19, 2026

THE PROFOREST INITIATIVE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2025

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

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of its income and expenditure for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- •observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

THE PROFOREST INITIATIVE

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE PROFOREST INITIATIVE

Opinion

We have audited the financial statements of The Proforest Initiative (the 'charity') for the year ended 31 December 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with trustees and other management, and from our commercial knowledge and experience of the client's business sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, Charities Act 2011, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

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

Robert Kirtland (Senior Statutory Auditor)
for and on behalf of Gravita Audit Oxford LLP

30/6/2026

Statutory Auditor

First Floor, Park Central
40-41 Park End Street
Oxford
OX1 1JD

THE PROFOREST INITIATIVE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Income from:							
Donations and legacies	**3**	-	2,103,705	2,103,705	-	444,359	444,359
Charitable activities		477,138	-	477,138	605,721	-	605,721
Investments	**4**	3,815	-	3,815	4,124	-	4,124
Total income		480,953	2,103,705	2,584,658	609,845	444,359	1,054,204
Expenditure on:							
Charitable activities	**5**	560,753	852,570	1,413,323	586,340	444,359	1,030,699
Total expenditure		560,753	852,570	1,413,323	586,340	444,359	1,030,699
Net income/(expenditure)		(79,800)	1,251,135	1,171,335	23,505	-	23,505
Transfers between funds		7,229	(7,229)	-	-	-	-
Net movement in funds	**7**	(72,571)	1,243,906	1,171,335	23,505	-	23,505
Reconciliation of funds:							
Fund balances at 1 January 2025		402,400	-	402,400	378,895	-	378,895
Fund balances at 31 December 2025		329,829	1,243,906	1,573,735	402,400	-	402,400

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

THE PROFOREST INITIATIVE

BALANCE SHEET

AS AT 31 DECEMBER 2025

	Notes	2025 £	£	2024 £	£
Current assets					
Debtors	**11**	1,416,212		283,117	
Cash at bank and in hand		461,637		536,341	
		1,877,849		819,458	
Creditors: amounts falling due within one year					
Other creditors	**12**	261,755		202,804	
Deferred income	**13**	42,359		214,254	
		304,114		417,058	
Net current assets			1,573,735		402,400
The funds of the charity					
Restricted income funds	**14**		1,243,906		-
Unrestricted funds	**15**		329,829		402,400
			1,573,735		402,400

The financial statements were approved by the trustees on June 19, 2026

C. Elliott

C A Elliott (Chair)
Trustee

Company registration number 7293440 (England and Wales)

THE PROFOREST INITIATIVE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	**19**		(78,519)		172,987
Investing activities					
Investment income received		3,815		4,124	
Net cash generated from investing activities			3,815		4,124
Net cash generated from financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(74,704)		177,111
Cash and cash equivalents at beginning of year			536,341		359,230
Cash and cash equivalents at end of year			461,637		536,341

1 Accounting policies

Charity information

The Proforest Initiative is a private company limited by guarantee incorporated in England and Wales and a charity governed by its Memorandum and Articles of Association. Charity number: 1137523. Company number: 7293440. The registered office is South Suite, Frewin Chambers, Frewin Court, Oxford, OX1 3HZ.

1.1 Basis of preparation

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the Charities SORP "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 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, unless otherwise stated in the accounting policy notes. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds can only be used for particular restricted purposes within the objects of the Charity. Where a donor has specified a particular purpose for a donation, the income is shown as restricted income in the Statement of Financial Activities. Any such income unexpended at the year end is shown as a restricted fund in the balance sheet. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Details of the restricted funds are provided in the notes to the accounts.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Grant income is generally recognised on a receivable basis and is reported gross of related expenditure, where the amounts are reasonably certain and when there is adequate certainty of receipt.

Funding received for future periods is carried forward in deferred income until the related expenditure has been incurred.

1 Accounting policies **(Continued)**

1.5 Expenditure

Expenditure is accounted for on an accruals basis and gross of any related income. They are classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with use of the resources.

- Costs of charitable activity comprises direct expenditure. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources.
- Governance costs include those costs, such as audit or independent examination fees and legal and professional fees, associated with constitutional and statutory requirements.
- Support costs and governance costs, reported under “Other Charitable Expenditure” have not been apportioned across the reported charitable activities. Apportioning these costs would not add any further benefit to interpreting the accounts, in the opinion of the charity.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The charity has elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity’s contractual obligations expire or are discharged or cancelled.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

Deferred income

The element of charitable income which relates to costs which have not been incurred at the balance sheet date are carried forward to be matched against the costs when they are incurred. Management exercises judgement to calculate the amounts to be deferred by reference to budgeted expenditure and grant conditions.

Accruals

Management exercises judgement in calculating year end accruals with reference to information relating to costs incurred post year end, and budgeted expenditure.

3 Donations and grants

	Restricted funds	Restricted funds
	2025	2024
	£	£
Grant income	2,103,705	444,359

Grants receivable for core activities	**£**	£
Rainforest Alliance Afi elearning 2025	14,474	-
FCDO FGMC2 2025-29	348,932	-
HSBC Finance for Resilient Landscapes	1,333,235	-
Rainforest Alliance_AFI 2024	-	34,009
CAF - Cargill Foundation	-	382,307
HSBC Holdings charitable funding (design phase)	172,010	9,266
DT Global-FCDO Digital Frontier Due Diligence Data	24,927	-
Cargill charitable funding Passthrough 2025	168,548	-
PIBR-Bonsucro HRDD Toolkit for Sugarcane	4,545	2,048
CAF - General Mills HRDD Toolkit for Sugarcane	-	16,729
Cargill charitable funding Passthrough 2025 extension	37,034	-
	2,103,705	444,359

3 Donations and grants **(Continued)**

The following acronyms have been used above and in note 14 to the accounts:

FCDO Foreign, Commonwealth & Development Office
FGMC Forest, Governance, Markets and Climate Programme
HRDD Human Resource Due Diligence

4 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Bank interest receivable	3,815	4,124

5 Charitable activities

	Proforest Ltd	Proforest Latin America	Proforest Brazil	Proforest Mexico	Proforest Ghana	Proforest Initiative Africa (Ghana)	Proforest Sdn Bhd	Other Charitable Expenditure	Total 2025	Total 2024
	2025	2025	2025	2025	2025	2025	2025	2025		
	£	£	£	£	£	£	£	£	£	£
Labour costs for programme delivery	464,277	5,251	40,488	48,337	10,866	48,029	139,169	-	756,417	468,740
Programme expenses recharged	182,524	-	-	-	-	2,006	2,283	-	186,813	232,474
3rd Party Sub Contractor costs	-	-	-	-	-	-	-	35,881	35,881	84,541
3rd Party programme related expenses	-	-	-	-	-	-	-	8,535	8,535	16,384
RSS Partnership payments	-	-	-	-	-	-	-	109,197	109,197	91,014
	646,801	5,251	40,488	48,337	10,866	50,035	141,452	153,613	1,096,843	893,153
Share of support costs (see note 6)	-	-	-	-	-	-	-	303,012	303,012	123,739
Share of governance costs (see note 6)	-	-	-	-	-	-	-	13,468	13,468	13,807
	646,801	5,251	40,488	48,337	10,866	50,035	141,452	470,093	1,413,323	1,030,699
Analysis by fund										
Unrestricted funds	9,365	5,251	9,165	-	10,866	-	56,013	470,093	560,753	586,340
Restricted funds	637,436	-	31,323	48,337	-	50,035	85,439	-	852,570	444,359
	646,801	5,251	40,488	48,337	10,866	50,035	141,452	470,093	1,413,323	1,030,699

5 Charitable activities **(Continued)**

The Proforest Initiative's one charitable activity is that of the promotion of and education regarding sustainable development and the protection of the environment.

For the year ended 31 December 2024

	Proforest Ltd	Proforest Latin America	Proforest Mexico	Proforest Ghana	Proforest Sdn Bhd	Other Charitable Expenditure	Total 2024
	£	£	£	£	£	£	£
Labour costs for programme delivery	278,467	100,952	52,359	6,612	30,350	-	468,740
Programme expenses recharged	232,474	-	-	-	-	-	232,474
3rd Party Sub Contractor costs	-	-	-	-	-	84,541	84,541
3rd Party programme related expenses	-	-	-	-	-	16,384	16,384
RSS Partnership payments	-	-	-	-	-	91,014	91,014
	510,941	100,952	52,359	6,612	30,350	191,939	893,153
Share of support costs (see note 6)	-	-	-	-	-	123,739	123,739
Share of governance costs (see note 6)	-	-	-	-	-	13,807	13,807
	510,941	100,952	52,359	6,612	30,350	329,485	1,030,699
Analysis by fund							
Unrestricted funds	241,969	3,965	-	6,612	30,350	303,444	586,340
Restricted funds	268,972	96,987	52,359	-	-	26,041	444,359
	510,941	100,952	52,359	6,612	30,350	329,485	1,030,699

5 Charitable activities **(Continued)**

The Proforest Initiative's one charitable activity is that of the promotion of and education regarding sustainable development and the protection of the environment.

6 Support costs allocated to activities

	2025	2024
	£	£
Programme development	4,195	2,360
Management and administrative support	218,405	86,915
Office and establishment costs	80,412	33,527
Other expenses	-	936
Governance costs	13,468	13,808
	316,480	137,546
Analysed between:		
Charitable activities	316,480	137,546

Governance costs comprise:	2025 £	2024 £
Audit fees	7,000	6,000
Trustees' meeting costs	5,523	6,867
Other expenses	95	91
Taxation fees	850	850
	13,468	13,808

Governance costs includes payments to the auditors of £7,000 (2024- £6,000) for audit fees.

7 Net movement in funds

	2025	2024
	£	£
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	7,000	6,000

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

In 2025 three trustees had £1,760 of expenses reimbursed during the year (2024: three trustees reimbursed £1,085). In 2025 £3,729 was expended by the charity on behalf of three trustees for lunches and travel (2024 £4,923 for four trustees).

9 Staff costs

	2025 Number	2024 Number
Management	1	1
Operations and IT	2	1
Finance	1	1
Fundraising	1	1
Total	5	4

The amount of £218,405 (2024: £86,915) (see note 6) includes costs of £216,625 (2024: £82,149) for management and administrative support for The Proforest Initiative provided by staff whose costs were paid by Proforest Ltd . Employees of Proforest Ltd have joint contracts of employment with The Proforest Initiative. Disclosure of employee numbers above is disclosed on an FTE basis when considering apportionment of staff time between both The Proforest Initiative and Proforest Ltd.

Key management personnel comprise the Trustees, the chief executive officer, the operations director and the finance director. Remuneration, including employer's national insurance and pension paid to the charity's key management personnel in the year totaled £339,603 (2024 restated: £310,979) of which £16,980 (2024: £15,549) is included as an expense in these accounts.

The number of employees whose annual remuneration (when combined with joint costs borne by Proforest Ltd) was more than £60,000 is as follows:

	2025 Number	2024 Number
£60,001 - £70,000	2	1
£70,001 - £80,000	1	1
£80,001 - £90,000	-	2
£90,001 - £100,000	4	1

10 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

11 Debtors

Amounts falling due within one year:	2025 £	2024 £
Trade debtors	1,359,941	233,797
Amounts due from fellow subsidiaries	7,734	2,967
Accrued income	48,537	46,353
	1,416,212	283,117

12 Other creditors falling due within one year

	2025	2024
	£	£
Amounts due to related parties (see note 17)	244,334	179,815
Accruals and deferred income	17,421	22,989
	261,755	202,804

13 Deferred income

	2025	2024
	£	£
Arising from grants received for specific future programmes	42,359	214,254

Deferred income is included in the financial statements as follows:

	2025	2024
	£	£
Deferred income is included within:		
Current liabilities	42,359	214,254
Movements in the year:		
Deferred income at 1 January 2025	214,254	38,622
Released from previous periods	(214,254)	(38,622)
Resources deferred in the year	42,359	214,254
Deferred income at 31 December 2025	42,359	214,254

14 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 January 2025	Incoming resources	Resources expended	Transfers	At 31 December 2025
	£	£	£	£	£
PIBR HRDD Toolkit for Sugarcane	-	4,545	(4,545)	-	-
HSBC Grant Funding (design phase)	-	172,010	(172,010)	-	-
(FCDO) FGMC2 - NIRAS	-	348,932	(348,932)	-	-
HSBC Grant - Finance for Production Landscapes	-	1,333,235	(82,331)	(6,998)	1,243,906
DT Global-FCDO Digital Frontier Due Diligence Data	-	24,927	(24,927)	-	-
Cargill charitable funding Passthrough 2025	-	168,548	(168,548)	-	-
Rainforest Alliance Afi elearning 2025	-	14,474	(14,243)	(231)	-
Cargill charitable funding Passthrough 2025 extension	-	37,034	(37,034)	-	-
	-	2,103,705	(852,570)	(7,229)	1,243,906

Previous year:	At 1 January 2024	Incoming resources	Resources expended	Transfers	At 31 December 2024
	£	£	£	£	£
Rainforest Alliance	-	34,009	(34,009)	-	-
HSBC Grant funding	-	9,267	(9,267)	-	-
HRDD Toolkit for Sugarcane	-	16,729	(16,729)	-	-
PIBR HRDD Toolkit for Sugarcane	-	2,048	(2,048)	-	-
Cargill Grant	-	382,306	(382,306)	-	-
	-	444,359	(444,359)	-	-

14 Restricted funds **(Continued)**

Restricted monies were received from a variety of sources to support the programmes outlined above:

HRDD Sugarcane Toolkit Programme
Implementation of a Human Rights Due Diligence methodology in the sugar sector in Brazil as well as the development of capacity building materials on the topic.

HSBC Grant funding (design phase)
Design and planning work of the Finance for Resilient Production Landscapes programme - Accelerating financial flows for resilient nature positive production landscapes for future proof commodity supply chains

(FCDO) FGMC2 - NIRAS
FGMC funded Landscape programme (BRIDGE) - Linking demand and production to elevate producer-country led approaches to sector transformation for forest risk commodities

HSBC Grant - Finance for Production Landscapes
Finance for Resilient Production Landscapes programme - Accelerating financial flows for resilient nature positive production landscapes for future proof commodity supply chains.

DT Global - (FCDO Digital Frontier) - Due Diligence Open Data
'Provision of 'service mapping' study: mapping and analysing data & information demand from emerging FRC regulations, assesment of how demands can be met by upstream actors and indentification of interventions that lead to a functional, coherent and inclusive public data infrastructure within (FCDO) The Frontier Technologies (FT) programme.

Cargill charitable funding Passthrough 2025
This grant was received on behalf of Proforest Limited and passed through to this entity for the projects Siak Pelalawan Landscape Programme Indonesia and the Holistic Programme Mexico. No grant activity was concluded through The Proforest Initiative.

Cargill charitable funding Passthrough 2025 extension
Funding Extension of the passthrough grant above for additional implementation work of the Siak Pelalawan Landscape Program Indonesia.

Rainforest Alliance -AFi e-learning platform 2025
2025 grant agreement to support Accountabily Framework (Afi) elearning project with differing milestone budgets of additional modules may be developed and published in 2025 and 2026. as well as ongoing maintenance of the platform.

15 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2025	Incoming resources	Resources expended	Transfers	At 31 December 2025
	£	£	£	£	£
General funds	402,400	480,953	(560,753)	7,229	329,829

15 Unrestricted funds **(Continued)**

Previous year:	At 1 January 2024	Incoming resources	Resources expended	Transfers	At 31 December 2024
	£	£	£	£	£
General funds	378,895	609,845	(586,340)	-	402,400

16 Analysis of net assets between funds

	Unrestricted funds 2025	Restricted funds 2025	Total 2025
	£	£	£
At 31 December 2025:			
Current assets/(liabilities)	329,829	1,243,906	1,573,735
	329,829	1,243,906	1,573,735

	Unrestricted funds 2024	Restricted funds 2024	Total 2024
	£	£	£
At 31 December 2024:			
Current assets/(liabilities)	402,400	-	402,400
	402,400	-	402,400

17 Commitments of the Charity

As at 31 December 2025 the Charity:

- had no material commitments not provided for in the accounts
- had given no guarantees to third parties
- had no liabilities secured on its assets
- had made no loans to connected persons or otherwise
- had made no ex-gratia payments in the year then ended.

18 Related party transactions and controlling party

Transactions with related parties

18 Related party transactions and controlling party (Continued)

Proforest Initiative is a subsidiary of Proforest Ltd in accordance with the provisions of section 1159 of the Companies Act 2006. The reason that Proforest Initiative falls within this definition is that Proforest Ltd is the sole member of Proforest Initiative. Each trustee of the Proforest Initiative has one vote. The sole member cannot overrule any decision making by the Trustees. In theory, sole membership entitles Proforest Ltd to resign the Board of Trustees, however in practice this could not happen due to the regulatory framework in which the charity operates.

Proforest Ltd's principal objectives are to help people to produce and source natural resources sustainably. Proforest Ltd provides consultancy services to companies, developing practical approaches to responsible production and sourcing that support companies in their transition to better practices on the ground.

During the year ended 31 December 2025 Proforest Limited recharged The Proforest Initiative £646,802 (2024: £510,941) for costs of charitable activity paid on its behalf. As at 31 December 2025 £227,094 (2024: £177,741) was due to Proforest Limited from The Proforest Initiative. £Nil (2024: £Nil) was due from Proforest Limited to The Proforest Initiative.

During the year ended 31 December 2025 Proforest Sdn Bhd (a wholly owned Malaysian subsidiary of Proforest Limited) recharged The Proforest Initiative £141,452 (2024: £30,350) for costs of charitable activity paid on its behalf. As at 31 December 2025, £14,325 (2024: £2,074) was due from Proforest Sdn Bhd to The Proforest Initiative and £2,761 (2024: £Nil) was due to Proforest Sdn Bhd from the Proforest Initiative.

During the year ended 31 December 2025 Proforest Ghana Limited (a company under common control but shares objectives with The Proforest Initiative and works closely with it) recharged The Proforest Initiative £10,866 (2024: £6,612) for costs of charitable activity paid on its behalf. As at 31 December 2025 £Nil (2024: £Nil) was due from The Proforest Initiative to Proforest Ghana Limited.

During the year ended 31 December 2025 Proforest Initiative Africa, a registered charity in Ghana not under common control but sharing objectives with the Proforest Initiative, recharged The Proforest Initiative was recharged £50,035 (2024: £Nil) for costs of charitable activity paid on its behalf. As at 31 December 2025 £2,006 (2024: £Nil) was due to Proforest Initiative Africa and £Nil (2024: £334) was due from Proforest Initiative Africa to The Proforest Initiative.

During the year ended 31 December 2025 Proforest Brazil (an Association registered in Brazil, which is not under common control), recharged The Proforest Initiative £40,488 (2024: £Nil) for costs of charitable activity paid on its behalf. As at 31 December 2025, £908 (2024: £Nil) was due to Proforest Brazil from The Proforest Initiative. As at 31 December 2025, £4,973 (2024: £2,633) was due from Proforest Brazil to The Proforest Initiative.

During the year ended 31 December 2025 Proforest Latin America (the equivalent of a limited company in the UK), which is not under common control, but shares objectives with The Proforest Initiative and works closely with it) recharged The Proforest Initiative £5,251 (2024: £100,952) for costs of charitable activity paid on its behalf. As at 31 December 2025, £Nil (2024: £Nil) was owed by The Proforest Initiative to Proforest Latin America.

During the year ended 31 December 2025 Proforest Mexico (the equivalent of a limited company in the UK), which is not under common control, but shares objectives with The Proforest Initiative and works closely with it) recharged The Proforest Mexico £48,337 (2024: £52,359) for costs of charitable activity paid on its behalf. As at 31 December 2025, £Nil (2024: £Nil) was owed by The Proforest Initiative to Proforest Mexico.

19	Cash (absorbed by)/generated from operations	2025 £	2024 £
	Surplus for the year	1,171,335	23,505
	Adjustments for:		
	Investment income recognised in statement of financial activities	(3,815)	(4,124)
	Movements in working capital:		
	(Increase) in debtors	(1,133,095)	(44,714)
	Increase in creditors	58,951	22,688
	(Decrease)/increase in deferred income	(171,895)	175,632
	Cash (absorbed by)/generated from operations	(78,519)	172,987

20 Analysis of changes in net funds

The charity had no material debt during the year.