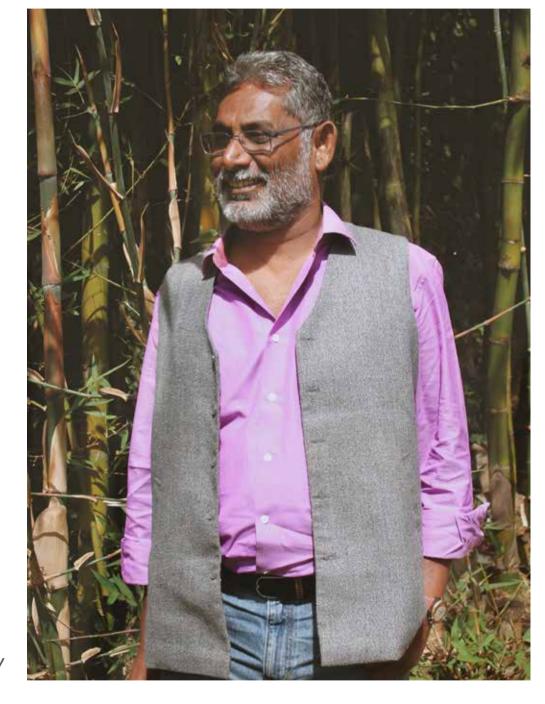




ANNUAL REPORT 2017-18



LETTER FROM THE FOUNDER



One of the initiatives taken last year was that each of the senior members of the team, focused on two non-financial targets for the year. This ranged from finding more organic sources for the restaurant, building fair trade principles into our work, visiting suppliers and capacity building for colleagues. This was an incentive to look beyond the immediacy of the daily grind.

Last Forest's journey, since its inception has been an interesting one, in many ways, charting a road less travelled. The initial years were tough with testing waters, understanding markets, getting quality parameters into place and many more. Assuming an independent identity and separation from the parent institution were key steps in that journey. However, the last few years have seen a more stable institution. Although, every day throws up interesting challenges, the overall clarity in thinking has assumed some shape. That has allowed focus on building systems and getting priorities on track.

This year has been something like that. Although not a spectacular one, it allowed many of the team members to settle into their roles and find depth in what they are to be doing. Though the focus on numbers and the bottom line remain a priority, a focus on ethics and values has also helped people to be committed to what they are involved in. One of the initiatives taken last year was that each of the senior members of the team, focused on two non-financial targets for the year. This ranged from finding more organic sources for the restaurant, building fair trade principles into our work, visiting suppliers and capacity building for colleagues. This was an incentive to look beyond the immediacy of the daily grind.

Travel is a constant in the team and many of them had opportunities to move around - visits abroad for exposure and meetings, domestic travel for exhibitions and trainings kept people busy. Two periods stand out - the organic and fair trade worlds came together in Delhi in the month of November. This was extremely unique as it was an occasion for these movements, though having their own priorities, but finding time and space to interact and build relationships. The team not only actively participated but also exhibited products in both events. It was a tough one as the teams were stretched. Another dream come true was to be able to participate in Kala Ghoda, a premier exhibition that takes place in up market Mumbai – phew, it not only stretched but frayed folks at all ends. All in all, a great experience for the team who enjoyed themselves.

January saw an extremely interesting time when all staff of Last Forest along with Keystone and Aadhimalai teams were part of a three day team building exercise. It took place on campus and was a learning and fun time.

Building on the relationship with Aadhimalai remained a priority and working together helped to cement the relationship both at a team level and also at the market level. Products flowed into the markets with an equal enthusiasm from both sides. One cannot also forget the efforts to make fair trade principles a visible reality at the community level – not only identifying gaps to work on but also learning and sharing along the way.

A key part of the market was the expansion of the ecommerce space. Seems easy to get into but the nuts and bolts can be a handful. By the end of the year, systems were in place that allowed a smoother sailing. In all this, how can one forget the opening of a new store at Coimbatore – after much thought, a simple launch opened doors to a new market.

Though mentioned on numerous occasions, especially our monthly newsletter, the launch of the ubiquitous Goods and Services Tax (GST) rolled out early last year was a nightmare for the first few months. A multi-stage tax levied on every value addition, meant to replace a plethora of indirect taxes, it is a concept which exists in many parts of the world but uneven levels of implementation meant that the pain points were many and continued for many months. By the end of the year, the birth pangs were subsiding but it had a tremendous impact on a small group like ours. This team, in turn had to support many of the small producer groups in leading them through this process of integration into the

Though Last Forest has built its brand over time, the restaurant, Place to Bee has now firmly established itself as a food destination on the tourist map of Ooty. With no advertisement but reliance on the good word passed along, the social media was a powerful tool to communicate the Slow Food principles to the world at large. The kitchen garden was an eye opener to the many city diners who walked in – to see fresh food on their table was a treat. The World Disco Soup Day became a medium for many customers to enjoy the simple delicacies placed before them without wasting food.

This note would not be complete without acknowledging the support of Kavita and Sekhar, individuals who have completely identified themselves with Last Forest's thought process and being pillars of strength to the team.

Mathew John

Managing Director







AADHIMALAI PRODUCER COMPANY

Not a day passes without the mention of Aadhimalai. Another year of constant dialogues on the future and how operations could be made more efficient at all levels in both organizations, were a common occurrence.

There was a noteworthy staff meeting at Aadhimalai's Banglapadigai center in which staff from both Aadhimalai and Last Forest were present. This gave everyone a platform in which they were able to discuss various aspects between the two companies. This gave a better insight to the work and how everyone's role is influential in the growth of their organizations. It also made us respect each other's work more. A visit to the spring nearby, which is being monitored by Keystone Foundation also introduced us to a new project of water mapping systems.

In terms of procurement of products from the community, there was a significant increase in the purchase of coffee, amla, pepper, millet, jamun and silk cotton. Some products saw a decline. Over the course of the year, with the help of procurement data, Aadhimalai has set sales and procurement targets for each product category in the coming financial year.

Other highlights of Aadhimalai's year included trainings to staff on quality check especially our Green Shop staff as the shops are a collection point of products as well.

We have also added a unique superhit product to our beeswax range this year – beeswax food wraps. They are an environment friendly, food wrap alternative to plastic wraps and aluminium foils. This saw a good increase in the labour generation for the women at the grass root levels. There was a huge demand for these as soon as they were introduced and it hasn't stopped since!



ARISE

When asked about what keeps her motivated, Anik says it is the difference she makes in the lives of the inmates to fulfil their needs. Arise Prison Products is a showcase of recycled paper and other products made by prisoners.

Anik, and her husband currently live in Ooty and help inmates in the Coimbatore and Mysore Central Jails learn new skills and earn a living by making handicrafts from recycled materials.

She meets with the prison authorities on a regular basis to get their permission and show them the work and products she can train the inmates to do. The products that she makes with the inmates are all handmade and are majorly items of papier-maché.

Under the brand 'Arise', Anik plies her skills to train them to make products such as trays, chairs and tables made out of discarded tyres, keychains, jewellery, plates, bowls, coasters, bottles and anything else that the couple can get their hands on.

Anik also gladly accepts Last Forest's discarded paper, cardboard, bottles and other articles, upcycles them and turns them into unique products on a regular basis. When asked about what keeps her motivated, she says it is the difference she makes in the lives of the inmates to fulfil their needs.

Green Shop, Coimbatore

GARMENTS

While India is home to a number of fabrics and crafts, many of them are in danger of being lost to modern technology which wants products and fabrics made at a faster pace and in more volumes. Thankfully, there are many groups who are working with communities to make sure that textile traditions survive.

The pride in owning a material that is carefully handwoven and produced locally, is special! Then, is the effort to use natural dye - this could range from mulberry leaves, pomegranate, myrobalan, to henna and tea waste. It is a testiment to these groups that we now carry such a range from different groups across the country.

Abhihaara, a social enterprise works with rural communities in Hyderabad. Their range of ladies kurtas and shirts are handwoven and natural dyed. These garments were designed exclusively by Kavita, our consultant on design and garments.

Aranya Naturals, a group in Munnar have been in the field of natural dyeing processes for long. Their Shibori stoles – an old Japanese method of twisting and binding the fabric that gives unique patterns, are popular. Another unique technique used by them is ecoprint, in which fallen leaves are used to make an impression on the stole.

Sadhna in Udaipur, a women's enterprise striving towards empowerment, has been one of our main garment suppliers. Their range of kurtas, saris and stoles became an instant hit when they first came to our stores and they have been one of the best sellers ever since.



OUR VALUE SYSTEMS



FAIR TRADE

Fair Trade Forum - India is the national network for Fair Trade. In November, during the WFTO annual gathering, FTF-I organised a major exhibition in Delhi for the Fair Trade Week. Last Forest was a proud participant and it used this platform to explore the Delhi market.



During the year, the relationship with WFTO has grown. We were given the certification back in 2016 after initial audits took place. After the certification and becoming a guaranteed member, the WFTO logo was incorporated into our product labels and product profiles.

This year, an internal monitoring exercise was done at the Aadhimalai production centers, our major supplier that we had selected to cover under the WFTO certification.



ORGANIC WORLD CONGRESS



The month of November saw the team fully stretched for the Organic World Congress (OWC) as well as the World Fair Trade Organisation Conference taking place on the same dates in Delhi! It was an occasion to see how global movements come together on matters of common interest and concern - this needs to happen more as there are so many issues which require movements to raise their voices in unity.

The OWC was extremely special as it brought 3000 delegates from all over the world, most of whom were farmers - an amazing joining of hearts and minds. Presentations were made in their own native languages but the translations available were a source

of inspiration for many. Mathew stepped off the IFOAM Organics International World Board after two terms - a fabulous new team was elected to take the movement further.

The bi-annual WFTO gathering was a time to focus on understanding and reenergizing the ethics and value systems that a fair trade business brings to the table. One cannot but be proud that Last Forest won the Mohammed Islam Design award for the best New Food & Beverages Packaging for its innovative honey packaging.





PGSOC stall at Biofach

WORLD FAIR TRADE ORGANISATION CONFERENCE



Nandan at WFTO Conference in Delh

As part of the Organic World Congress (OWC), Aritra was at the BIOFACH 2017 in Greater Noida - part of the biggest Organic fair in the world! The exhibition was held at the India Expo Mart which attracted thousands of visitors to meet processors and traders from all parts of India. Aritra was manning the PGSOC (Participatory Guarantee Systems Organic Council Stall). Under the umbrella of PGS, there were five different enterprises from various parts of the country – Timbaktu Collective, Elements, Mahila Umang, LedEG and Last Forest.

France was elected as the next country to host the OWC. We hope to be there in three years at an international organic fair!

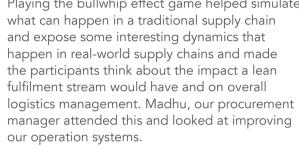
NON TIMBER FOREST PRODUCTS EXCHANGE PROGRAMME

Aritra has been working with the network now for five years. Last year Aritra helped the network compiling reports and with design materials. Half yearly newsletter, Leaf Litter was conceptualized last year where intensive reports, stories and news are published along with photos from various environmentalists and activists. Aritra worked closely with Madhu Ramnath, India coordinator of NTFP-EP for website related activities, publications and designs.

TRAININGS

INVENTORY MANAGEMENT

A Management Development Program was held by the Institute of Rural Management, Anand (IRMA) in Gujarat. The program was on inventory management and how organizations can identify cost and labour efficient methods of managing inventory. An interesting session was on trade-offs of inventory, where the focus was on the common problems faced by organizations when maintaining stock.





Aritra took part in the 2nd IFOAM Asia Organic Youth Forum Leadership Course in Baoshan district, China.

The international training was held between June 22nd and 25th with a total of 25 participants from five countries.

There were also inspiring lectures by pioneering organic farmers - Yoshinori and Tomoko Kaneko spoke about transformation of a village into organic, Mr. Kim, president of Hansalim Farmer on farming the Hansalim way and Sarvdaman Patel, known as father of biodynamic farming shared his experiences of his farm.

Aritra was also fortunate enough to visit two organic farms.





Green Shop, Kotagiri



Green Shop, Coonoor

Place to Bee's journey is already two and half years along, with the Slow Food Nilgiris Convivium - trying to build a unique identity of the restaurant with the principles of Slow Food!

Although we have had many satisfied customers who have enjoyed their healthy meal, Place to Bee took a slight financial bump last year. With the implementation of GST and wholesale supplies running low in the market, we had to squeeze through the year. Even though we are in the market, we are not always chasing our financial targets. Our kitchen garden over the last year has been an absolute success - continous harvests of broccoli, garlic, tomato, beans, lettuce, cabbage, cauliflower, and carrots through the year. To see a salad or a soup being prepared with fresh vegetables from the garden keeps the foodies excited - farm to table right in front of you!

Last year, we joined a unique effort initiated by Slow Food, World Disco Soup Day – vegetable designated surplus, waste, not meeting market requirements sourced from our regular vegetable vendors to make a healthy and wholesome soup. This was served free to curious and excited customers - what a response! Each plate served was finger licking clean as customers found something to enjoy and reflect on this unique concept.

Children from Hebron-an international school came to the restaurant to learn the basic principles of Slow Food, maintenance of the kitchen and rules of hygiene. Place to Bee has also been the platform for a bunch of talented artists and musicians who have exhibited their art work and performed.

Our goals for the next year – local pizza delivery and an all day café along with a small lending library is what we are working towards. Many customers are encouraging us to sell our sauces and spreads - marinara sauce, mayonnaise and garlic mayonnaise should be launched in the coming months as well.

The team has been consistent over the last two and half years, building a strong bond between them through the holiday seasons and coming up on top. We look forward to an exciting year ahead and hope you can soon smell and taste the freshly brewed coffee!







RETAIL & WHOLESALE

The retail stores continue to be the main pillars of revenue and business stability for Last Forest. Our first store outside of the Nilgiris was in Mysore and after a few years of struggles, we had to eventually shut it down in 2014. It took us a couple of years to recover and apprehension dominated to start new stores. However in February 2018 we have launched our new store in Coimbatore!

Apart from that, the stores at Coonoor, Kotagiri and Ooty are steady as ever, touching ₹13.6 million - the best business vertical for Last Forest this year.

With our design and brand consultant Kavita Pandya, a restructuring of the Green Shops also took place. New posters, efficient space management, rearranging of products based on category were all done in order to improve customer experience. It has led to several positive comments from customers and the brand is now physically better represented.

Last year the entire effort from the wholesale team was to go out there and reach new retailers, new customers, new places and we did that quite aggressively and onboarded more than 40 partners. This year we stepped back a little and deepened our relationship with them and in the process had to let go of a dozen partners that were not viable. This approach helped us well as we were then able to lift the sales in a healthy way and meet the annual target of 13 million.

A conscious strategy was to explore new markets and we did that by participating in several selected exhibitions. There were times when we were attending back to back events and the marketing team was split to hold fort in different locations while the operations wholly supported the wholesale orders. New locations explored were Kolkata and Delhi apart from several exhibitions in Bangalore, Mumbai Coimbatore, and Ooty. This year also had Last Forest participate in its first ever international exhibition held in Singapore in collaboration with our partners, Non Timber Forest Produce - Exchange Program.



New products





The most successful one was a prime stall space at Kala Ghoda Arts Festival held in Mumbai in February. The entire sales team was there very firmly backed by the operations team - they were nine exhausting days for all but very successful ones.

BUSINESS SERVICES

Mathew was a trainer at the EXCEED Training for NGOs, government agencies and small enterprises in Myanmar. The week long training programme used a variety of interactive methods and tools for facilitating learning that was practical and informative. Organized by EXCEED, which is the training and advisory wing of Non Timber Forest Products (NTFP-EP) Asia, it looked at equipping these enterprises in both sustainable resource management practices and solid business practices. Last Forest was also an active participant in two workshops held by Welthungerhilfe - again, community based organizations working primarily with agricultural produce in remote parts of India. Giving these groups tools so that they could envision a stronger link between livelihood and enterprise activities was the main focus.



EXCEED Trainers



REVAMP OF WEBSITE, INCREASE IN E-COMMERCE SALE

There was also a sustained effort on revamping our e-commerce website www.lastforest.in. A professional designer redid the entire layout, brought in simplicity and minimalism while addressing all the needs of the team here. A continuous support from a tech consultant ensured that the site went up slowly but steadily.

In the previous year we had just launched our store on Amazon and were testing the waters. In a sea of consumerism driven products, finding a differentiating factor was a constant challenge.

What often goes unnoticed in the rise of a new vertical like e-commerce is the tremendous effort the entire operations team has to put in to meet deadlines. Customers today have the ease of ordering from smartphones, tablets and several gadgets, but it has also made them impatient and ruthlessly demanding. To keep up with that

expectation from a remote location like Kotagiri is a tough challenge but one that the team swallowed in quietly and yet firmly. Processes, routines, schedules were changed, modified and remodified in order to accommodate every single order in a timely manner. We definitely see this line of sales grow exponentially.



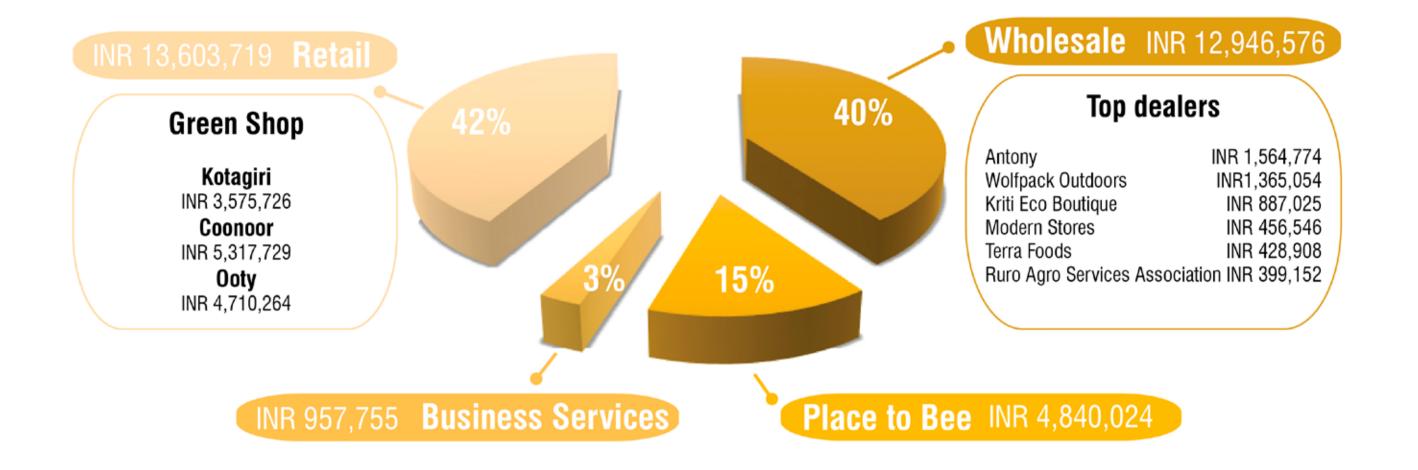
Beeswax soap

Balance Sheet as of 31.03.2018

EQUITY AND LIABILITIES	2017-18	2016-17
Capital Funds	51,76,716	45,54,551
Non Current Liabilities	21,92,672	24,46,711
Current Liabilities	56,77,921	50,80,735
ASSETS		
Fixed Assets	12,12,351	13,06,782
Other non current assets	-	-
Current Assets	1,18,34,958	1,07,75,215

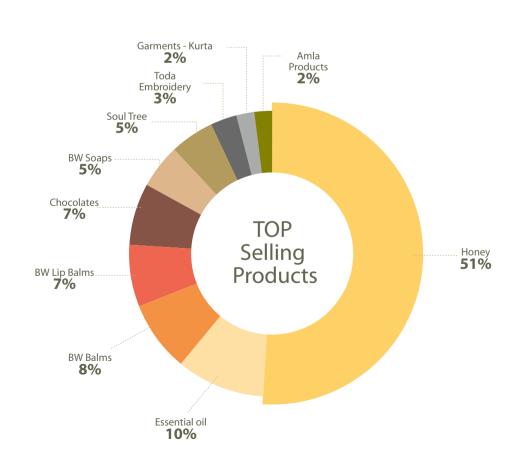
Profit and Loss account for the year ending 31.03.2018

	2017-18	2016-17
Revenue from Operations	3,21,19,390	2,83,34,443
Other Income	2,18,598	2,16,957
EXPENSES		
Purchases	1,51,24,570	1,51,30,483
Changes in Inventories	2,22,768	-2,07,954
Direct and Indirect expenses	1,60,76,252	1,30,53,115
Profit before taxation	9,14,398	5,75,756



Top Selling Products

Honey	94,23,288
Essential oil	18,50,533
BW Balms	14,45,702
BW Lip Balms	13,97,934
Chocolates	12,23,125
BW Soaps	9,86,314
Soul Tree	8,60,531
Toda Embroidery	5,72,579
Garments - Kurta	3,81,991
Amla Products	3,08,587





Team - Head Office

Mathew



Mathew is the Managing Director of Last Forest Enterprises and a co-founder director of Keystone Foundation. Clear, crisp and very articulate, Mathew is the backbone of Last Forest. With the business world seeing a large makeshift, he has stood by the values we were built on. Mathew has always given the space for the team to grow professionally and has stepped down and stepped up whenever needed.



Miller

The "oldest" but yet the youngest at heart! His ability to entertain has no parallel. Our go-to guy when dealing with government officials and bureaucracy! Immersed in honey, his wide network ensures continuous supply.



Monica

Not only does she keep the accounts in a straight line but also all those who end up at her table! GST still has her fretting and fuming. Her singing skills are a well kept secret.



Madhusudan

A one man army for procurement but his creative language skills is a saviour to many! A reassuring presence when you need anything, even the printer.



Nandan

enjoys.

Living his dream and always keeps Passionate towards food and Last Forest, first. Compulsive data growth of the restaurant (his hogger and perpetually on his first love); social media and smart phone; networking keeps his photography prowess give him creative juices flowing. Being part sleepless nights. Would love to of the HR team is a challenge he work on the Last Forest brand and see it go places.

Aritra



Frango

The anchor of the honey section, his expertise on honey has grown by leaps and bounds. Ever willing to lend a helping hand! has absolute command

Mari Muthu



Sangeeth

Saravanan

energy.



Dayal

At his best when on the His oratory skills belie his normal book-keeping design table, our go-to man in Coimbatore.He functions. A punching bag is young and vibrant and for the team but takes it in his designs portray his his stride!

Talkative man with many friends. His cheeky sense of humour spares no one. His unique perspective befuddles all and prefers to run his team at his own pace.

over the logistics.

has helped him take on challenges in the market space. His pleasant and earnest presence is reassuring for many of his dealers and customers.

His twirling moustache

Retail Operations



France

Woe to all who cross her! Her commitment to quality and processes makes her a key member of the operations team.



Mahendran

The social butterfly of the group, his happy-golucky attitude makes him an important invitee to all conversations.



Jancy

From her quiet presence, her oratory skills have been a revelation. A key person in the networking between sister organisations.



Mala

Petitely built with a constant smile - she is the backbone for honey packing.



Joshwa

Considers himself the smartest and creative boy, lights up the workspace with his sense of humour. He is the mover and shaker in the team.



Prabhu

A person who sees everything black and white, there is learning involved both ways - much to learn from and much for him to learn.



Gopalakrishnan

Quiet and ever helpful! An important member of the packaging team and broad shoulders for all to lean on! Quick learner which has made him efficient.



Asia

Loved for her caring touch, all sicknesses and injuries are immediately rushed to her.



Victoria

One never knows if she is around - as she is the quietest. She happily does her work which involves dealing with bulk orders.



Kokila

Master sales-woman. Incharge of Kotagiri store is a favorite amongst the customers. Always cheerful!



Pravin

Smart, vibrant and enthusiastic. Great personality and his communication skills help him while talking to customers. Manages the store in Coonoor.



Emimalu

Her sense of responsibility and no nonsense attitude has steadied our store in Ooty. She leads the team by example.



Priya

At the Coonoor store, her discipline and punctuality is laudable. She has a very pleasant nature and mingles well with everyone.



Vijaya

Vijaya has been with us for 4 years helping in the Kotagiri store. Very sincere and understands her responsibilities.



Divya

At the Ooty store, Divya is very cheerful and outspoken. She is everready to talk and explain about the products. Also helps in the restaurant during lunch hours.



Bhuvana

At the Ooty store, she single handedly takes care of the shop in the evenings.



Sheela

Helps maintain the entire Ooty campus - cleaning, dusting and sometimes managing the Green Shop - she does it all!

Place to Bee



Abhijit

Head chef - meticulous about quality and consistency. From inventing new dishes to managing the premises he is the boss!



Rani Akka

Rani, ensures that the team is in good shape. From making breakfast to ensuring the cleanliness of the kitchen.



Purna

One man army, Purna steadily does his job. From taking orders, waiting tables, accounts - he does it all! A favorite amongst the quests.



Vijay

Vijay is slowly and steadily learning the trick of the kitchen and assists Gobinda.



Pream

Relatively new to the kitchen, Pream is slowly mastering the art of making pizzas.



Surendra

Ever smiling and hard working Surendra, is the backbone of the kitchen, knows the kitchen and the



Thatteus

Thatteus helps in anyway

in the main kitchen, to

the pizza counter and

sometimes doing the

dishes.

Gobinda

Gobinda is now a Pizza

master - from spinning up

fabulous pizzas to coming

up with his own varieties

of season's special.

Lavanya

Lavanya, works closely with Rani akka to maintain he can. From working the cleanliness of the kitchen. Occasionally makes delicious lunch!



Sunderrajan

Sunderrajan manages the kitchen garden, is our night watchman and also does the dishes. Always smiling and helpful.

Advisors



Kavita Pandva

Anchor of all that is encompassed in the design realm, one can't escape her sharp eyes and inputs; her cheerful presence and active interest in all things happening, add to the in house energy. Her abiding interest in building the garments portfolio expands Last Forest's horizon!



Sekhar Seshan

Well, no number is too small for him to investigate; his constant guips keep the team enthralled but his commitment to all things Last Forest has allowed people to put on different lenses and learn with him, an absolute whiz in the numbers game, he has been invaluable to all of us.

Board of Directors



Pratim

Co-founder and Director of Keystone Foundation, his spontaneous ideas and unique perspectives keeps everyone on their toes.



Snehlata

Co-founder and Director of Keystone Foundation, her friendly demeanour makes it easy for anyone to approach her for her insights. Helps out with product development at Aadhimalai and Last Forest.



Bhupi

Staunch businessman who Always an exciting never fails the team, he has been influencial in sourcing organic suppliers and products. Founder of Bon Appetit, Pondicherry.



Somnath

atmosphere among the team when he is around. His straightforwardness on things make him a crucial member. A free lance consultant, primarily with the World Bank.



Mathew

Most active member of the Board, Mathew is the Managing Director at Last Forest and a Co-founder of Keystone Foundation.

Our Auditors

STATUTORY AUDITORS Shanmugasundaram K Srivatsan & Gita Coimbatore

INTERNAL AUDITORS John Mathew J. Mathew & Co

Ooty

Soy Joseph **SAS Partners** Chennai

COMPLIANCE AUDITOR





Last Forest Enterprises Pvt Ltd

41/111 E, Groves Hill Road, Kotagiri, The Nilgiris - 643217 Phone: +91 4266 272266

> response@lastforest.in www.lastforest.in





Shops & Restaurant

Kotagiri

Johnstone Square (Kamraj Square) Kotagiri - 643217 Ph: 04266 273887

Ooty

176/A, Sargan Villa, Opp. HIII Bunk (Petrol pump) Ooty - 643001 Ph: 0423 2441340

Coonoor

Jograj Buildings Bedford Circle Coonoor - 643101 Ph: 0423 2238412

Coimbatore

No. 28 Valluvar Street Shivananda Colony Coimbatore 641012 Ph: 0422 4348277

Place to Bee

176/A, Sargan Villa, Opp. HIII Bunk (Petrol pump) Ooty - 643001 Ph: 0423 2449464