

# 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 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 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:

A handwritten signature in dark ink, appearing to read 'Tony Juniper', written over a dotted line.

..... 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 £
<b>INCOME FROM:</b>					
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
<b>TOTAL</b>		4,146,358	701,853	4,848,211	4,885,615
<b>EXPENDITURE ON:</b>					
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)
<b>TOTAL</b>		(2,584,015)	(1,329,583)	(3,913,598)	(4,350,991)
<b>NET INCOME AND NET MOVEMENT IN FUNDS</b>		1,562,343	(627,730)	934,613	534,624
<b>RECONCILIATION OF FUNDS</b>					
Fund balances brought forward at 1 February 2024		4,404,502	909,480	5,313,983	4,779,359
<b>FUND BALANCES CARRIED FORWARD AT 31 JANUARY 2025</b>		5,966,845	281,751	6,248,596	5,313,983

**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 £
<b>INCOME FROM:</b>					
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
<b>TOTAL</b>		3,240,484	1,645,130	4,885,614	6,096,861
<b>EXPENDITURE ON:</b>					
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)
<b>TOTAL</b>		(2,140,668)	(2,210,323)	(4,350,991)	(6,009,586)
<b>NET INCOME AND NET MOVEMENT IN FUNDS</b>		1,099,816	(565,193)	534,623	87,275
<b>RECONCILIATION OF FUNDS</b>					
Fund balances brought forward at 1 February 2023		3,304,686	1,474,673	4,779,359	4,692,084
<b>FUND BALANCES CARRIED FORWARD AT 31 JANUARY 2024</b>		4,404,502	909,480	5,313,982	4,779,359

**COOL EARTH ACTION**  
**BALANCE SHEET**

as at 31 January 2025

	Notes	2025 £	2024 £
<b>FIXED ASSETS</b>			
Intangible assets	11	31,624	24,557
Tangible assets	12	2,831	1,792
		<u>34,455</u>	<u>26,349</u>
<b>CURRENT ASSETS</b>			
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>
<b>LIABILITIES</b>			
Creditors: Amounts falling due within one year	14	(59,682)	(71,300)
<b>NET CURRENT ASSETS</b>		<u>6,214,141</u>	<u>5,287,634</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES &amp; NET ASSETS</b>		<u>6,248,596</u>	<u>5,313,983</u>
<b>THE FUNDS OF THE CHARITY</b>			
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 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net cash provided by operating activities	17	2,156,552	455,262
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
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		97,238	8,493
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD</b>		2,253,790	463,756
Cash and cash equivalents at the beginning of the reporting period		3,053,167	2,589,411
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD</b>	18	5,306,957	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**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>TOTAL 2025 £</b>	<b>TOTAL 2024 £</b>
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	-	-	-	-
	<b>4,023,665</b>	<b>701,853</b>	<b>4,725,518</b>	<b>4,856,464</b>

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**

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

**5. INVESTMENTS**

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

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

**6. RAISING FUNDS**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>TOTAL 2025 £</b>	<b>TOTAL 2024 £</b>
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**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>TOTAL 2025 £</b>	<b>TOTAL 2024 £</b>
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**

<b>Activity or Programme</b>	<b>Activities undertaken directly</b>	<b>Grants Funding of Activities</b>	<b>Support costs</b>	<b>Total</b>
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**

	<b><u>Unrestricted Funds</u></b>		<b>Restricted Funds</b>	<b>TOTAL 2025</b>	<b>TOTAL 2024</b>
	<b>Support Costs</b>	<b>Governance Costs</b>	<b>£</b>	<b>£</b>	<b>£</b>
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
	<b>949,501</b>	<b>281,383</b>	<b>-</b>	<b>1,230,884</b>	<b>1,335,391</b>

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

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

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

(Continued) for the year ended 31 January 2025

**12. TANGIBLE ASSETS**

	<b>Office &amp; computer equipment £</b>
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**

	<b>2025 £</b>	<b>2024 £</b>
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

<b>14. CREDITORS</b>	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
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>

<b>15. THE FUNDS OF THE CHARITY</b>	<b>Balance at 1 February 2024</b>	<b>Income</b>	<b>Expenditure</b>	<b>Balance at 31 January 2025</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Restricted income funds:</b>				
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>
<b>Unrestricted income funds:</b>				
General fund	<u>4,404,502</u>	<u>4,146,357</u>	<u>(2,584,014)</u>	<u>5,966,845</u>
	<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 £
<b>Restricted income funds:</b>				
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)	-
	1,474,675	1,649,148	(2,214,341)	909,481
<b>Unrestricted income funds:</b>				
General fund	3,304,686	3,236,466	(2,136,650)	4,404,502
<b>Net Asset</b>	<b>4,779,361</b>	<b>4,885,614</b>	<b>(4,350,991)</b>	<b>5,313,983</b>



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

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

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

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

**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**

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
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	<u>2,156,552</u>	<u>455,263</u>

**18. ANALYSIS OF NET DEBT**

	<b>2024</b>	<b>Cashflows</b>	<b>2025</b>
	<b>£</b>	<b>£</b>	<b>£</b>
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.