



ANNUAL REPORT
2011-12





last forest

**2nd Annual Report
2011-12**



It seems that every year turns out to be an exceptional year!! Isn't that a nice feeling to have! Yes, 2011-12 turned out to be a great year in many ways for Last Forest Enterprises – it was the first full financial year of its existence. It began operations on the 1st of September, 2010 and that was a difficult year as two identities of Keystone and Last Forest had to be constantly kept in mind. The year allowed people the freedom to set out their goals at the beginning of the year and to constantly track their performance.





It was also a phenomenal year for other reasons – Last Forest moved into its own building. It had been a long felt need that the old space was not being able to handle the overload of products and people and the staff had to constantly poach other office spaces to carry on with their work. It also had to rent out spaces in town to hold stocks of bottles, honey and other products – it was not turning out to be very efficient and management of stocks was a continuing source of concern.

The team had set out a target for itself and though it fell marginally short, a total sales turnover of Rs. 11,590,000 (Rs. 1.15 crores / \$ 231,800) was a

magnificent achievement for this team that was still finding its feet as a new entity. It met all its expenses – from a pin to a plane, whether it was salaries, rents, electricity, insurance, phone or even social security benefits life provident fund and gratuity. The bottom line was that it even turned out a small profit – the earnings before tax was Rs. 1.61 lakhs and a dividend of 3% paid to all who have invested. Actually, that at the end we made a profit was a pleasant surprise for all – till January 2012, the figures were still showing a net loss but concerted efforts by the team enabled Last Forest to move into the black.

Last Forest had brought both its creditors and debtors under reasonable ratios though the outstanding loan to Keystone Foundation to begin operations (purchase of all stocks & assets) was a large figure and the effort during the coming financial year would be to reduce that to a reasonable figure. Trade payables at the end of the year stood at 32.60 lakhs (including 26.04 lakhs payable to Keystone Foundation).

The investors have been a bedrock for the group as they have invested willingly and without any reservation. A big thanks to each and everyone. Though we had mentioned that initially, we will not be declaring dividends, the management felt that by announcing a dividend would be the organization's way of appreciating and repaying their faith in the small steps that have been taken. As on 31st March, 2012, the paid up capital was Rs. 19.10 lakhs and long term borrowing, of Rs. 8.88 lakhs.



Today, Last Forest Enterprises boasts a full time staff strength of 17 persons – importantly, Mathew will be moving full time to the company from July 2012, to provide strategic direction and take full responsibility of overseeing all operations during the coming years.

A continuing source of concern has been the operations of Mysore. The shop has not been able to generate much footfalls and sales and that has pulled down the overall performance of

The monthly SALES

April	- 08.74
May	- 11.57
June	- 10.22
July	- 10.51
Aug	- 08.33
Sept	- 06.41
Oct	- 09.90
Nov	- 07.26
Dec	- 11.74
Jan	- 11.11
Feb	- 09.17
Mar	- 10.89



Last Forest. A new staff in Immanuel as well as a renewed effort to reach out to new customers will be the emphasis during the coming years. It has also taken time to understand the customer preferences in a growing urban environment. The 3 other shops in the Nilgiris (Coonoor, Ooty & Kotagiri) have reached a stage where they are stable both in terms of staff and sales. This has been heartening. The base operations at Kotagiri, which receives all incoming stocks, checks and distributes not only to these 4 shops but also to many other dealers has been a solid foundation from which everyone has drawn their strength. Suganthi and her quiet presence has allowed both the old and new staff to settle into their routines without much of a difficulty.



There has not been much travel by the staff except by Suganthi, who attended Madhu Duniya in Indonesia, in Nov 2011. She made a presentation on nutritional aspects of honey.

In Dec 2011, Miller and Sonia attended a workshop on Sustainable Organic Producers and Organic Outlets, organized by TEDE Trust & Kudumbam, in Chennai, through the Future Earth network. December also saw the hosting of a 2 day meet of Retail Managers, as part of the Retail Branding exercise through Fair Trade Forum - India.. This was an excellent meeting as it, for the first time, brought together many people who work at the front end – the 2 days were a tremendous learning exercise as people worked and learnt through games, lectures & practical exercises. There was also an opportunity to visit the Green Shop in Ooty and see first hand, the retail branding exercise completed in a shop.

Something unique during the past year was that Mathew was invited by the PSG College of Management Studies, Coimbatore to take a credit

course for the 2nd year students. It involved classes over 2 days and ended with assignments to visit local organic farms and retail stores in the vicinity

Mentioning about the work of Last Forest would not be complete without acknowledging the support of Via Media – Stanley, Archana, Krithika & Ravi have been fabulous in helping to design new labels, packaging ideas and even the production of this report. Many thanks to them.





ORGANIC NETWORK

IFOAM

Again, a very special year as Mathew was elected to the World Board of IFOAM (International Federation of Agriculture Movements). This happened at the Organic World Congress in Korea.

This Congress happens every three years and brings together scientists, farmers, researchers and traders, on one platform where they are able to present and share with each other. The

17th OWC and General Assembly had close to 2000 participants from over 70 countries, worldwide.

There were a number of side events as well as pre and post-conference tours and workshops. It was estimated that nearly 250,000 visitors participated in all the events. What was refreshing that there was an effort to get school children and common people involved in the activities – buses full of excited school children and families coming to the organic fair was a sight to behold. Something unusual was an Organic Art Fair which attracted a lot of local people.



Participatory Guarantee Systems (PGS) - Domestic



After much debate and discussions, it finally happened. The PGS Organic Council was registered in Goa in April 2011. Due to legal compulsions, the word `India' had to be dropped from the name but the jurisdiction of the PGS Organic Council remains as the whole of India. Subsequently, there has been a change in the logo.

The first meeting of the PGS National Council was held in Goa on 30th April, 2011. The office bearers who were functioning on an ad hoc basis, have now been elected as the 1st Managing Committee.

A very unusual step has been the efforts made by the Govt of India – under the National Project on Organic Farming, an alternative organic guarantee system, entitled Participatory Guarantee System (PGS-India) has been launched.





Participatory Guarantee Systems (PGS) - International

Mathew continues to be on the IFOAM PGS Committee, which met on the sidelines of the IFOAM Organic World Congress and General Assembly, in Korea. The present members of the committee are:

Eva Torremocha – Spain
Janet Villanueva – Peru
Chris May – New Zealand
Mathew John – India
Alice Veron – USA



There is a gap from Africa as Konrad has moved on to the IFOAM Academy as the Coordinator.

In March, 2012, Mathew was in Indonesia and was part of a delegation, representing IFOAM, to the Ministry of Agriculture. The Ministry is to shortly come out with organic regulation which would define the certification system applicable for Indonesia. In the 1st draft in 2009, it allowed the development of an

alternative certification system but the second draft, issued in 2011, allows only 3rd party certification. Negotiations with the Ministry of Agriculture are continuing so that they are open to the idea of PGS being included.

There was also a workshop on Rattan Eco-certification which took place in Bogor, Indonesia. Stakeholders from all along the value chain were present for this workshop. This was organized through a collaborative effort between the NTFP-EP, the Indonesian Organic Alliance (AOI) and the Consortium for Community-based Forest Management Systems. Mathew shared about PGS and the progress it has made over the past few years – examples of India and Brazil allowed a debate to take place whether such a system would fit in for a wild + cultivated produce. The concluding session had many participants agreeing that PGS seemed a logical and simple system to get communities together to revive an interest and in turn, build the market.





Fair Trade Network

Last Forest Enterprises was given full membership of Fair Trade Forum – India. Since 2009, Keystone had been a member of FTF-I but with the registration of Last Forest in 2010, it was felt that Last Forest should have its own membership.

The National Convention & Annual General Body meeting of FTF-I took place in Delhi in Sept 2011 – Prabhu and Mathew attended the 3 day convention.

In Nov 2011, Mathew attended the Asian Solidarity Economy Forum and spoke about Participatory Guarantee Systems in helping small farmers and producers to access the market.

In March 2012, Mathew also spoke at the Food Workshop organized at Aurangabad through Fair Trade Forum – India.

In March 2012, Mathew spoke at the COMMACT (Commonwealth Network for People Centred Development) conference which took place in Kochi. COMMACT supports people-centred development organisations and projects in countries around the world. Their activities are diverse and provide, for example, education and skills, economic independence, housing, health, and family support. Mathew presented about the work of World Fair Trade Organization (WFTO).



Retail Branding

One of the key issues that Mathew has been involved in for some time has been the Retail Branding exercise through Fair Trade Forum – India. It had been felt that many of the FTF-I members had been slowly building their own network of shops for the domestic market. However, none of these shops were linked to each other and there was no explicit and combined effort to promote the brand of 'Fair Trade'. This was felt to be extremely important also in the present scenario where the global markets had tightened up. FTF-I felt that an umbrella brand could link many of the retail shops together and make an impact in the local domestic market.

This exercise of working on the design was done by Via Media, a design group based in Coimbatore. From building the brand logo to designing the brand manual to helping the first few shops to get their material together – it was a massive effort. The 3 Green Shops under Last Forest as well as SASHA (Kolkata) and Indha (Gurgaon) were the 5 shops that got their act together for the launch on World Fair Trade Day in May 2011. The next round of shops joined in Oct as the World Fair Trade Week was celebrated.



Top Dealers

			000s'
1	Tantea Dealer	Salem	604
2	Auroannam	Auroville	213
3	Modern Stores	Ooty	209
4	Bon Appetit	Pondhicherry	194
5	Thumbhidakadu	Hasanur	156
6	MathaAmirthanandaMayi Mutt	Kollam	131
7	Kabini River Lodges	Mysore	127
8	Nisarga Organic Shop	Mysore	110
9	Arya Organic Food Store	Coimbatore	105
10	New Tantea Emporium	Ooty	104
11	Temple Tree	Bandipur	86
12	AyushVridhhi Herbals	Chennai	85
13	Dhaanyam Superstores Pvt Ltd	Chennai	66
14	MallikarjunaRao	Andhra Pradesh	64
15	NilgirisGovt Coop Super Market	Ooty	60





Top Suppliers

000s'

1	Samaj Pragati Sahayog	934
2	Thumbhithakadu	1574
3	Kombai Indigenous People Group	446
4	Amutha surabhi Makkal Kuzhu	407
5	Bon Appetit	390
6	Banglapadi Womens Progressive	367
7	Malaiarasi Self Help Group	324
8	The United Nilgiri Tea Estate Co Ltd	279
9	Maan Pharmaceuticals	270
10	Kullu Karishma Dehradun	221
11	Auropooja	183
12	Vijay Stoneware Pottery	157
13	SLR Associates	148
14	Temple Tree Desgins	146
15	Sabala	118



TEAM

Managing Director : **Mathew John**

Chief Operating Officer : **T Suganthi**

Managers : **J Miller Ashok
N Prabhu
M Sonia**

Supervisors : **M Karnagopal
M Mala
D Arun Paul**

Accountant : **Daisy Monica**

Sales Executives : **S Immaculate
Immanuel Apoorva**

Sales Assistants : **E Kanchana
W Joice Leena**

Packing Assistants : **S Annie Anita
V Suresh
PK Suganthi
Shalini**

Security : **Kharkha Bahadur**



LAST FOREST ENTERPRISES PRIVATE LIMITED

BALANCE SHEET AS AT 31.03.2012

S.No	PARTICULARS	As at 31st March	
		2012-'000	2011-'000
	EQUITY AND LIABILITIES		
1	Share Holders Funds	1,879	1,767
2	Non-Current Liabilities	943	13
3	Current Liabilities	3,506	4,163
		6,328	5,942
	ASSETS		
1	Fixed Assets	623	635
2	Other non current assets	47	23
3	Current Assets	5,657	5,284
		6,328	5,942

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2012

S.No	PARTICULARS	As at 31st March	
		2012-'000	2011-'000
	REVENUE		
1	Revenue from Operations	11,591	4,799
2	Other Income	434	73
		12,025	4,872
	EXPENSES		
1	Purchases	8,010	7,368
2	Changes in Inventories	-311	-3,924
3	Direct and Indirect Expenses	4,166	1,559
		11,864	5,003
	PROFIT BEFORE TAXATION	161	-130
1	Tax	42	
	NET PROFIT	119	-130



Last Forest Enterprises
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