

COOL EARTH ACTION

England & Wales · Charity number 1117978

Details

Status	Registered
Legal form	Charitable company
Company number	06053314
Registered	2007-02-15
Register	View on the Charity Commission register

Contact

Address	Cool Earth Tremough Innovation Centre Penryn TR10 9TA
Phone	01326567200
Email	info@coolearth.org
Website	www.coolearth.org

Activities

Objects: TO PROMOTE SUSTAINABLE DEVELOPMENT FOR THE BENEFIT OF THE PUBLIC BY:A) THE PRESERVATION, CONSERVATION AND THE PROTECTION OF THE ENVIRONMENT AND THE PRUDENT USE OF NATURAL RESOURCES;B) THE RELIEF OF POVERTY AND THE IMPROVEMENT OF THE CONDITIONS OF LIFE IN SOCIALLY AND ECONOMICALLY DISADVANTAGED COMMUNITIES;C) THE PROMOTION OF SUSTAINABLE MEANS OF ACHIEVING ECONOMIC GROWTH AND REGENERATION.

Activities: Provides grant funding to rainforest communities to support their work in protecting at-risk forest and ensure their voice is heard in agreements that affect the future of rainforest.Promotes a greater understanding of the role that forest communities play in keeping rainforest ecosystems intact and the role that rainforests play in supporting life across the planet.

Classification

- **How:** Makes Grants To Organisations, Provides Advocacy/advice/information
- **What:** Education/training, The Prevention Or Relief Of Poverty, Environment/conservation/heritage, Economic/community Development/employment
- **Who:** People Of A Particular Ethnic Or Racial Origin, The General Public/mankind

Geography

- **Area of benefit:** NOT DEFINED IN PRACTICE NATIONAL AND OVERSEAS
- Cameroon
- Papua New Guinea
- Peru

Finances

Period end	Income	Expenditure	Assets	Employees
2025-01-31	£4,848,211	£3,913,598	£6,248,596	36
2024-01-31	£4,885,615	£4,350,991	£5,313,983	19
2023-01-31	£6,096,861	£6,009,586	£4,779,359	98
2022-01-31	£3,868,402	£3,052,175	£4,692,084	28
2021-01-31	£2,341,059	£2,150,770	£3,875,857	21

Trustees

Name	Role	Appointed
Anthony Juniper		2020-05-11
Baron John Selwyn Deben		2015-01-01
Charles Henry Mark Ellingham		2012-03-29
Gillian Burke		2021-05-03
JOHAN ELIASCH		
Lucy Erickson		2024-09-30

COOL EARTH ACTION

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Accounts

COOL EARTH ACTION

Annual Report 2024/25

COOL EARTH ACTION DIRECTOR'S INTRODUCTION

for the year ended 31 January 2025

A word from the Chair

If we are serious about our planet's future, not just for the next few years, but for the next hundred, protecting rainforests must be a top priority. They are vital carbon stores, climate stabilisers, biodiversity havens, and home to millions of people.

2024 was a landmark year for the climate. We crossed the 1.5°C threshold. The world's largest rainforest caught fire again. And still, only a tiny fraction of climate finance reaches the very people who protect these forests every day.

Cool Earth exists to change that.

Since joining the board in 2020, I've watched Cool Earth scale their impact while staying fiercely committed to one thing: backing Indigenous people. Because the science is clear, they are the most effective guardians of rainforest.

This past year, Cool Earth has shown once again what a community-first model of conservation can achieve. All this, in the most challenging funding and political environment we've seen in years. I'm incredibly proud of the Cool Earth team, the local partners we stand alongside, and our generous supporters who make this work possible. Together, you are proving that rainforest conservation doesn't need to be extractive or imposed from the outside; it can be just, smart, and effective.

The decades ahead will be shaped by how we act now. Rainforests are not just a piece of the puzzle; they are central to climate stability, biodiversity, and justice. Let's keep backing people. Let's keep protecting the rainforest. Let's keep doing things differently.

Thank you to everyone who's part of this mission. We are making an extraordinary difference, together.

Dr Tony Juniper CBE, Chair, Cool Earth Action

Director's Introduction

The hottest year humanity has recorded sparked wildfires across the Amazon. Political support for climate action became harder and harder to rely upon. Communities on the climate front line of the crisis faced more climate-driven emergencies than ever.

It is fair to say that 2024 was a very stark reminder that halfway through the critical decade for environmental action, we have a mountain to climb.

Against this backdrop it is all the more inspiring that the people who Cool Earth are privileged to partner with did more than ever to adapt, innovate, and protect rainforest. And thanks to our supporters, Cool Earth's impact has never been greater.

Our work with over 60 communities across the Amazon, Papua New Guinea, and the Congo Basin has doubled down, protecting over 2.1 million acres of rainforest. In a tough fundraising climate, we focused hard on the things that make a measurable difference: cash and data.

Cool Earth's partnerships delivered real impact and unrivalled levels of forest protection with 99% of canopy intact. As always, this impact is directly driven by local people. In Peru we saw a 64% drop in wildfires across project areas. In PNG, water tanks were installed in remote communities, giving 3,000+ people reliable access to clean water in a time when rainy seasons are becoming unpredictable. And in Cameroon, thanks to our work, awareness of climate and forest protection rose from 3.5% to 75% in a single year.

Three things fuelled this: our partners, our team, and you.

Donations like yours also helped make a reality the world's first basic income model designed with, and for, Indigenous rainforest communities. With backing from the UN and a global spotlight at COP29, and now under evaluation in partnership with the University of Bath, this model is changing the conversation about climate funding and fairness.

We have set 2030 objectives and a new strategic plan for every team. These goals anchor our ambition, clarify our direction, align our efforts, whilst we champion unconditional support for Indigenous communities, influence global policy, and scale our impact with integrity and urgency.

Rainforests remain one of the top three solutions to stop the climate crisis.. Your support makes it possible for people with the best track record in forest protection to keep doing what they do best.

As ever, thank you for backing people, protecting rainforest, and fighting the climate crisis.

Matthew Owen, Director, Cool Earth Action

Cool Earth exists to back people, protect rainforest and fight the climate crisis

We stop deforestation by supporting the Indigenous peoples who live in the rainforest. They have the longest and best track record of keeping the rainforest standing, allowing it to remain a vital carbon sink.

With tropical rainforests found in some of the planet's most marginalised areas, we must recognise that injustices created by poor social and economic policy play a major role in deforestation. As a result, our support *must* be unconditional.

Last year we saw:

- One of the fiercest wildfire seasons in the Amazon rainforest yet, with Peru declaring a state of emergency in September 2024.
- Weather patterns in Papua New Guinea become unpredictable, leading to water shortages some months and extreme flooding the next, some even preventing us from reaching the communities we work with.
- Climate change is becoming a highly charged political subject. With governments becoming increasingly hostile towards the climate sector, it makes fundraising and delivering important work even harder.
- There is now no doubt that we are at the 1.5 degrees threshold. In fact it looks as though we will surpass this, with little commitment from global leaders on how to keep the temperature increase as low as possible.

Extreme weather, unpredictable political events, and economic crises are just a few of the threats against the livelihoods of those living in the rainforest. These factors all have an impact on the Indigenous communities we work with and the support they need to remain strong and resilient.

But, less than 1% of climate funding is allocated to Indigenous peoples, despite the essential role they play in protecting rainforests. They have contributed to the climate crisis the least, yet are expected to fix it, with no resources.

The urgency of backing them to keep their rainforest home intact for their communities, and the planet, cannot be overstated.

The trustees present their report and the financial statements for Cool Earth Action (also known as and referred to as “Cool Earth”) for the year ended 31 January 2025.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association of the charitable company, 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

Cool Earth is a network of community led conservation partnerships. It works alongside people living in rainforests to keep trees standing over the long-term. Cool Earth’s founding principle is that people who live in rainforests must determine its future. Without this, rainforest destruction will remain a key driver of the climate crisis.

Cool Earth was created in 2007 to provide grant funding to rainforest communities and NGOs that work alongside them. The charity has worked to protect at-risk forest and ensure the voices of people who live in rainforests lead decisions that affect their future. To date, 99% of the forest protected by Cool Earth and its partners since 2007 remains standing.

Cool Earth strives to ensure power over planning and spending within communities themselves. Progress has been made (to date, 94% of programming spend is locally directed) but there is still much to do.

Above all, six core values must remain embedded into everything Cool Earth does:

- People who live in rainforests determine its future;
- Funding decisions are planned, led and implemented by rainforest communities;
- Conservation leadership is from the ground up and is not imposed by Cool Earth or partner NGOs;

- Conservation funding is a transaction that has consequences beyond its monetary value. As such, each transaction must be fair and transparent
- The use of evaluation and monitoring technologies must serve communities, to enhance their, and our, understanding of emerging threats to the forest through an equal exchange of knowledge; and
- When Cool Earth is privileged to have a presence in a community, it keeps intervention to a minimum.

Public Benefit

Under Section 17 of the Charities Act 2011, the trustees have followed the Charity Commission's guidance on public benefit. Cool Earth aims to achieve the following objectives:

- To provide funding to rainforest communities to support their work in protecting at-risk forest, and ensure their voice is heard in agreements that affect the future of rainforests; and
- To promote a greater recognition that local leaders and communities must lead and be rewarded for the development of strategies to address the role destruction of the natural world plays in the climate crisis.

Trustees' assessment of public benefit

In monitoring the progress of the charity in terms of delivery of public benefit, the trustees use the following measures of success and gather evidence accordingly:

- Participating in partnerships to protect rainforest at risk of destruction and degradation;
- Evaluating the effectiveness of indigenous peoples and local communities in protecting rainforest compared to protected areas and privately or state-owned forest; and
- Assessing and measuring the amounts of forest protected and quantities of carbon stored by each partnership through satellite mapping and ground surveying.

Programmes

In 2021 we developed a Programmes Strategy to guide our work until 2026. We continued to work to this framework through 2024/25, building on two key existing projects, Unconditional Cash Transfers and Rainforest Labs, as well as continuing to work with local partners and communities across the three major rainforest biomes on a range of projects to protect rainforest and back indigenous and local people living there.

We are proud to have almost doubled how much forest we protect in 2024, now protecting over 2.1 million acres of rainforest. We work with over 59,000 people representing 60 communities in the Amazon Basin, Cameroon and the New Guinea rainforest.

We are also proud to be supporting 23 locally led projects. Each one protects the rainforest by ensuring those who live there can make an income. Sustainable businesses, like jewellery making, fish farming, cacao production as well as weaving, strengthen communities, preserve their culture and create financial security. When people living in the rainforest have cash, they have choice. Choices beyond selling their land to survive.

Each one of our programmes tackles a challenge which is different from the rest.

2024/25 saw:

More cash. Less deforestation

Cash, in two forms. The first to whole communities, democratically deciding as a community what they need to spend it on. The second, as a basic income, cash to individuals, so it is even more direct. A total of £283,000 was transferred directly to our partner communities in Peru and Papua New Guinea, alongside the other projects we develop with them.

In 2024, we saw huge international support for our basic income pilot. The United Nations backs the approach, we shared the initial findings at COP29 and COP16 and secured coverage in The Guardian, Independent and across BBC World Service. All helping us raise the profile of this important work so we are positioned to start lobbying governments to adopt the model.

For those of you new to Cool Earth, in 2023, together with female led Indigenous partners ONAMIAP and OMIAASEC, we co-created the world's first basic income pilot for Indigenous peoples living in rainforests.

For two years a total of 211 adults in three communities in the Amazon receives a regular income to sustain their needs, equivalent to £2 per day. That means cash directly in the hands of the people with an unbeatable record of keeping rainforests safe. Two monitoring assessments and one annual evaluation were conducted to understand how people have been using their cash. Overall, people reported improved access to food, education and healthcare, as well as stronger family and community ties.

Findings show that 23% invested in improving their crops, 20% used it for food and 15% for healthcare. Nearly half (47%) reported greater economic autonomy and more time for communal activities like reforesting water springs. In 2025 we are partnering with the University of Bath to critically evaluate our findings. This will help others learn from our approach.

Byte-sized solutions

Rainforest Labs, providing data and technology in Indigenous communities to ensure people have control over the future of their rainforests.

The technology enables communities to track real-time threats such as forest fires, flooding or deforestation. In October 2024 we opened our forest Lab in Papua New Guinea and 15 biodiversity students have been trained to survey the forest.

The Lab means an additional 19,700 acres of forest is being monitored and the community are making plans to monitor species, track how much carbon is stored and as an education tool for schools and universities across Papua New Guinea so more people can learn about the importance of the forest.

The Labs in Peru continue to go from strength to strength, as do the teams of 14 forest monitors. Huaracayo used the Labs to map out and designate 10% of their land to a conservation zone, and the Labs are providing indirect benefits to communities such as improving computer literacy and providing internet access for everyone.

Peru

Along with the basic income pilot, Rainforest Labs and supporting locally-led projects, we have been working to reduce wildfires in the Amazon rainforest. Thanks to PAAMARI, a one-of-a-kind initiative led by Indigenous organisation CARE, 50% of the rainforest we protect in Peru is monitored for wildfires.

In one of the worst years for fires in the Amazon rainforest, our Asháninka partnerships recorded a drop in wildfires. We saw wildfires drop from 25 in 2023 to 9 in 2024, and 402 acres burned in 2024 compared to 6,543 acres in 2023. This is testament to the monitoring and training provided by our PAAMARI project. As part of the project, 195 members of the self-defense indigenous committees have been trained on wildfire prevention, and 175 were certified as forest firefighters.

Papua New Guinea

Our new partnerships with Kondu and Waduada communities in Papua New Guinea are going from strength to strength. This is vital because their communities are the gateway to over 65,482 acres of rainforest.

With increased droughts, access to water in Papua New Guinea's remote rainforest communities is vital. So we have been working in partnership with local organisation Rural Water Supply and Sanitation Project (RWSSP) to install 95 giant water tanks in Gadaisu and Sololo ensuring water for over 3,000 people and installing 100 toilets to improve health and sanitation in the area. This project is now complete so we are now turning our attention to Wabumari, Kondu and Wadauda for 2025.

Lighting is also an issue; rainforests get pretty dark at night! To help, the communities of Wadauda and Kondu have installed 83 solar lights and 83 Biomass Stoves, benefiting a total of 522 residents, meaning there is less need for small fires outside each home reducing the need for firewood from the forest. Next year we plan to take this a step further with streetlights for each community.

Grant-making activities: Cameroon

We've been working to back land rights for rainforest communities right across Cameroon. Our partnership with CCREAD means we support 20 rainforest communities in an incredibly important part of the Congo Basin.

Here we work with CCREAD to raise awareness of the importance of rainforest with local communities through participatory activities reaching over 24,000 people. Awareness of climate change and the importance of rainforest in managing the climate increased from 3.5% before the partnership to 75% with all those who have taken part.

GOVERNANCE, STRUCTURE AND MANAGEMENT

The charitable company is governed by the rules and regulations set down in its Memorandum and Articles of Association dated 15 January 2007. Cool Earth has two operational hubs in Peru and Papua New Guinea that operate as locally registered organisations. They are regional partnerships that work to ensure local people's rights over the rainforest are exercised. Each hub is led by a Global Head of Department and supported by other members of the Global Leadership Team. As well as programming, each hub also contributes to Cool Earth's finance, human resources, fundraising and communications capacity.

The Peru Hub is made up of nine partnerships that include three indigenous groups. It has a team of 24 staff and 8 consultants. The PNG Hub is composed of five partnerships and has a team of 6 staff and 15 consultants.

The Cool Earth network also includes an exceptional number of locally led organisations that are designing and delivering a people-led approach to forest protection, shaping the future of rainforest conservation in Cameroon called CCREAD. Cool Earth provides support, funding and evaluation for the members of this network.

The overall strategic direction of the charity is determined by the trustees, who meet formally twice a year and periodically to address exceptional issues. The trustees are responsible for planning and policy making, and accordingly, all key decisions are referred to and taken by the board of trustees. Day to day management is provided by an executive director based in the UK who is supported by a senior leadership group and a team of 31.

STRATEGIC REPORT

Future Plans

In September 2024 Cool Earth's UK and US board met with its senior leadership team and senior managers to initiate a strategic review of the organisations' five year plan to 2030. With a greater focus on evaluation of the scale and cost effectiveness of impact, Cool Earth's strategy is focused on scaling direct community support to protect two million hectares of forest and store half a billion tonnes of carbon.

Cool Earth will continue to pioneer the use of cash and data as the most flexible means of building resilience amongst communities with multi-generational track records of keeping forest standing. The boards and executive will continue to advocate for global climate finance to be delivered directly to people living in rainforests.

Monitoring activity & KPIs

To monitor progress, canopy and carbon metrics will stand alongside an evidence base of almost twenty years of community-led monitoring of the economic, social and ecological changes in rainforest within and surrounding Cool Earth's partnership. Key financial measures include exceeding the growth rates of its peers across individual supporters, corporate donors and trusts and foundations and meeting reserve requirements that safeguard the consistency of partnerships with indigenous and local communities. .

Company Information

The trustees of the charity, also the directors of the company, who have held office since 1 February 2024 are as follows:

Mr. Frank Field - Resigned 23/4/24
Professor Johan Rochstrom - Resigned 30/9/24
Mr. Anthony Juniper (Chair of Trustees)
Mr. Johan Eliasch
Ms. Gillian Burke
The Rt. Hon. Lord Deben
Mr. Mark Ellingham

Ms Lucy Erickson, a strategic communications expert, joined as a trustee of the charity on 30th September 2024.

Professor Johan Rockström resigned from the Cool Earth board on 30th September 2024 and we would like to thank him for his support, guidance and backing of Cool Earth and wish him the very best.

The principal address and registered address of the charity is Tremough Innovation Centre, Penryn, Cornwall, TR10 9TA.

The charity is registered under the charity number 1117978, and the company is incorporated with the company registration number 06053314.

The trustees have made the following professional appointments:

Solicitor: Stephens Scown LLP, 2 Kingdom Street, London, W2 6JP

Banker: CAF Bank, 25 Kings Hill Avenue, Kings Hill, West Malling, ME19 4TA

Auditor: RRL LLP, Peat House, Newham Road, Truro, Cornwall TR1 2DP

Mr. Matthew Owen acts in an executive capacity as the Executive Director of Cool Earth Action and is responsible for the day-to-day management of the charitable company.

The key management personnel of Cool Earth Action are considered to be Matthew Owen, Dr. Hannah Peck (Deputy Director), Lauren Howard (Head of Fundraising and Engagement) and Sophie Kisnorbo (Head of Operations and HR).

The remuneration of the key management personnel is decided upon by the board of trustees taking account of performance and the levels of pay in a representative peer group of similar Non-Governmental Organisations.

The trustees are assisted by an Advisory Board of individuals that are neither trustees nor directors.

Trustees' Responsibilities

The trustees, who are the directors of Cool Earth for the purposes of company law, are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The report and accounts have been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies.

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 the incoming resources and application of resources, including the income and expenditure of the charitable company, for that period. In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our Trustees' Annual Report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the Charity's auditor is unaware, and
- The trustees, having made enquiries of fellow directors and the Charity's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Method of Recruitment, Appointment, Election, Induction and Training of Trustees

The original trustees were the founders of the organisation with particular personal interests in attempting to find a way to actively tackle worldwide climate change issues. As and when a future vacancy arises, or should the required mix of skills, experience and knowledge required with the board of trustees change over time, such matters will be considered when recruiting suitable candidates.

In accordance with the company Memorandum and Articles of Association, the minimum number of trustees should not be less than three, but no maximum limit is dictated. It is likely in the future suitable trustee candidates will be identified by the existing trustees or be referred to the existing trustees through the Advisory Board and/or other interested third parties. Appointment as a trustee is by election and requires an ordinary resolution of the members of the charitable company.

All trustees are made aware of and have access to relevant Charity Commission publications and are regularly briefed by their professional advisers on significant developments within the charity sector that are applicable to the charity's circumstances.

New trustees are provided with both an introduction to the charity, its work and their role within it, and with pertinent copies of paperwork.

Relationship with Related Parties

In order to maximise the impact of Cool Earth's activities to support communities to protect rainforest, it is the policy of Cool Earth to develop partnerships with local communities and NGOs. On occasions, Cool Earth has become a significant co-funder of conservation projects with a range of organisations who have been selected on the basis of their experience, record of community engagement and commitment to the aims of Cool Earth.

Key partners of Cool Earth over the past year have included GCE, OELO, CCREAD, CARE, ONAMIAP, OMIAASEC, GreenTVET PNG, Rural Water Supply and Sanitation Project (RWSSP), Kokonas Industri Koporesen (KIK) and University of Goroka, Binatang Research Center and CELCOR, Cadasta and AidKit.

Cool Earth Action USA Inc. is an affiliated non-profit organisation in the USA that is registered as tax-exempt under section 501 (c)(3) of the federal law of the United States. Cool Earth Action USA Inc. does not share trustees or offices with Cool Earth Action but does contribute directly to Cool Earth Action's programmes.

Income and Fundraising

Cool Earth's income for the year was £4.84 million (2023/2024: £4.88 million) and individuals, businesses and foundations continue to be the primary funding source. This outcome was below the target set of maintaining income and reflects the challenging fundraising environment in the UK, particularly from individuals. Funding from trusts and foundations and from corporate supporters met or exceeded expectations.

In 2024, Cool Earth spent over £3.4m on programmatic work, including £2m given directly to communities living in rainforest.

- Donors in the UK & Europe together gave £4.8m

- We added £934k to our reserves, safeguarding the future of the organisation's vital work
- For every £1 we spent on fundraising, we raised £9.45

Fundraising Standards Information

Cool Earth Action fundraising activities are carried out by its UK-based development team, led by the Head of Fundraising and Engagement. The team's approach focuses on building long-term relationships with individuals, businesses, and foundations to ensure diverse and sustainable income. The charity did not engage a professional fundraiser to carry out fundraising activities on its behalf during the year ended 31 January 2025.

The charity is registered with the Fundraising Regulator and is subject to the Code of Fundraising Practice. It is committed to adhering to this code, which sets out the legal, honest, respectful, and open standards for fundraising. There were no reported failures to comply with the Code of Fundraising Practice or the relevant statutory and accounting standards during the reporting period.

The Trustees and the Senior Management Team regularly monitor fundraising activities through annual reviews of the fundraising and communications strategy to ensure financial sustainability, ethical compliance, and efficiency. The charity actively monitors the cost-effectiveness of its fundraising, noting that it successfully raises nine times what is spent on generating funds during the reporting period.

The charity is committed to transparent and ethical fundraising and is pleased to report that there were no formal complaints received by the charity or a person acting on its behalf about its fundraising activities during the year ended 31 January 2025.

Cool Earth Action is committed to protecting vulnerable people and other members of the public from unreasonably intrusive or persistent solicitations, and undue pressure to give, as set out in the Code of Fundraising Practice. All internal fundraising processes are designed to be respectful, clear, and comply with all legal requirements. The Board of Trustees takes responsibility for safeguarding the charity's assets and ensuring reasonable steps are taken for the prevention and detection of fraud and other irregularities. Financial risk mitigation actions, including investments in improved accounting systems and internal controls, directly protect the public's donations and prevent the misappropriation of funds.

Financial Results of Activities and Events

Total income for the year amounted to £4,848,211 (2023/2024: £4,885,615), and total expenditure was £3,913,598 (2023/2024: £4,350,991), resulting in net income of £934,613 (2023/2024: £534,624).

The trustees are satisfied with the financial performance of the charitable company and its financial position at the balance sheet date. A budget process that focused on eliminating costs that do not support the quality of range of Cool Earth's programming ensured income exceeded expenditure for the 17th year. With free reserves of well over £5m and a reinvigorated fundraising strategy, the trustees are confident that existing programming commitments can be maintained and expanded in pursuit of Cool Earth's climate mission.

The charity is nonetheless active in assessing future risks to programming, fundraising and development. The global finance team monitors exposure to foreign exchange swings and a proportion of reserves are kept in currencies that match expenditure to provide a hedge to volatility. Equally, the investment of a proportion of reserves in short duration assets provides liquidity and underpins the availability of cashflow. The charity has entered into no material credit arrangements.

During the year a company under the control of Cool Earth was retired from the Register of Companies whilst still carrying a cash balance. These funds have been retrieved from the Treasury Solicitor. In these accounts the funds are therefore returned to reserves.

Reserves Policy

As of 31 January 2025, the charity had "free reserves" of £5,932, 390 (31 January 2024: £4,378,153). Beyond the requirements of a prudent working capital base, since 2011 Cool Earth has held a Reserves Fund, to ensure it can realise its commitments to community partners even in the event of an income shortfall.

Each year an assessment is made of the funding requirements of each partnership. The 'free reserves' fulfill the funding requirements for every partnership that Cool Earth has entered into and allows for additional partnerships to be added in the current year.

Investments Policy

The trustees have wide ranging powers to invest the funds of the charity at their discretion and as they think fit. The charity makes use of a Sterling bank account to hold all the non-reserve funds of the charity as cash so that they are readily available to expend in support of the charity's activities as and when required by the trustees. Reserves are currently held in high interest deposit accounts and should significant funds be received in the future the trustees will consider suitable investment opportunities.

Risk and Corporate Governance Matters

The trustees recognise that Cool Earth's range of operations in the UK and overseas expose it to a range of risks. In order to manage these risks appropriately and mitigate their impact on the operation and effectiveness of Cool Earth, the trustees have developed a risk strategy that details categories of risk and appropriate management strategies. A risk register is maintained by the Executive Director, which summarises key risks and which the board reviews.

As identified on the risk register, the main risks and the measures taken to mitigate them are as follows:

Risk 1: Natural or human induced hazards, such as floods, forest fires, epidemics and internal conflict impact on Cool Earth's ability to deliver parallel programmes and complete existing partnerships resulting in risk to personal security of staff, partners, assets and resources in-country.

Mitigation Action 1: Country Security plans, and escalation processes, are in place to respond, adapt programmes and prepare contingency plans. During this year Hostile Environment Awareness Training was undertaken by key staff and in-country emergency procedures were updated for all Cool Earth's partnerships.

Risk 2: Failure to sustain levels of overall funding for Cool Earth's partnership commitments.

Mitigation Action 2: Cool Earth undertakes annual reviews of our fundraising and communications strategy. These have put in place strategies to diversify income by geography (an increase in non-sterling funds) and source (a more even division between business, individual and trust funders).

Risk 3: Ineffective information flow, failure of internal controls, and a dispersed geography of programmes leads to a risk that funds could be misappropriated or

incorrectly recorded and information not being available to make informed decisions.

Mitigation Action 3: Investments in improved accounting systems and the development of standard accounting policies, procedures and definitions are currently being rolled out across all partnerships.

FUNDS HELD AS CUSTODIAN

Although the charity will maintain restricted funds to deal with incoming resources that are earmarked for a particular purpose by donors, sponsors, and other funders, the charity does not currently hold, and does not intend to hold, any funds as custodian for any third party.

This report was approved by the trustees on 26th October 2025 and was signed for and on behalf of the board by:



..... Chair of Trustees Mr Anthony Juniper

26th October 2025

Independent Auditor’s Report to the Members of Cool Earth Action

Opinion

We have audited the financial statements of Cool Earth Action (Limited by guarantee) (the ‘charitable company’) for the year ended 31 January 2025 which comprise of the income and expenditure account, the statement of financial activities, the balance sheet, statement of cashflows 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 (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 January 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 responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company'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 trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared 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 charitable company 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 directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes 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 charitable company'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 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.

As part of our audit work, we obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which they operate. We determined that the laws and regulations that were most significant were those that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, and compliance with the Charities Statement of Recommended Practice. In addition, we have considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Charity's ability to operate or to avoid a material penalty. These include data protection regulations, health and safety regulations, Proceeds of Crime Act, Bribery Act and employment legislation. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Obtain an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which it operates. We determined that the following laws and regulations were most significant: the Companies Act 2006, the Charities Act 2011, Health and Safety Regulations, Proceeds of Crime Act, Bribery Act and GDPR
- Review of the disclosures in the financial statements and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiries of management concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing minutes of meetings and correspondence with regulators;
- Performing audit work in connection with the risk of management override of controls, including testing journal entries for reasonableness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for potential bias.

We also communicate relevant identified laws and regulations and potential fraud risk to all engagement team members and remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit approach also considered the opportunities and incentives that may exist within the charity for fraud and identified the greatest potential for fraud being in respect of cut off and completion risk around revenue recognition. Under ISA (UK) we are also required to undertake procedures to respond to the risk of management override of controls. Our procedures included the following:

- Undertaking transactional testing on revenue
- Performing completeness testing on the donation income
- Performing cut off testing on income
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale for significant transactions outside the normal course of business
- Reviewing estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located 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.

Josh Stevens ACA (Senior Statutory Auditor)
For and on behalf of RRL LLP
Chartered Accountants
Statutory Auditors

Peat House
Newham Road
TRURO
TR1 2DP

COOL EARTH ACTION
STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)
for the year ended 31 January 2025

	Notes	Unrestricted Funds £	Restricted Funds £	TOTAL 2025 £	TOTAL 2024 £
INCOME FROM:					
Donations and legacies	3	4,023,665	701,853	4,725,518	4,856,463
Other trading activities	4	2,048	-	2,048	20,658
Investments	5	120,645	-	120,645	8,493
TOTAL		4,146,358	701,853	4,848,211	4,885,615
EXPENDITURE ON:					
Raising funds	6	(512,624)	-	(512,624)	(514,796)
Charitable activities: Project Work	7	(2,071,391)	(1,329,583)	(3,400,974)	(3,836,195)
TOTAL		(2,584,015)	(1,329,583)	(3,913,598)	(4,350,991)
NET INCOME AND NET MOVEMENT IN FUNDS		1,562,343	(627,730)	934,613	534,624
RECONCILIATION OF FUNDS					
Fund balances brought forward at 1 February 2024		<u>4,404,502</u>	<u>909,480</u>	<u>5,313,983</u>	<u>4,779,359</u>
FUND BALANCES CARRIED FORWARD AT 31 JANUARY 2025		<u>5,966,845</u>	<u>281,751</u>	<u>6,248,596</u>	<u>5,313,983</u>

COOL EARTH ACTION
STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)
For the year ended 31 January 2024

	Notes	Unrestricted Funds £	Restricted Funds £	TOTAL 2024 £	TOTAL 2023 £
INCOME FROM:					
Donations and legacies	3	3,211,333	1,645,130	4,856,463	6,075,019
Other trading activities	4	20,658	-	20,658	20,477
Investments	5	8,493	-	8,493	1,365
TOTAL		3,240,484	1,645,130	4,885,614	6,096,861
EXPENDITURE ON:					
Raising funds	6	(430,817)	(83,979)	(514,796)	(1,004,810)
Charitable activities: Project Work	7	(1,709,851)	(2,126,344)	(3,836,195)	(5,004,776)
TOTAL		(2,140,668)	(2,210,323)	(4,350,991)	(6,009,586)
NET INCOME AND NET MOVEMENT IN FUNDS					
		1,099,816	(565,193)	534,623	87,275
RECONCILIATION OF FUNDS					
Fund balances brought forward at 1 February 2023		3,304,686	1,474,673	4,779,359	4,692,084
FUND BALANCES CARRIED FORWARD AT 31 JANUARY 2024		4,404,502	909,480	5,313,982	4,779,359

**COOL EARTH ACTION
BALANCE SHEET**

as at 31 January 2025

	Notes	2025 £	2024 £
FIXED ASSETS			
Intangible assets	11	31,624	24,557
Tangible assets	12	2,831	1,792
		<u>34,455</u>	<u>26,349</u>
CURRENT ASSETS			
Debtors	13	966,867	2,305,767
Cash at bank and in hand		5,306,957	3,053,167
		<u>6,273,823</u>	<u>5,358,934</u>
LIABILITIES			
Creditors: Amounts falling due within one year	14	(59,682)	(71,300)
		<u>6,214,141</u>	<u>5,287,634</u>
NET CURRENT ASSETS			
		<u>6,248,596</u>	<u>5,313,983</u>
TOTAL ASSETS LESS CURRENT LIABILITIES & NET ASSETS			
		<u>6,248,596</u>	<u>5,313,983</u>
THE FUNDS OF THE CHARITY			
Restricted income funds	15	281,751	909,481
Unrestricted funds	15	5,966,845	4,404,502
		<u>6,248,596</u>	<u>5,313,982</u>

The financial statements on pages 19 to 35 were approved by the trustees and authorised for issue on 17th October 2025, and are signed on their behalf by


..... Trustee
DATE: 26th October 2025

Company Number: 06053314

COOL EARTH ACTION STATEMENT OF CASH FLOWS

for the year ended 31 January 2025

	Notes	2025 £	2024 £
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash provided by operating activities	17	2,156,552	455,262
CASH FLOWS FROM INVESTING ACTIVITIES:			
Dividends, interest and rents from investments		120,645	8,493
Purchase of intangible fixed assets		(18,000)	-
Purchase of tangible fixed assets		(5,407)	-
Short term investment withdrawn/(deposited)		-	-
Net cash provided by/(used in) investing activities		<hr/> 97,238	<hr/> 8,493
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD		<hr/> 2,253,790	<hr/> 463,756
Cash and cash equivalents at the beginning of the reporting period		3,053,167	2,589,411
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	18	<hr/> 5,306,957	<hr/> 3,053,167

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2025

1. ACCOUNTING POLICIES

Company Information

Cool Earth Action is a private company limited by guarantee incorporated in England and Wales. The registered office is Tremough Innovation Centre, Penryn Campus, Penryn TR10 9TA, with the principal place of business being the same.

The company's principal activity is disclosed in the Trustees' Annual Report.

Basis of Accounting

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the requirements of the Companies Act 2006 and under the historical cost convention. Within the definitions of FRS 102, the charitable company, which is limited by guarantee, is a public benefit entity.

The financial statements have also been prepared in accordance with the accounting policies set out in more detail below, to comply with the charitable company's governing document, the Charities Act 2011 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).

The financial statements are prepared in Sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £1.

Going Concern

The charitable company is fundamentally dependent upon the continuing financial support of sponsors, supporters and other key funders to remain a going concern. The trustees have formulated financial plans for the future, as at the date of adoption of these financial statements and on the basis of estimated future cash flows, the trustees are of the opinion that the charitable company will be able to continue its activities and meet all of its liabilities as they fall due for a period of at least twelve months from the date of the adoption of these financial statements. Therefore, these financial statements have been prepared on the going concern basis.

COOL EARTH ACTION

NOTES TO THE FINANCIAL STATEMENTS

(Continued) for the year ended 31 January 2025

1. ACCOUNTING POLICIES (Continued)

Income

All income is included in the statement of financial activities when the charitable company is entitled to the funds, receipt is probable, and the amount can be quantified with reasonable accuracy. Donations are normally brought into account when received and are stated gross of any attributable tax recoverable.

Grants receivable including government grants are accounted for in the year in which the Charity is entitled to receipt. A legacy or bequest is recognised in the financial statements when the certainty of receipt and the amount receivable has been established. Donations and grants given for specific purposes are treated as restricted income. All other income, including investment income, is accounted for on a receivable basis as and when earned by the charity.

Gifts In Kind

The value of gifts in kind is recognised as income where the gross value to the charitable company can be assessed with reasonable accuracy. Where this is not the case, the nature of the gift is disclosed.

Foreign Currencies

Transactions denominated in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date. All exchange gains or losses are included in the statement of financial activities in the period to which they relate.

Expenditure

All expenditure is accounted for on an accruals' basis inclusive of any irrecoverable Value Added Tax and is allocated as direct costs in the statement of financial activities where the costs can be identified as being directly related to raising funds or to charitable activity. Where costs cannot be directly attributed, they are allocated to categories on a basis consistent with the budgeted use of the resources concerned or in proportions based upon a suitable ratio applicable to the nature of the cost involved.

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS

(Continued) for the year ended 31 January 2025

Grants payable are recognised in the period in which the approved offer is conveyed to the recipient in those cases where the offer is conditional, such grants being recognised only when the conditions attaching to the award are fulfilled. Grants offered subject to conditions, which have not been met at the balance sheet date, are noted as a potential commitment, but are not treated as a liability.

1. ACCOUNTING POLICIES (Continued)

Governance costs comprise specific direct costs incurred by the charity in relation to operating the charitable company as a charitable company, which includes audit fees, and a proportion of certain other support costs allocated to governance by the trustees.

Intangible Fixed Assets

All intangible assets purchased costing more than £1,000 that have a useful economic life that exceeds one year are capitalised and classified as intangible fixed assets. Intangible fixed assets are stated at historical cost less amortisation.

Amortisation is provided on all intangible fixed assets at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:

Website on a 33% straight-line basis

Tangible Fixed Assets

All tangible assets purchased costing more than £1,000 that have a useful economic life that exceeds one year are capitalised and classified as tangible fixed assets.

Tangible fixed assets are stated at historical cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:

Office & computer equipment on a 33% straight-line basis

Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are therefore classified and accounted for according to the substance of the contractual arrangement as financial assets, financial liabilities or equity instruments.

An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities.

COOL EARTH ACTION

NOTES TO THE FINANCIAL STATEMENTS

(Continued) for the year ended 31 January 2025

Financial Assets and Liabilities

The charitable company's debtors and creditors that meet the definition of either a financial asset or a financial liability are initially recognised at the transaction value and thereafter are stated at amortised cost using the effective interest method.

1. ACCOUNTING POLICIES (Continued)

Fund Accounting

The general fund comprises the accumulated surpluses of unrestricted income over expenditure, which is available for use in furtherance of the general objectives of the charitable company.

Designated funds are a particular form of unrestricted funds consisting of amounts, which have been allocated or designated for specific purposes by the trustees. The use of designated funds remains at the discretion of the trustees.

Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of the restricted funds are set out in the notes to the financial statements. Amounts unspent at the period end are carried forward in the balance sheet.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charitable company'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 underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There were no specific judgements, estimates and assumptions that were critical to the preparation of these financial statements.

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS
(Continued) for the year ended 31 January 2025

3. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	TOTAL 2025 £	TOTAL 2024 £
Donations received from individuals and on-line through the charity's website	1,931,076	242,753	2,173,829	1,976,578
Other donations received from corporate and other similar supporters	946,806	254,125	1,200,931	1,638,001
Income from non-core campaign	-	-	-	597,345
Income from Legacies	250,000	-	250,000	-
Grants	888,350	204,975	1,093,325	630,000
Donations in kind:				
Marketing	7,433	-	7,433	14,540
Accommodation costs	-	-	-	-
	4,023,665	701,853	4,725,518	4,856,464

The charity has been notified of its inclusion as a beneficiary in two estates. At the year end, the amounts receivable from these estates cannot be reliably quantified. In accordance with the charity's accounting policy that legacy income is only recognised when receipt is probable and the amount can be measured reliably, these legacies have not been included in the current year's income. The legacies will be recognised in the accounts in the period when the recognition criteria are met.

4. OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	TOTAL 2025 £	TOTAL 2024 £
Shop sales and other similar income	2,048	-	2,048	20,658
	2,048	-	2,048	20,658

5. INVESTMENTS

	Unrestricted Funds £	Restricted Funds £	TOTAL 2025 £	TOTAL 2024 £
Bank interest receivable on short term cash deposits	120,645	-	120,645	8,493
	120,645	-	120,645	8,493

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS
(Continued) for the year ended 31 January 2025

6. RAISING FUNDS

	Unrestricted Funds £	Restricted Funds £	TOTAL 2025 £	TOTAL 2024 £
Direct costs	143,359	-	143,359	150,028
Support costs - see note 8 (30%)	369,265	-	369,265	384,768
	<u>512,624</u>	<u>-</u>	<u>512,624</u>	<u>534,796</u>

7. PROGRAMMES

	Unrestricted Funds £	Restricted Funds £	TOTAL 2025 £	TOTAL 2024 £
Direct costs	1,209,772	1,329,583	2,539,355	2,865,574
Support costs - see note 8 (70%)	861,619	-	861,619	970,621
	<u>2,071,391</u>	<u>1,329,583</u>	<u>3,400,974</u>	<u>3,836,195</u>

8. CHARITABLE ACTIVITY EXPENDITURE

Activity or Programme	Activities undertaken directly	Grants Funding of Activities	Support costs	Total
Peru	1,768,783	-	600,160	2,368,943
PNG	495,504	-	168,128	663,632
Cameroon CCREAD	-	228,366	77,485	305,851
Go Conscious Earth	-	46,702	15,846	62,548
Total	<u>2,264,287</u>	<u>275,068</u>	<u>861,619</u>	<u>3,400,974</u>

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS
(Continued) for the year ended 31 January 2025

9. SUPPORT & GOVERNANCE

	Unrestricted Funds		Restricted Funds	TOTAL 2025	TOTAL 2024
	Support Costs	Governance Costs	£	£	£
Donations in kind:					
Marketing costs	7,433	-	-	7,433	14,540
Staff costs (15%) - note 10	788,434	139,135	-	927,569	1,004,670
Staff recruitment, training and welfare (30%)	35,240	15,103	-	50,343	26,253
Travel and subsistence expenses (15%)	21,738	3,836	-	25,574	25,056
Premises operating lease costs (30%)	29,970	12,844	-	42,814	51,930
Other premises costs (40%)	3,615	2,410	-	6,025	4,337
Communications costs (60%)	28,823	43,234	-	72,057	112,318
Other costs (50%)	6,433	6,434	-	12,867	6,576
Legal and professional fees (10%)	10,100	1,123	-	11,223	25,052
Auditor's remuneration:					
Audit fee (100%)	-	20,000	-	20,000	-
Accountancy and advisory services (100%)	-	33,439	-	33,439	15,574
Amortisation (25%)	8,200	2,733	-	10,933	33,900
Depreciation - owned assets (25%)	3,276	1,092	-	4,368	7,860
Exchange losses	6,239	-	-	6,239	7,325
	949,501	281,383	-	1,230,884	1,335,391

Support costs are allocated directly based on activity and thereafter using the ratios, which are based on estimated assessed impact of the costs involved. The percentage of costs allocated as governance is disclosed above where relevant. Support costs are currently split 30:70 between raising funds and programmes

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS
(Continued) for the year ended 31 January 2025

10. STAFF COSTS

The average monthly number of persons employed by the charitable company (excluding trustees) during the year was, as follows:

	2025 No.	2024 No.
UK Staff	16	19
Overseas Staff	20	16
Staff costs for the above persons:		
	£	£
Wages	753,730	886,765
Employers NI	78,870	100,135
Employers Pension Costs	17,728	17,769
Contractors	77,242	57,593
	<u>927,570</u>	<u>1,062,262</u>
Overseas Staff Costs		
Employed Staff Costs	430,610	392,307
Contractors	104,109	131,457
	<u>534,719</u>	<u>523,764</u>
Total Staff Costs	<u>1,462,289</u>	<u>1,586,026</u>

During the year, one employee earned annual remuneration in the range £60,000 to £70,000 (2023/2024: no employee in the range £60,000 to £70,000).

During the year, one employee earned annual remuneration in the range £110,00 to £120,000 (2023/2024: one employee in the range £110,000 to £120,000).

The highest paid employee is part of the key management team.

During the year, the total amount of employee benefits received by key management personnel for their services to the charitable company amounted to £329,529 (2023/2024: £268,236).

No trustee received any remuneration for services provided to the charity as a trustee during the current or previous year.

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS
(Continued) for the year ended 31 January 2025

Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to income and expenditure in respect of the defined contribution schemes was £17,728 (FY24 £17,769)

At the year end £6,999 contributions were outstanding (FY24 £264)

11. INTANGIBLE ASSETS

	Website
	£
Cost:	
01 February 2024	328,623
Additions	18,000
Disposals	(204,558)
Friday, January 31, 2025	<hr/> 142,065
Amortisation:	
01 February 2024	304,066
Charge for the year	10,933
Disposals	(204,558)
31 January 2025	<hr/> 110,441
Net book value:	
31 January 2025	31,624
31 January 2024	<hr/> <hr/> 24,557

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS
(Continued) for the year ended 31 January 2025

12. TANGIBLE ASSETS

	Office & computer equipment
	£
Cost:	
01 February 2024	72,910
Additions	5,407
Disposals	(16,117)
31 January 2025	62,200
Depreciation:	
01 February 2024	71,118
Charge for the year	4,368
Disposal	(16,117)
31 January 2025	59,369
Net book value:	
31 January 2025	2,831
31 January 2024	1,792

13. DEBTORS

	2025	2024
	£	£
Amounts falling due within one year:		
Trade debtors	574,552	70,389
Other debtors	1,427	2,235,380
Prepayments and accrued income	390,888	(2)
	966,867	2,305,767

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS

(Continued) for the year ended 31 January 2025

14. CREDITORS	2025	2024
	£	£
Amounts falling due within one year:		
Trade creditors	25,939	58,532
Other taxation and social security costs	-	-
Other creditors	7,005	12,768
Accruals	26,738	-
	<u>59,682</u>	<u>71,300</u>

15. THE FUNDS OF THE CHARITY	Balance at 1 February 2024	Income	Expenditure	Balance at 31 January 2025
	£	£	£	£
Restricted income funds:				
Peru fund	-	167,730	(167,730)	-
PNG fund	-	241,370	(241,370)	-
Forest Research	228,011	30,000	(258,011)	-
Forest Research- PNG	-	34,975	(34,975)	-
Forest Research- Peru	-	144,000	(144,000)	-
Unconditional Cash Transfers	632,604	-	(350,852)	281,751
Cash Transfer Peru	48,867	80,000	(128,867)	-
PNG WASH	-	3,778	(3,778)	-
	<u>909,481</u>	<u>701,853</u>	<u>(1,329,583)</u>	<u>281,751</u>
Unrestricted income funds:				
General fund	4,404,502	4,146,357	(2,584,014)	5,966,845
	<u>5,313,983</u>	<u>4,848,211</u>	<u>(3,913,598)</u>	<u>6,248,596</u>

The Peru fund was originally set up in 2009 to conserve not less than 1,000 acres of endangered rainforest through the Ashaninka project in Peru and to provide support to the local communities. The Peru restricted fund is still used to account for specific donation income received for the benefit of Cool Earth's projects in Peru and the related restricted expenditure.

The PNG fund was originally set up in 2017 to account for specific donation income received for the benefit of Cool Earth's projects in Papua New Guinea (PNG) and the related restricted expenditure.

The Forest Research funds support the organisation's Rainforest Labs projects that provide data, equipment and training to communities that monitor and protect their rainforest using remote sensing.

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS

(Continued) for the year ended 31 January 2025

The Cameroon fund was set up in 2019 in respect of Cool Earth's partnership with a local NGO, the Centre for Community Regeneration and Development (CCREAD), which is offering communities an alternative to the logging and bushmeat trades. This project aims to provide alternative sustainable livelihoods that reduce pressure on the wildlife-rich rainforest.

All other restricted funds relate to pre-funding for ongoing programming work as indicated by their title;

- The Forest Research fund exists to pre-fund future Rainforest Lab initiatives and provide reserve funding for existing ones.
- The Unconditional Cash Transfers funds support grants made to communities, federations and individuals who protect rainforest.
- The Queen's Green Canopy fund held donations relating to the project that encouraged the conservation of ancient forests in the UK and native species planting. All funds were spent before the 2023/24 year end.

The Unrestricted General Fund ensures programming work across the organisation and operations can continue even in the eventuality of poor fundraising performance as outlined in the Reserves Policy.

	Balance at 1 February 2023	Income	Expenditure	Balance at 31 January 2024
	£	£	£	£
Restricted income funds:				
Peru fund	-	46,385	(46,385)	-
PNG fund	-	138,750	(138,750)	-
Cameroon fund	-	25,000	(25,000)	-
Forest Research	-	283,662	(55,651)	228,011
Unconditional Cash Transfers	395,617	343,000	(106,013)	632,604
Programmes	-	180,574	(131,707)	48,867
New Partnership	60,641	23,338	(83,979)	-
The Queen's Green Canopy fund	1,018,417	608,439	(1,626,856)	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1,474,675	1,649,148	(2,214,341)	909,481
Unrestricted income funds:				
General fund	<hr/>	<hr/>	<hr/>	<hr/>
	3,304,686	3,236,466	(2,136,650)	4,404,502
Net Asset	<hr/>	<hr/>	<hr/>	<hr/>
	4,779,361	4,885,614	(4,350,991)	5,313,983

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS
(Continued) for the year ended 31 January 2025

**16. ANALYSIS OF NET ASSET
BETWEEN FUNDS**

	Fixed assets £	Current assets £	Current liabilities £	Total £
As at 31 January 2025:				
Restricted income funds:				
Unconditional Cash Transfers	-	281,752	-	281,752
Unrestricted income funds:				
General fund	34,455	5,992,071	(59,682)	5,966,844
NET ASSETS	<u>34,455</u>	<u>6,273,823</u>	<u>(59,682)</u>	<u>6,248,596</u>

	Fixed assets £	Current assets £	Current liabilities £	Total £
As at 31 January 2024:				
Restricted income funds:				
Forest Research	-	228,011	-	228,011
Unconditional Cash Transfers	-	632,604	-	632,604
Cash Transfer Peru	-	48,867	-	48,867
Unrestricted income funds:				
General fund	26,349	4,449,452	(71,300)	4,404,502
NET ASSETS	<u>26,349</u>	<u>5,358,935</u>	<u>(71,300)</u>	<u>5,313,983</u>

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS
(Continued) for the year ended 31 January 2025

17. RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	2025	2024
	£	£
Net income for the reporting period	934,613	534,624
Adjustments for:		
Dividends, interest and rents from investments	(120,645)	(8,493)
Amortisation charges	10,933	33,900
Depreciation charges	4,368	7,861
Loss on disposal of tangible fixed assets	-	151
(Increase)/decrease in debtors	1,338,900	(39,969)
Increase/(decrease) in creditors	(11,617)	(72,813)
Net cash provided by operating activities	2,156,552	455,263

18. ANALYSIS OF NET DEBT

	2024	Cashflows	2025
	£	£	£
Cash at bank and in hand	3,053,167	2,253,790	5,306,957

COOL EARTH ACTION NOTES TO THE FINANCIAL STATEMENTS

(Continued) for the year ended 31 January 2025

19. RELATED PARTY TRANSACTIONS

During the current and previous year, the trustees provided donations-in-kind to the charity by way of incurring expenses personally and not seeking reimbursement from the charity in respect of those expenses. These expenses have not been quantified.

During the year, trustees' expenses reimbursed totalled £239 (2023/24; £nil). These related to travel and subsistence costs incurred in connection with trustee duties.

Gifts received by trustees during the year totalled £310 (2023/24; £nil). These gifts were received in the normal course of the charity's activities and did not influence trustee decision-making.

The charity undertook the following transactions with related parties during the year:

Cool Earth US Cool Earth US is a related charity sharing common objectives. During the year, the charity made donations totalling £1,080,567 (2023/24; £977,457) to Cool Earth Action.

Cool Earth Realisations Ltd

During the 2023/24 financial year a company under common control of Cool Earth was retired from the Register of Companies whilst still carrying a cash balance. The amount of £2,224,071 was retrieved from the Treasury Solicitor at the start of the 2024/25 financial year and returned to reserves.

20. CAPITAL COMMITMENTS

The charity has committed to expenditure on a new website totalling £26,400. This commitment was made prior to the year end but the costs will be incurred after the balance sheet date and have therefore not been included in these financial statements.

21. AUDITOR LIABILITY LIMITATION AGREEMENT

For the year ended 31 January 2025, the charity entered into a liability limitation agreement with its auditors, the principal terms of which limit the liability of the auditors to £5million in relation to their responsibilities as auditors of the charity. The date this was agreed by the charity was 5th June 2025.

COOL EARTH ACTION

England & Wales - Charity number 1117978

Accounts

COOL EARTH ACTION

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COOL EARTH ACTION

DIRECTOR'S INTRODUCTION

For the year ended 31 January 2024

Just in case we were getting used to the climate crisis, 2023 reminded us just how quickly things can worsen. It wasn't just the hottest year on record, it was the hottest by a wide margin.

But whilst the records broken for ocean heat, sea level rise, Antarctic ice loss and glacier retreat are truly shocking, the fact that extreme weather created so much hunger will mark the year out. The threat that climate change poses to lives has never been so clear. Well over 300 million people now face food insecurity, more than double the figure in 2019.

This is no surprise to the rainforest communities that we work alongside. When we look at how the resources we provide to families and villages are used, food consistently holds the top spot. This reflects the cycles of floods and droughts that have moved from once-in-a-lifetime events to every few years. People sensibly assume the frequency will increase.

This is why the consistency of the support Cool Earth receives from our donors is so fundamental to our impact. The threats to families and forests have evolved during Cool Earth's sixteen years of operations but the reliability and flexibility of our support has ensured resilience in rainforest communities. And in 2023, just as in 2007, community resilience equals rainforest protection.

This expansive review of the year details just how effective our approach is. In a year of record heat Cool Earth's team and the partners we work alongside have delivered record impact. In the year ahead, with a doubling of cash and data resources to communities, I can promise our unique approach to rainforest protection will break records again

Matthew Owen, Director, Cool Earth Action

Local and Indigenous led

Whilst the world is being destroyed by industries, extractive activities, fossil fuel dependency and wars, we, Indigenous peoples stand at the forefront and fight to protect our territory.

It is crucial to recognise the role of Indigenous peoples and local communities in keeping rainforests alive, preserving biodiversity and defending ancestral lands. This is where our resistance thrives.

The Amazon rainforest is a graveyard of failed projects. They all started from a colonial vision that imposed external ideas on communities. Our work with Cool Earth is different. We start by understanding the needs and realities of our communities.

Together, we have come to understand the common vision of the people who live in and have protected the rainforest for generations. This is essential for achieving sustainability. We value the work that Indigenous communities have already done and strengthen their autonomy in the face of the climate crisis.

Ketty Marcelo, President of ONAMIAP, The National Organization of Andean and Amazonian Indigenous Women of Peru

In Dedication

This report is dedicated to Frank Field, Cool Earth's co-founder and one of the most influential politicians of his generation. None of our work would be possible without our incredible supporters, and it was with great sadness that early 2024 we lost Frank.

Frank campaigned tirelessly on social justice, tackling poverty and ensuring decency in politics. Co-founding Cool Earth in 2007, Frank turned his attention to climate change and the outdated and ineffective conservation models that had failed to halt rainforest destruction.

Frank's vision was to put local and Indigenous peoples back in control of their rainforest. The greatest tribute we can pay him is to continue Cool Earth's people-first approach and prove his vision, that protecting rainforest community rights really is the smartest climate action.

Cool Earth exists to back people living in rainforest and fight the climate crisis

We halt deforestation by supporting the Indigenous peoples and local communities who rely on and live alongside the rainforest. They have the longest and best track record of keeping the rainforest standing, allowing it to remain a vital carbon sink. With tropical rainforests found in some of the planet's most marginalised areas, we must recognise that injustices created by poor social and economic policy play a major role in deforestation. In the face of these injustices, our support must be unconditional.

Last year our partnerships in Peru saw Cyclone Yaku and the onset of El Niño contributing to unpredictable weather and landslides that prevented us from reaching Awajún communities. Political instability and unrest in Papua New Guinea led to riots in the capital, pausing travel to the communities we work with. As well as the Peruvian government making controversial changes to the Forestry and Wildlife law that has the potential to put Indigenous peoples and the Amazon at risk.

Extreme weather patterns, unpredictable political events, and economic crises are just a few of the threats against the livelihoods of those living in the rainforest. These factors all have an impact on the Indigenous communities we work with and the support they need to remain strong and resilient.

Less than 1% of climate funding is allocated to Indigenous peoples and local communities in the rainforest, despite the essential role they play in its protection. They have contributed to the climate crisis the least, yet are expected to fix it, and with no resources.

The urgency of backing them to keep their rainforest home intact for their communities, and the planet, cannot be overstated. We do this in three ways - providing unconditional cash, supporting locally-led projects and ensuring access to rainforest data via our Rainforest Labs.

The trustees present their report and the financial statements for Cool Earth Action (also known as and referred to as “Cool Earth”) for the year ended 31 January 2024.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association of the charitable company, 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

Cool Earth is a network of community led conservation partnerships. It works alongside people living in rainforests to demand and deliver its protection. Cool Earth’s founding principle is that people who live in rainforests must determine its future. Without this, rainforest destruction will remain a key driver of the climate crisis.

Cool Earth was created in 2007 to provide grant funding to rainforest communities and NGOs that work alongside them. The charity has worked to protect at-risk forest and ensure the voices of people who live in rainforests lead decisions that affect their future.

The essential role that rainforest protection plays in addressing the climate crisis becomes clearer each year. So too does the realisation that the conservation sector has contributed to the abuse and disenfranchisement of people who live in rainforests.

Cool Earth has strived to put its planning, its decisions and its spending in the hands of people who live in rainforests and to ensure power lies within communities themselves. Progress has been made but there is still much to do.

Above all, six core values must become embedded into everything Cool Earth does:

- People who live in rainforests determine its future;
- Funding decisions are planned, led and implemented by rainforest communities;

- Conservation leadership is from the ground up and is not imposed by Cool Earth or partner NGOs;
- Conservation funding is a transaction that has consequences beyond its monetary value. As such, each transaction must be fair and transparent
- The use of evaluation and monitoring technologies must serve communities, to enhance their, and our, understanding of emerging threats to the forest through an equal exchange of knowledge; and
- When Cool Earth is privileged to have a presence in a community, it keeps intervention to a minimum.

Public Benefit

Under Section 17 of the Charities Act 2011, the trustees have followed the Charity Commission's guidance on public benefit. Cool Earth aims to achieve the following objectives:

- To provide grant funding to rainforest communities to support their work in protecting at-risk forest, and ensure their voice is heard in agreements that affect the future of rainforests; and
- To promote a greater recognition that local leaders and communities must lead and be rewarded for the development of strategies to address the role destruction of the natural world plays in the climate crisis.

Trustees' assessment of public benefit

In monitoring the progress of the charity in terms of delivery of public benefit, the trustees use the following measures of success and gather evidence accordingly:

- Participating in partnerships to protect rainforest at risk of destruction and degradation;
- Evaluating the effectiveness of indigenous peoples and local communities in protecting rainforest compared to protected areas and privately or state-owned forest; and
- Assessing and measuring the amounts of forest protected and quantities of carbon stored by each partnership through satellite mapping and ground surveying.

Programmes

In 2021 we developed a Programmes Strategy to guide our work until 2026. We continued to work to this framework through 2023/24, building on two key existing projects, Unconditional Cash Transfers and Rainforest Labs, as well as continuing to work with local partners and communities across the three major rainforest biomes on a range of projects to protect rainforest and back indigenous and local people living there.

We are proud to be protecting over 457,000 hectares of rainforest, working with over 59,000 people and representing 60 communities in the Amazon Basin, the Congo Basin and the New Guinea rainforest.

We are also proud to be supporting 40 locally led projects. Each one protects the rainforest by ensuring those who live there can make an income. Sustainable businesses, like jewellery making, fish farming, cacao production and farming as well as weaving, strengthen communities, preserve their culture and create financial security. When people living in the rainforest have cash, they have choice. Choices beyond selling their land to survive.

Each one of our programmes tackles a challenge which is different from the rest.

2023/24 saw:

The world's first basic income pilot for Indigenous peoples

In 2023, together with female led Indigenous partners ONAMIAP and OMIAASEC, as well as tech partners AidKit, we co-created the world's first basic income pilot for Indigenous peoples living in rainforests.

For the next two years every adult in three communities in the Amazon will receive a regular income to sustain their needs. That means cash directly in the hands of the people with an unbeatable record of keeping rainforests safe. It matters, because the rainforest is their home, and if they are forced to leave, those who want to destroy it will move in.

Data for all

Rainforest Labs, we're talking about data and technology in Indigenous communities to give people control over their lives, their land, and the future of their rainforests.

With tech partners Cadasta, the technology is enabling communities to track real-time threats such as forest fires, flooding or illegal loggers. In 2023 we opened a new Rainforest Lab in Huaracayo, in the Awajún community in Peru, the first to trial running on solar power.

Our Lab in Oviri, based in the Asháninka community, is entering its second year. And we started construction on a brand-new Rainforest Lab in Papua New Guinea – our first in the country.

Peru

Along with the basic income pilot, Rainforest Labs and supporting locally-led projects, we have been working to reduce wildfires in the Amazon rainforest. Thanks to PAAMARI, a one-of-a-kind initiative led by Indigenous led organisation CARE, 50% of the rainforest we protect in Peru is monitored for wildfires.

In partnership with CARE we trained 126 people to join 18 Forest Surveillance Committees across 19 communities in the Ene River basin to detect fires and safely put them out. We also established a new wildfire monitoring centre in the city of Satipo. As a result of all this work, 5,000 Asháninka families and their livelihoods are better protected from wildfires.

Papua New Guinea

We've signed new partnerships with both the Gadaisu and Kondu communities in Papua New Guinea doubling the amount of rainforest protected. These partnerships promise to work closely together in developing projects that will ultimately reduce deforestation in these areas. This is a huge step forward in our mission to back even more people in Papua New Guinea, and to protect more rainforest.

Just 33% of people in rural communities in Papua New Guinea have access to clean water and 13% to basic sanitation. So we have been working in partnership with local organisation Rural Water Supply and Sanitation Project (RWSSP) to install 90 giant water tanks and 100 toilets in Gadaisu and Sololo to improve health and sanitation for over 3,000 people. We are also training the community in how to maintain and fix the water tanks and toilets so the project's impact lasts.

Cameroon

We've been working to back land rights for rainforest communities right across Cameroon. Since 2021 we have been working on 'Our forest our future' programme. Working with local organisation OELO, helping to create community forests and support local projects in the Bas Ogooue region of Gabon.

We supported 33,646 people within the Bikoro Territory in partnership with Go Conscious Earth. The two-year partnership has now ended but we will continue championing their important work.

105 family run organic farms have been established on previously used land, rejuvenating old farms and preventing further forest clearances thanks to our work with CCREAD supporting 20 rainforest communities in Cameroon.

GOVERNANCE, STRUCTURE AND MANAGEMENT

The charitable company is governed by the rules and regulations set down in its Memorandum and Articles of Association dated 15 January 2007. Cool Earth has two operational hubs in Peru and Papua New Guinea that operate as locally registered organisations. They are regional partnerships that work to ensure local people's rights over the rainforest are exercised. Each hub is led by a Global Head of Department and supported by other members of the Global Leadership Team. As well as programming, each hub also contributes to Cool Earth's finance, human resources, fundraising and communications capacity.

The Peru Hub is made up of six regional partnerships that include two indigenous nations. It has a team of 18 staff and 39 consultants. The PNG Hub is composed of three regional partnerships and has a team of 6 staff and 15 consultants.

The Cool Earth network also includes three exceptional locally led organisations that are designing and delivering people-led approaches to forest protection, shaping the future of rainforest conservation in Cameroon, Gabon, and the Democratic Republic of the Congo. Cool Earth provides support, funding and evaluation for the members of this network.

The overall strategic direction of the charity is determined by the trustees, who meet formally twice a year and periodically to address exceptional issues. The trustees are responsible for planning and policy making, and accordingly, all key decisions are referred to and taken by the board of trustees. Day to day management is provided

by an executive director based in the UK who is supported by a senior leadership group and a team of 15.

Public Benefit

Under Section 17 of the Charities Act 2011, the trustees have followed the Charity Commission's guidance on public benefit. Cool Earth aims to achieve the following objectives:

To provide grant funding to rainforest communities to support their work in protecting at-risk forest, and ensure their voice is heard in agreements that affect the future of rainforests; and

To promote a greater recognition that local leaders and communities must lead and be rewarded for the development of strategies to address the role destruction of the natural world plays in the climate crisis.

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Evaluating the effectiveness of indigenous peoples and local communities in protecting rainforest compared to protected areas and privately or state-owned forest; and

Assessing and measuring the amounts of forest protected and quantities of carbon stored by each partnership through satellite mapping and ground surveying.

Company Information

The trustees of the charity, also the directors of the company, who have held office since 1 February 2023 are as follows:

Mr. Anthony Juniper (Chair of Trustees)

Mr. Johan Eliasch

Ms. Gillian Burke

The Rt. Hon. Lord Deben

Mr. Mark Ellingham

The Rt. Hon. Lord Field CH - served as a board member until passing on 23rd April 2024

Mr. Johan Rockström

The Baroness Jenkin of Kennington resigned from the Cool Earth board on 20th March 2023 and we would like to thank her for her support, guidance and backing of Cool Earth and wish her the very best.

The principal address and registered address of the charity is Tremough Innovation Centre, Penryn, Cornwall, TR10 9TA.

The charity is registered under the charity number 1117978, and the company is incorporated with the company registration number 06053314.

The trustees have made the following professional appointments:

Solicitor: Stephens Scown LLP, 2 Kingdom Street, London, W2 6JP

Banker: CAF Bank, 25 Kings Hill Avenue, Kings Hill, West Malling, ME19 4TA

Auditor: RSM UK Audit LLP, Davidson House, Forbury Square, Reading, Berkshire RG1 3EU

Mr. Matthew Owen acts in an executive capacity as the Executive Director of Cool Earth Action and is responsible for the day-to-day management of the charitable company.

The key management personnel of Cool Earth Action are considered to be Matthew Owen, Dr. Hannah Peck (Deputy Director), Lauren Howard (Head of Fundraising and Engagement) and Sophie Kisnorbo (Head of Operations and HR).

The remuneration of the key management personnel is decided upon by the board of trustees taking account of performance and the levels of pay in a representative peer group of similar Non-Governmental Organisations.

The trustees are assisted by an Advisory Board of individuals that are neither trustees nor directors.

Trustees' Responsibilities

The trustees, who are the directors of Cool Earth for the purposes of company law, are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The report and accounts have been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies.

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 the incoming resources and application of resources, including the income and expenditure of the charitable company, for that period. In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it's inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in

the United Kingdom governing the preparation and dissemination of financial statements may differ from the legislation in other jurisdictions.

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our Trustees' Annual Report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- The trustees, having made enquires of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Method of Recruitment, Appointment, Election, Induction and Training of Trustees

The original trustees were the founders of the organisation with particular personal interests in attempting to find a way to actively tackle worldwide climate change issues. As and when a future vacancy arises, or should the required mix of skills, experience and knowledge required with the board of trustees change over time, such matters will be considered when recruiting suitable candidates.

In accordance with the company Memorandum and Articles of Association, the minimum number of trustees should not be less than three, but no maximum limit is dictated. It is likely in the future suitable trustee candidates will be identified by the existing trustees or be referred to the existing trustees through the Advisory Board and/or other interested third parties. Appointment as a trustee is by election and requires an ordinary resolution of the members of the charitable company.

All trustees are made aware of and have access to relevant Charity Commission publications and are regularly briefed by their professional advisers on significant developments within the charity sector that are applicable to the charity's circumstances.

New trustees are provided with both an introduction to the charity, its work and their role within it, and with pertinent copies of paperwork.

Relationship with Related Parties

In order to maximise the impact of Cool Earth's activities to support communities to protect rainforest, it is the policy of Cool Earth to develop partnerships with local communities and NGOs. On occasions, Cool Earth has become a significant co-funder of conservation projects with a range of organisations who have been selected on the basis of their experience, record of community engagement and commitment to the aims of Cool Earth.

Key partners of Cool Earth over the past year have included GCE, OELO, CCREAD, CARE, ONAMIAP, OMIAASEC, GreenTVETPNG, Rural Water Supply and Sanitation Project (RWSSP), Kokonas Industri Koporesen (KIK) and University of Goroka, Binatang Research Center and CELCOR, Cadasta and AidKit.

Cool Earth Action USA Inc. is an affiliated non-profit organisation in the USA that is registered as tax-exempt under section 501 (c)(3) of the federal law of the United States. Cool Earth Action USA Inc. does not share trustees or offices with Cool Earth Action but does contribute directly to Cool Earth Action's programmes.

Income and Fundraising

Cool Earth's income for the year was £4.88million (2022/2023: £6.09 million) and individuals, businesses and foundations continue to be the primary funding source.

In 2023, Cool Earth spent over £3.5m on programmatic work, including £2m given directly to communities living in rainforest.

- Donors in the UK & Europe together gave £3.27m
- Supporters in the US collectively donated \$1.18m
- We added £444,000 to our reserves, safeguarding the future of the organisation's vital work
- For every £1 we spent on fundraising, we raised £7.50

Financial Results of Activities and Events

Total income for the year amounted to £4,885,615 (2022/2023: £6,096,861), and total expenditure was £4,350,991 (2022/2023:£6,009,586), resulting in net income of £534,624 (2022/2023: £87,275).

The trustees are satisfied with the financial performance of the charitable company and its financial position at the balance sheet date.

During the year a trading subsidiary of Cool Earth was retired from the Register of Companies whilst still carrying a cash balance. These funds are in the process of being retrieved from the Treasury Solicitor who has confirmed no objection to the restoration. In these accounts the funds are therefore held in debtors and are expected to return to cash shortly after the balance sheet date.

Reserves Policy

As of 31 January 2024, the charity had “free reserves” of £4,378,151 (31 January 2023: £3,236,424). Beyond the requirements of a prudent working capital base, since 2011 Cool Earth has held a Reserves Fund, to ensure it can realise its commitments to community partners even in the event of an income shortfall.

Each year an assessment is made of the funding requirements of each partnership.. The ‘free reserves’ fulfils the funding requirements for every partnership that Cool Earth has entered into and allows for additional partnerships to be added in the current year.

Investments Policy

The trustees have wide ranging powers to invest the funds of the charity at their discretion and as they think fit. The charity makes use of a Sterling bank account and a US Dollar bank account to hold all the non-reserve funds of the charity as cash so that they are readily available to expend in support of the charity’s activities as and when required by the trustees. Reserves are currently held in high interest deposit accounts and should significant funds be received in the future the trustees will consider suitable investment opportunities.

Risk and Corporate Governance Matters

The trustees recognise that Cool Earth's range of operations in the UK and overseas expose it to a range of risks. In order to manage these risks appropriately and mitigate their impact on the operation and effectiveness of Cool Earth, the trustees have developed a risk strategy that details categories of risk and appropriate management strategies. A risk register is maintained by the Executive Director, which summarises key risks and which the board reviews.

As identified on the risk register, the main risks and the measures taken to mitigate them are as follows:

Risk 1: Natural or human induced hazards, such as floods, forest fires, epidemics and internal conflict impact on Cool Earth's ability to deliver parallel programmes and complete existing partnerships resulting in risk to personal security of staff, partners, assets and resources in country.

Mitigation Action 1: Country Security plans, and escalation processes, are in place to respond, adapt programmes and prepare contingency plans. During this year Hostile Environment Awareness Training was undertaken by key staff and in-country emergency procedures were updated for all Cool Earth's partnerships.

Risk 2: Failure to sustain levels of overall funding for Cool Earth's partnership commitments.

Mitigation Action 2: Cool Earth undertakes annual reviews of our fundraising and communications strategy. These have put in place strategies to diversify income by geography (an increase in non-sterling funds) and source (a more even division between business, individual and trust funders).

Risk 3: Ineffective information flow, failure of internal controls, and a dispersed geography of programmes leads to a risk that funds could be misappropriated or incorrectly recorded and information not being available to make informed decisions.

Mitigation Action 3: Investments in improved accounting systems and the development of standard accounting policies, procedures and definitions are currently being rolled out across all partnerships.

FUNDS HELD AS CUSTODIAN

Although the charity will maintain restricted funds to deal with incoming resources that are earmarked for a particular purpose by donors, sponsors, and other funders, the charity does not currently hold, and does not intend to hold, any funds as custodian for any third party.

Advantage has been taken of the small companies exemption in preparing the audit report.

This report was approved by the trustees on 24th October 2024, and was signed for and on behalf of the board by:


..... Chair of Trustees Mr Anthony Juniper

30/10/24

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COOL EARTH ACTION

Opinion

We have audited the financial statements of Cool Earth Action (the 'charitable company') for the year ended 31 January 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 FRS 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 January 2024 and of its incoming resources and application of resources 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 Charities Act 2011.

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 charitable company 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 charitable company'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, 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 the audit:

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared 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 charitable company 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 where 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on pages 11-16, the trustees 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 charitable company'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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the

assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the charitable company operates in and how the charitable company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud .

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011 and the charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Bribery Act 2010 and the Proceeds of Crime Act 2002. We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected the nominal ledger for any undisclosed transactions in relation to these regulations.

The audit engagement team identified the risk of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and testing the recognition of income in line with the SORP requirements.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://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.

Kerry Gallagher

KERRY GALLAGHER
Senior Statutory Auditor
For and on behalf of

30/10/24

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
Davidson House, Forbury Square, Reading RG1 3EU

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

COOL EARTH ACTION
STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)
For the year ended 31 January 2024

	Notes	Unrestricted Funds £	Restricted Funds £	TOTAL 2024 £	TOTAL 2023 £
INCOME FROM:					
Donations and legacies	3	3,211,333	1,645,131	4,856,463	6,075,019
Other trading activities	4	20,658	-	20,658	20,477
Investments	5	8,493	-	8,493	1,365
TOTAL		3,240,484	1,645,131	4,885,615	6,096,861
EXPENDITURE ON:					
Raising funds	6	(430,817)	(83,979)	(514,796)	(1,004,810)
Charitable activities: Project Work	7	(1,709,851)	(2,126,344)	(3,836,195)	(5,004,776)
TOTAL		(2,140,668)	(2,210,323)	(4,350,991)	(6,009,586)
NET INCOME AND NET MOVEMENT IN FUNDS					
		1,099,816	(565,193)	534,624	87,275
RECONCILIATION OF FUNDS					
Fund balances brought forward at 1 February 2023		3,304,686	1,474,673	4,779,359	4,692,084
FUND BALANCES CARRIED FORWARD AT 31 JANUARY 2024	14	4,404,502	909,481	5,313,983	4,779,359

COOL EARTH ACTION
STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)
For the year ended 31 January 2023

	Notes	Unrestricted Funds £	Restricted Funds £	TOTAL 2023 £	TOTAL 2022 £
INCOME FROM:					
Donations and legacies	3	2,522,261	3,552,758	6,075,019	3,832,012
Other trading activities	4	20,477	-	20,477	28,690
Investments	5	1,365	-	1,365	7,700
TOTAL		2,544,103	3,552,758	6,096,861	3,868,402
EXPENDITURE ON:					
Raising funds	6	(1,000,557)	(4,253)	(1,004,810)	(551,366)
Charitable activities: Project Work	7	(1,793,063)	(3,211,713)	(5,004,776)	(2,500,809)
TOTAL		(2,793,620)	(3,215,966)	(6,009,586)	(3,052,175)
NET INCOME AND NET MOVEMENT IN FUNDS		(249,517)	336,792	87,275	816,227
RECONCILIATION OF FUNDS					
Fund balances brought forward at 1 February 2022		3,554,203	1,137,881	4,692,084	3,875,857
FUND BALANCES CARRIED FORWARD AT 31 JANUARY 2023	14	3,304,686	1,474,673	4,779,359	4,692,084

COOL EARTH ACTION BALANCE SHEET

as at 31 January 2024

Company Number: 06053314

	Notes	2024 £	2023 £
FIXED ASSETS			
Intangible assets	10	24,557	58,457
Tangible assets	11	1,792	9,805
		<u>26,349</u>	<u>68,262</u>
CURRENT ASSETS			
Debtors	12	2,305,767	2,265,800
Cash at bank and in hand		3,053,167	2,589,411
		<u>5,358,934</u>	<u>4,855,211</u>
LIABILITIES			
Creditors: Amounts falling due within one year	13	(71,300)	(144,114)
		<u>5,287,634</u>	<u>4,711,097</u>
NET CURRENT ASSETS			
		<u>5,313,983</u>	<u>4,779,359</u>
TOTAL ASSETS LESS CURRENT LIABILITIES & NET ASSETS			
		<u>5,313,983</u>	<u>4,779,359</u>
THE FUNDS OF THE CHARITY			
Restricted income funds	14	909,481	1,474,673
Unrestricted funds	14	4,404,502	3,304,686
		<u>5,313,982</u>	<u>4,779,359</u>

The financial statements on pages 21 to 23 were approved by the trustees and authorised for issue on 24th October 2024, and are signed on their behalf by



Chair of Trustees Mr Anthony Juniper

30/10/24

COOL EARTH ACTION STATEMENT OF CASH FLOWS

for the year ended 31 January 2024

	Notes	2024 £	2023 £
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash provided by operating activities	16	455,262	(1,829,101)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Dividends, interest and rents from investments		8,493	1,365
Purchase of intangible fixed assets		-	-
Purchase of tangible fixed assets		-	(4,003)
Short term investment withdrawn/(deposited)		-	-
Net cash provided by/(used in) investing activities		8,493	(2,638)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD			
		463,756	(1,831,740)
Cash and cash equivalents at the beginning of the reporting period		2,589,411	4,421,150
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	17	3,053,167	2,589,410

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2024

1. ACCOUNTING POLICIES

Company Information

Cool Earth Action is a private company limited by guarantee incorporated in England and Wales. The principal address and registered office address of the charity is Tremough Innovation Centre, Penryn, Cornwall TR10 9TA.

The company's principal activity is disclosed in the Trustees' Annual Report.

Basis of Accounting

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the requirements of the Companies Act 2006 and under the historical cost convention. Within the definitions of FRS 102, the charitable company, which is limited by guarantee, is a public benefit entity.

The financial statements have also been prepared in accordance with the accounting policies set out in more detail below, to comply with the charitable company's governing document, the Charities Act 2011 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).

The financial statements are prepared in Sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £1.

Going Concern

The charitable company is fundamentally dependent upon the continuing financial support of sponsors, supporters and other key funders to remain a going concern. The trustees have formulated financial plans for the future, as at the date of adoption of these financial statements and on the basis of estimated future cash flows, the trustees are of the opinion that the charitable company will be able to continue its activities and meet all of its liabilities as they fall due for a period of at least twelve months from the date of the adoption of these financial statements. Therefore, these financial statements have been prepared on the going concern basis.

COOL EARTH ACTION

NOTES TO THE FINANCIAL STATEMENTS

(Continued) for the year ended 31 January 2024

1. ACCOUNTING POLICIES (Continued)

Income

All income is included in the statement of financial activities when the charitable company is entitled to the funds, receipt is probable, and the amount can be quantified with reasonable accuracy. Donations are normally brought into account when received and are stated gross of any attributable tax recoverable.

Government and institutional grants are accounted for on a receivable basis.

Donations and grants given for specific purposes are treated as restricted income.

All other income, including investment income, is accounted for on a receivable basis as and when earned by the charity.

Gifts In Kind

The value of gifts in kind is recognised as income where the gross value to the charitable company can be assessed with reasonable accuracy. Where this is not the case, the nature of the gift is disclosed.

Foreign Currencies

Transactions denominated in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date. All exchange gains or losses are included in the statement of financial activities in the period to which they relate.

Expenditure

All expenditure is accounted for on an accruals' basis inclusive of any irrecoverable Value Added Tax and is allocated as direct costs in the statement of financial activities where the costs can be identified as being directly related to raising funds or to charitable activity. Where costs cannot be directly attributed, they are allocated to categories on a basis consistent with the budgeted use of the resources concerned or in proportions based upon a suitable ratio applicable to the nature of the cost involved.

Grants payable are recognised in the period in which the approved offer is conveyed to the recipient in those cases where the offer is conditional, such grants being recognised only when the conditions attaching to the award are fulfilled. Grants offered subject to conditions, which have not been met at the balance sheet date, are noted as a potential commitment, but are not treated as a liability.

COOL EARTH ACTION

NOTES TO THE FINANCIAL STATEMENTS

(Continued) for the year ended 31 January 2024

1. ACCOUNTING POLICIES (Continued)

Governance costs comprise specific direct costs incurred by the charity in relation to operating the charitable company as a charitable company, which includes audit fees, and a proportion of certain other support costs allocated to governance by the trustees.

Intangible Fixed Assets

All intangible assets purchased costing more than £1,000 that have a useful economic life that exceeds one year are capitalised and classified as intangible fixed assets. Intangible fixed assets are stated at historical cost less amortisation.

Amortisation is provided on all intangible fixed assets at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:

Website on a 33% straight-line basis

Tangible Fixed Assets

All tangible assets purchased costing more than £1,000 that have a useful economic life that exceeds one year are capitalised and classified as tangible fixed assets.

Tangible fixed assets are stated at historical cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:

Office & computer equipment on a 33% straight-line basis

Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are therefore classified and accounted for according to the substance of the contractual arrangement as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities.

Financial Assets and Liabilities

The charitable company's debtors and creditors that meet the definition of either a financial asset or a financial liability are initially recognised at the transaction value and thereafter are stated at amortised cost using the effective interest method.

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS
(Continued) for the year ended 31 January 2024

1. ACCOUNTING POLICIES (Continued)

Fund Accounting

The general fund comprises the accumulated surpluses of unrestricted income over expenditure, which is available for use in furtherance of the general objectives of the charitable company.

Designated funds are a particular form of unrestricted funds consisting of amounts, which have been allocated or designated for specific purposes by the trustees. The use of designated funds remains at the discretion of the trustees.

Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of the restricted funds are set out in the notes to the financial statements. Amounts unspent at the period end are carried forward in the balance sheet.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charitable company'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 underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

There were no specific judgements, estimates and assumptions that were critical to the preparation of these financial statements.

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS
(Continued) for the year ended 31 January 2024

3. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	TOTAL 2024 £	TOTAL 2023 £
Donations received from individuals and on-line through the charity's website	2,548,116	58,462	2,606,578	1,392,802
Other donations received from corporate and other similar supporters	648,677	989,324	1,638,001	1,452,110
Income from non-core campaign	-	597,345	597,345	2,770,028
Donations in kind:				
Marketing	14,540	-	14,540	460,080
Accommodation costs				
	<u>3,211,333</u>	<u>1,645,131</u>	<u>4,856,464</u>	<u>6,075,020</u>

4. OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	TOTAL 2024 £	TOTAL 2023 £
Shop sales and other similar income	20,658	-	20,658	20,477
	<u>20,658</u>	<u>-</u>	<u>20,658</u>	<u>20,477</u>

5. INVESTMENTS

	Unrestricted Funds £	Restricted Funds £	TOTAL 2024 £	TOTAL 2023 £
Bank interest receivable on short term cash deposits	8,493	-	8,493	1,365
	<u>8,493</u>	<u>-</u>	<u>8,493</u>	<u>1,365</u>

6. RAISING FUNDS

	Unrestricted Funds £	Restricted Funds £	TOTAL 2024 £	TOTAL 2023 £
Direct costs	150,028	-	150,028	193,244
Support costs - see note 8 (30%)	280,789	83,979	364,768	811,566
	<u>430,817</u>	<u>83,979</u>	<u>514,796</u>	<u>1,004,810</u>

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS
(Continued) for the year ended 31 January 2024

7.PROJECT WORK

	Unrestricted Funds £	Restricted Funds £	TOTAL 2024 £	TOTAL 2023 £
Direct costs	739,230	2,126,344	2,865,574	3,725,236
Support costs - see note 8 (70%)	970,621	-	970,621	1,279,540
	1,709,851	2,126,344	3,836,195	5,004,776

8.SUPPORT & GOVERNANCE

	<u>Unrestricted Funds</u>		Restricted Funds £	TOTAL 2024 £	TOTAL 2023 £
	Support Costs	Governance Costs			
Donations in kind:					
Marketing costs	-	14,540	-	14,540	460,080
Staff costs (15%) - note 10	782,587	138,104	83,979	1,004,670	1,264,823
Staff recruitment, training and welfare (30%)	18,377	7,876	-	26,253	18,235
Travel and subsistence expenses (15%)	21,298	3,758	-	25,056	29,800
Premises operating lease costs (30%)	36,351	15,579	-	51,930	56,563
Other premises costs (40%)	2,602	1,735	-	4,337	7,843
Communications costs (60%)	44,927	67,391	-	112,318	123,705
Other costs (50%)	3,288	3,288	-	6,576	15,798
Legal and professional fees (10%)	22,547	2,505	-	25,052	26,857
Auditor's remuneration:					
Audit fee (100%)	-	-	-	-	-
Accountancy and advisory services (100%)	-	15,574	-	15,574	28,381
Amortisation (25%)	25,425	8,475	-	33,900	48,440
Depreciation - owned assets (25%)	5,895	1,965	-	7,860	13,764
Exchange losses	7,325	-	-	7,325	(3,181)
	970,622	280,790	83,979	1,335,391	2,091,108

Support costs are allocated directly based on activity and thereafter using the ratios, which are based on estimated assessed impact of the costs involved. The percentage of costs allocated as governance is disclosed above where relevant. Support costs are currently split 30:70 between raising funds and programmes.

COOL EARTH ACTION

NOTES TO THE FINANCIAL STATEMENTS

(Continued) for the year ended 31 January 2024

9. STAFF COSTS

	2024 No.	2023 No.
The average monthly number of persons employed by the charitable company (excluding trustees) during the year was, as follows: Support staff	19	26
Staff costs for the above persons:	£	£
Wages and salaries	886,765	1,118,205
Social security costs	100,135	123,602
Pension contribution pension scheme costs	17,769	23,015
	<hr/> <u>1,004,669</u>	<hr/> <u>1,264,822</u>

During the year, no employee earned total emoluments in the range £90,001 to £100,000 (2022/2023 one employee in the range £90,001 to £100,000).

During the year, no employee earned total emoluments in the range £100,00 to £110,000 (2022/2023: one employee in the range £100,000 to £110,000).

During the year, one employee earned total emoluments in the range £110,00 to £120,000 (2022/2023: no employee in the range £110,000 to £120,000).

The highest paid employee is part of the key management team.

During the year, the total amount of employee benefits received by key management personnel for their services to the charitable company amounted to £268,236 (2022/2023: £293,432).

No trustee received any remuneration for services provided to the charity as a trustee during the current or previous year. No trustee was reimbursed in respect of expenses incurred on behalf of the charity during the current or previous year.

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS
(Continued) for the year ended 31 January 2024

10. INTANGIBLE ASSETS

	Website £
Cost:	
01 February 2023	328,623
Additions	-
Disposals	-
	<hr/>
31 January 2024	328,623
Amortisation:	
01 February 2023	270,166
Charge for the year	33,900
Disposals	-
	<hr/>
31 January 2024	304,066
Net book Value:	
31 January 2024	<hr/> 24,557
31 January 2023	<hr/> 58,457

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS
(Continued) for the year ended 31 January 2024

11. TANGIBLE ASSETS

	Office & computer equipment £
Cost:	
01 February 2023	86,008
Additions	-
Disposals	(13,098)
	<hr/>
31 January 2024	72,910
Depreciation:	
01 February 2023	76,203
Charge for the year	7,861
Disposals	(12,946)
	<hr/>
31 January 2024	71,118
Net book Value:	
31 January 2024	1,792
	<hr/>
31 January 2023	9,805
	<hr/>

COOL EARTH ACTION**NOTES TO THE FINANCIAL STATEMENTS**

(Continued) for the year ended 31 January 2024

12. DEBTORS	2024	2023
	£	£
Amounts falling due within one year:		
Trade debtors	70,389	51,605
Other debtors	2,235,380	2,214,197
Prepayments and accrued income	(2)	(2)
	<u>2,305,767</u>	<u>2,265,798</u>

Other debtors contains charity funds not available to the charity at the balance sheet date. These funds were held by the Treasury Solicitor and have now been returned to Cool Earth shortly after the balance sheet debt.

13. CREDITORS	2024	2023
	£	£
Amounts falling due within one year:		
Trade creditors	58,532	30,202
Other taxation and social security costs	-	1,885
Other creditors	12,768	3,722
Accruals	-	108,304
	<u>71,300</u>	<u>144,113</u>

COOL EARTH ACTION

NOTES TO THE FINANCIAL STATEMENTS

(Continued) for the year ended 31 January 2024

14. THE FUNDS OF THE CHARITY

	Balance at 1 February 2023 £	Income £	Expenditure £	Balance at 31 January 2024 £
Restricted income funds:				
Peru fund	-	46,385	(46,385)	-
PNG fund	-	138,750	(138,750)	-
Cameroon fund	-	25,000	(25,000)	-
Forest Research	-	283,662	(55,651)	228,011
Unconditional Cash				
Transfers	395,617	343,000	(106,013)	632,604
Programmes	-	180,574	(131,707)	48,867
New Partnership	60,641	23,338	(83,979)	-
The Queen's Green Canopy fund	1,018,417	608,439	(1,626,856)	-
	<u>1,474,675</u>	<u>1,649,148</u>	<u>(2,214,341)</u>	<u>909,481</u>
Unrestricted income funds:				
General fund	<u>3,304,686</u>	<u>3,236,466</u>	<u>(2,136,650)</u>	<u>4,404,502</u>
Net Asset	<u>4,779,361</u>	<u>4,885,614</u>	<u>(4,350,991)</u>	<u>5,313,983</u>

The Peru fund was originally set up in 2009 to conserve not less than 1,000 acres of endangered rainforest through the Ashaninka project in Peru and to provide support to the local communities. The Peru restricted fund is still used to account for specific donation income received for the benefit of Cool Earth's projects in Peru and the related restricted expenditure.

The PNG fund was originally set up in 2017 to account for specific donation income received for the benefit of Cool Earth's projects in Papua New Guinea (PNG) and the related restricted expenditure.

The Cameroon fund was set up in 2019 in respect of Cool Earth's partnership with a local NGO, the Centre for Community Regeneration and Development (CCREAD), which is offering communities an alternative to the logging and bushmeat trades. This project aims to provide alternative sustainable livelihoods that reduce pressure on the wildlife-rich rainforest.

COOL EARTH ACTION

NOTES TO THE FINANCIAL STATEMENTS

(Continued) for the year ended 31 January 2024

14. THE FUNDS OF THE CHARITY (Continued)

The Forest Research & Forest Monitoring provides community partners with access to satellite data that reveals trends and threats in real-time, driving real-time climate action. This gives more control to Indigenous peoples and local communities over their land.

The Unconditional Cash Transfers are direct payments given directly to individuals, households, communities, and indigenous organisations who decide how to use it to meet their most urgent needs. The payments are sent frequently, and there's no catch or requirements on how the cash is spent.

The Programmes fund is used to support Cool Earth's general programmes work that is not covered by the Peru, PNG or Cameroon funds.

New Partnerships funds are reserved for any partnerships with indigenous-led organisations Cool Earth is scoping and has yet to start.

The Queen's Green Canopy initiative which invited people from across the United Kingdom to "Plant a Tree for the Jubilee". Everyone from individuals to youth groups, villages, cities, counties, schools, and corporates were encouraged to play their part to enhance our environment by planting trees. This project has now finished.

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed assets	Current assets	Current liabilities	Total
As at 31 January 2024:	£	£	£	£
Restricted income funds:				
Forest Research	-	228,011	-	228,011
Unconditional Cash Transfers	-	632,604	-	632,604
Cash Transfer Peru	-	48,867	-	48,867
Unrestricted income funds:				
General fund	26,349	4,449,452	(71,300)	4,404,501
NET ASSETS	26,349	5,358,934	(71,300)	5,313,983

COOL EARTH ACTION**NOTES TO THE FINANCIAL STATEMENTS**

(Continued) for the year ended 31 January 2024

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS (Continued)

As at 31 January 2023:	Fixed assets £	Current assets £	Current liabilities £	Total £
Restricted income funds:				
Unconditional Cash Transfers	-	395,617	-	395,617
Programmes	-	60,641	-	60,641
The Queen's Green Canopy Fund	-	1,018,417	-	1,018,417
Unrestricted income funds:				
General fund	68,262	3,380,536	(144,114)	3,304,684
NET ASSETS	68,262	4,855,211	(144,114)	4,779,360

16. RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	2024 £	2023 £
Net income for the reporting period	534,624	87,275
Adjustments for:		
Dividends, interest and rents from investments	(8,493)	(1,365)
Amortisation charges	33,900	48,440
Depreciation charges	7,861	13,764
Loss on disposal of tangible fixed assets	151	955
(Increase)/decrease in debtors	(39,969)	(2,051,881)
Increase/(decrease) in creditors	(72,813)	73,711
Net cash provided by operating activities	455,263	(1,829,101)

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS
(Continued) for the year ended 31 January 2024

17. ANALYSIS OF NET DEBT

	2023	Cashflows	2024
	£	£	£
Cash at bank and in hand	2,589,411	463,756	3,053,167

18. RELATED PARTY TRANSACTIONS

During the current and previous year, the trustees provided donations-in-kind to the charity by way of incurring expenses personally and not seeking reimbursement from the charity in respect of those expenses. These expenses have not been quantified. There was no other related party transactions.

COOL EARTH ACTION

England & Wales - Charity number 1117978

Accounts

COOL EARTH ACTION

Annual Report 2022/23

COOL EARTH ACTION

DIRECTOR'S INTRODUCTION

for the year ended 31 January 2023

The past year has seemed like a long one.

Our partners and teams have had to battle political turbulence, shocking extremes of weather and a post-Covid resumption of forest threats, on top of daily life. It has also been our most successful year, with more rainforest protected and more partnerships than ever before. This is a testament to the communities, staff and our donors who together make Cool Earth what it is. In 2022 we continued to grow the Cool Earth team in Peru and Papua New Guinea (PNG).

Our UK team now represents just a quarter of the organisation although it remains the beating heart of our fundraising and operations, and its Queen's Green Canopy campaign planted no fewer than three million trees. We are delighted to have Tony Juniper, chair of Natural England (formerly of Friends of the Earth and WWF), as our incoming chair. Cool Earth is now evolving to put more control and resources in the hands of local people in Peru, PNG, Democratic Republic of the Congo (DRC), Gabon and Cameroon.

From 2023, providing cash and access to data will underpin every part of Cool Earth's work, so we can deliver impact for the people we work with and donors that make this work possible. One of our proudest achievements is the trust held in our organisation, with this year marking 15 years with the Asháninka and 10 years with our partners in PNG. New partnerships this year are expected to grow and develop for decades to come. The reason for our persistence is simple. From our own work and an ever-growing global evidence base, it is clearer than ever that the only people with a track record of rainforest conservation are those who live there. When it comes to impact, Cool Earth's environmental justice approach is the best chance we have of halting the contribution rainforest destruction makes to the climate crisis.

Matthew Owen, Director, Cool Earth

In Dedication

This report is dedicated to Dame Vivienne Westwood - fashion icon, philanthropist and rainforest advocate.

It was with great sadness that at the start of 2023, we lost our patron. Vivienne tirelessly campaigned for the environment throughout her life and was instrumental in the success of Cool Earth's Asháninka partnership.

Her ability to make a genuine connection to people wherever she was in the world was remarkable – memories of her visits all those years ago to the Asháninka and Awajún remain strong with communities there.

The greatest tribute we can pay her is to continue Cool Earth's work and prove that protecting rainforest community rights really is the smartest climate action.

Cool Earth

We prevent rainforest destruction by supporting the Indigenous peoples and local communities who rely on and live in the rainforest. They have the longest and best track record at keeping the rainforest standing, allowing it to remain a carbon sink. With tropical rainforests found in some of the planet's most marginalised areas, we must recognise that injustices created by poor social and economic policy play a major role in deforestation. Our support must be unconditional. Extreme weather patterns, unpredictable political events, economic crises, and heightened threats to forest livelihoods all have an impact on our programmes and the lives of people who live in the rainforest.

Last year our partnerships saw an unprecedented cold front in Parijaro that had tragic consequences for seven young children in the Asháninka community. Forest monitors in Oviri, Peru, found themselves facing a camp of 80 narcotics traffickers. Authorities blocked access to land rights for local people in DRC and an aggressive election campaign brought educational projects to a halt in PNG.

Less than one per cent of climate funding is allocated to Indigenous peoples and local communities in rainforest, despite the essential role they play in its protection. The urgency of backing them to keep rainforest as carbon sinks for people and the planet cannot be overstated.

The trustees present their report and the financial statements for Cool Earth Action (also known as and referred to as “Cool Earth”) for the year ended 31 January 2023.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association of the charitable company, 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

Cool Earth is a network of community led conservation partnerships. It works alongside people living in rainforests to demand and deliver its protection. Cool Earth’s founding principle is that people who live in rainforests must determine its future. Without this, rainforest destruction will remain a key driver of the climate crisis.

Cool Earth was created in 2007 to provide grant funding to rainforest communities and NGOs that work alongside them. The charity has worked to protect at-risk forest and ensure the voices of people who live in rainforests lead decisions that affect their future.

The essential role that rainforest protection plays in addressing the climate crisis becomes clearer each year. So too does the realisation that the conservation sector has contributed to the abuse and disenfranchisement of people who live in rainforests.

Cool Earth has strived to put its planning, its decisions and its spending in the hands of people who live in rainforests and to ensure power lies within communities themselves. Progress has been made but there is still much to do.

Above all, six core values must become embedded into everything Cool Earth does:

- People who live in rainforests determine its future;
- Funding decisions are planned, led and implemented by rainforest communities;
- Conservation leadership is from the ground up and is not imposed by Cool Earth or partner NGOs;

- Conservation funding is a transaction that has consequences beyond its monetary value. As such, each transaction must be fair and transparent
- The use of evaluation and monitoring technologies must serve communities, to enhance their, and our, understanding of emerging threats to the forest through an equal exchange of knowledge; and
- When Cool Earth is privileged to have a presence in a community, it keeps intervention to a minimum.

Public Benefit

Under Section 17 of the Charities Act 2011, the trustees have followed the Charity Commission's guidance on public benefit. Cool Earth aims to achieve the following objectives:

- To provide grant funding to rainforest communities to support their work in protecting at-risk forest, and ensure their voice is heard in agreements that affect the future of rainforests; and
- To promote a greater recognition that local leaders and communities must lead and be rewarded for the development of strategies to address the role destruction of the natural world plays in the climate crisis.

Trustees' assessment of public benefit

In monitoring the progress of the charity in terms of delivery of public benefit, the trustees use the following measures of success and gather evidence accordingly:

- Participating in partnerships to protect rainforest at risk of destruction and degradation;
- Evaluating the effectiveness of indigenous peoples and local communities in protecting rainforest compared to protected areas and privately or state-owned forest; and
- Assessing and measuring the amounts of forest protected and quantities of carbon stored by each partnership through satellite mapping and ground surveying.

Programmes

In 2021 we developed a Programmes Strategy to guide our work until 2026. We continued to work to this framework through 2022, building on two key existing projects, Unconditional Cash Transfers and Rainforest Labs, as well as continue to

work with local partners and communities across the three major rainforest biomes on a range of projects to protect rainforest and back indigenous and local people living there.

We are proud to be supporting 56 locally-led projects in the Amazon Basin, the Congo Basin and the New Guinea rainforest. Each one tackles a challenge which is different from the rest.

NO-STRINGS CASH AND DATA, FOR PEOPLE AND RAINFOREST TO THRIVE

Since 2008, alongside our community-led projects we have provided over £2m in unconditional cash transfer payments to communities in the rainforest. We started with one village in the Amazon, and now work with 30 across Peru and Papua New Guinea on cash transfers alone.

This is our most innovative programme of work, and it's fair and scalable. Cash brings freedom for people to conceive their own future development. Put simply? We believe financial security should be a basic human right for all people who live in the rainforest.

How is this done? By providing a basic income to all members of a rainforest village over two years.

What about traditional conservation methods? This programme is not about payments for ecosystem services and rainforest-derived carbon credits, which do not put the rights of people living in the rainforest first.

Rainforest Labs provide infrastructure, technology, and data to local people so that they can continue to protect their livelihoods and forest.

We believe access to data is a basic right for people in the rainforest. Supplied with the space to work, power, internet, laptops and tablets, community members will be trained to read timely forest loss alerts and other useful datasets that can indicate emerging threats to the forest they look after, as it happens.

PERU

- Communities' livelihoods continue to be supported by Cool Earth's communal cash. Amongst other things, funds were spent on the construction of a agricultural school in Huaracayo, a health post in Kayants,

the maintenance of a road leading to Parijaro (our most remote community partner), and improvements to Tinkareni and Centro Cutivireni's water and sanitation systems. The funds were also used to support income generation projects, such as the development of fish ponds, handicrafts, raising small animals (such as chickens, guinea pigs, pigs, etc.), and infrastructure improvements for the cacao and coffee projects.

- The Bioclimatic Indigenous Associations (ABAs) are not only administrative authorities, but have proven to be an important political actor in indigenous governance. Recognition of this led to promoting the creation of new ABAS, ABA Meni in Parijaro and ABA Santani in Camantavishi.
- The Unconditional Cash Transfer (UCT) pilot is progressing and now we are about to close an agreement with ONAMIAP - an organisation led by indigenous women in Peru - who expressed interest in collaborating with Cool Earth to launch the pilot. In November the [first Cool Earth webinar](#) was held, which we dedicated exclusively to the UCT pilot in Peru. It was an opportunity to bring the pilot closer to our donors and generate interest for future contributions.
- Cool Earth's Rainforest Lab programme is expanding in Peru. After launching the first pilot in Oviri, we are now replicating the model in Huaracayo where the Rainforest Lab will go live this March. In Addition, Cool Earth has partnered with the indigenous-led organisation, Central Asháninka del Rio Ene (CARE) to scale the programme to 8 indigenous communities located along the Ene Valley, including Parijaro and Camantavishi.
- The Pamuk Bakau's communal cacao association received support in registering its [Chikaun](#) brand in the public entity [INDECOPI](#), in obtaining the municipal permit for the operation of the Cacao Plant, and received training in Organisational Management and Leadership.
- About 2022 cacao and coffee campaigns:
 - Ayompari sold 17,372.10 kg of cacao at an approximate price of s/9.19, which represents a total of s/159,575.75, with CAP Pango as its main client, who recognises the quality of the product but suggests improvements in humidity and fermentation.
 - Pamuk Bakao sold 43.962,3 kg of fresh cacao at approximately s/3,19 el kg, giving a total of s/140.571,8. And 229,5 kg of dry cacao at approximately s/6,68 giving a total of s/1.533,25.
 - Pamuk Bakao earned s/ 4.644,45 in cacao derivatives, the star product being the 100g Cacao Paste and December was the month with the highest sales.

- Metsori sold 3,917.70 kg of coffee at approximately s/. 15.97 for a total of S/62,580.21, while Ayompari sold 1,809.40 kg of coffee at approximately s/15.36 for a total of s/27,784.39.
- In 2022, the fishfarming participants allocated 1,364.5 kg of fish for self-consumption and 6,706.3 kg of fish for sale at approximately S/. 19.98 per kg for a total of S./134,031.00.

Papua New Guinea

Nestled in PNG's south-eastern lowland tropical rainforest, Wadauda is Cool Earth's newest partnership. Cool Earth first went to Wadauda in November 2021 to distribute Personal Protective Equipment (PPE) during the coronavirus pandemic and started consultations about forming a partnership. We are delighted to be delivering cash to Peoplesa, Wadauda's community-based organisation, to spend as residents choose.

The Cool Earth funded WaSH project implemented by United Church PNG's Rural Water Supply and Sanitation Programmes (RWSSP) was launched with the distribution of 70 1180 L household water tanks to Gadaisu community. This is the first project in PNG to distribute tanks to individual households compared to the norm of providing central community water tanks. Also, two 3000L water tanks funded by Cool Earth and British High Commission were constructed by RWSSP and handed over to the school during the launching. Gadaisu community especially women, were very appreciative of the support provided to make water readily available.

Introduced 65 NARI's pathogen tested high yielding sweet potato cuttings from four (4) varieties to Sololo community aiming to multiply the planting materials in order to increase production for food and income generation in Cool Earth's partnership communities.

Successful Gadaisu re-engagement with new executives formed and reactivation of dormant bank account.

Successful election of Wabumari CBO executives and Forest Agreement signing with progressing to work on bank account opening. Due to change in upgrading the existing data system, there has been a delay in having the bank accounts opened. Building materials for the Rainforest Lab in Wabumari have been transported to the site and construction will begin in March.

Module 4 of the Biodiversity training was delivered for 11 participants.

In Sololo, PNG Green TVET commenced classes on the 13 February 2023 starting with Literacy 2 which will take four weeks followed by the implementation of the FODE programme.

PNG Red Cross Society delivered First Aid Training for 21 Cool Earth staff within a week on how to attend to an emergency situation without causing harm to self and onlookers, how to keep victims stable before they get medical care and becoming an asset to the community after attending the training. The training was both theory and practical and was interactive and is recognised by the PNG National Training Council.

Community staff meeting was organized for one week. The content of the training included going through the revised job description, staff reporting structure, presentations of Safeguarding policy, social accountability, reporting structure, going through the reporting forms and signing of service agreements. Six new community staff have been brought on board, three from Wadauda and three from Kondu.

Cameroon

105 family organic gardening farms were set up on already used plots of land, regenerating the old farms and preventing new forest clearances far from the villages. Non Timber Forest Products (NTFPs) and fruit trees were planted. People have started harvesting and selling tomatoes from these farms to make income and reduce pressure on the rainforests. The cassava farms are yet to start producing, and more information on their harvesting will be captured in the last and final reporting period.

Sensitisation activities and the creation of rainforest protection education and advocacy platforms at the community level have provided support to the communities on grassroots approaches to boost climate actions and the protection of rainforests.

The CCREAD team was invited by the local Ministry of Environment, Nature Protection and Sustainable Development to share experiences on building climate-smart communities and restoring degraded ecosystems in hard-to-reach settings. Over 250 students and youth workers attended.

Backing the Centre for Community Regeneration and Development, Cameroon (CCREAD) to purchase 20 cassava processing machines (one for each village) which have increased weekly flour production twenty-fold 25kg per day 25kg per day of

cassava is being processed into flour as opposed to 1kg per week, which used to be produced manually.

Talks, public recognition and engagement

June 2022 - joined academics at Bath University to develop a working group on Universal Basic Income.

September 2022 - Spoke at the Basic Income Earth Network Congress in Brisbane, Australia to present Cool Earth's basic income pilot for Indigenous peoples in the Peruvian Amazon.

November 2022 - Presented Cool Earth's ethical fundraising work at the BOND: Power in Development Conference.

January 2023 - Guest lecture at the University of Exeter to present Cool Earth's work on sustainable finance in a climate emergency.

November 2022 - the first Cool Earth webinar was held to present the basic income pilot. It was an opportunity to inform, respond to our donors' questions and generate interest for future contributions.

January 2023 - *Is conservation basic income a good idea?* Our research collaboration with Callum Sheehan, a Master's student at the University of Leeds in 2021, is published in Biological Conservation.

October 2022 - Spoke at *Forests and Livelihoods: Assessment, Research and Engagement* (FLARE) in Rome to present Cool Earth's basic income pilot for Indigenous peoples in the Peruvian Amazon.

June 2022 - *Cash for good - Is direct giving the future of aid?* Panel hosted by Human After All in London.

GOVERNANCE, STRUCTURE AND MANAGEMENT

The charitable company is governed by the rules and regulations set down in its Memorandum and Articles of Association dated 15 January 2007. Cool Earth has two operational hubs in Peru and Papua New Guinea that operate as locally registered organisations. They are regional partnerships that work to ensure local people's rights over the rainforest are exercised. Each hub is led by a Global Head of Department and supported by other members of the Global Leadership Team. As well as programming, each hub also contributes to Cool Earth's finance, human resources, fundraising and communications capacity.

The Peru Hub is made up of six regional partnerships that include two indigenous nations. It has a team of 14 staff and 25 consultants. The PNG Hub is composed of three regional partnerships and has a team of 6 staff and 15 consultants.

The Cool Earth network also includes three exceptional locally led organisations that are designing and delivering people-led approaches to forest protection, shaping the future of rainforest conservation in Cameroon, Gabon, and the Democratic Republic of the Congo. Cool Earth provides support, funding and evaluation for the members of this network.

The overall strategic direction of the charity is determined by the trustees, who meet formally twice a year and periodically to address exceptional issues. The trustees are responsible for planning and policy making, and accordingly, all key decisions are referred to and taken by the board of trustees. Day to day management is provided by an executive director based in the UK who is supported by a senior leadership group and a team of 15.

Public Benefit

Under Section 17 of the Charities Act 2011, the trustees have followed the Charity Commission's guidance on public benefit. Cool Earth aims to achieve the following objectives:

To provide grant funding to rainforest communities to support their work in protecting at-risk forest, and ensure their voice is heard in agreements that affect the future of rainforests; and

To promote a greater recognition that local leaders and communities must lead and be rewarded for the development of strategies to address the role destruction of the natural world plays in the climate crisis.

Trustees' assessment of public benefit

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Assessing and measuring the amounts of forest protected and quantities of carbon stored by each partnership through satellite mapping and ground surveying.

Company Information

The trustees of the charity, also the directors of the company, who have held office since 1 February 2022 are as follows:

Mr. Johan Eliasch (Chair of Trustees)

Mr. Anthony Juniper

Ms. Gillian Burke

The Rt. Hon. Lord Deben

Mr. Mark Ellingham

The Rt. Hon. Lord Field CH

The Baroness Jenkin of Kennington (Resigned 20/3/23)

Mr. Johan Rockström

Sam Cohen resigned from the Cool Earth board on 1st June 2022 and we would like to thank her for her support, guidance and backing of Cool Earth and wish her the very best.

The principal address of the charity is Tremough Innovation Centre, Penryn, Cornwall, TR10 9TA and the registered office address of the company is 27 Old Gloucester Street, London, WC1N 3AX.

The charity is registered under the charity number 1117978, and the company is incorporated with the company registration number 06053314.

The trustees have made the following professional appointments:

Solicitor: Stephens Scown LLP, 2 Kingdom Street, London, W2 6JP

Banker: Barclays Bank, Turro Group, Leicester, Leicestershire LE87 2BB

Auditor: RSM UK Audit LLP, Davidson House, Forbury Square, Reading, Berkshire RG1 3EU

Accountant: RSM UK Tax and Accounting Limited, Davidson House, Forbury Square, Reading, RG1 3EU

Mr. Matthew Owen acts in an executive capacity as the Executive Director of Cool Earth Action and is responsible for the day-to-day management of the charitable company.

The key management personnel of Cool Earth Action are considered to be Matthew Owen, Dr. Hannah Peck (Deputy Director), Lauren Howard (Head of Fundraising and Engagement) and Sophie Kisorbo (Head of Operations and HR).

The remuneration of the key management personnel is decided upon by the board of trustees taking account of performance and the levels of pay in a representative peer group of similar Non-Governmental Organisations.

The trustees are assisted by an Advisory Board of individuals that are neither trustees nor directors.

Trustees' Responsibilities

The trustees, who are the directors of Cool Earth for the purposes of company law, are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The report and accounts have been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies.

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 the incoming resources and application of resources, including the income and expenditure of the charitable company, for that period. In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it's inappropriate to presume that the charitable company will continue in business.

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

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

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our Trustees' Annual Report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- The trustees, having made enquires of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Method of Recruitment, Appointment, Election, Induction and Training of Trustees

The original trustees were the founders of the organisation with particular personal interests in attempting to find a way to actively tackle worldwide climate change issues. As and when a future vacancy arises, or should the required mix of skills, experience and knowledge required with the board of trustees change over time, such matters will be considered when recruiting suitable candidates.

In accordance with the company Memorandum and Articles of Association, the minimum number of trustees should not be less than three, but no maximum limit is dictated. It is likely in the future suitable trustee candidates will be identified by the existing trustees or be referred to the existing trustees through the Advisory Board and/or other interested third parties. Appointment as a trustee is by election and requires an ordinary resolution of the members of the charitable company.

All trustees are made aware of and have access to relevant Charity Commission publications and are regularly briefed by their professional advisers on significant developments within the charity sector that are applicable to the charity's circumstances.

New trustees are provided with both an introduction to the charity, its work and their role within it, and with pertinent copies of paperwork.

Relationship with Related Parties

In order to maximise the impact of Cool Earth's activities to support communities to protect rainforest, it is the policy of Cool Earth to develop partnerships with local communities and NGOs. On occasions, Cool Earth has become a significant co-funder of conservation projects with a range of organisations who have been selected on the basis of their experience, record of community engagement and commitment to the aims of Cool Earth.

Key partners of Cool Earth over the past year have included GCE, OELO, CCREAD, CARE, ONAMIAP, OMIAASEC, Pamuk Bakau, GreenTVETPNG, Rural Water Supply and Sanitation Project (RWSSP), Kokonas Industri Koporesen (KIK) and University of Goroka, Binatang Research Center and CELCOR.

Cool Earth Action USA Inc. is an affiliated non-profit organisation in the USA that is registered as tax-exempt under section 501 (c)(3) of the federal law of the United States. Cool Earth Action USA Inc. does not share trustees or offices with Cool Earth Action but does contribute directly to Cool Earth Action's programmes.

Income and Fundraising

Cool Earth's income for the year was £6.1million (2021/2022: £3.9 million) and individuals, businesses and foundations continue to be the primary funding source.

In 2022, Cool Earth spent over £1.7m on programmatic work, including almost £1.5m given directly to communities living in rainforest.

It was not just a year of investing in people living in rainforest; we also grew our global team, developed our digital capabilities, established a Programmes Communications team and improved our data insights.

These commitments are essential in scaling our income and our programmatic work over the next few years.

- Donors in the UK & Europe together gave £2.8m
- Supporters in the US collectively donated \$1.1m
- We received support in kind valued at £460,000
- For every £1 we spent on fundraising, we raised £6

Over the last 18 months we've carried out research into donor motivations to give to Cool Earth, our place within the conservation sector, and the most effective ways of communicating our mission.

A restructure of Fundraising and Communications (FunCo) was carried out in 2022 as a new strategy for the organisation is being developed, creating three departments across income generation, marketing and programme communications to reflect this research.

Financial Results of Activities and Events

Total income for the year amounted to £6,096,861 (2021/2022: £3,868,402), and total expenditure was £6,009,586 (2020/2021: £3,052,175) resulting in net income of £87,275 (2020/2021: £816,227).

The trustees are satisfied with the financial performance of the charitable company and its financial position at the balance sheet date.

During the year a trading subsidiary of Cool Earth was retired from the Register of Companies whilst still carrying a cash balance. These funds are in the process of being retrieved from the Treasury Solicitor who has confirmed no objection to the restoration. In these accounts the funds are therefore held in debtors and are expected to return to cash shortly after the balance sheet date.

Reserves Policy

As of 31 January 2023, the charity had "free reserves" of £3,236,424 (31 January 2022: £3,426,785). Beyond the requirements of a prudent working capital base, since 2011 Cool Earth has held a Reserves Fund, to ensure it can realise its commitments to community partners even in the event of an income shortfall.

Each year an assessment is made of the funding requirements of each partnership. The 'free reserves' fulfils the funding requirements for every partnership that Cool Earth has entered into and allows for additional partnerships to be added in the current year.

Investments Policy

The trustees have wide ranging powers to invest the funds of the charity at their discretion and as they think fit. The charity makes use of a Sterling bank account and a US Dollar bank account to hold all the non-reserve funds of the charity as cash so that they are readily available to expend in support of the charity's activities as and when required by the trustees. Reserves are currently held in high interest deposit accounts and should significant funds be received in the future the trustees will consider suitable investment opportunities.

Risk and Corporate Governance Matters

The trustees recognise that Cool Earth's range of operations in the UK and overseas expose it to a range of risks. In order to manage these risks appropriately and mitigate their impact on the operation and effectiveness of Cool Earth, the trustees have developed a risk strategy that details categories of risk and appropriate management strategies. A risk register is maintained by the Executive Director, which summarises key risks and which the board reviews.

As identified on the risk register, the main risks and the measures taken to mitigate them are as follows:

Risk 1: Natural or human induced hazards, such as floods, forest fires, epidemics and internal conflict impact on Cool Earth's ability to deliver parallel programmes and complete existing partnerships resulting in risk to personal security of staff, partners, assets and resources in country.

Mitigation Action 1: Country Security plans, and escalation processes, are in place to respond, adapt programmes and prepare contingency plans. During this year Hostile Environment Awareness Training was undertaken by key staff and in-country emergency procedures were updated for all Cool Earth's partnerships.

Risk 2: Failure to sustain levels of overall funding for Cool Earth's partnership commitments.

Mitigation Action 2: Cool Earth undertakes annual reviews of our fundraising and communications strategy. These have put in place strategies to diversify income by

geography (an increase in non-sterling funds) and source (a more even division between business, individual and trust funders).

Risk 3: Ineffective information flow, failure of internal controls, and a dispersed geography of programmes leads to a risk that funds could be misappropriated or incorrectly recorded and information not being available to make informed decisions.

Mitigation Action 3: Investments in improved accounting systems and the development of standard accounting policies, procedures and definitions are currently being rolled out across all partnerships.

FUNDS HELD AS CUSTODIAN

Although the charity will maintain restricted funds to deal with incoming resources that are earmarked for a particular purpose by donors, sponsors, and other funders, the charity does not currently hold, and does not intend to hold, any funds as custodian for any third party.

Advantage has been taken of the small companies exemption in preparing the audit report.

This report was approved by the trustees on 8th October, 2023, and was signed for and on behalf of the board by:



..... Chair of Trustees Mr Anthony Juniper

16th October 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COOL EARTH ACTION

Opinion

We have audited the financial statements of Cool Earth Action (the 'charitable company') for the year ended 31 January 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 FRS 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 January 2023 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 charitable company 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 charitable company'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 the audit:

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared 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 charitable company 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 where 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Trustees' Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 12, the trustees (who are also the directors of the charitable company for the purposes 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 charitable company'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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the charitable company operates in and how the charitable company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011 and the charitable company's governing document.

We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Bribery Act 2010 and the Proceeds of Crime Act 2002. We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected the nominal ledger for any undisclosed transactions in relation to these regulations.

The audit engagement team identified the risk of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and testing the recognition of income in line with the SORP requirements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://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.

[Signature]

NAME (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Address

Date

COOL EARTH ACTION
STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)
For the year ended 31 January 2023

	Notes	Unrestricted Funds £	Restricted Funds £	TOTAL 2023 £	TOTAL 2022 £
INCOME FROM:					
Donations and legacies	3	2,522,261	3,552,758	6,075,019	3,832,012
Other trading activities	4	20,477	-	20,477	28,690
Investments	5	1,365	-	1,365	7,700
TOTAL		2,544,103	3,552,758	6,096,861	3,868,402
EXPENDITURE ON:					
Raising funds	6	(1,000,557)	(4,253)	(1,004,810)	(551,366)
Charitable activities: Project Work	7	(1,793,063)	(3,211,713)	(5,004,776)	(2,500,809)
TOTAL		(2,793,620)	(3,215,966)	(6,009,586)	(3,052,175)
NET INCOME AND NET MOVEMENT IN FUNDS		(249,517)	336,792	87,275	816,227
RECONCILIATION OF FUNDS					
Fund balances brought forward at 1 February 2022		3,554,203	1,137,881	4,692,084	3,875,857
FUND BALANCES CARRIED FORWARD AT 31 JANUARY 2023	14	3,304,686	1,474,673	4,779,359	4,692,084

COOL EARTH ACTION
STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)
for the year ended 31 January 2022

	Notes	Unrestricted Funds £	Restricted Funds £	TOTAL 2022 £	TOTAL 2021 £
INCOME FROM:					
Donations and legacies	3	1,862,156	1,969,856	3,832,012	2,293,691
Other trading activities	4	28,690	-	28,690	37,101
Investments	5	7,700	-	7,700	10,267
TOTAL		1,898,546	1,969,856	3,868,402	2,341,059
EXPENDITURE ON:					
Raising funds	6	(510,202)	(41,164)	(551,366)	(409,682)
Charitable activities: Project Work	7	(1,287,319)	(1,213,490)	(2,500,809)	(1,741,087)
TOTAL		(1,797,521)	(1,254,654)	(3,052,175)	(2,150,769)
NET INCOME AND NET MOVEMENT IN FUNDS					
		101,025	715,202	816,227	190,290
RECONCILIATION OF FUNDS					
Fund balances brought forward at 1 February 2021		3,453,178	422,679	3,875,857	3,685,567
FUND BALANCES CARRIED FORWARD AT 31 JANUARY 2022					
	15	3,554,203	1,137,881	4,692,084	3,875,857

COOL EARTH ACTION BALANCE SHEET

as at 31 January 2023

Company Number: 06055314

	Notes	2023 £	2022 £
FIXED ASSETS			
Intangible assets	10	58,457	106,897
Tangible assets	11	9,805	20,521
		<u>68,262</u>	<u>127,418</u>
CURRENT ASSETS			
Debtors	12	2,265,800	213,919
Cash at bank and in hand		2,589,411	4,421,150
		<u>4,855,211</u>	<u>4,635,069</u>
LIABILITIES			
Creditors: Amounts falling due within one year	13	(144,114)	(70,403)
		<u>4,711,097</u>	<u>4,564,666</u>
NET CURRENT ASSETS			
		<u>4,711,097</u>	<u>4,564,666</u>
TOTAL ASSETS LESS CURRENT LIABILITIES & NET ASSETS			
		<u>4,779,359</u>	<u>4,692,084</u>
THE FUNDS OF THE CHARITY			
Restricted income funds	14	1,474,673	1,137,881
Unrestricted funds	14	3,304,686	3,554,203
		<u>4,779,359</u>	<u>4,692,084</u>

The financial statements on pages 18 to 21 were approved by the trustees and authorised for issue on 8 October 2023, and are signed on their behalf by



Chair of Trustees Mr Anthony Juniper

16th October 2023

COOL EARTH ACTION STATEMENT OF CASH FLOWS

for the year ended 31 January 2023

	Notes	2023 £	2022 £
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash provided by operating activities	16	(1,829,101)	774,423
CASH FLOWS FROM INVESTING ACTIVITIES:			
Dividends, interest and rents from investments		1,365	7,700
Purchase of intangible fixed assets		-	(127,200)
Purchase of tangible fixed assets		(4,003)	(17,945)
Short term investment withdrawn/(deposited)		-	2,000,000
Net cash provided by/(used in) investing activities		(2,638)	1,862,555
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD			
	17	(1,831,740)	2,606,978
Cash and cash equivalents at the beginning of the reporting period		4,421,150	1,814,172
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD			
		2,589,411	4,421,150

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2023

1. ACCOUNTING POLICIES

Company Information

Cool Earth Action is a private company limited by guarantee incorporated in England and Wales. The registered office is 27 Old Gloucester Street, London WC1N 3AX and the principal place of business is Tremough Innovation Centre, Penryn, Cornwall TR10 9TA.

The company's principal activity is disclosed in the Trustees' Annual Report.

Basis of Accounting

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the requirements of the Companies Act 2006 and under the historical cost convention. Within the definitions of FRS 102, the charitable company, which is limited by guarantee, is a public benefit entity.

The financial statements have also been prepared in accordance with the accounting policies set out in more detail below, to comply with the charitable company's governing document, the Charities Act 2011 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). The financial statements are prepared in Sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £1.

Going Concern

The charitable company is fundamentally dependent upon the continuing financial support of sponsors, supporters and other key funders to remain a going concern. The trustees have formulated financial plans for the future, as at the date of adoption of these financial statements and on the basis of estimated future cash flows, the trustees are of the opinion that the charitable company will be able to continue its activities and meet all of its liabilities as they fall due for a period of at least twelve months from the date of the adoption of these financial statements. Therefore, these financial statements have been prepared on the going concern basis.

COOL EARTH ACTION

NOTES TO THE FINANCIAL STATEMENTS

(Continued) for the year ended 31 January 2023

1. ACCOUNTING POLICIES (Continued)

Income

All income is included in the statement of financial activities when the charitable company is entitled to the funds, receipt is probable, and the amount can be quantified with reasonable accuracy. Donations are normally brought into account when received and are stated gross of any attributable tax recoverable.

Government and institutional grants are accounted for on a receivable basis.

Donations and grants given for specific purposes are treated as restricted income.

All other income, including investment income, is accounted for on a receivable basis as and when earned by the charity.

Gifts In Kind

The value of gifts in kind is recognised as income where the gross value to the charitable company can be assessed with reasonable accuracy. Where this is not the case, the nature of the gift is disclosed.

Foreign Currencies

Transactions denominated in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date. All exchange gains or losses are included in the statement of financial activities in the period to which they relate.

Expenditure

All expenditure is accounted for on an accruals' basis inclusive of any irrecoverable Value Added Tax and is allocated as direct costs in the statement of financial activities where the costs can be identified as being directly related to raising funds or to charitable activity. Where costs cannot be directly attributed, they are allocated to categories on a basis consistent with the budgeted use of the resources concerned or in proportions based upon a suitable ratio applicable to the nature of the cost involved.

Grants payable are recognised in the period in which the approved offer is conveyed to the recipient in those cases where the offer is conditional, such grants being recognised only when the conditions attaching to the award are fulfilled. Grants offered subject to conditions, which have not been met at the balance sheet date, are noted as a potential commitment, but are not treated as a liability.

COOL EARTH ACTION

NOTES TO THE FINANCIAL STATEMENTS

(Continued) for the year ended 31 January 2023

1. ACCOUNTING POLICIES (Continued)

Governance costs comprise specific direct costs incurred by the charity in relation to operating the charitable company as a charitable company, which includes audit fees, and a proportion of certain other support costs allocated to governance by the trustees.

Intangible Fixed Assets

All intangible assets purchased costing more than £1,000 that have a useful economic life that exceeds one year are capitalised and classified as intangible fixed assets. Intangible fixed assets are stated at historical cost less amortisation. Amortisation is provided on all intangible fixed assets at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:

Website on a 33% straight-line basis

Tangible Fixed Assets

All tangible assets purchased costing more than £1,000 that have a useful economic life that exceeds one year are capitalised and classified as tangible fixed assets. Tangible fixed assets are stated at historical cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:

Office & computer equipment on a 33% straight-line basis

Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are therefore classified and accounted for according to the substance of the contractual arrangement as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities.

Financial Assets and Liabilities

The charitable company's debtors and creditors that meet the definition of either a financial asset or a financial liability are initially recognised at the transaction value and thereafter are stated at amortised cost using the effective interest method.

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS
(Continued) for the year ended 31 January 2023

1. ACCOUNTING POLICIES (Continued)

Fund Accounting

The general fund comprises the accumulated surpluses of unrestricted income over expenditure, which is available for use in furtherance of the general objectives of the charitable company.

Designated funds are a particular form of unrestricted funds consisting of amounts, which have been allocated or designated for specific purposes by the trustees. The use of designated funds remains at the discretion of the trustees.

Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of the restricted funds are set out in the notes to the financial statements. Amounts unspent at the period end are carried forward in the balance sheet.

**2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION
UNCERTAINTY**

In the application of the charitable company'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 underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

There were no specific judgements, estimates and assumptions that were critical to the preparation of these financial statements.

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS
(Continued) for the year ended 31 January 2023

3. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	TOTAL 2023 £	TOTAL 2022 £
Donations received from individuals and on-line through the charity's website	1,372,185	20,617	1,392,802	1,332,431
Other donations received from corporate and other similar supporters	689,997	762,113	1,452,110	1,275,746
Income from non-core campaign	-	2,770,028	2,770,028	1,223,835
Donations in kind:				
Marketing	460,080	-	460,080	-
Accommodation costs	-	-	-	-
	2,522,261	3,552,758	6,075,019	3,832,012

4. OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	TOTAL 2023 £	TOTAL 2022 £
Shop sales and other similar income	20,477	-	20,477	28,690
	20,477	-	20,477	28,690

5. INVESTMENTS

	Unrestricted Funds £	Restricted Funds £	TOTAL 2023 £	TOTAL 2022 £
Bank interest receivable on short term cash deposits	1,365	-	1,365	7,700
	1,365	-	1,365	7,700

6. RAISING FUNDS

	Unrestricted Funds £	Restricted Funds £	TOTAL 2023 £	TOTAL 2022 £
Direct costs	193,244	-	193,244	214,574
Support costs - see note 8 (30%)	807,313	4,253	811,566	336,792
	1,000,557	4,253	1,004,810	551,366

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS
(Continued) for the year ended 31 January 2023

7.PROGRAMMES

	Unrestricted Funds £	Restricted Funds £	TOTAL 2023 £	TOTAL 2022 £
Direct costs	513,523	3,211,713	3,725,236	1,412,960
Support costs - see note 8 (70%)	1,279,540	-	1,279,540	1,087,849
	<u>1,793,063</u>	<u>3,211,713</u>	<u>5,004,776</u>	<u>2,500,809</u>

8.SUPPORT & GOVERNANCE

	<u>Unrestricted Funds</u>		Restricted Funds £	TOTAL 2023 £	TOTAL 2022 £
	Support Costs	Governance Costs			
Donations in kind:					
Marketing costs		460,080	-	460,080	-
Staff costs (15%) - note 10	1,075,099	189,723	-	1,264,823	1,121,096
Staff recruitment, training and welfare (30%)	12,764	5,470	-	18,235	6,008
Travel and subsistence expenses (15%)	25,330	4,470	-	29,800	19,023
Premises operating lease costs (30%)	36,617	15,693	4,253	56,563	51,158
Other premises costs (40%)	4,706	3,137	-	7,843	5,471
Communications costs (60%)	49,482	74,223	-	123,705	128,691
Other costs (50%)	7,899	7,899	-	15,798	25,669
Legal and professional fees (10%)	24,171	2,686	-	26,857	3,190
Auditor's remuneration:	-	-	-	-	
Audit fee (100%)	-	-	-	-	15,000
Accountancy and advisory services (100%)	-	28,381	-	28,381	10,125
Amortisation (25%)	36,330	12,110	-	48,440	20,303
Depreciation - owned assets (25%)	10,323	3,441	-	13,764	20,614
Loss on disposal of tangible fixed assets (25%)					529
Exchange losses	(3,181)		-	(3,181)	(2,236)
	<u>1,279,540</u>	<u>807,313</u>	<u>4,253</u>	<u>2,091,106</u>	<u>1,424,641</u>

Support costs are allocated directly based on activity and thereafter using the ratios, which are based on estimated assessed impact of the costs involved. The percentage of costs allocated as governance is disclosed above where relevant. Support costs are currently split 30:70 between raising funds and programmes.

COOL EARTH ACTION

NOTES TO THE FINANCIAL STATEMENTS

(Continued) for the year ended 31 January 2023

9. STAFF COSTS

	2023 No.	2022 No.
The average monthly number of persons employed by the charitable company (excluding trustees) during the year was, as follows: Support staff	26	28
Staff costs for the above persons:	£	£
Wages and salaries	1,118,205	999,717
Social security costs	123,602	101,378
Pension contribution pension scheme costs	23,015	20,001
	1,264,823	1,121,096

During the year, one employee earned total emoluments in the range £90,001 to £100,000 (2021/2022:

one employee in the range £90,001 to £100,000). During the year, one employee earned total emoluments

in the range £100,00 to £110,000 (2021/2022: 0 employee in the range £100,000 to £110,000).

The highest paid employee is part of the key management team.

During the year, the total amount of employee benefits received by key management personnel for their services to the charitable company amounted to £293,432 (2021/2022: £270,250).

No trustee received any remuneration for services provided to the charity as a trustee during the current or previous year. No trustee was reimbursed in respect of expenses incurred on behalf of the charity during the current or previous year.

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS
(Continued) for the year ended 31 January 2023

10. INTANGIBLE ASSETS

	Website £
Cost: 01 February 2022	328,623
Additions	-
Disposals	-
	<hr/>
31 January 2023	328,623
Amortisation: 01 February 2022	221,726
Charge for the year	48,440
Disposals	-
	<hr/>
31 January 2023	270,166
Net book Value:	
31 January 2023	<u>58,457</u>
31 January 2023	<u><u>328,623</u></u>

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS
(Continued) for the year ended 31 January 2023

11. TANGIBLE ASSETS

	Office & computer equipment £
Cost: 01 February 2022	83,233
Additions	4,003
Disposals	(1,228)
31 January 2023	<u>86,008</u>
Depreciation: 01 February 2022	62,713
Charge for the year	13,764
Disposals	(273)
31 January 2023	<u>76,203</u>
Net book Value: 31 January 2023	9,805
31 January 2023	<u><u>86,008</u></u>

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS

(Continued) for the year ended 31 January 2023

12. DEBTORS	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	51,605	213,436
Other debtors	2,214,197	463
Prepayments and accrued income	(2)	20
	<u>2,265,800</u>	<u>213,919</u>

Other debtors contains charity funds not available to the charity at the balance sheet date. These funds are held by the Treasury Solicitor and will returned to Cool Earth shortly after the balance sheet debt. The Treasury Solicitor has no objection to this restoration.

13. CREDITORS	2023	2022
	£	£
Amounts falling due within one year:		
Trade creditors	30,202	46,947
Other taxation and social security costs	1,885	-
Other creditors	3,722	3,956
Accruals	108,304	19,500
	<u>144,114</u>	<u>70,403</u>

COOL EARTH ACTION

NOTES TO THE FINANCIAL STATEMENTS

(Continued) for the year ended 31 January 2023

14. THE FUNDS OF THE CHARITY

	Balance at 1 February 2022 £	Income £	Expenditure £	Balance at 31 January 2023 £
Restricted income funds:				
Peru fund	74,644	137,641	(212,285)	-
PNG fund	245,356	160,747	(406,103)	-
Cameroon fund	-	16,164	(16,164)	-
Forest Research	-	7,668	(7,668)	-
Unconditional Cash				
Transfers	-	395,617	-	395,617
Programmes	-	64,894	(4,253)	60,641
New Partnership	-	-	-	-
The Queen's Green Canopy fund	817,881	2,770,028	(2,569,492)	1,018,417
	<u>1,137,881</u>	<u>3,552,758</u>	<u>(3,215,966)</u>	<u>1,474,673</u>
Unrestricted income funds:				
General fund	<u>3,554,203</u>	<u>2,544,103</u>	<u>(2,793,621)</u>	<u>3,304,686</u>
Net Asset	<u>4,692,084</u>	<u>6,096,861</u>	<u>(6,009,586)</u>	<u>4,779,359</u>

The Peru fund was originally set up in 2009 to conserve not less than 1,000 acres of endangered rainforest through the Ashaninka project in Peru and to provide support to the local communities. The Peru restricted fund is still used to account for specific donation income received for the benefit of Cool Earth's projects in Peru and the related restricted expenditure.

The PNG fund was originally set up in 2017 to account for specific donation income received for the benefit of Cool Earth's projects in Papua New Guinea (PNG) and the related restricted expenditure.

The Cameroon fund was set up in 2019 in respect of Cool Earth's partnership with a local NGO, the Centre for Community Regeneration and Development (CCREAD), which is offering communities an alternative to the logging and bushmeat trades. This project aims to provide alternative sustainable livelihoods that reduce pressure on the wildlife-rich rainforest.

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS
(Continued) for the year ended 31 January 2023

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

As at 31 January 2023:	Fixed assets £	Current assets £	Current liabilities £	Total £
Restricted income funds:				
Unconditional Cash Transfers	-	395,617	-	395,617
Programmes	-	60,641	-	60,641
The Queen's Green Canopy fund	-	1,018,417	-	1,018,417
Unrestricted income funds:				
General fund	68,262	3,380,536	(144,114)	3,304,685
NET ASSETS	68,262	4,855,211	(144,114)	4,779,359

As at 31 January 2022:	Fixed assets £	Current assets £	Current liabilities £	Total £
Restricted income funds:				
Peru fund	-	74,644	-	74,644
PNG fund	-	245,356	-	245,356
The Queen's Green Canopy fund	-	817,881	-	817,881
Unrestricted income funds:				
General fund	127,418	3,497,188	(70,403)	3,554,203
NET ASSETS	127,418	4,635,069	(70,403)	4,692,084

COOL EARTH ACTION**NOTES TO THE FINANCIAL STATEMENTS**

(Continued) for the year ended 31 January 2023

16. RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	2023	2022
	£	£
Net income for the reporting period	87,275	816,227
Adjustments for:		
Dividends, interest and rents from investments	(1,365)	(7,700)
Amortisation charges	48,440	20,303
Depreciation charges	13,764	20,614
Loss on disposal of tangible fixed assets	955	529
(Increase)/decrease in debtors	(2,051,881)	(91,427)
Increase/(decrease) in creditors	73,711	(14,123)
Net cash provided by operating activities	<u>(1,829,101)</u>	<u>744,423</u>

17. ANALYSIS OF NET DEBT

	2022	Cashflows	2023
	£	£	£
Cash at bank and in hand	4,421,150	(1,831,739)	2,589,411

COOL EARTH ACTION

England & Wales - Charity number 1117978

Accounts

COOL EARTH ACTION

Annual Report 2022

Cool Earth Action
Company number: 06053314
Charity number: 1117978

This Annual Report includes the Chair's Introduction, the Trustees' Annual Report, the Auditor's Report and the Financial Statements for the year ended 31 January 2022.

COOL EARTH ACTION CHAIR'S INTRODUCTION

for the year ended 31 January 2022

It has become a cliché to regard the pandemic as a reset but for every aspect of our work in the world's three largest rainforests, this has been the case. Whilst the consequences of COVID-19 persist in weakened health care systems and higher prices, every single community that Cool Earth has partnered with is taking more control of its rainforest with more resources at their disposal.

Resources come in many shapes and sizes. Investments in livelihoods and community assets like health posts and sanitation systems remain central to our work. No resource however is more versatile than cash, and cash grants have underpinned every partnership we have, backed by forest agreements that encourage trees to be kept standing. After much research and discussion with communities, the future of Cool Earth cash grants looks unconditional; indigenous and local communities are the experts of their own land, and we owe much more to them than they would ever owe us.

Building on over a decade of experience of cash grants, we have therefore embarked on a substantial initiative to pilot unconditional cash transfers as a conservation strategy. Early indications and research shows that it may well prove to be the future of rainforest conservation.

Just as cash can empower communities, so can knowledge. So often, a village that can monitor its rainforest can also take control of it. This insight lies behind our Rainforest Lab initiative which takes the wealth of data that satellite imagery provides and weds it to local knowledge. Starting with a pilot project in Oviri in Peru, our Forest Research team, alongside our technology partner Cadasta, is training, equipping and funding local people to use data to bolster their land rights and build irrefutable evidence of their conservation leadership.

One of the many superpowers of trees is their ability to sequester carbon no matter where in the world they are. This has encouraged us to recognise tree conservation beyond rainforests with the Queen's Commonwealth Canopy initiative that launched in 2016 and concludes this year. To mark HM The Queen's Platinum Jubilee, we were asked to launch a UK-based equivalent and the Queen's Green Canopy is doing much to celebrate ancient woodlands and plant one million trees.

COOL EARTH ACTION
CHAIR'S INTRODUCTION (Continued)
for the year ended 31 January 2022

All told, 2021 was Cool Earth's busiest ever year. The scaling-up of our work and impact shows that people-led rainforest protection is being recognised on a global scale as the most effective approach to fight the climate crisis. Even in the most challenging times, support for indigenous peoples and local communities is growing at pace with our ambitions. Our commitment to these communities and their right to live in and nurture rainforest is demonstrated in the pre-funding of every single project we embark on.

This pre-funding is one of the ways that the Cool Earth team continues to put the rights and choices of local people who live in the rainforest at the centre of everything we do. It is the foundation of Cool Earth's unique model which in turn depends on an extraordinary group of supporters from over thirty different countries. This report provides many instances of how the partnership between funders and communities is doing more to keep rainforest standing than any other approach to conservation. As the climate crisis becomes ever more critical, it is to these two groups that we remain indebted.



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Johan Eliasch
Chair of Trustees

Date: 8 October, 2022

**COOL EARTH ACTION
TRUSTEES' ANNUAL REPORT**
for the year ended 31 January 2022

The trustees present their report and the financial statements for Cool Earth Action (also known as and referred to as “Cool Earth”) for the year ended 31 January 2022.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association of the charitable company, 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

Cool Earth is a network of community led conservation partnerships. It works alongside people living in rainforests to demand and deliver its protection. Cool Earth’s founding principle is that people who live in rainforests must determine its future. Without this, rainforest destruction will remain a key driver of the climate crisis.

Cool Earth was created in 2007 to provide grant funding to rainforest communities and NGOs that work alongside them. The charity has worked to protect at-risk forest and ensure the voices of people who live in rainforests lead decisions that affect their future.

The essential role that rainforest protection plays in addressing the climate crisis becomes clearer each year. So too does the realisation that the conservation sector has contributed to the abuse and disenfranchisement of people who live in rainforests.

Cool Earth has strived to put its planning, its decisions and its spending in the hands of people who live in rainforests and to ensure power lies within communities themselves. Progress has been made but there is still much to do.

Above all, six core values must become embedded into everything Cool Earth does:

- People who live in rainforests determine its future;
- Funding decisions are planned, led and implemented by rainforest communities;
- Conservation leadership is from the ground up and is not imposed by Cool Earth or partner NGOs;
- Conservation funding is a transaction that has consequences beyond its monetary value. As such, each transaction must be fair and transparent;
- The use of evaluation and monitoring technologies must serve communities, to enhance their, and our, understanding of emerging threats to the forest through an equal exchange of knowledge; and
- When Cool Earth is privileged to have a presence in a community, it keeps intervention to a minimum.

COOL EARTH ACTION
TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 January 2022

Public Benefit

Under Section 17 of the Charities Act 2011, the trustees have followed the Charity Commission's guidance on public benefit. Cool Earth aims to achieve the following objectives:

- To provide grant funding to rainforest communities to support their work in protecting at-risk forest, and ensure their voice is heard in agreements that affect the future of rainforests; and
- To promote a greater recognition that local leaders and communities must lead and be rewarded for the development of strategies to address the role destruction of the natural world plays in the climate crisis.

Trustees' assessment of public benefit

In monitoring the progress of the charity in terms of delivery of public benefit, the trustees use the following measures of success and gather evidence accordingly:

- Participating in partnerships to protect rainforest at risk of destruction and degradation;
- Evaluating the effectiveness of indigenous peoples and local communities in protecting rainforest compared to protected areas and privately or state-owned forest; and
- Assessing and measuring the amounts of forest protected and quantities of carbon stored by each partnership through satellite mapping and ground surveying.

ACHIEVEMENTS AND PERFORMANCE

Fundraising and Engagement

Cool Earth's income for the year was £2.6 million, a 9% increase on 2020/21. Donations from individuals, businesses, and trusts and foundations were key sources of funding despite the challenges COVID-19 continued to bring across the sector.

In particular, support from businesses grew by 35% year on year, with national donation campaigns delivered with Voxi and M&S, new partnerships established with a range of organisations including Work For Good, and continued support from long-term corporate partners.

Throughout 2021, a new brand identity was developed alongside establishing a new website and supporter database (CRM) to ensure our fundraising is data-driven and as effective as possible and enabling Cool Earth to continue to strengthen relationships with our donors and engage new audiences.

COOL EARTH ACTION
TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 January 2022

Collaborations with the artist Coco Capitan and designer and patron Vivienne Westwood with WeTransfer, and successful income generation campaigns 'Time for Action' and the 'Big Give Green Match' ran alongside awareness campaigns 'Rainforest Firefighters' and '100 Reasons to be Optimistic' for COP26.

Notable PR coverage for Cool Earth included features in the Sky Arts Song for Nature concert, BBC radio and online, Sky News, the Evening Standard, the Daily Express, the Independent, Daily Mail and Time Out magazine.

Cool Earth Youth Ambassador Aleesha was awarded the Prime Minister's Points of Light Award, and Cool Earth co-founder Lord Field of Birkenhead made a Companion of Honour in the New Year's Honours list.

Staff spoke at a diverse range of national events, including Climate Expo, the Eden Project and the South-West International Development Network.

Not included in these accounts is income raised for *Cool Earth Action Inc.* (a US 501 3 c charitable organisation) by Cool Earth's fundraising team. In the year 2021/22, this was \$871,184 (£724,584).

Programmes

In 2021 we developed a Programmes Strategy to guide our work until 2026. This framework, built on existing projects, identified two new strategic priorities to ensure that the best guardians of the rainforest have the choice, the tools and the information to protect rainforest; Unconditional Cash Transfers and Rainforest Labs.

Unconditional Cash Transfers

We've provided communal cash grants to rainforest villages since 2008. Fifteen years on, with eight more partnerships in both Peru and Papua New Guinea, we're convinced that cash transfers remain a scalable and radical approach to halting tropical deforestation and fighting the climate crisis.

2021/22 was spent establishing the foundation and direction of our newest cash transfer programme. An initiative to provide long-term no-strings cash payments to people who live in the three greatest tropical rainforests (the Amazon and Congo Basins and the New Guinea rainforest). A global cash transfer programme manager was hired with initial objectives to collect data and information, analyse the current landscape on cash, conservation and climate and identify key academic stakeholders. All to help establish an intellectual context and rationale behind this programme.

In 2022/23, we plan to demonstrate that direct cash transfers to people living in rainforest is not only a way of rethinking ground-up approaches to conservation but is also the smartest climate action to take this coming decade.

COOL EARTH ACTION
TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 January 2022

Rainforest Labs

2021/22 was a transitional year for our forest monitoring project. We have been monitoring the health of rainforest and emerging threats to our partners since its inception with increasing capacity and expertise. However, COVID-19, coupled with increasing threats to the communities we work with, demonstrated that monitoring can only go so far from office spaces outside the rainforest.

Our strategy aims to remove the barriers preventing people who live in rainforest from accessing critical data so that they can protect their livelihoods and their forest. The Rainforest Labs programme will provide the relevant infrastructure, technology, and support to make this happen, funding access to the internet where it is needed, creating access to power, providing IT hardware and our Rainforest Labs software, developed in partnership with Cadasta, an industry leader in providing technological mapping software to indigenous peoples around the world. The programme commences with a pilot project in Oviri in the Peruvian Amazon in 2022.

PERU

In 2021, despite the effects of COVID-19, our field work gradually returned to normal in our four partnerships. By the end of 2021 all projects in both the Asháninka and Awajun communities were fully operating on the ground, following COVID-19 protocols. Normality allowed us to design the 2022 plans and budget, including the development of new activities.

We continued to focus on collaborations with local stakeholders, and transfer leadership and resources to indigenous associations. This has proven to be of vital importance for the resilience of rainforest and to scale the impact of our projects.

ASHÁNINKA

Location: Rio Tambo, Junin Province, Peru
Forest type: Tropical rainforest
Villages: 20

Cash Transfers

In 2021 we renewed our four Asháninka partnerships of Camantavishi, Cutivireni, Oviri and Parijaro.

Cutivireni used cash to build a house for health staff, attending health emergencies, paying education fees, buying radios, and maintenance for the most remote annexes. They also used the funds to support the Ayompari communal producer association. Parijaro used their funds to cover health emergencies, buy medicine, pay education fees and install satellite internet in the community. Oviri used their funds to cover health and education needs, and on the purchase of cacao equipment and supplies to support farmers. Camantavishi has used their funds mainly to cover health emergencies and school fees.

COOL EARTH ACTION
TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 January 2022

Climate Adaptation

Given the significant evidence of uncontrolled rainforest fires in the Ene Valley during 2021, we partnered with indigenous-led organisation, Central Asháninka del Rio Ene (CARE). We provided CARE with the resources and funding needed to develop a plan to manage rainforest fires in the Ene Valley. The project aims to place leadership decision-making and funding in the hands of IPLCs, so they can be better informed and equipped to address forest fires in their territories. The forest fire project received attention in the Peruvian media. Isabel Felandro, Peru Country Manager, was interviewed about forest fires in the Amazon by Ojo Publico and the work that NGOs are doing to address this issue. Read the article [here](#).

Income Generation

2021/2022 saw the Peru team support the development of two associations of small Asháninka producers, Ayompari in Cutivireni and Metsori in Parijaro. During the second quarter of 2021/2022 both associations successfully completed their legal registration and opened their bank accounts. A seed fund was transferred and used for the collection and storage of cocoa and coffee in Cutivireni and Parijaro.

Both associations signed agreements with the local cooperative Pangoa and achieved successful sales. By working together as an association, farmers are now in a better position to access, negotiate and supply markets that want sustainable cocoa beans.

AWAJUN

Location: Amazonas Province, North Peru

Forest type: Tropical rainforest

Villages: 6

Cash Transfers

In 2021, we renewed the forest agreements with our four Asháninka partnerships of Huaracayo and Urakuza.

People from Urakuza spent the funds on improving the infrastructure and equipment of the primary school and bought school supplies and medicines for the communal health kit. Six young people received funds to cover university fees, used to support cacao and fish farming projects and to improve the sanitation infrastructure in Urakuza. As for Huaracayo, people used their funds to get energy access in the communal office, in university fees and for medicine in the communal health kit. A large part of the funds were also used to scale up fish farming projects.

Climate Adaptation

In 2021, the number of participants of the inga project grew to 34 Awajun families. Old and new members received training in inga alley cropping. Additionally, two nurseries were installed in Urakuza and Huaracayo for the cultivation of short cycle seeds.

As the inga project in the Awajun program continues to grow, a new inga technician was hired. Together with the communal promoters, she will lead the inga project in Urakuza and Huaracayo.

**COOL EARTH ACTION
TRUSTEES' ANNUAL REPORT** (Continued)
for the year ended 31 January 2022

Income Generation

In 2021, the number of cacao project participants increased from 76 to 100, and in January the Pamuk Bakau communal producer association was formed. The community also agreed to restore an old building as the first cacao centre, due to open in June 2022. Cacao farmers have regularly attended training on techniques such as soil management, grafting, pruning, fertilisation, pest management and rehabilitation. All cacao plots have undergone soil analysis, which has allowed the correct choice of fertilisers per plot, contributing to improve the quality of the cacao.

Food Security

The fish farming project addresses food security by diversifying the diet of Awajun families with locally sourced protein, with Cool Earth providing support to ensure the fish fry grow up healthy and strong.

The 93 participants of the Urakuza and Huaracayo fish farming project received tools, balanced fish food, and training on feed quality, natural nutrients, fishponds fertilisation and construction. Technicians also supported farmers in collecting biometric data on the size and weight of fish.

PAPUA NEW GUINEA (PNG)

2021 was a challenging year for our partners and colleagues and the communities of PNG, with the impacts of Covid-19 very much apparent; halting many projects until mid-year. Civil unrest disrupted and impacted many lives and livelihoods until the end of the year. By the start of 2022, projects were more stable, and progress resumed.

Key themes across our partnerships were the development of carbon plots, a focus on sharing data, the introduction of our paraecology programme, knowledge-sharing between academics, elders and youths, and the completion of COVID-19 prevention work.

MILNE BAY

Location: Milne Bay, South East PNG

Forest type: Tropical rainforest

Villages: 17

Sololo

Education

GreenTVET, an education service provider in PNG, delivered adult literacy and sewing skills to people in the Sololo partnership funded by Cool Earth. Sixty-three people took part in the teachings, over eight weeks.

COOL EARTH ACTION
TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 January 2022

Twenty-eight people completed the literacy modules which included sessions for life-coping skills, gender equity and awareness, HIV and AIDS awareness, and team building. These resulted in a growth in confidence and positive relationships within the student cohort. Fifteen of these students are continuing with the adult education programme, using the Flexible and Open Distance Education pathway, under the national education system. GreenTVET will assist these students to enrol for the 2022 academic year.

In the sewing modules, 34 people completed tie-dying skills and 29 people learnt to sew a blouse. These skills can be used to provide income as there is a need for sewn goods in local markets.

Cash Transfers

People in Sololo spent unrestricted funds given by Cool Earth on the ongoing construction of their resource centre, school fees and household cash distribution. Twenty-one children at all education levels had their school fees paid and thirty-four households received cash.

Wabumari

Cash Transfers

A governance meeting was conducted for Wabumari Community Development Association members to strengthen key skills in managing the association such as resolving conflicts and conducting community meetings. Following this, the community decided that 50% of donations from Cool Earth in 2021 would be spent on drinking water tanks and improving the elementary school classroom, due for construction in 2022. The remaining cash will be distributed between all households in Wabumari.

Income Generation

Event company Fusion Milne Bay (FMB) was identified as one of our potential collaborators to assist in income generation initiatives in Wabumari. The team worked with FMB to identify resources and skills that can be prioritised for business product development.

Rehabilitation of the coconut plantations and improvements in the quality of coconut products is needed for growers to access more profitable markets. Growers were introduced to Kokonas Industri Koporesen (KIK; the corporation for the coconut industry in PNG) who can provide training and support in creating high quality products.

COOL EARTH ACTION
TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 January 2022

Forest Research

Two in-house training modules were conducted this year to the youths taking part in the Paraecology project. “Basic report writing and practical field research skills” and “Introduction to Biodiversity” modules were completed by five Biodiversity Officer staff and 17 young people. The aim of the training is to build the skills and knowledge for careers in conservation and guiding.

University of Goroka (PNG) academics set up carbon plots to collect data. The plots are for long-term monitoring of changes in forest health and ground-truthing of carbon data from remote sensing. Local young people worked with the academics to gain practical skills, techniques and knowledge. After collection of plants from the plots, the academics, youths and village elders shared knowledge about species, their names and their uses. It is crucial to involve elders in the transfer of local knowledge to the younger generation as traditional knowledge is highly connected with forest. With forest loss, there is a risk of losing knowledge about the benefits it provides. Researchers and the elders recorded approx 75 plant species, 46 of which had traditional uses including for tools, construction, food and medicines.

Peopesa

A new community partnership has been initiated with people in Peopesa (Wadauda ward). The local team travelled there to distribute COVID-19 PPE. Data was collected about people’s needs and expectations of the partnership. A Community Based Organisation (CBO) inception meeting was held with Ward leaders. The CBO, “Peopesa Community Foundation”, will work with us to address residents’ needs and support our commitment to strengthen community governance and empower leaders to manage community affairs and funds.

Water Sanitation and Hygiene (WaSH)

The six-month collaboration, started in 2020 with the United Church Rural Water Supply and Sanitation Project (RWSSP). The collaboration delivered hand wash stations and awareness about COVID-19 in all partner communities. Across eight villages, 24 hand wash stations have been built, serving over 2,500 people. Fourteen of these were at schools or health centres providing clean water to those who need it most. 33 people were trained as community health volunteers to assist in COVID-19 awareness and information provision.

RWSSP have identified further WaSH needs in the communities, including addressing women’s health and WaSH in Schools. These needs have been raised by people living in partner communities and RWSSP has the capacity to deliver a project to meet these needs, so a three- to five-year proposal to achieve this is being developed.

COOL EARTH ACTION
TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 January 2022

Governance, Structure and Management

Two new coordinators were hired to support the growth of small community businesses and local financial management and support community associations to develop land use plans that meet residents' development and conservation needs.

RAINFOREST NETWORK

Collaboration lies at the heart of Cool Earth's approach to rainforest conservation. The teams in Peru and Papua New Guinea have put in place a series of collaborative partnerships with communities that put local people in control of their rainforest. Elsewhere in the world's largest rainforest regions, we work alongside outstanding organisations that share Cool Earth's values and deliver people-led forest protection. Whilst focused on the Congo Basin, the Rainforest Network of partners is an essential part of how Cool Earth learns from some of the smartest approaches to conservation.

Democratic Republic of the Congo

Lubutu

NGO Partner: Fauna & Flora International (FFI)

Location: Maniema Province

Forest Type: Tropical rainforest

Community members: 12,900

Villages: 46

Cool Earth has worked on the Lubutu partnership since 2013, with recent work focusing on the distribution of and improvements to fuel efficient stoves. These reduce degradation of forest from fuel wood collection whilst improving health and wellbeing of families in partner villages. Since January 2021, activities have been largely on track after considerable disruption to activities in 2020 as a result of COVID-19 restrictions.

Since the start of 2021, 349 households participated in training on the construction and use of fuel-efficient stoves, 250 kitchens or shelters were built, and 237 stoves were constructed. This brings the total numbers since this programme of work began in 2014 to: 2,968 households trained, 2,561 shelters built, and 2,198 energy efficient stoves constructed. Additionally, 202 complete portable braziers were made. Marketing strategies for these braziers are being finalised so that sale of braziers can become a livelihood option.

The Lubutu partnership came to an end in January 2022, and project activities will be continued by FFI. We are very grateful for the success of this partnership and the work that FFI and the communities continue to do.

COOL EARTH ACTION
TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 January 2022

Community Forests in Équateur Province

NGO Partner: Go Conscious Earth
Location: Équateur Province, DRC
Forest Type: Tropical rainforest
Community members: 25,079
Villages: 16

Cool Earth is pleased to have funded a project for Go Conscious Earth in the DRC from December 2021.

This project will focus on creating management systems for four Local Community Forest Concessions (CFCLs) in the Équateur Province of the DRC, and governance and community capacity building to ensure that community members are able to conduct management of the CFCLs in line with government requirements.

Cambodia

Cardamom Mountains

NGO Partner: Fauna & Flora International (FFI)
Location: Trat Province, Cambodia
Forest Type: Tropical rainforest
Community members: 3,291
Villages: 12

Cool Earth's partnership with Fauna & Flora International (FFI) in the Cardamom Mountains was significantly impacted by COVID-19 restrictions throughout the project year. Despite this, good progress was made towards programme objectives.

Gender analysis and household surveys were designed and completed, technical training and coaching was provided to 84 farmers on chicken raising, a mobile phone-based information system was provided to provide easier access to advice and coaching for farmers during periods of COVID-19 restrictions on field work and 103 farmers participated in training on climate adaptive agriculture with a focus on rice.

The lemongrass essential oils cooperative received support from industry partner Bodia Apothecary Company in the production and processing of essential oils which marked a return to activities for the cooperative which faced disruptions to market linkages due to COVID-19.

Our work in this region has now come to an end, and project activities will be continued by FFI. We are very grateful for the success of this partnership and the work that FFI and the communities continue to do.

COOL EARTH ACTION
TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 January 2022

Cameroon

Muanenguba

NGO Partner: Centre for Community Regeneration & Development (CCREAD)

Location: Bakossi Reserve and Banyang-Mbo, Koupe Muanenguba Division, Southwest Region Forest Type: Tropical Mountain Systems

Villages: 25

Cool Earth's partnership with CCREAD Cameroon was renewed for a further three years in December 2020. The partnership renewal has seen the expansion of project activities to twenty more communities in the Kupe Muanenguba division.

Mapping and surveys analysing threats to the rainforest were completed covering all of the partner communities, and education and awareness-raising sessions on the importance of rainforests and biodiversity were held in all of the new partner communities, reaching a total of 1,205 community members.

Solar energy systems were installed in five communities from the first phase of the project, including the building of five 15kw mini grid solar systems and household electrification, community rainforest and wildlife education and advocacy groups were created in each of the new partner communities, and saplings were transplanted from the community tree nurseries to degraded farm plots in fifteen communities.

The CCREAD team also responded to the oversubscription of their earlier awareness raising sessions by creating a larger awareness raising campaign via a community football tournament. The team used football to engage participants and other community members from the 25 communities involved in the programme for football games and awareness raising and discussions about rainforests and biodiversity. These sessions proved very successful, with over 5,000 people attending throughout the day.

The Queen's Green Canopy (QGC)

A key part of Cool Earth's mission is advocating for the protection of native forests, wherever in the world those forest might grow. In 2020 Cool Earth was asked to launch a unique tree protection and planting initiative to mark Her Majesty's Platinum Jubilee in 2022. The resulting campaign is the Queen's Green Canopy and has championed Britain's ancient woodlands and invited people to "Plant a Tree for the Jubilee" during the 2021/22 and 2022/23 planting seasons.

COOL EARTH ACTION
TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 January 2022

With a focus on planting sustainably, the QGC encourages tree planting which will benefit future generations. As well as inviting the planting of new trees, the QGC celebrates an Ancient Canopy of 70 Ancient Woodlands and 70 Ancient Trees. The QGC has collaborated with forestry and environmental groups across the UK to plant new trees and conserve existing and precious trees, some of which are hundreds of years old.

GOVERNANCE, STRUCTURE AND MANAGEMENT

The charitable company is governed by the rules and regulations set down in its Memorandum and Articles of Association dated 15 January 2007.

Cool Earth has two operational hubs in Peru and Papua New Guinea that operate as locally registered organisations. They are regional partnerships that work to ensure local people's rights over the rainforest are exercised.

The Peru hub is made up of six regional partnerships that include two indigenous nations. It has a team of 18. The PNG Hub is composed of three regional partnerships and has a team of 17.

The Cool Earth network also includes six exceptional locally-led organisations that are designing and delivering people-led approaches to forest protection, shaping the future of rainforest conservation in Cameroon, Cambodia, the Democratic Republic of the Congo, Ecuador and Mozambique. Cool Earth provides support, funding and evaluation for the members of this network.

The overall strategic direction of the charity is determined by the trustees, who meet formally two times a year and periodically to address exceptional issues. The trustees are responsible for planning and policy making, and accordingly, all key decisions are referred to and taken by the board of trustees. Day to day management is provided by an Executive Director based in the UK who is supported by a senior leadership group and a team of 14.

COOL EARTH ACTION
TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 January 2022

Company Information

The trustees of the charity, also the directors of the company, who have held office since 1 February 2021 are as follows:

Ms. Gillian Burke	(appointed 3 May 2021)
Ms. Samantha Cohen	(resigned 1 June 2022)
The Rt. Hon. Lord Deben	
Mr. Johan Eliasch	
Mr. Mark Ellingham	
The Rt. Hon. Lord Field CH	
Mr. Anthony Juniper	
The Baroness Jenkin of Kennington	
Mr. Johan Rockström	

The principal address of the charity is Tremough Innovation Centre, Penryn, Cornwall, TR10 9TA and the registered office address of the company is 27 Old Gloucester Street, London, WC1N 3AX.

The charity is registered under the charity number 1117978, and the company is incorporated with the company registration number 06053314.

The trustees have made the following professional appointments:

Solicitor:	Stephens Scown LLP, 2 Kingdom Street, London, W2 6JP
Banker:	Barclays Bank, Turro Group, Leicester, Leicestershire LE87 2BB
Auditor:	RSM UK Audit LLP, Davidson House, Forbury Square, Reading, Berkshire RG1 3EU
Accountant:	RSM UK Tax and Accounting Limited, 3rd Floor, One London Square, Cross Lanes, Guildford, Surrey GU1 1UN

Mr. Matthew Owen acts in an executive capacity as the Executive Director of Cool Earth Action and is responsible for the day-to-day management of the charitable company. The key management personnel of Cool Earth Action are considered to be Matthew Owen, Dr. Hannah Peck (Deputy Director), Jules Wright (Senior Manager, Programmes), Lauren Howard (Senior Manager, Fundraising and Engagement) and Sarb Remphry (Senior Manager, Operations and HR). The remuneration of the key management personnel is decided upon by the board of trustees taking account of performance and the levels of pay in a representative peer group of similar Non-Governmental Organisations.

The trustees are assisted by an Advisory Board of individuals that are neither trustees nor directors.

COOL EARTH ACTION
TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 January 2022

Trustees' Responsibilities

The trustees, who are the directors of Cool Earth for the purposes of company law, are responsible for preparing the annual 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 the incoming resources and application of resources, including the income and expenditure of the charitable company, for that period. In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

Disclosure of Information to the Auditor

The trustees at the date of approval of this trustees' annual report confirm that so far as each of them is aware, there is no relevant audit information of which the charity's auditor is unaware, and the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that audit information.

Method of Recruitment, Appointment, Election, Induction and Training of Trustees

The original trustees were the founders of the organisation with particular personal interests in attempting to find a way to actively tackle worldwide climate change issues. As and when a future vacancy arises, or should the required mix of skills, experience and knowledge required with the board of trustees change over time, such matters will be considered when recruiting suitable candidates.

In accordance with the company Memorandum and Articles of Association, the minimum number of trustees should not be less than three, but no maximum limit is dictated. It is likely in the future suitable trustee candidates will be identified by the existing trustees or be referred to the existing trustees through the Advisory Board and/or other interested third parties. Appointment as a trustee is by election and requires an ordinary resolution of the members of the charitable company.

All trustees are made aware of and have access to relevant Charity Commission publications and are regularly briefed by their professional advisers on significant developments within the charity sector that are applicable to the charity's circumstances.

New trustees are provided with both an introduction to the charity, its work and their role within it, and with pertinent copies of paperwork.

Relationship with Related Parties

In order to maximise the impact of Cool Earth's activities to support communities to protect rainforest, it is the policy of Cool Earth to develop partnerships with local communities and NGOs. On occasions, Cool Earth has become a significant co-funder of conservation projects with a range of organisations who have been selected on the basis of their experience, record of community engagement and commitment to the aims of Cool Earth. Key partners of Cool Earth over the past year have included Fauna and Flora International, Jempe, Tsimi, Yakolima and Umukai.

A trading subsidiary of Cool Earth exists (Cool Earth Limited) but has never traded and remains inactive.

Cool Earth Action USA Inc. is an affiliated non-profit organisation in the USA that is registered as tax-exempt under section 501(c)(3) of the federal law of the United States. Cool Earth Action USA Inc. does not share trustees or offices with Cool Earth Action but does contribute directly to Cool Earth Action's programmes.

COOL EARTH ACTION
TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 January 2022

FINANCIAL REVIEW

Income and Fundraising

Cool Earth's income for the year was £3.9 million (2020/2021: £2.3 million) and individuals, businesses and foundations continue to be the primary funding source.

Financial Results of Activities and Events

Total income for the year amounted to £3,868,402 (2020/2021: £2,341,059), and total expenditure was £3,052,175 (2020/2021: £2,150,770) resulting in net income of £816,227 (2020/2021: £190,290).

The trustees are satisfied with the financial performance of the charitable company and its financial position at the balance sheet date.

Reserves Policy

As of 31 January 2022, the charity had "free reserves" of £3,426,785 (31 January 2021: £3,429,459). Beyond the requirements of a prudent working capital base, since 2011 Cool Earth has been developing a Reserves Fund, so it can realise its commitments to community partners even in the event of an income shortfall.

An initial project reserve of £2.1 million was set as a five-year target, calculated on the basis of 18 months of project funding from 2016. This target had been achieved by 31 January 2017. Since then, an assessment has been made each year of the funding requirements of each partnership. The duration of each partnership is assessed in consultation with community partners, their allies and Cool Earth's programming teams and range from two to eight years. The 'free reserves' fulfils the funding requirements for every partnership that Cool Earth has entered in to and allows for additional partnerships to be added in the current year.

Investments Policy

The trustees have wide ranging powers to invest the funds of the charity at their discretion and as they think fit. The charity makes use of a Sterling bank account and a US Dollar bank account to hold all the non-reserve funds of the charity as cash so that they are readily available to expend in support of the charity's activities as and when required by the trustees. Reserves are currently held in high interest deposit accounts and should significant funds be received in the future the trustees will consider suitable investment opportunities.

Risk and Corporate Governance Matters

The trustees recognise that Cool Earth's range of operations in the UK and overseas expose it to a range of risks. In order to manage these risks appropriately and mitigate their impact on the operation and effectiveness of Cool Earth, the trustees have developed a risk strategy that details categories of risk and appropriate management strategies. A risk register is maintained by the Executive Director, which summarises key risks and which the board reviews.

As identified on the risk register, the main risks and the measures taken to mitigate them are as follows:

Risk 1: Natural or human induced hazards, such as floods, forest fires, epidemics and internal conflict impact on Cool Earth's ability to deliver parallel programmes and complete existing partnerships resulting in risk to personal security of staff, partners, assets and resources in country.

Mitigation Action 1: Country Security plans, and escalation processes, are in place to respond, adapt programmes and prepare contingency plans. During this year Hostile Environment Awareness Training was undertaken by key staff and in-country emergency procedures were updated for all Cool Earth's partnerships.

Risk 2: Failure to sustain levels of overall funding for Cool Earth's partnership commitments.

Mitigation Action 2: Cool Earth undertakes annual reviews of our fundraising and communications strategy. These have put in place strategies to diversify income by geography (an increase in non-sterling funds) and source (a more even division between business, individual and trust funders).

Risk 3: Ineffective information flow, failure of internal controls, and a dispersed geography of programmes leads to a risk that funds could be misappropriated or incorrectly recorded and information not being available to make informed decisions.

Mitigation Action 3: Investments in improved accounting systems and the development of standard accounting policies, procedures and definitions are currently being rolled out across all partnerships.

COOL EARTH ACTION
TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 January 2022

FUNDS HELD AS CUSTODIAN

Although the charity will maintain restricted funds to deal with incoming resources that are earmarked for a particular purpose by donors, sponsors, and other funders, the charity does not currently hold, and does not intend to hold, any funds as custodian for any third party.

This report was approved by the trustees on 8th October, 2023, and was signed for and on behalf of the board by:



..... Trustee
Mr Johan Eliasch

8 October 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COOL EARTH ACTION

Opinion

We have audited the financial statements of Cool Earth Action (the 'charitable company') for the year ended 31 January 2022, which comprise the statement of financial activities, the balance sheet and the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 January 2022 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 charitable company 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issues.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COOL EARTH ACTION

(Continued)

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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Annual 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 charitable company 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 where 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 take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COOL EARTH ACTION

(Continued)

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 8, the trustees (who are also the directors of the charitable company for the purposes 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 charitable company'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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COOL EARTH ACTION

(Continued)

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the charitable company operates in and how the charitable company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud; and
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Bribery Act 2010 and the Proceeds of Crimes Act 2002. We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected the ledger for any undisclosed transactions in relation to these regulations.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COOL EARTH ACTION
(Continued)

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.

Kerry Gallagher

Kerry Gallagher (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Davidson House
Forbury Square
Reading
Berkshire RG1 3EU

27 October 2022
.....

COOL EARTH ACTION
STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)
for the year ended 31 January 2022

	Notes	Unrestricted Funds £	Restricted Funds £	TOTAL 2022 £	TOTAL 2021 £
INCOME FROM:					
Donations and legacies	3	1,862,156	1,969,856	3,832,012	2,293,691
Other trading activities	4	28,690	-	28,690	37,101
Investments	5	7,700	-	7,700	10,267
TOTAL		1,898,546	1,969,856	3,868,402	2,341,059
EXPENDITURE ON:					
Raising funds	6	(510,202)	(41,164)	(551,366)	(409,682)
Charitable activities: Project Work	7	(1,287,319)	(1,213,490)	(2,500,809)	(1,741,087)
TOTAL		(1,797,521)	(1,254,654)	(3,052,175)	(2,150,769)
NET INCOME AND NET MOVEMENT IN FUNDS					
		101,025	715,202	816,227	190,290
RECONCILIATION OF FUNDS					
Fund balances brought forward at 1 February 2021		3,453,178	422,679	3,875,857	3,685,567
FUND BALANCES CARRIED FORWARD AT 31 JANUARY 2022					
	15	3,554,203	1,137,881	4,692,084	3,875,857
		=====	=====	=====	=====

COOL EARTH ACTION
STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)
for the year ended 31 January 2021

		Unrestricted Funds	Restricted Funds	TOTAL 2021	TOTAL 2020
	Notes	£	£	£	£
INCOME FROM:					
Donations and legacies	3	1,482,846	810,845	2,293,691	3,070,280
Charitable activities		-	-	-	82,983
Other trading activities	4	37,101	-	37,101	40,647
Investments	5	10,267	-	10,267	29,203
TOTAL		1,530,214	810,845	2,341,059	3,223,113
EXPENDITURE ON:					
Raising funds	6	(388,523)	(21,159)	(409,682)	(498,929)
Charitable activities: Project Work	7	(1,294,270)	(446,817)	(1,741,087)	(2,198,918)
TOTAL		(1,682,793)	(467,976)	(2,150,769)	(2,697,847)
NET (EXPENDITURE)/ INCOME AND NET MOVEMENT IN FUNDS					
		(152,579)	342,869	190,290	525,266
RECONCILIATION OF FUNDS					
Fund balances brought forward at 1 February 2020		3,605,757	79,810	3,685,567	3,160,301
FUND BALANCES CARRIED FORWARD AT 31 JANUARY 2021					
	15	3,453,178	422,679	3,875,857	3,685,567
		=====	=====	=====	=====

**COOL EARTH ACTION
BALANCE SHEET**

as at 31 January 2022

Company Number: 06053314

	Notes	2022 £	2021 £
FIXED ASSETS			
Intangible assets	10	106,897	-
Tangible assets	11	20,521	23,719
		<u>127,418</u>	<u>23,719</u>
CURRENT ASSETS			
Investments	12	-	2,000,000
Debtors	13	213,919	122,492
Cash at bank and in hand		4,421,150	1,814,172
		<u>4,635,069</u>	<u>3,936,664</u>
LIABILITIES			
Creditors: Amounts falling due within one year	14	(70,403)	(84,526)
		<u>4,564,666</u>	<u>3,852,138</u>
NET CURRENT ASSETS			
		<u>4,692,084</u>	<u>3,875,857</u>
TOTAL ASSETS LESS CURRENT LIABILITIES & NET ASSETS			
		=====	=====
THE FUNDS OF THE CHARITY			
<i>Restricted income funds</i>	15	1,137,881	422,679
<i>Unrestricted funds</i>	15	3,554,203	3,453,178
		<u>4,692,084</u>	<u>3,875,857</u>
TOTAL CHARITY FUNDS			
		=====	=====

The financial statements on pages 16 to 29 were approved by the trustees and authorised for issue on 8 October, 2022, and are signed on their behalf by



..... Trustee
Mr Johan Eliasch

8 October, 2022

COOL EARTH ACTION
STATEMENT OF CASH FLOWS
for the year ended 31 January 2022

	Notes	2022 £	2021 £
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash provided by operating activities	17	744,423	112,886
CASH FLOWS FROM INVESTING ACTIVITIES:			
Dividends, interest and rents from investments		7,700	10,267
Purchase of intangible fixed assets		(127,200)	-
Purchase of tangible fixed assets		(17,945)	(5,303)
Short term investment withdrawn		2,000,000	700,000
		<hr/>	<hr/>
Net cash provided by investing activities		1,862,555	704,964
		<hr/>	<hr/>
CHANGE IN CASH AND CASH EQUIVALENTS			
IN THE REPORTING PERIOD			
		2,606,978	817,850
Cash and cash equivalents at the beginning of the reporting period			
		1,814,172	996,322
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END			
OF THE REPORTING PERIOD			
	18	4,421,150	1,814,172
		=====	=====

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 January 2022

1. ACCOUNTING POLICIES

Company Information

Cool Earth Action is a private company limited by guarantee incorporated in England and Wales. The registered office is 27 Old Gloucester Street, London WC1N 3AX and the principal place of business is Tremough Innovation Centre, Penryn, Cornwall TR10 9TA.

The company's principal activity is disclosed in the Trustees' Annual Report.

Basis of Accounting

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the requirements of the Companies Act 2006 and under the historical cost convention.

Within the definitions of FRS 102, the charitable company, which is limited by guarantee, is a public benefit entity.

The financial statements have also been prepared in accordance with the accounting policies set out in more detail below, to comply with the charitable company's governing document, the Charities Act 2011 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).

The financial statements are prepared in Sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £1.

Going Concern

The charitable company is fundamentally dependent upon the continuing financial support of sponsors, supporters and other key funders to remain a going concern. The trustees have formulated financial plans for the future, as at the date of adoption of these financial statements and on the basis of estimated future cash flows, the trustees are of the opinion that the charitable company will be able to continue its activities and meet all of its liabilities as they fall due for a period of at least twelve months from the date of the adoption of these financial statements. Therefore, these financial statements have been prepared on the going concern basis.

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 January 2022

1. **ACCOUNTING POLICIES** (Continued)

Income

All income is included in the statement of financial activities when the charitable company is entitled to the funds, receipt is probable, and the amount can be quantified with reasonable accuracy. Donations are normally brought into account when received and are stated gross of any attributable tax recoverable.

Government and institutional grants are accounted for on a receivable basis. Donations and grants given for specific purposes are treated as restricted income.

All other income, including investment income, is accounted for on a receivable basis as and when earned by the charity.

Gifts In Kind

The value of gifts in kind is recognised as income where the gross value to the charitable company can be assessed with reasonable accuracy. Where this is not the case, the nature of the gift is disclosed.

Foreign Currencies

Transactions denominated in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date. All exchange gains or losses are included in the statement of financial activities in the period to which they relate.

Expenditure

All expenditure is accounted for on an accruals' basis inclusive of any irrecoverable Value Added Tax and is allocated as direct costs in the statement of financial activities where the costs can be identified as being directly related to raising funds or to charitable activity. Where costs cannot be directly attributed, they are allocated to categories on a basis consistent with the budgeted use of the resources concerned or in proportions based upon a suitable ratio applicable to the nature of the cost involved.

Grants payable are recognised in the period in which the approved offer is conveyed to the recipient in those cases where the offer is conditional, such grants being recognised only when the conditions attaching to the award are fulfilled. Grants offered subject to conditions, which have not been met at the balance sheet date, are noted as a potential commitment, but are not treated as a liability.

Governance costs comprise specific direct costs incurred by the charity in relation to operating the charitable company as a charitable company, which includes audit fees, and a proportion of certain other support costs allocated to governance by the trustees.

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 January 2022

1. **ACCOUNTING POLICIES** (Continued)

Intangible Fixed Assets

All intangible assets purchased costing more than £1,000 that have a useful economic life that exceeds one year are capitalised and classified as intangible fixed assets. Intangible fixed assets are stated at historical cost less amortisation. Amortisation is provided on all intangible fixed assets at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:

Website on a 33% straight-line basis

Tangible Fixed Assets

All tangible assets purchased costing more than £1,000 that have a useful economic life that exceeds one year are capitalised and classified as tangible fixed assets. Tangible fixed assets are stated at historical cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:

Office & computer equipment on a 33% straight-line basis

Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are therefore classified and accounted for according to the substance of the contractual arrangement as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities.

Financial Assets and Liabilities

The charitable company's debtors and creditors that meet the definition of either a financial asset or a financial liability are initially recognised at the transaction value and thereafter are stated at amortised cost using the effective interest method.

Fund Accounting

The general fund comprises the accumulated surpluses of unrestricted income over expenditure, which is available for use in furtherance of the general objectives of the charitable company.

Designated funds are a particular form of unrestricted funds consisting of amounts, which have been allocated or designated for specific purposes by the trustees. The use of designated funds remains at the discretion of the trustees.

Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of the restricted funds are set out in the notes to the financial statements. Amounts unspent at the period end are carried forward in the balance sheet.

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 January 2022

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charitable company'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 underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

There were no specific judgements, estimates and assumptions that were critical to the preparation of these financial statements.

3. DONATIONS AND LEGACIES	Unrestricted Funds £	Restricted Funds £	TOTAL 2022 £	TOTAL 2021 £
Donations received from individuals and on-line through the charity's website	1,322,431	10,000	1,332,431	1,171,830
Other donations received from corporate and other similar supporters	539,725	736,021	1,275,746	1,121,111
Income from non-core campaign	-	1,223,835	1,223,835	-
Donations in kind:				
Accommodation costs	-	-	-	750
	<u>1,862,156</u>	<u>1,969,856</u>	<u>3,832,012</u>	<u>2,293,691</u>
	=====	=====	=====	=====

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 January 2022

4. OTHER TRADING ACTIVITIES	Unrestricted Funds £	Restricted Funds £	TOTAL 2022 £	TOTAL 2021 £
Shop sales and other similar income	28,690	-	28,690	37,101
	=====			=====
5. INVESTMENTS	Unrestricted Funds £	Restricted Funds £	TOTAL 2022 £	TOTAL 2021 £
Bank interest receivable on short term cash deposits	7,700	-	7,700	10,267
	=====			=====
6. RAISING FUNDS	Unrestricted Funds £	Restricted Funds £	TOTAL 2022 £	TOTAL 2021 £
Direct costs	214,574	-	214,574	116,752
Support costs - see note 8 (30%)	295,628	41,164	336,792	292,930
	510,202	41,164	551,366	409,682
	=====			=====
7. PROJECT WORK	Unrestricted Funds £	Restricted Funds £	TOTAL 2022 £	TOTAL 2021 £
Direct costs	295,519	1,117,441	1,412,960	1,057,583
Support costs - see note 8 (70%)	991,800	96,049	1,087,849	683,504
	1,287,319	1,213,490	2,500,809	1,741,087
	=====			=====

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 January 2022

8. SUPPORT & GOVERNANCE

	<u>Unrestricted Funds</u>			TOTAL	TOTAL
	Support	Governance	Restricted	2022	2021
	costs	costs	Funds	£	£
	£	£	£		
Donations in kind:					
Accommodation costs	-	-	-	-	750
Staff costs (15%) - note 9	836,301	147,582	137,213	1,121,096	797,554
Staff recruitment, training and welfare (30%)	4,206	1,802	-	6,008	9,211
Travel and subsistence expenses (15%)	16,170	2,853	-	19,023	8,502
Premises operating lease costs (30%)	35,811	15,347	-	51,158	39,614
Other premises costs (40%)	3,283	2,188	-	5,471	4,247
Communications costs (60%)	51,476	77,215	-	128,691	55,800
Other costs (50%)	12,834	12,835	-	25,669	24,231
Legal and professional fees (10%)	2,871	319	-	3,190	9,066
Auditor's remuneration:					
Audit fee (100%)	-	15,000	-	15,000	(952)
Accountancy and advisory services (100%)	-	10,125	-	10,125	-
Amortisation (25%)	15,227	5,076	-	20,303	4,635
Depreciation – owned assets (25%)	15,460	5,154	-	20,614	16,260
Loss on disposal of tangible fixed assets (25%)	397	132	-	529	-
Exchange (gains)/losses	(2,236)	-	-	(2,236)	7,516
	991,800	295,628	137,213	1,424,641	976,434
	=====	=====	=====	=====	=====

Support costs are allocated directly based on activity and thereafter using the ratios, which are based on estimated assessed impact of the costs involved. The percentage of costs allocated as governance is disclosed above where relevant. Support costs are currently split 30:70 between raising funds and programmes.

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 January 2022

9. STAFF COSTS	2022	2021
	No.	No.
The average monthly number of persons employed by the charitable company (excluding trustees) during the year was, as follows:		
Support staff	28	21
	==	==
	£	£
Staff costs for the above persons:		
Wages and salaries	999,717	720,336
Social security costs	101,378	59,345
Pension contribution pension scheme costs	20,001	17,873
	<u>1,121,096</u>	<u>797,554</u>
	=====	=====

During the year, one employee earned total emoluments in the range £60,001 to £70,000 and one in the range £90,001 to £100,000 (2020/2021: one employee in the range £60,001 to £70,000). The highest paid employee is part of the QGC campaign and is not a member of the key management team.

During the year, the total amount of employee benefits received by key management personnel for their services to the charitable company amounted to £270,250 (2020/2021: £228,753).

No trustee received any remuneration for services provided to the charity as a trustee during the current or previous year. No trustee was reimbursed in respect of expenses incurred on behalf of the charity during the current or previous year.

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 January 2022

10. **INTANGIBLE ASSETS**

Website
£

Cost:

1 February 2021

201,423

Additions

127,200

31 January 2022

328,623

Amortisation:

1 February 2021

201,423

Charge for the year

20,303

31 January 2022

221,726

Net book value:

31 January 2022

106,897

=====

31 January 2021

-

=====

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 January 2022

11. TANGIBLE ASSETS

**Office
& computer
equipment
£**

Cost:

1 February 2021	83,147
Additions	17,945
Disposals	(17,859)
31 January 2022	<u>83,233</u>

Depreciation:

1 February 2021	59,428
Charge for the year	20,614
Disposals	(17,330)
31 January 2022	<u>62,712</u>

Net book value:

31 January 2022	20,521
	=====
31 January 2021	23,719
	=====

12. INVESTMENTS

	2022	2021
	£	£
Short term cash deposit	-	2,000,000
	=====	=====

13. DEBTORS

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	213,436	120,911
Other debtors	463	632
Prepayments and accrued income	20	949
	<u>213,919</u>	<u>122,492</u>
	=====	=====

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 January 2022

14. CREDITORS	2022 £	2021 £
Amounts falling due within one year:		
Trade creditors	46,947	68,015
Other creditors	3,956	2,761
Accruals	19,500	13,750
	<u>70,403</u>	<u>84,526</u>
	=====	=====

15. THE FUNDS OF THE CHARITY

	Balance at 1 February 2021 £	Income £	Expenditure £	Transfer between funds £	Balance at 31 January 2022 £
Restricted income funds:					
Peru fund	311,170	227,814	(464,340)	-	74,644
PNG fund	92,061	374,344	(221,049)	-	245,356
Cameroon fund	-	4,100	(4,100)	-	-
Programmes fund	2,917	134,296	(137,213)	-	-
New Partnership fund	16,531	5,467	(21,998)	-	-
The Queen's Green Canopy fund	-	1,223,835	(405,954)	-	817,881
	<u>422,679</u>	<u>1,969,856</u>	<u>(1,254,654)</u>	<u>-</u>	<u>1,137,881</u>
	=====	=====	=====	=====	=====
Unrestricted income funds:					
General fund	3,453,178	1,898,546	(1,797,521)	-	3,554,203
	<u>3,875,857</u>	<u>3,868,402</u>	<u>(3,052,175)</u>	<u>-</u>	<u>4,692,084</u>
	=====	=====	=====	=====	=====

The Peru fund was originally set up in 2009 to conserve not less than 1,000 acres of endangered rainforest through the Asháninka project in Peru and to provide support to the local communities. The Peru restricted fund is still used to account for specific donation income received for the benefit of Cool Earth's projects in Peru and the related restricted expenditure.

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 January 2022

15. **THE FUNDS OF THE CHARITY** (Continued)

The PNG fund was originally set up in 2017 to account for specific donation income received for the benefit of Cool Earth's projects in Papua New Guinea (PNG) and the related restricted expenditure.

The Cameroon fund was set up in 2019 in respect of Cool Earth's partnership with a local NGO, the Centre for Community Regeneration and Development (CCREAD), which is offering communities an alternative to the logging and bushmeat trades. This project aims to provide alternative sustainable livelihoods that reduce pressure on the wildlife-rich rainforest.

The Programmes fund is to fund any general costs across the Programmes team's operations. This could include Programme staff salaries in the UK, any training specifically for programmes staff, office and equipment costs.

The New Partnerships fund is to fund any newly established partnership made with a rainforest community that requires support for wellbeing projects that reduce the likelihood of the need for those people living in the rainforest to have to move away from their rainforest home or sell their trees. This fund could be used for a new partnership in any rainforest nation.

The Queen's Green Canopy (QGC) is a unique tree-planting initiative created to mark Her Majesty's Platinum Jubilee in 2022. The initiative invites people from across the United Kingdom to "Plant a Tree for the Jubilee". With a focus on planting sustainably, the QGC encourages the planting of trees to create a legacy in honour of The Queen's leadership of the Nation, which will benefit future generations. As well as inviting the planting of new trees, The Queen's Green Canopy will dedicate a network of 70 Ancient Woodlands across the United Kingdom and identify 70 Ancient Trees to celebrate Her Majesty's 70 years of service.

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 January 2022

15. **THE FUNDS OF THE CHARITY** (Continued)

	Balance at 1 February 2020	Income	Expenditure	Balance at 31 January 2021
	£	£	£	£
Restricted income funds:				
Peru fund	-	483,565	(172,395)	311,170
PNG fund	79,810	216,875	(204,624)	92,061
Cameroon fund	-	20,425	(20,425)	-
Programmes fund	-	73,449	(70,532)	2,917
New Partnerships fund	-	16,531	-	16,531
	<u>79,810</u>	<u>810,845</u>	<u>(467,976)</u>	<u>422,679</u>
Unrestricted income funds:				
General fund	3,605,757	1,530,214	(1,682,793)	3,453,178
	<u>3,685,567</u>	<u>2,341,059</u>	<u>(2,150,769)</u>	<u>3,875,857</u>
	=====	=====	=====	=====

16. **ANALYSIS OF NET ASSETS BETWEEN FUNDS**

As at 31 January 2022:	Fixed assets	Current assets	Current liabilities	Total
	£	£	£	£
Restricted income funds:				
Peru fund	-	74,644	-	74,644
PNG fund	-	245,356	-	245,356
The Queen's Green Canopy	-	817,881	-	817,881
Unrestricted income funds:				
General fund	127,418	3,497,188	(70,403)	3,554,203
NET ASSETS	<u>127,418</u>	<u>4,635,069</u>	<u>(70,403)</u>	<u>4,692,084</u>
	=====	=====	=====	=====

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 January 2022

16. **ANALYSIS OF NET ASSETS BETWEEN FUNDS** (Continued)

As at 31 January 2021:	Fixed assets £	Current assets £	Current liabilities £	Total £
Restricted income funds:				
Peru fund	-	311,170	-	311,170
PNG fund	-	92,060	-	92,060
Programmes fund	-	2,917	-	2,917
New Partnerships fund	-	16,531	-	16,531
Unrestricted income funds:				
General fund	23,719	3,513,986	(84,526)	3,453,179
NET ASSETS	<u>23,719</u> =====	<u>3,936,664</u> =====	<u>(84,526)</u> =====	<u>3,875,857</u> =====

17. **RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

	2022 £	2021 £
Net income for the reporting period	816,227	190,290
Adjustments for:		
Dividends, interest and rents from investments	(7,700)	(10,267)
Amortisation charges	20,303	4,635
Depreciation charges	20,614	16,260
Loss on disposal of tangible fixed assets	529	-
Increase in debtors	(91,427)	(80,067)
Decrease in creditors	(14,123)	(7,965)
Net cash provided by operating activities	<u>744,423</u> =====	<u>112,886</u> =====

18. **ANALYSIS OF NET DEBT**

	1 February 2020 £	Cashflows £	31 January 2021 £
Cash at bank and in hand	1,814,172	2,606,978	4,421,150
	<u>1,814,172</u> =====	<u>2,606,978</u> =====	<u>4,421,150</u> =====

19. **RELATED PARTY TRANSACTIONS**

During the current and previous year, the trustees provided donations-in-kind to the charity by way of incurring expenses personally and not seeking reimbursement from the charity in respect of those expenses. These expenses have not been quantified. There were no other related party transactions (2021: none).

COOL EARTH ACTION

England & Wales - Charity number 1117978

Accounts

COOL EARTH ACTION

Annual Report 2021

Cool Earth Action
Company number: 06053314
Charity number: 1117978

This Annual Report includes the Trustees' Annual Report, the Auditor's Report and the Financial Statements for the year ended 31 January 2021.

COOL EARTH ACTION
TRUSTEES' ANNUAL REPORT
for the year ended 31 January 2021

The trustees present their report and the financial statements for Cool Earth Action (also known as and referred to as "Cool Earth") for the year ended 31 January 2021.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association of the charitable company, 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

Cool Earth is a network of community led conservation partnerships. It works alongside people living in rainforest to demand and deliver its protection. Cool Earth's founding principle is that people who live in rainforest must determine its future. Without this, rainforest destruction will remain a key driver of the climate crisis.

Cool Earth was created in 2007 to provide grant funding to rainforest communities and NGOs that work alongside them. The charity has worked to protect at-risk forest and ensure the voices of people who live in rainforest lead decisions that affect their future.

The essential role that rainforest protection plays in addressing the climate crisis becomes clearer each year. So too does the realisation that the conservation sector has contributed to the abuse and disenfranchisement of people who live in rainforest.

Cool Earth has strived to put its planning, its decisions and its spending in the hands of people who live in rainforests and to ensure power lies within communities themselves. Progress has been made but there is still much to do.

Above all, six core values must become embedded into everything Cool Earth does.

- People who live in rainforest determine its future;
- Funding decisions are planned, led and implemented by rainforest communities;
- Conservation leadership is from the ground up and is not imposed by Cool Earth or partner NGOs;
- Conservation funding is a transaction that has consequences beyond its monetary value. As such, each transaction must be fair and transparent;
- The use of evaluation and monitoring technologies must serve communities, to enhance our understanding of emerging threats to the forest through an equal exchange of knowledge.
- When Cool Earth is privileged to have a presence in a community, it keeps intervention to a minimum and ideally limits its work to providing cash payments to households.

Public Benefit

Under Section 17 of the Charities Act 2011, the trustees have followed the Charity Commission's guidance on public benefit. Cool Earth aims to achieve the following objectives:

- To provide cash payments and grant funding to rainforest communities to support their work in protecting at-risk forest, and ensure their voice is heard in agreements that affect the future of rainforest; and
- To promote a greater recognition that local leaders and communities must lead and be rewarded for the development of strategies to address the role destruction of the natural world plays in the climate crisis.

Benefits and beneficiaries

Trustees' assessment of public benefit

In monitoring the progress of the charity in terms of delivery of public benefit, the trustees use the following measures of success and gather evidence accordingly:

- Participating in partnerships to protect rainforest at risk of destruction and degradation;
- Evaluating the effectiveness of Indigenous People and Local Communities (IP&LC) in protecting rainforest compared to protected areas and privately or state-owned forest.
- Assessing and measuring the amounts of forest protected and quantities of carbon stored by each partnership through satellite mapping and ground surveying.

ACHIEVEMENTS AND PERFORMANCE

Every one of Cool Earth's partner communities have suffered loss as a result of Covid-19.

Whilst the death-toll has been mercifully low, the impact of the pandemic on marginalised communities living on the frontline of the climate emergency has been profound.

Precarious supply chains collapsed long before any cases were identified so food shortages and disappearing incomes preceded the health crisis. For villages with recent experience of losing family members to viruses brought into their communities, an immediate lock-down was the only appropriate response.

Since its foundation, Cool Earth's delivery model had depended on in-country teams distributing grants and training. The team has prided itself on a light touch albeit with dependable and regular village based work. Closed communities made this model seem redundant and we resigned ourselves at best to a lost year. We anticipated widespread infection in regions with less than one ventilator per 100,000 people, the collapse of local economies and the ascendance of illegal logging and land trafficking.

With the status quo not an option, local teams and community members drove changes to the model. A three year transition to cash giving (as opposed to investment in community assets) and relocating control to the people doing the work of conservation shifted gear and was completed in as many months. Skills training was delivered by facilitators who had locked down with the communities and shifted to focus on quick-to-harvest subsistence crops. Funds were made available in every partnership to purchase emergency food and medical supplies both for partnership communities and their neighbours. Any savings from cancelled field visits were redeployed into household grants.

These should be considered irreversible. They have accelerated Cool Earth's commitment to be as "community-led" as possible. They have also demonstrated that the quality of decision making and effectiveness of implementation is directly related to its proximity to the people who will be affected. We are consequently revising our programme strategy to privilege unconditional cash grants (with spending planned locally) over Cool Earth proposed initiatives. The benchmarks we will use to judge the success of this shift in leadership to people who live in the rainforest will be proposed to the board at our autumn meeting.

If successful, these changes will ensure Cool Earth's approach stands in marked contrast to that of most International Conservation NGOs who remain wedded to their role as controlling intermediary between funder and recipient.

PARTNERSHIP DEVELOPMENT

The pandemic of 2020 brought home that populations across the world are interconnected more than ever before. The actions of people on one side of the world quickly and significantly impact those of others thousands of miles away. The virus managed to travel to every corner of the planet, including to the remote rainforest villages that Cool Earth works in.

This is exactly the same for Climate change. The carbon emitting actions of people on one continent go on to affect everyone. But there is a terrifying disparity in global action between the two. The devastation caused by Covid19 is clearly identifiable and attributable and deaths rose most immediately in the Global North, where it ground economies to a halt. This meant the northern powers of governments and businesses, got acting to do something to fight the virus and reduce its impact right away. In the meantime climate change continued to progress largely unabated and even ignored.

Climate change has been having just as devastating an impact on people's lives. The difference is its impacts have so far been felt most acutely in the global south by those living in poverty. Crop failure, sea level rise, disease, water shortage and the endless list of devastation caused by climatic change also results in hundreds of thousands of people losing their lives. But the world is not coming together at such rapid speed and energy as they have done to fight Coronavirus because it's not felt so acutely by those in the positions of power. Changes in climate are forecast to eventually affect all our daily lives in such devastating ways that we won't be able to ignore it (as seen in Canada this summer), but by the time it reaches that point, it will already be out of control.

While global powers work on the slow process of how to wean us off our addiction to fossil fuels. There is a simple tactic, the equivalent of a vaccine, that can be carried out right now....supporting the people living in and protecting one of the most valuable carbon resources on the planet, rainforest. By fighting poverty of those most affected by rainforest loss and doing that right now, the contribution that deforestation makes to climate change can be halted.

During 2020 Cool Earth's field operations were largely halted to prevent the transmission of coronavirus to our rainforest partnerships. This forced our local teams in Peru and Papua New Guinea, and our NGO partners around the world to take a step back from the daily operations of partnership support, and come up with new solutions on how to carry on supporting people living in the rainforest partnerships without directly visiting.

There was also a sudden request and need for support by partner communities to help tackle the coronavirus threat to their remote villages where health care was severely inadequate and hospitals a long distance away. The result was a rapid need to find local connections and expertise to pull together ideas on how to work together on this new threat to communities. Before we knew it we were working with local experts, indigenous federations, local government, consultants, NGOs and businesses that we had not taken the time to collaborate with or had not known about before.

Through tackling the need for emergency food, face masks, simple sanitation and medical supplies, we built relationships that are now proving to be the key to supporting people to improve their livelihoods and wellbeing and fight forest loss as people learn to live with the virus and continue to be affected by the inequalities that poverty and climate change have brought.

We learnt more than ever that people living in rainforests know how to protect it more than anyone else. Bringing in our western ideas of conservation is not the answer and instead collaborating and funding local groups who know what works best in their communities, their neighbourhoods and their rainforest lands are the key to fighting climate change.

PERU

In 2020, the global health crisis caused great stress to our Awajún and Asháninka communities and added unforeseen complexity to our conservation work in the Peruvian Amazon. Nevertheless, it gave Cool Earth's Peru team the opportunity to take a closer look at the needs and potential for greater collaboration and local responses to address global threats. The importance of leading flexible and local actions was reinforced, and the pandemic proved that there is no better model than a community-led one when addressing rainforest conservation.

Cool Earth's work in Peru switched to remote support and local teams used any technology available to keep regular communication with partnerships to address field realities, identify urgent needs, and keep assisting communities with income generation projects, while progressively transferring field leadership and management to people in the partnerships.

The Peru team developed a Covid-19 Contingency Plan and £ 38,654 of funds was reallocated to address new priorities and challenges such as food sovereignty and security (launching short-cycled seed project) and health. Cool Earth partnered with local allies and strengthened relationships with grassroots indigenous organizations to scale aid and reach the remotest villages.

ASHANINKA

Location: Rio Tambo, Junin Province,
Peru Forest type: Tropical rainforest
Villages: 20

The pandemic drastically affected original work plans for 2020/2021. Ashaninkas closed their territories in an attempt to stop the spread of the virus, so all fieldwork and travels to the communities were suspended for almost the whole year. During the first months of the lockdown, field technicians provided remote technical support, when possible, for those benefiting from Cool Earth's income generation projects. However, due to its remoteness, field support to the Asháninka partnerships has proved challenging. For this reason, the Peru team decided to suspend the cacao and coffee activities for the whole of 2020. The technician's contracts were terminated and the local coordinator took on the role of providing technical assistance while progressively handing over project leadership and management to inhabitants and exploring ways to liaise with other local organisations.

Hygiene kits (150 face masks and 50 alcohol gel), as well as medical supplies, were delivered to Cool Earth's six partnerships. To deliver the aid, we partnered with the [Central Asháninka del Río Ene](#) (CARE), a political organisation representing most Asháninka communities in the Ene valley. Partnering with CARE allowed us to deliver hygiene kits to another 59 Asháninka communities in the area. Additionally, medical supplies and an oxygen concentrator were also delivered to the Cutivireni health post.

In 2020, Cool Earth teams delivered short-cycled seeds to help communities with increasing the diversity of foods in forest gardens and nutritional resilience. These activities, which began at the request of the community during the pandemic, have evolved into what is now the "short-cycle seed project". This project continues this year thanks to the leadership of community promoters and the remote support provided by local teams. Also, the central role of women in seed selection and production should be highlighted since it has been vital to the success of the project.

Regarding unconditional cash giving, its execution in 2020 has been particularly challenging. Covid-19, Asháninka remote locations and travel restrictions have made it impossible for the communities to make effective use of the cash giving funds they're entitled to. Under those circumstances, Cool

Earth's local team has been helping communities with the purchase of food and medicines, which were then sent to the communities.

Camantavishi

In 2020, Camantavishi used £98,615 funds from Cool Earth, which they invested in health (medicines, medical supplies). Additionally, as part of the short-cycle seeds project a total of 30 families from Camantavishi received a mix of vegetable, corn, potato, and nut seeds. The cash giving and the short-cycle seeds projects are the two only active projects in Camantavishi.

Cutivireni

In 2020, Cutivireni received £7,951 from Cool Earth, which they invested in health (medicines, medical supplies), education, institutional strengthening of the community association (TSIMI), communal infrastructure, and services. As for the short-cycle seeds project, a total of 185 families from Cutivireni received a mix of vegetables, corn, potato, and nuts.

In regards to the cacao and coffee projects, thanks to remote support provided by the local coordinator, five families from Cutivireni sold almost 2,100kg of cacao beans in 2020. Also, conversations began last year with community leaders to design a plan to strengthen Cutivireni's Ayompari producer association. It was agreed that Cool Earth will support the registration of Ayompari as an official organization, and will provide them a seed fund as a loan to collect and store cacao and coffee in Cutivireni.

Before the covid outbreak, the cacao technician facilitated 25 one-to-one training sessions on weed management and on pruning techniques. The coffee technician facilitated 24 one-to-one training sessions on weed management.

Oviri

In 2020, Oviri received £20,536 from Cool Earth, which they invested in health and food supplies, communal infrastructure and services, institutional strengthening of the community association (IYARE), and agricultural activities (cacao). Oviri was the only community that decided not to participate in the short-cycled seeds project but instead allocated funds to supply the community with hygiene kits and basic food supplies to address food shortages due to travel restrictions.

Parijaro

In 2020, Parijaro received £8,546 from Cool Earth, which was spent on health (medicines and medical supplies) and administrative support. As for the short-cycle seeds project a total of 16 families from Parijaro received a mix of vegetable, corn, potato, and nut seeds. Additionally, thanks to local team remote technical support, Parijaro successfully sold 3,500 kg of coffee to a local exporter, Machu Picchu Foods.

Before the covid outbreak, the coffee technician facilitated six one-to-one training sessions on pruning techniques and weed management.

In addition, the remote villages of Manitirari and Tankoari in the community of Cutivireni, as well as Parijaro, have received support to repair radios and have been provided with new batteries.

AWAJUN

Location: Amazonas Province, North Peru

Forest type: Tropical rainforest

Villages: 6

Awajún communities were hit hard by the pandemic. Many people in Huaracayo and Urakuza contracted Covid, including a Cool Earth community facilitator and income generation projects

participants, and unfortunately, some of them passed away. This situation forced us to suspend fieldwork during the first months of the covid outbreak. However, income generation projects to address basic needs proved to be extremely important for the Awajún communities, and in August leaders formally requested that Cool Earth resume its activities in the field. A strict Covid protocol was put in place by Cool Earth local teams to protect both staff and community members, and we resumed field activities in October.

As for the project focused on tackling food sovereignty and security, the fish farming technician carried out 60 technical assistances in pond management and fish feeding, visiting 36 participants in Urakuza and 24 in Huaracayo, and delivered 37,000 tilapia fish fry to the communities at the beginning of October. As for the short-cycled seed project, six local staff members received basic training on short-cycle seed techniques and 249 technical assistance sessions were carried out to monitor the production of seeds provided to the communities.

Additionally, Cool Earth's Peru teams delivered hygiene kits containing face masks and alcohol gel to 465 families in Urakuza and 145 in Huaracayo. Medical supplies and an oxygen concentrator were also delivered to Urakuza's health post. Funds were allocated to support the nearest local hospital in Santa Maria de Nieva with medicines and protective healthcare equipment for staff as we came funders of the Somos Amazonia campaign.

As for the unconditional cash giving project, in 2020 the Awajun partnerships successfully managed to use the funds to cover basic needs to remain resilient in the face of the crisis.

Huaracayo

In 2020, Huaracayo received £9,843.59 from Cool Earth which they invested in health, educational infrastructure, and administrative and community support. A big part of the funds was also used to scale up fish farming projects. As for the short-cycle seeds project, a total of 104 families from Huaracayo received corn, beans, and rice seeds. Seed selection was based on the requests made by participants of the inga project. Before the covid outbreak, 16 one-to-one training sessions were conducted by the cacao technician. Similarly, the fish farming technician conducted 14 one-to-one training sessions.

Urakuza

In 2020, Urakuza received £20,876 from Cool Earth, which they invested in health, education (supporting young people to access higher education), and administrative and community support. A big part of the funds was also used to scale up cacao and fish farming projects. As for the short-cycle seeds project, a total of 214 families from Urakuza received short-cycled seeds (corn, beans and rice seeds) to help with diversity in forest gardens and nutritional resilience. Infield assistance with growing techniques and nursery implementation were carried out in the field by community staff and coordinated remotely by local teams.

Before the covid outbreak, the cacao technician conducted 34 one-to-one training sessions. Fish farmers benefited from 39 one-to-one training. The inga technician continued providing assistance to the 11 inga beneficiaries in Urakuza.

Governance Structure and Management

The Peru Hub is made up of six regional partnerships that include two indigenous nations. It has a team of 24.

- Lima staff: 4
- Awajún programme: 9 (3 CE staff, 5 technicians, 1 community facilitator)
- Ashaninka programme: 11 (3 CE staff, 2 technicians, 1 community facilitator, 5 communal staff)

PAPUA NEW GUINEA

MILNE BAY

Location: Milne Bay, South East PNG

Forest type: Tropical rainforest

Villages: 17

Due to restrictions in 2020, existing project work in PNG was forced to slow down. Focus was shifted to building stronger networks with local people, government and NGOs to address the Covid-19 emergency. As we move forward involving this larger group of stakeholders in community projects and land use planning will better support long term livelihood improvements.

To reduce the risk of Covid-19 affecting people in the partnership villages, Cool Earth collaborated with the Rural Water Supply and Sanitation Project (RWSSP), headed by the United Church in PNG. We identified eight villages, including the three Cool Earth partnership areas, who wanted to be included in the work. The teams met community leaders and discussed their needs for improved sanitation, focussing on Covid-19 prevention. The project included clean water infrastructure, behaviour change and PPE objectives. The locations for 24 handwash stations at congregational areas such as schools, markets and health centres were agreed and three had been constructed by the end of 2020. Community awareness sessions were held to make people aware of measures they can take to avoid getting Covid-19 and what to do if there are local cases. Thirty-three community volunteers were trained to spread public health messages in their villages, distributing hundreds of leaflets and posters. Masks, gowns, thermometers, alcohol gel and soap have been distributed to health centres, aid posts and schools.

Gadaisu

Refinements to the forest agreements have been ongoing since 2019 after concerns were raised by some residents about the committee mispending Cool Earth funds. In 2020, several consultations were held involving leaders in Gadaisu and Local Level Government officials. An independent conflict mediator spoke to all stakeholders and provided advice about how Cool Earth could continue to work there. Now recruited, the Senior Manager will focus on this in 2021 to negotiate an improved forest agreement with leaders and residents in Gadaisu. Agreed suggestions are that we work to support projects that sit under the Ward Development Committees, either alongside or instead of giving cash to a committee. This would reduce the risk of exacerbating inequalities and promote long term livelihoods changes for all people living there.

The leaders in Gadaisu are collaborating with the Rural Water Supply and Sanitation Project (RWSSP) team on the Covid-19 prevention project because this project is managed by the United Church in PNG, not by Cool Earth. This is an indicator of how working alongside other local groups, such as the Ward administration, might be a success in the future.

Wabumari

Wabumari Community Association used the unrestricted funds of £1,363 from Cool Earth to support households and small businesses during lockdown. At this time, the local informal economy shut down leading to increased food prices at supermarkets, and the collapse of rural market stalls. The financial support given helped families to buy food and basic necessities at the inflated prices, and allowed small goods stalls to purchase in bulk and continue to trade within their villages. This meant that people living rurally could still shop locally, avoiding the risk of travel to the crowded town.

The parabiology project, focussing on establishing conservation plots for a model of research-based ecotourism, began with a visit from the conservationist Dr Chris Dahl, who worked to establish a similar project in the Madang Province of PNG. Dr Dahl gave positive feedback about the potential of the site to attract researchers for conservation, and about employment of local people as guides and assistants. He suggested gathering forest data to serve as an attraction for researchers and setting up long-term forest health monitoring plots. This will begin in 2021, alongside training the people living there who want to develop careers in the field of conservation and guiding.

Sololo

The first year of the education project was completed and local government and administrative heads attended the ceremony where 13 out of 15 enrolled students graduated. This was the first time that some of the leaders in the village had met these officials, introducing them to a network of advisors and contacts to be able to approach in the future. The project included life skills of sewing, healthy eating and livestock keeping as well as literacy and numeracy; 36 people participated in the classes and learnt from this project which was delivered by local organisation CSC (Community service consultancy Inc). Twelve people have enrolled on the education project for 2021, including people from villages outside of Sololo, in Wadauda ward. This will be delivered by GreenTVET, a Papua New Guinean organisation specialising in rural education.

Village leaders and community reps spent their unrestricted funds of £6,917 on health care for elders, 14 children's school fees and on food, sanitary items and fuel for every household during the lockdown. After the death of a community leader, funds helped reconcile a land-based conflict and hold traditional community grieving events.

PNG Office capacity building

The Project Manger left in the third quarter of 2020, and three new roles were identified for recruitment in 2021. These were:

- A Senior Manager to promote independence of the PNG office and form a culturally appropriate strategy for work there.
- Two coordinator positions to develop projects that will support small businesses and income for local people and to support community land use planning, including mapping for agriculture, research and protected areas.

All office and community staff were trained to use Smartphone apps to collect data. This strengthens communications between Cool Earth and partners and builds skills of local people to record information and decisions made in their villages.

Rainforest Partnerships

Mozambique

Mount Namuli

NGO Partner(s): Legado, Nitidae, LUPA

Location: Gurue District, Zambezia Province

Forest Type: Tropical dry forest

Community members: 10,000

Villages: 10

Activities under the Mount Namuli project include beekeeping, conservation agriculture, securing land tenure for the Namuli communities and holding meetings and workshops to establish a conservation agreement, as well as leadership training and conservation focused educational and awareness raising activities. Programme activities faced some constraints as a result of the Covid-19 pandemic, but activities generally remained on track, with activities such as community meetings adjusted to meet government health and safety guidelines.

25 beehives were transported to the beekeepers and a total of 54 hives are now installed. Five honey harvests were carried out with a total of 23.7 kilograms of honey harvested and bought by the Mozambican company Agrimel with whom the Namuli beekeepers have a partnership. A honey processing room was built and supplied with necessary materials for processing and packaging honey. In addition, Namuli's beekeepers are working with the Natural Resource Management Committees to implement fire control measures to protect forests and apiaries.

Work continued consistently on conservation agriculture. Enhanced varieties of Cassava resistant to African Cassava Mosaic Virus were trialled by 8 'experimental farmers' and progress has been seen in disease control with local cassava varieties. Greenhouses were constructed to support tomato growth, and training on pest control was conducted. Short cycle maize seeds were distributed and developments made in supporting common bean production and seed conservation, a high-value added cash crop in the area.

Work on the legacy leadership and the conservation agreement aspects of the project continued with groups sizes reduced. In-depth historical profiles of the Mucunha and Murrabue communities were conducted with 10 community members who knew the history of their communities well. These profiles provide the starting point for the Community Vision. Community facilitators were selected as advocates and leaders in the community to work on land delimitation and were key in carrying out the Participatory Rural Appraisal in communities. This is a foundational step to solidifying land tenure for the Namuli communities and creating the land use plan for the Conservation Agreement.

The Namuli partnership came to its end in May 2021 with all project activities to be continued by the Legado: Namuli team independently. We are very grateful for the valuable partnership that the Legado team and people of Namuli provided, in their openness to share knowledge, ideas and lessons learnt and their energy in supporting the people of Namuli. The incredible resilience and strength of the people of Namuli to withstand the daily pressures they face from threats and drivers to their livelihoods and wellbeing was inspiring. We are optimistic and excited for the future of the people of Namuli and will be continuing to follow how their journey progresses in the efforts to protect the unique biodiversity of the mount Namuli forest.

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Democratic Republic of the Congo

Lubutu

NGO Partner: Fauna & Flora International (FFI)

Location: Maniema Province

Forest Type: Tropical rainforest

Community members: 12,900

Villages: 46

Cool Earth has worked on the Lubutu partnership since 2013, in recent years focusing on distribution and improvements to fuel-efficient stoves which aim to reduce degradation of forest from fuel wood collection whilst improving the health and well-being of families across the partner villages.

Community work in this partnership was on hold from March 2020-July 2020 as a result of Covid-19 restrictions and community concerns over the spread of the virus. Work to scale-up the use of fuel-efficient stoves and awareness raising on their benefits resumed in July, strictly adhering to government guidelines. Training sessions were conducted in July and December 2020 reaching 22 villages, including five new target villages, and a total of 529 people. Support was provided to construct kitchen shelters, and 360 energy efficient stoves have also been built. Since 2014, 2,289 households have received training, 2,161 kitchen shelters have been built and 1,810 energy-efficient stoves constructed.

In 2021, we will continue to support the expansion of fuel-efficient stove usage amongst the communities of REGOLU and REGOMUKI to reduce pressure on the surrounding forests.

Cambodia

Cardamom Mountains

NGO Partner: Fauna & Flora International (FFI)

Location: Trat Province, Cambodia

Forest Type: Tropical rainforest

Community members: 3,291

Villages: 12

The first year of Cool Earth's partnership with FFI in the Cardamom Mountains ran from June 2019 to July 2020. The renewal of the partnership was delayed as a result of the impact of Covid-19 on Cool Earth's funding and internal capacity, but the partnership was renewed in October 2020 for a further year. FFI's work in the Cardamom Mountains focuses on the protection of Siamese crocodiles and Asian elephants. Cool Earth's funding contributes towards livelihood development in key villages in order to reduce pressure on forest habitat.

Developing livelihoods in the area focuses on poultry raising, rice production and a lemongrass essential oils community enterprise. In the first year of partnership 44 training sessions reaching 210 households were held on poultry care encompassing health, disease, nutrition, and sanitation. The majority of participants involved in poultry raising activities were women. Individual coaching has also been offered to farmers. This activity has already increased participants' household monthly incomes with the majority of additional income being spent on food, thus reducing the strain of hunger months. Between October 2020 and January 2021 technical training and individual coaching has continued with chicken raisers, with more participants joining the programme consistently.

26 rice production training sessions were held with a total of 368 household participants involved. Between November 2018 and November 2019 an improvement in rice yields from 1.32 tonnes per hectare (t/ha) to 1.55 t/ha was seen with a reduction of hunger months from 2.14 to 1.9 on average.

Training on rice production has continued, including the establishment of experimental plots to test improved farming methods.

The members of the lemongrass essential oil enterprise have attended two trainings on financial and business management. They began processing oil in January 2020, and between January and July 2020 had produced 12.44 litres of essential oil and made a profit of \$205. New income has mainly been spent on purchasing food. Since July 2020 the cooperative has faced some challenges as a result of the Covid-19 pandemic as their main buyer has suspended the purchase of essential oils. However, the team are continuing to work and are exploring new buyer options and diversifying their work with FFI's assistance.

In June and July 2020 participatory evaluations of the project were held focusing on rice production and chicken raising, feedback from which was used to improve the project for following years.

Cameroon

Muanenguba

NGO Partner: Centre for Community Regeneration & Development (CCREAD)

Location: Bakossi Reserve and Banyang-Mbo, Koupe Muanenguba Division, Southwest Region

Forest Type: Tropical Mountain Systems

Community members: 10,000

Villages: 5

The first two years of the Muanenguba Partnership or the 'Rise for Nature' programme with CCREAD Cameroon ran from May 2018 to June 2020. The renewal of the partnership was delayed as a result of the impact of Covid-19 on Cool Earth's funding and internal capacity. The partnership was then renewed in December 2020 for a further three years. The programme aims to improve local livelihoods, preserve local biodiversity and protect local forests.

A total of 15 new members have joined the community rainforest education and control groups, allowing for an increase in monitoring trips and campaigns against bush burning. New members attended training on how to organise activities on rainforest protection for their respective communities. Between November and June 2020 the community education and control groups reached 267 community members who had not previously attended outreach sessions. Outreach by the community groups has reduced the number of small-scale illegal timber exploiters from 28 at the beginning of the partnership to only eight by May 2020 and rates of loss of species such as Obeche, Mahogany and Sapele have reduced significantly.

Two honey harvests were conducted between November and June 2020. A total of 594 litres of honey has now been harvested since the bee farms were established. Community members sell 75% of their honey harvest, keeping 25% to consume. Ten follow up training sessions have been held with bee farmers and one additional set of bee farming materials has been provided in each of the villages.

Transfer of seedlings from the non-timber forest product (NTFP) nurseries for the regeneration of old farm plots has reduced the amount of land cleared for farm expansion. 106 households have reported that they did not have to clear new land for the first time in ten years.

Cool Earth provided two emergency response grants to CCREAD Cameroon to assist with their response to the Covid-19 pandemic in the partner communities. This funding was used to provide food supplies and hygiene and sanitation equipment.

The partnership renewal in December 2020 has seen requests for project activities to be expanded to 20 new communities as a result of the positive reputation developed over the first two years of

project activities. Monitoring and support work continues in the five pilot communities with plans in place for the installation of solar energy. The plan of activities for the coming year includes the establishment of community rainforest education and control groups in each of the new communities and the establishment of community nurseries for the development of NTFP species for the regeneration of old farm plots. A rainforest threats analysis is also planned along with a community mapping exercise to clarify community boundaries and forest territories.

GOVERNANCE, STRUCTURE AND MANAGEMENT

The charitable company is governed by the rules and regulations set down in its Memorandum and Articles of Association dated 15 January 2007.

Cool Earth has two operational hubs in Peru and Papua New Guinea that operate as locally registered organisations. They are regional partnerships that work to ensure local people's rights over the rainforest are exercised. Each hub is led by an in-country senior manager who are members of the Global Leadership Team.

The Peru Hub is made up of six regional partnerships that include two indigenous nations. It has a team of 18. The PNG Hub is composed of three regional partnerships and has a team of 17.

The Cool Earth network also includes six exceptional locally led organisations that are designing and delivering people-led approaches to forest protection, shaping the future of rainforest conservation in Cameroon, Cambodia, the Democratic Republic of the Congo, Ecuador and Mozambique.

Cool Earth provides support, funding and evaluation for the members of this network. The overall strategic direction of the charity is determined by the trustees, who meet formally two times a year and periodically to address exceptional issues. The trustees are responsible for planning and policy making, and accordingly, all key decisions are referred to and taken by the board of trustees. Day to day management is provided by an executive director based in the UK who is supported by a senior leadership group and a team of 14.

Company Information

The trustees of the charity, also the directors of the company, who have held office since 1 February 2019 are as follows:

Ms. Samantha Cohen
The Rt. Hon. Lord Deben
Mr. Johan Eliasch
Mr. Mark Ellingham
The Rt. Hon. Frank Field MP DL
The Baroness Jenkin of Kennington
Mr. Anthony Juniper
Mr. Johan Rockström

The principal address of the charity is Tremough Innovation Centre, Penryn, Cornwall, TR10 9TA and the registered office address of the company is 27 Old Gloucester Street, London, WC1N 3AX.

The charity is registered under the charity number 1117978, and the company is incorporated with the company registration number 06053314.

The trustees have made the following professional appointments:

Solicitor: Berwin Leighton Paisner LLP, Adelaide House, London Bridge, London, EC4R 9HA
Banker: Barclays Bank, Turro Group, Leicester, LE87 2BB
Auditor: RSM UK Audit LLP, Forbury Square, Davidson House, Reading, Berkshire, RG1 3EU

Accountant: RSM Tax and Accounting Limited, 3rd Floor, One London Square, Cross Lanes, Guildford, Surrey, GU1 1UN

Mr. Matthew Owen acts in an executive capacity as the Executive Director of Cool Earth Action and is responsible for the day-to-day management of the charitable company. The key management personnel of Cool Earth Action are considered to be Matthew Owen, Dr. Hannah Peck (Deputy Director), Sarb Remphry (HR and Operations Manager) and Lauren Howard (Fundraising and Communications Senior Manager). The remuneration of the key management personnel is decided upon by the board of trustees taking account of performance and the levels of pay in a representative peer group of similar Non-Governmental Organisations.

The trustees are assisted by an Advisory Board of individuals that are neither trustees nor directors.

Trustees' Responsibilities

The trustees, who are the directors of Cool Earth for the purposes of company law, are responsible for preparing their annual 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 the incoming resources and application of resources, including the income and expenditure of the charitable company, for that period. In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

Disclosure of Information to the Auditor

The trustees at the date of approval of this trustees' annual report confirm that so far as each of them is aware, there is no relevant audit information of which the charity's auditor is unaware, and the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that audit information.

Method of Recruitment, Appointment, Election, Induction and Training of Trustees

The original trustees were the founders of the organisation with particular personal interests in attempting to find a way to actively tackle worldwide climate change issues. As and when a future vacancy arises, or should the required mix of skills, experience and knowledge required with the board of trustees change over time, such matters will be considered when recruiting suitable candidates.

In accordance with the company Memorandum and Articles of Association, the minimum number of trustees should not be less than three, but no maximum limit is dictated. It is likely in the future suitable trustee candidates will be identified by the existing trustees or be referred to the existing trustees through the Advisory

Board and/or other interested third parties. Appointment as a trustee is by election and requires an ordinary resolution of the members of the charitable company.

All trustees are made aware of and have access to relevant Charity Commission publications and are regularly briefed by their professional advisers on significant developments within the charity sector that are applicable to the charity's circumstances.

New trustees will be provided with both an introduction to the charity, its work and their role within it, and with pertinent copies of paperwork.

Relationship with Related Parties

In order to maximise the impact of Cool Earth's activities to support communities to protect rainforest, it is the policy of Cool Earth to develop partnerships with local communities and NGOs. On occasions, Cool Earth has become a significant co-funder of conservation projects with a range of organisations who have been selected on the basis of their experience, record of community engagement and commitment to the aims of Cool Earth. Key partners of Cool Earth over the past year have included Fauna and Flora International, Jempe, Tsimi, Yakolima and Umukai.

A trading subsidiary of Cool Earth exists (Cool Earth Limited) but has never traded and remains inactive.

Cool Earth Action USA Inc. is an affiliated non-profit organisation in the USA that is registered as tax-exempt under section 501 (c)(3) of the federal law of the United States. Cool Earth Action USA Inc. does not share trustees or offices with Cool Earth Action but does contribute directly to Cool Earth Action's programmes.

FINANCIAL REVIEW

Income and Fundraising

Cool Earth's income for the year was £2.3 million (2019/2020: £3.2 million) and individuals, businesses and foundations continue to be the primary funding source.

Financial Results of Activities and Events

Total income for the year amounted to £2,341,059 (2019/2020: £3,223,113), and total expenditure was £2,150,770 (2019/2020: £2,697,847) resulting in net income of £190,290 (2019/2020: £525,266).

The trustees are satisfied with the financial performance of the charitable company and its financial position at the balance sheet date.

Reserves Policy

As of 31 January 2021, the charity had "free reserves" of £3,429,459 (31 January 2020: £3,605,757). Beyond the requirements of a prudent working capital base, since 2011 Cool Earth has been developing a Reserves Fund, so it can realise its commitments to community partners even in the event of an income shortfall.

An initial project reserve of £2.1 million was set as a five-year target, calculated on the basis of 18 months of project funding from 2016. This target had been achieved by 31 January 2017. Since then an assessment has been made each year of the funding requirements of each partnership. The duration of each partnership is assessed in consultation with community partners, their allies and Cool Earth's programming teams and range from two to eight years. The 'free reserves' fulfils the funding requirements for every partnership that Cool Earth has entered in to and allows for additional partnerships to be added in the current year.

Investments Policy

The trustees have wide ranging powers to invest the funds of the charity at their discretion and as they think fit. The charity makes use of a Sterling bank account and a US Dollar bank account to hold all the non-reserve funds of the charity as cash so that they are readily available to expend in support of the charity's activities as

and when required by the trustees. Reserves are currently held in high interest deposit accounts and should significant funds be received in the future, the trustees will consider suitable investment opportunities.

Risk and Corporate Governance Matters

The trustees recognise that Cool Earth's range of operations in the UK and overseas expose it to a range of risks. In order to manage these risks appropriately and mitigate their impact on the operation and effectiveness of Cool Earth, the trustees have developed a risk strategy that details categories of risk and appropriate management strategies. A risk register is maintained by the Executive Director, which summarises key risks and which the board reviews.

As identified on the risk register, the main risks and the measures taken to mitigate them are as follows:

Risk 1: Natural or human induced hazards, such as floods, forest fires, epidemics and internal conflict impact on Cool Earth's ability to deliver parallel programmes and complete existing partnerships resulting in risk to personal security of staff, partners, assets and resources in country.

Mitigation Action 1: Country Security plans, and escalation processes, are in place to respond, adapt programmes and prepare contingency plans. During this year Hostile Environment Awareness Training was undertaken by key staff and in-country emergency procedures were updated for all Cool Earth's partnerships.

Risk 2: Failure to sustain levels of overall funding for Cool Earth's partnership commitments.

Mitigation Action 2: Cool Earth undertakes annual reviews of our fundraising and communications strategy. These have put in place strategies to diversify income by geography (an increase in non-sterling funds) and source (a more even division between business, individual and trust funders). Regular giving now accounts for 43% of total income (up from 30% in 2018/19) and no single funder represents more than 12% of total income.

Risk 3: Ineffective information flow, failure of internal controls, and a dispersed geography of programmes leads to a risk that funds could be misappropriated or incorrectly recorded and information not being available to make informed decisions.

Mitigation Action 3: Investments in improved accounting systems and the development of standard accounting policies, procedures and definitions are currently being rolled out across all partnerships.

COVID-19

As detailed in last year's annual report, the COVID-19 pandemic affected every community that has partnered with Cool Earth. Significant emergency funding was provided to support local healthcare and mitigate the economic impact of the pandemic during the 2020/21 financial year and beyond. External expertise was brought in to bolster Cool Earth's capacity to provide food and medical supplies. Reserve funds were made available to ensure the response to the pandemic did not imperil the grants, programmes and commitments made to partners. In the event, the success of the Rainforest Resilience Campaign meant there was no call on reserves and programming work continued to be delivered remotely or through technicians who remained in the communities.

This remote delivery of programming has revealed significant scope for future cost savings above and beyond the reduced overhead in 2020/21. These savings are being reinvested in community payments to address the ongoing threats to the rainforest from external drivers and the precarious economic conditions that have resulted from the ongoing pandemic and, and, in the case of Peru, a significant currency devaluation.

At the time of drafting this report in September 2021, COVID-related fatalities in Peru were thankfully continuing to fall as a result of rising vaccination rates. Cool Earth continues to offer emergency support. In PNG infection levels continue to rise during a new wave and where requested, assistance will be provided with information about vaccine availability and access to vaccination centres."

COOL EARTH ACTION
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for the year ended 31 January 2021

The experience of the pandemic has confirmed the judicious reserves policy that Cool Earth has in place and all budgeting continues to ensure emergency funding is available at all times to partnerships as well as pre-funding programming commitments.

The responses from Cool Earth have been two-fold.

The economic consequences of the pandemic are still unclear, but it can be certain that the global south will be hit hard. The World Bank has estimated that at least 100 million will fall into extreme poverty with a disproportionate number from nations with rainforest. Furthermore, recessions and weakening currencies have consistently triggered spikes in rainforest destruction. One of the biggest contributions Cool Earth can make is therefore consistency of approach and funding.


The second part of Cool Earth response has therefore been to reassure that there will be no impact on the grants, programmes and commitments made to partnerships from the pandemic. This is thanks to Cool Earth's unique reserves policy that prefunds all partnership work many years in advance. Such a policy was put in place to guarantee that commitments to economically marginal communities would not be rescinded in the face of funding shortfalls. It has served Cool Earth's partnerships well during this difficult period and will continue to set the organisation apart from the troubled legacy of undependable conservation funding.

The effects of the pandemic have inevitably extended to Cool Earth's income. Event driven donations have been hit hardest but the exceptional support of trusts and foundations, combined with an overwhelming response to a Rainforest Resilience Campaign, means revenue exceeds that of last year at the six-month mark. Cool Earth's income is heavily weighted to the final quarter of the year so there is no room for complacency and UK costs have been reduced accordingly without any change to the size of the team.

FUNDS HELD AS CUSTODIAN

Although the charity will maintain restricted funds to deal with incoming resources that are earmarked for a particular purpose by donors, sponsors, and other funders, the charity does not currently hold, and does not intend to hold, any funds as custodian for any third party.

This report was approved by the trustees on 2021, and was signed for and on behalf of the board by:


..... Trustee
Ms Samantha Cohen CVO

6th October 2021

Opinion

We have audited the financial statements of Cool Earth Action (the 'charitable company') for the year ended 31 January 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 FRS 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 January 2021 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 charitable company 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 charitable company'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 the audit:

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared 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 charitable company 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 where 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;
- the Trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 13, the trustees (who are also the directors of the charitable company for the purposes 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 charitable company'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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws

and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the charitable company operates in and how the charitable company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011 and the charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Bribery Act 2010 and the Proceeds of Crimes Act 2002. We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected the ledger for any undisclosed transactions in relation to these regulations.

The audit engagement team identified the risk of management override of controls and as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://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.

RSM UK Audit LLP

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Davidson House
Forbury Square
Reading
RG1 3EU
United Kingdom

Date 28 October 2021

COOL EARTH ACTION
 STATEMENT OF FINANCIAL ACTIVITIES
 (including Income and Expenditure Account)
 for the year ended 31 January 2021

	Notes	Unrestricted Funds £	Restricted Funds £	TOTAL 2021 £	TOTAL 2020 £
INCOME FROM:					
Donations and legacies	3	1,482,847	810,845	2,293,692	3,070,280
Charitable activities	4	-	-	-	82,983
Other trading activities	5	37,101	-	37,101	40,647
Investments	6	10,267	-	10,267	29,203
TOTAL		1,530,214	810,845	2,341,059	3,223,113
EXPENDITURE ON:					
Raising funds	7	(388,523)	(21,159)	(409,682)	(498,929)
Charitable activities: Project Work	8	(1,294,270)	(446,817)	(1,741,087)	(2,198,918)
TOTAL		(1,682,793)	(467,976)	(2,150,770)	(2,697,847)
NET INCOME/EXPENDITURE AND NET MOVEMENT IN FUNDS		(152,579)	342,869	190,290	525,266
RECONCILIATION OF FUNDS					
Fund balances brought forward at 1 February 2020		<u>3,605,757</u>	<u>79,810</u>	<u>3,685,567</u>	<u>3,160,301</u>
FUND BALANCES CARRIED FORWARD AT 31 JANUARY 2021	16	<u>3,453,178</u>	<u>422,679</u>	<u>3,875,857</u>	<u>3,685,567</u>

COOL EARTH ACTION
 STATEMENT OF FINANCIAL ACTIVITIES
 (including Income and Expenditure Account)
 for the year ended 31 January 2020

	Notes	Unrestricted Funds £	Restricted Funds £	TOTAL 2020 £	TOTAL 2019 £
INCOME FROM:					
Donations and legacies	3	2,879,830	190,450	3,070,280	2,481,657
Charitable activities	4	-	82,983	82,983	1,184
Other trading activities	5	40,647	-	40,647	10,294
Investments	6	29,203	-	29,203	474
TOTAL		2,949,680	273,433	3,223,113	2,493,609
EXPENDITURE ON:					
Raising funds	7	(463,687)	(35,242)	(498,929)	(493,263)
Charitable activities: Project Work	8	(1,811,245)	(387,673)	(2,198,918)	(1,562,568)
TOTAL		(2,274,932)	(422,915)	(2,697,847)	(2,055,831)
NET INCOME/(EXPENDITURE)		674,748	(149,482)	525,266	437,778
Transfer between funds		(78,951)	78,951	-	-
NET MOVEMENT IN FUNDS		595,797	(70,531)	525,266	437,778
RECONCILIATION OF FUNDS					
Fund balances brought forward at 1 February 2019		3,009,960	150,341	3,160,301	2,722,523
FUND BALANCES CARRIED FORWARD AT 31 JANUARY 2020	16	3,605,757	79,810	3,685,567	3,160,301
		=====	=====	=====	=====

COOL EARTH ACTION
STATEMENT OF CASH FLOWS
for the year ended 31 January 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Intangible assets	11	-	4,635
Tangible assets	12	23,719	34,676
		<u>23,719</u>	<u>39,311</u>
CURRENT ASSETS			
Investments	13	2,000,000	2,700,000
Debtors	14	122,493	42,426
Cash at bank and in hand		1,814,172	996,322
		<u>3,936,665</u>	<u>3,738,748</u>
LIABILITIES			
Creditors: Amounts falling due within one year	15	(84,526)	(92,492)
NET CURRENT ASSETS		<u>3,852,139</u>	<u>3,646,256</u>
TOTAL ASSETS LESS CURRENT LIABILITIES & NET ASSETS		<u>3,875,857</u>	<u>3,685,567</u>
THE FUNDS OF THE CHARITY			
Restricted income funds	16	422,679	79,810
Unrestricted funds	16	3,453,178	3,605,757
		<u>3,875,857</u>	<u>3,685,567</u>

The financial statements on pages 22 to 35 were approved by the trustees and authorised for issue on 6 October 2021, and are signed on their behalf by



..... Trustee
Ms Samantha Cohen CVO

COOL EARTH ACTION
 STATEMENT OF CASH FLOWS
 for the year ended 31 January 2021

	Notes	2021 £	2020 £
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash provided by operating activities	18	112,886	526,237
CASH FLOWS FROM INVESTING ACTIVITIES:			
Dividends, interest and rents from investments		10,267	29,203
Purchase of intangible fixed assets			
Purchase of tangible fixed assets		(5,303)	(24,544)
Short term investment withdrawn/(deposited)		700,000	50,000
Net cash provided by/(used in) investing activities		704,964	54,659
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD		817,850	580,896
Cash and cash equivalents at the beginning of the reporting period		996,322	415,426
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	19	1,814,172	996,322

1 . ACCOUNTING POLICIES

Company Information

Cool Earth Action is a private company limited by guarantee incorporated in England and Wales. The registered office is 27 Old Gloucester Street, London WC1N 3AX and the principal place of business is Tremough Innovation Centre, Penryn, Cornwall TR10 9TA. The company's principal activity is disclosed in the Trustees' Annual Report.

Basis of Accounting

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the requirements of the Companies Act 2006 and under the historical cost convention.

Within the definitions of FRS 102, the charitable company, which is limited by guarantee, is a public benefit entity.

The financial statements have also been prepared in accordance with the accounting policies set out in more detail below, to comply with the charitable company's governing document, the Charities Act 2011 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).

The financial statements are prepared in Sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £1.

Going Concern

The charitable company is fundamentally dependent upon the continuing financial support of sponsors, supporters and other key funders to remain a going concern. The trustees have formulated financial plans for the future and, as at the date of adoption of these financial statements and on the basis of estimated future cash flows, the trustees are of the opinion that the charitable company will be able to continue its activities and meet all of its liabilities as they fall due for a period of at least twelve months from the date of the adoption of these financial statements. Therefore, these financial statements have been prepared on the going concern basis.

Income

All income is included in the statement of financial activities when the charitable company is entitled to the funds, receipt is probable, and the amount can be quantified with reasonable accuracy. Donations are normally brought into account when received and are stated gross of any attributable tax recoverable. Government and institutional grants are accounted for on a receivable basis. Donations and grants given for specific purposes are treated as restricted income.

All other income, including investment income, is accounted for on a receivable basis as and when earned by the charity.

Gifts In Kind

The value of gifts in kind is recognised as income where the gross value to the charitable company can be assessed with reasonable accuracy. Where this is not the case, the nature of the gift is disclosed.

Foreign Currencies

Transactions denominated in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date. All exchange gains or losses are included in the statement of financial activities in the period to which they relate.

1 . ACCOUNTING POLICIES (Continued)

Expenditure

All expenditure is accounted for on an accruals basis inclusive of any irrecoverable Value Added Tax and is allocated as direct costs in the statement of financial activities where the costs can be identified as being directly related to raising funds or to charitable activity. Where costs cannot be directly attributed, they are allocated to categories on a basis consistent with the budgeted use of the resources concerned or in proportions based upon a suitable ratio applicable to the nature of the cost involved.

Grants payable are recognised in the period in which the approved offer is conveyed to the recipient in those cases where the offer is conditional, such grants being recognised only when the conditions attaching to the award are fulfilled. Grants offered subject to conditions, which have not been met at the balance sheet date, are noted as a potential commitment, but are not treated as a liability.

Governance costs comprise specific direct costs incurred by the charity in relation to operating the charitable company as a charitable company, which includes audit fees, and a proportion of certain other support costs allocated to governance by the trustees.

Intangible Fixed Assets

All intangible assets purchased costing more than £1,000 that have a useful economic life that exceeds one year are capitalised and classified as intangible fixed assets. Intangible fixed assets are stated at historical cost less amortisation. Amortisation is provided on all intangible fixed assets at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:
Website on a 33% straight-line basis.

Tangible Fixed Assets

All tangible assets purchased costing more than £1,000 that have a useful economic life that exceeds one year are capitalised and classified as tangible fixed assets. Tangible fixed assets are stated at historical cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:
Office & computer equipment on a 33% straight-line basis.

Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are therefore classified and accounted for according to the substance of the contractual arrangement as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities.

Financial Assets and Liabilities

The charitable company's debtors and creditors that meet the definition of either a financial asset or a financial liability are initially recognised at the transaction value and thereafter are stated at amortised cost using the effective interest method.

Fund Accounting

The general fund comprises the accumulated surpluses of unrestricted income over expenditure, which is available for use in furtherance of the general objectives of the charitable company.

Designated funds are a particular form of unrestricted funds consisting of amounts, which have been allocated or designated for specific purposes by the trustees. The use of designated funds remains at the discretion of the trustees.

Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of the restricted funds are set out in the notes to the financial statements. Amounts unspent at the period end are carried forward in the balance sheet.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charitable company'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 underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

There were no specific judgements, estimates and assumptions that were critical to the preparation of these financial statements.

COOL EARTH ACTION
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 for the year ended 31 January 2021

3. DONATIONS AND LEGACIES	Unrestricted Funds £	Restricted Funds £	TOTAL 2021 £	TOTAL 2020 £
Donations received from individuals and on-line through the charity's website	1,171,831	-	1,171,831	1,621,370
Other donations received from corporate and other similar supporters	310,266	810,845	1,121,111	1,444,410
Donations in kind:				
Event costs	-	-	-	-
Accommodation costs	750	-	750	4,500
	<u>1,482,847</u>	<u>810,845</u>	<u>2,293,692</u>	<u>3,070,280</u>

4. CHARITABLE ACTIVITIES	Unrestricted Funds £	Restricted Funds £	TOTAL 2021 £	TOTAL 2020 £
Project grant income	-	-	-	82,983
	<u>-</u>	<u>-</u>	<u>-</u>	<u>82,983</u>

5. OTHER TRADING ACTIVITIES	Unrestricted Funds £	Restricted Funds £	TOTAL 2021 £	TOTAL 2020 £
Shop sales and other similar income	37,101	-	37,101	40,647
	<u>37,101</u>	<u>-</u>	<u>37,101</u>	<u>40,647</u>

COOL EARTH ACTION
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 for the year ended 31 January 2021

6. INVESTMENTS

	Unrestricted Funds £	Restricted Funds £	TOTAL 2021 £	TOTAL 2020 £
Bank interest receivable on short term cash deposits	10,267	-	10,267	29,203
	<u>10,267</u>	<u>-</u>	<u>10,267</u>	<u>29,203</u>

7. RAISING FUNDS

	Unrestricted Funds £	Restricted Funds £	TOTAL 2021 £	TOTAL 2020 £
Direct costs	116,752	-	116,752	134,452
Support costs - see note 9 (30%)	271,771	21,159	292,930	364,477
	<u>388,523</u>	<u>21,159</u>	<u>409,682</u>	<u>498,929</u>

8. PROGRAMMES

	Unrestricted Funds £	Restricted Funds £	TOTAL 2021 £	TOTAL 2020 £
Direct costs	660,138	397,445	1,057,583	1,348,472
Support costs - see note 9 (70%)	634,132	49,372	683,504	850,446
	<u>1,294,270</u>	<u>446,817</u>	<u>1,741,087</u>	<u>2,198,918</u>

9. SUPPORT & GOVERNANCE

	Unrestricted Funds			TOTAL 2021 £	TOTAL 2020 £
	Support Costs	Governance Costs	Restricted Funds £		
Donations in kind:					
Accommodation costs	750	-	-	750	4,500
Staff costs (15%) - note 10	617,969	109,053	70,531	797,554	784,394
Staff recruitment, training and welfare (30%)	6,448	2,763	-	9,211	21,901
Travel and subsistence expenses (15%)	7,227	1,275	-	8,502	61,728
Premises operating lease costs (30%)	27,730	11,884	-	39,614	81,919
Other premises costs (40%)	2,548	1,699	-	4,247	6,805
Communications costs (60%)	22,320	33,480	-	55,800	44,846
Other costs (50%)	12,116	12,116	-	24,231	79,806
Legal and professional fees (10%)	8,160	907	-	9,066	53,210
Auditor's remuneration:	-	-	-	-	-
Audit fee (100%)	-	(952)	-	(952)	12,900
Accountancy and advisory services (100%)	-	-	-	-	6,471
Amortisation (25%)	3,476	1,159	-	4,635	27,678
Depreciation - owned assets (25%)	12,195	4,065	-	16,260	20,529
Exchange losses	7,515	-	-	7,515	8,236
	<u>728,454</u>	<u>177,449</u>	<u>70,531</u>	<u>976,434</u>	<u>1,214,923</u>

Support costs are allocated directly based on activity and thereafter using the ratios, which are based on estimated assessed impact of the costs involved. The percentage of costs allocated as governance is disclosed above where relevant. Support costs are currently split 30:70 between raising funds and programmes.

10. STAFF COSTS

	2021 No.	2020 No.
The average monthly number of persons employed by the charitable company (excluding trustees) during the year was, as follows: Support staff	21	22

	£	£
Staff costs for the above persons:		
Wages and salaries	720,336	713,164
Social security costs	59,345	54,643
Pension contribution pension scheme costs	17,873	16,587
	<u>797,554</u>	<u>784,394</u>

During the year, one employee earned total emoluments in the range £60,001 to £70,000 (2019/2020: one employee in the range £60,001 to £70,000).

During the year, the total amount of employee benefits received by key management personnel for their services to the charitable company amounted to £228,753 (2018/2019: £188,794).

No trustee received any remuneration for services provided to the charity as a trustee during the current or previous year. No trustee was reimbursed in respect of expenses incurred on behalf of the charity during the current or previous year.

COOL EARTH ACTION
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 for the year ended 31 January 2021

11. INTANGIBLE ASSETS

	Website £
Cost:	
01 February 2020	208,479
Additions	-
Disposals	(7,056)
31 January 2021	<u>201,423</u>
Amortisation:	
01 February 2020	203,844
Charge for the year	4,635
Disposals	(7,056)
31 January 2021	<u>201,423</u>
Net book value:	
31 January 2021	-
31 January 2020	<u><u>4,635</u></u>

12. TANGIBLE ASSETS

	Office & computer equipment £
Cost:	
01 February 2020	345,886
Additions	5,303
Disposals	(268,042)
31 January 2021	<u>83,147</u>
Depreciation:	
01 February 2020	311,210
Charge for the year	16,260
Disposal	(268,042)
31 January 2021	<u>59,428</u>
Net book value:	
31 January 2021	23,719
31 January 2020	<u><u>34,676</u></u>

13. INVESTMENTS

	2021 £	2020 £
Short term cash deposit	<u>2,000,000</u>	<u>2,700,000</u>

COOL EARTH ACTION
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 for the year ended 31 January 2021

14. DEBTORS

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	120,911	39,394
Other debtors	633	54
Prepayments and accrued income	949	2,978
	<u>122,493</u>	<u>42,426</u>

15. CREDITORS

	2021	2020
	£	£
Amounts falling due within one year:		
Trade creditors	68,015	46,269
Other taxation and social security costs	-	10,017
Other creditors	2,761	8,266
Accruals	13,750	27,940
	<u>84,526</u>	<u>92,492</u>

16. THE FUNDS OF THE CHARITY

	Balance at 1 February -2020	Income	Expenditure	Balance at 31 January - 2021
	£	£	£	£
Restricted income funds:				
Peru fund	-	483,565	(172,395)	311,170
PNG fund	79,810	216,875	(204,625)	92,060
Cameroon fund	-	20,425	(20,425)	0
Programmes	-	73,449	(70,531)	2,917
New Partnership	-	16,531	-	16,531
	<u>79,810</u>	<u>810,845</u>	<u>(467,976)</u>	<u>422,679</u>
Unrestricted income funds:				
General fund	<u>3,605,757</u>	<u>1,530,214</u>	<u>(1,682,793)</u>	<u>3,453,178</u>
	<u>3,685,567</u>	<u>2,341,059</u>	<u>(2,150,770)</u>	<u>3,875,857</u>

The Peru fund was originally set up in 2009 to conserve not less than 1,000 acres of endangered rainforest through the Ashaninka project in Peru and to provide support to the local communities. The Peru restricted fund is still used to account for specific donation income received for the benefit of Cool Earth's projects in Peru and the related restricted expenditure.

The PNG fund was originally set up in 2017 to account for specific donation income received for the benefit of Cool Earth's projects in Papua New Guinea (PNG) and the related restricted expenditure.

The Cameroon fund was set up in 2019 in respect of Cool Earth's partnership with a local NGO, the Centre for Community Regeneration and Development (CCREAD), which is offering communities an alternative to the logging and bushmeat trades. This project aims to provide alternative sustainable livelihoods that reduce pressure on the wildlife-rich rainforest.

New Partnerships fund is to fund any newly established partnership made with a rainforest community that requires support for wellbeing projects that reduce the likelihood of the need for those people living in the rainforest to have to move away from their rainforest home or sell their trees. This fund could be used for a new partnership in any rainforest nation and be Programmes fund is to fund any general costs across the Programmes team's operations. This could include Programme staff salaries in the UK, any training specifically for programmes staff, office and equipment costs.

COOL EARTH ACTION
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 for the year ended 31 January 2021

16. THE FUNDS OF THE CHARITY (Continued)

	Balance at 1 February -2019 £	Income £	Expenditure £	Transfer between funds £	Balance at 31 January -2020 £
Restricted income funds:					
Peru fund	-	42,293	(42,293)	-	-
PNG fund	150,341	120,715	(191,246)	-	79,810
MEL fund	-	82,983	(161,934)	78,951	-
QCC fund	-	529	(529)	-	-
Cameroon fund	-	26,913	(26,913)	-	-
	<u>150,341</u>	<u>273,433</u>	<u>(422,915)</u>	<u>78,951</u>	<u>79,810</u>
Unrestricted income funds:					
General fund	<u>3,009,960</u>	<u>2,949,680</u>	<u>(2,274,932)</u>	<u>(78,951)</u>	<u>3,605,757</u>
	<u><u>3,160,301</u></u>	<u><u>3,223,113</u></u>	<u><u>(2,697,847)</u></u>	<u><u>-</u></u>	<u><u>3,685,567</u></u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed assets £	Current assets £	Current Liabilities £	Total £
As at 31 January 2021:				
Restricted income funds:				
Peru Fund	-	311,170	-	311,170
PNG fund	-	92,060	-	92,060
Programmes	-	2,917	-	2,917
New Partnership	-	16,531	-	16,531
Unrestricted income funds:				
General fund	23,719	3,513,986	(84,526)	3,453,179
NET ASSETS	<u>23,719</u>	<u>3,936,665</u>	<u>(84,526)</u>	<u>3,875,857</u>

	Fixed assets £	Current assets £	Current Liabilities £	Total £
As at 31 January 2020:				
Restricted income funds:				
PNG fund	-	79,810	-	79,810
Unrestricted income funds:				
General fund	39,311	3,566,446	(92,492)	3,605,757
NET ASSETS	<u>39,311</u>	<u>3,646,256</u>	<u>(92,492)</u>	<u>3,685,567</u>

18. RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	2021	2020
	£	£
Net income for the reporting period	190,290	525,266
Adjustments for:		
Dividends, interest and rents from investment	(10,267)	(29,203)
Amortisation charges	4,635	27,678
Depreciation charges	16,260	20,529
(Increase)/decrease in debtors	(80,067)	(28,415)
Increase/(decrease) in creditors	(7,965)	10,382
Net cash provided by operating activities	<u>112,886</u>	<u>526,237</u>

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021	2020
	£	£
Cash at bank and in hand	1,814,172	996,322

20. ANALYSIS OF NET DEBT

	At January 2020	Cashflows	At January 2021
	£	£	£
Cash as Bank and in Hand	996,322	817,850	1,814,172
Net Funds	<u>996,322</u>	<u>817,850</u>	<u>1,814,172</u>

21. RELATED PARTY TRANSACTIONS

During the current and previous year, the trustees provided donations-in-kind to the charity by way of incurring expenses personally and not seeking reimbursement from the charity in respect of those expenses. These expenses have not been quantified.