

# 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 Ovirí, 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 Peopesa, 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**

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## **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 £
<b>INCOME FROM:</b>					
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
<b>TOTAL</b>		<b>2,544,103</b>	<b>3,552,758</b>	<b>6,096,861</b>	<b>3,868,402</b>
<b>EXPENDITURE ON:</b>					
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)
<b>TOTAL</b>		<b>(2,793,620)</b>	<b>(3,215,966)</b>	<b>(6,009,586)</b>	<b>(3,052,175)</b>
<b>NET INCOME AND NET MOVEMENT IN FUNDS</b>		<b>(249,517)</b>	<b>336,792</b>	<b>87,275</b>	<b>816,227</b>
<b>RECONCILIATION OF FUNDS</b>					
Fund balances brought forward at 1 February 2022		<b>3,554,203</b>	<b>1,137,881</b>	<b>4,692,084</b>	<b>3,875,857</b>
<b>FUND BALANCES CARRIED FORWARD AT 31 JANUARY 2023</b>	<b>14</b>	<b>3,304,686</b>	<b>1,474,673</b>	<b>4,779,359</b>	<b>4,692,084</b>

**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 £
<b>INCOME FROM:</b>					
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
<b>TOTAL</b>		1,898,546	1,969,856	3,868,402	2,341,059
<b>EXPENDITURE ON:</b>					
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)
<b>TOTAL</b>		(1,797,521)	(1,254,654)	(3,052,175)	(2,150,769)
<b>NET INCOME AND NET MOVEMENT IN FUNDS</b>					
		101,025	715,202	816,227	190,290
<b>RECONCILIATION OF FUNDS</b>					
Fund balances brought forward at 1 February 2021		3,453,178	422,679	3,875,857	3,685,567
<b>FUND BALANCES CARRIED FORWARD AT 31 JANUARY 2022</b>					
	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 £
<b>FIXED ASSETS</b>			
Intangible assets	10	58,457	106,897
Tangible assets	11	9,805	20,521
		<u>68,262</u>	<u>127,418</u>
<b>CURRENT ASSETS</b>			
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>
<b>LIABILITIES</b>			
Creditors: Amounts falling due within one year	13	(144,114)	(70,403)
		<u>4,711,097</u>	<u>4,564,666</u>
<b>NET CURRENT ASSETS</b>			
		<u>4,779,359</u>	<u>4,692,084</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES &amp; NET ASSETS</b>			
		<u>4,779,359</u>	<u>4,692,084</u>
<b>THE FUNDS OF THE CHARITY</b>			
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 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net cash provided by operating activities	16	(1,829,101)	774,423
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
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
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD</b>	17	(1,831,740)	2,606,978
Cash and cash equivalents at the beginning of the reporting period		4,421,150	1,814,172
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD</b>		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**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>TOTAL 2023 £</b>	<b>TOTAL 2022 £</b>
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	-	-	-	-
	<b>2,522,261</b>	<b>3,552,758</b>	<b>6,075,019</b>	<b>3,832,012</b>

**4. OTHER TRADING ACTIVITIES**

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

**5. INVESTMENTS**

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

**6. RAISING FUNDS**

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

## 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
	1,793,063	3,211,713	5,004,776	2,500,809

#### 8.SUPPORT & GOVERNANCE

	Unrestricted Funds		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)
	1,279,540	807,313	4,253	2,091,106	1,424,641

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

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

(Continued) for the year ended 31 January 2023

**11. TANGIBLE ASSETS**

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

**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**

	<b>Balance at 1 February 2022 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Balance at 31 January 2023 £</b>
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**

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

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

**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**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
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**

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