

COMPANY REGISTRATION NUMBER: 07642041
CHARITY REGISTRATION NUMBER: 1143178

Size of Wales
Company Limited by Guarantee
Financial Statements
31 March 2022

CARSTON

Chartered accountants & statutory auditor
1st Floor, Tudor House
16 Cathedral Road
Cardiff
CF11 9LJ

Size of Wales
Company Limited by Guarantee
Financial Statements
Year ended 31 March 2022

	Page
Trustees' annual report (incorporating the director's report)	1
Independent auditor's report to the members	16
Statement of financial activities (including income and expenditure account)	21
Statement of financial position	22
Statement of cash flows	23
Notes to the financial statements	24

Size of Wales

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2022.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	Size of Wales
Charity registration number	1143178
Company registration number	07642041
Principal office and registered office	Temple of Peace King Edward VII Avenue Cathays Park Cardiff CF10 3AP
The trustees	Dr Paul Belford Mr Stuart Clarke Mr Richard Denman Miss Sarah Evershed Mr Clive Thomas Ms Hannah Harvey (Appointed 24 August 2021) Ms Lowri Jenkins (Appointed 24 August 2021) Mr Carwyn Jones (Appointed 24 May 2021) Ms Rebecca Williams (Appointed 12 August 2021) Mr Anthony Burgess-Webb (Resigned 1 April 2021) Mr Peter Davies (Resigned 24 May 2021) Mr Edward Glover (Resigned 1 April 2021) Mrs Kathryn Jenkins (Resigned 1 April 2021) Dr Kathryn Monk (Resigned 1 April 2021) Ms Carys Mair Thomas (Resigned 13 September 2021)
Key Management	Nicola Pulman (Director) Barbara Davies Quay (Deputy Director from 1 April 2021)
Auditor	Carston Chartered accountants & statutory auditor 1st Floor, Tudor House 16 Cathedral Road Cardiff CF11 9LJ
Bankers	Triodos Bank Brunel House 11 The Promenade Bristol BS8 3NN

Size of Wales

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

OBJECTIVES AND ACTIVITIES

Our Vision

A world where people, trees and biodiverse forests thrive together in a safe climate.

Our Purpose

To support communities to secure, sustain and restore tropical forests as part of our national response to climate change.

What we do

The "size of Wales" is often used as a measure of deforestation. Size of Wales was established in 2011 with the aim of turning that negative into a positive: to help to protect an area of tropical forest the size of Wales (2 million hectares) as part of Wales' national response to climate change.

We provide funding and expertise to indigenous and local communities in tropical regions to support them to secure and sustain their precious forests, grow more trees and establish sustainable livelihoods. Through education, community engagement and advocacy, we also raise awareness in Wales of the importance of tropical forests and trees in tackling climate change. We inspire people to see that they can be part of the solution and reduce Wales' overseas deforestation footprint.

Why we do it (public benefit)

We are a climate change charity. The world is facing a climate and nature crisis. Despite irrefutable evidence that man-made emissions are heating our planet and destabilising our climate, global greenhouse gas emissions continue to rise. Globally, we have emitted as much atmospheric carbon in the past thirty years as we did in the previous two centuries of industrialisation. Emissions have continued to go up by 1.5% per year in the last decade.

So far we have experienced a global average temperature increase of around 1°C above pre-industrial levels and we are already seeing the dramatic effects of this warming across the world. From unprecedented forest fires to rapidly melting glaciers, storm surges, heatwaves and other extreme weather events which are leading to deaths, displacement of communities, economic impacts and species extinctions. But we are still currently on course to experience a temperature rise of at least 3.2°C by the end of this century.

Fast and deep cuts to global emissions are needed, and trees and forests are an essential part of the solution. The world's forests contain approximately 300 billion tonnes of carbon and absorb approximately 2.6 billion tonnes of carbon dioxide each year. That is roughly equivalent to one-third of the carbon dioxide released by burning fossil fuels. The evidence is clear that stopping global deforestation and restoring degraded forests is critical to limiting global temperature rises to 1.5°C above pre-industrial levels, and the IPCC has stressed that we have less than 10 years left to act. Forests are crucial for life on earth.

Trees and forests are also crucial to climate change adaptation. By providing a wide range of ecosystem services they reduce social and ecosystem vulnerability in a changing climate and contribute to human wellbeing. This includes reducing soil degradation, erosion and flooding and providing shade, habitat, food and livelihoods. An estimated 25.8 million hectares of forest are still being lost every year. That's roughly 13 times the size of Wales. Global deforestation itself is now estimated to account for 10-15% of global manmade greenhouse gas emissions.

Tropical forests are at the front line of this forest loss. Around 13% of Earth's land is covered with tropical forests (about 2 billion hectares); but some estimates suggest that tropical forests are currently being cut down at a rate that will eliminate them in less than 100 years. Tropical forests are also unparalleled in terms of their biological diversity - they sustain as much as 50% of the species on Earth - and are home to millions of people, who depend on them for their food and livelihoods.

Size of Wales

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

Our Aims

Our work focuses on achieving 4 strategic goals:

1. Support community projects that secure, and sustain over the long term, an area of tropical forest at least the size of Wales (at least 2 million hectares)
2. Support communities to tackle climate change and develop sustainable livelihoods by growing millions of trees
3. Move Wales towards eliminating imported deforestation from our economy by 2030
4. Inspire people across Wales to reduce their forest footprint, support tropical forests and take climate action.

Ensuring our work delivers our Aims

We review our aims and activities annually when we plan our activities for the coming year. This review looks at what we achieved and the outcomes of our work in the previous 12 months, and the public benefit of the work in line with our charitable purposes. Our annual planning involves setting a work plan and targets for the coming year. This helps us to ensure that our activities remain focused on delivering our aims. Size of Wales also undertook a full strategic review in 2019-20, setting a new 5-year strategy to 2025.

Guiding Principles

All our work is guided by the following principles:



Size of Wales

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

- ***Community, participation and inclusion:*** We put local communities at the heart of our work and aim to empower them and build links between communities in the projects we support and communities in Wales. We stand together with those on the front line of climate change, especially indigenous communities and other vulnerable and excluded groups such as women. We promote their voice through the work we do in Wales and overseas.
- ***Collaboration:*** We believe that collaboration is the best way to reach our goals, drawing on combined expertise, skills and experiences. We seek to consult and collaborate wherever possible via a wide range of stakeholders from Government officials, to public sector bodies, private sector, NGOs and general public - at the local, national and international level.
- ***Evidence based and solutions focused:*** We take a positive, solutions focused approach, and base all our work on robust evidence and science.
- ***Strategic:*** We target our work both in Wales and overseas to ensure that we can bring about change in behaviours, practices and policies and have greatest impact both at local and international level.
- ***Sustainable development, sustainable livelihoods:*** Our work supports the delivery of the UN Sustainable Development Goals and the Wellbeing of Future Generations (Wales) Goals.
- ***Integrity, ethics & strong governance:*** We strive for the highest standards of integrity, ethics, accountability and governance in everything we do. We will lead by example.

ACHIEVEMENTS AND PERFORMANCE

We work towards our goals through four interrelated programmes of activities:

Goal 1: Forest protection

Aim: Support communities to secure - and sustain over the long term - an area of tropical forest at least the size of Wales (at least 2 million hectares)

This programme provides funding to impactful forest protection projects run by our strategic partners in tropical regions. The projects supported by Size of Wales in this period have been working to secure and sustain areas of tropical forests that total over 2 million hectares in size (size of Wales).

We ensure that all of our projects support local land rights and involve the indigenous communities that are directly affected by the loss of their forests. These projects - in Africa, South America and South East Asia - tackle deforestation in a range of ways including establishing land rights for indigenous people and supporting the development of sustainable forest management and sustainable livelihoods.

In 2021-2022, our new Forest Strategy also enabled us to better link our overseas forests projects to our work in Wales, helping us deliver maximum impact by ensuring all our work areas (education, advocacy, communications and community outreach) are linked to overall goal of securing tropical forests.

Size of Wales

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022



Ogiek community. Credit FPP

Projects supported in 2021-22

Following detailed screening based on updated criteria, successful projects received a total of £102,617 funding in May 2021. This also leveraged match funding of £84,936. Projects supported by Size of Wales now place a much greater emphasis on community led projects that work closely with indigenous peoples and local communities to protect their forests, incorporating a focus on newly emerging themes for Size of Wales such as gender, inclusion and diversity and deforestation-risk commodities whilst maintaining areas of work around sustainable livelihoods.

These awards supported five forest protection projects. This included two longstanding partnerships with Forest People's Programme (FPP) in Peru and Kenya and three new partnerships in Brazil, Democratic Republic of Congo (DRC) and Indonesia. We also monitored two final outgoing projects that had extensions from 2020-2021. These were a partnership with FPP and the Wapichan in Guyana, and a Zimbabwe-based project with Southpole.

Therefore, in total, we supported forest communities to protect 4,027,912 hectares of tropical forest in 2021-22, more than twice the Size of Wales. This has involved:

- providing training, tools and equipment to promote sustainable livelihoods initiatives including social forestry and other agro-ecological practices
- strengthening indigenous land rights through legal support, advocacy and policy work in Peru, Brazil and Kenya. For example, the Wampís Nation, continue to campaign against oil field (Lot 64) owned by Petro Peru which is operating on their territory without Free, Prior and Informed Consent.
- mapping data to monitor deforestation rates in community owned forests in DRC and carrying out research to show impact of soy plantations on Guarani people in Brazil
- approving a rapid response fund to enable Wampís Nation to tackle illegal logging and supporting actions to address illegal gold mining in Guyana
- supporting actions that recuperate traditional indigenous knowledge

Size of Wales

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022



*Wampís Nation detaining boats carrying illegal timber and carrying out advocacy work
Credit: GTANW*

Here is an introduction to our three new projects:

1. INDONESIA, SOS Orangutan: Building ecosystem resilience for orangutans and communities in West Toba Landscape - 52,577 hectares

This project is not only new to Size of Wales' Forest project portfolio, it is also in its first year of operation. Forest degradation in West Toba forests is putting pressure on the existence of endangered species, like the Sumatran orangutan. This project supports communities in the region, promoting sustainable land stewardship, whilst addressing local economic concerns. For example, permaculture groups have been formed and land secured, which will be managed by a new women's farming group. This regenerative farming practice will help the community to increase their production as well as reduce their dependency on expensive fertilisers and pesticides. This in turn, reduces the need to expand farmlands into forests, maintaining essential habitats that provide homes for the local wildlife including orangutan.

2. Democratic Republic of Congo (DRC), Rainforest Foundation UK (RFUK): Understanding patterns of deforestation in DRC - 257,863 hectares

Rates of deforestation in DRC are some of the highest in the world. But, in areas where local communities manage the land, these rates are significantly lower. This project aims to achieve a long-term decrease in deforestation by tracking and collating data from community-managed forests and to gain a better understanding of how this model can be improved and expanded throughout the Congo Basin. This project seeks to contribute to improving the livelihoods and overall wellbeing of forest communities while preserving the ecological integrity of the Congo Basin rainforest.



Participatory mapping with the community Credit: RFUK

Size of Wales

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

3. BRAZIL, Synchronicity Earth: Strengthening our people's struggle - The defence of forest areas against soy in the Atlantic Forest - 26,724 hectares

This project is supporting the work of the Guarani and their indigenous, autonomous organisation Comissão Guarani Yvyrupa (CGY) to secure and defend their territories, improve food autonomy and strengthen Guarani spirituality. The Guarani live in and around the Atlantic Forest in Brazil. Not only are they the most populous indigenous group in Brazil, but they are also the most dispossessed of their land. A major driver of deforestation and dispossession is caused by the cultivation of soy on their traditional territory. The new project has supported the Guarani to promote traditional agro-ecological practices and supported recuperation of cultural practices. Thanks to legal action, the Supreme Court ruled in favour of the Guarani, ordering the Brazilian government to pay reparations to the Guarani for historical damage and calling on the Brazilian government to uphold Indigenous Peoples' rights.

Goal 2: Community tree growing

Aim: Support communities to tackle climate change and develop sustainable livelihoods by growing millions of trees

In this period, we continued to substantially strengthen our tree growing programme in Uganda and Kenya with funding from our partners Welsh Government and Size of Wales' own funds and corporate donors.

Through these funds, we have supported local communities in this period to plant 2,439,262 million trees in Uganda and Kenya. This was complemented by training and support on agro-forestry techniques and sustainable livelihood initiatives such as beekeeping. Furthermore, 1,056 fuel efficient stoves were installed, reducing the use of firewood. The growth of our tree planting work includes continued expansion of our flagship **Mbale Trees Programme** in Eastern Uganda with our partners the Mount Elgon Tree Growing Enterprise and the Welsh Government. Thanks to Welsh Government capital and revenue grant, access to water has been improved at four tree nurseries. Five community nurseries have been upgraded/improved with metallic structures and shade nets. This has led to a 50% reduction in watering frequency. Local communities too have benefitted from access to clean water.

In this financial year, 1,939,262 seedlings were distributed in Uganda representing 63% of the annual target (3.1 million). This figure is lower than the 3.1 million target due to COVID-19 restrictions, changes in climate and staff changes at partner level. 17,278,174 seedlings have currently been distributed in the region, since 2010. This is 69% of the total target (25 million seedlings) to be distributed by 2025. In March 2022, Mount Elgon Tree Growing Enterprise Ltd (METGE) implemented the Farmers Voice Radio (FVR) programme as a means of sharing knowledge and stimulating demand for seedlings.



Community members receiving radios as part of the FVR programme

Size of Wales

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

Other highlights of the expanded METGE programme include:

- Organisation strengthened through registration as an NGO, gender and safeguarding work and improvement of M&E systems.
- Improved communications and stakeholder engagement, including recognition of METGE by Uganda's Ministry of Water and Environment as one of the key partners in promoting environmental sustainability through tree planting in the region and at national level.
- Adopted a training of trainer approach to continue the rollout of training during COVID-19 restrictions
- Supported livelihoods and savings projects, including distribution by METGE of start-up saving kits to support 30 local village savings.



Female Tree Nursery Bed Operators, Bumaena

Size of Wales successfully applied to Hub Cymru Africa for funding to implement a Gender and Climate Justice project in Uganda with two partners - METGE and MADLACC (Masaka District Landcare Chapter), via International Tree Foundation (ITF).

The project started on 1st March and Size of Wales ran a start-up workshop with partners in Masaka district, Uganda. This visit coincided with International Women's Day. In March, the partners also started developing a gender and climate justice assessment tool.

At the **Boré Forest Project** in Kenya, following an increase in funding and strategic development, 500,000 seedlings were successfully distributed at the start of the year, with a second tranche of 500,000 ready for distribution on arrival of the rains after the year end. The impact of the project is increased resilience to climate change in the community and the local environment. As the planted trees grow and become mature, they will provide shade, enhance water retention, stabilise the soils, control erosion as well as sequestering carbon from the atmosphere. Other highlights of a successful year for the Boré Forest project include:

- Community forests expanded and protected through incorporating two sacred Kaya forested sites into the Pledge to Protect scheme
- Improved livelihoods with marginalised groups through distribution of 54 beehives (four above target) and equipment were distributed to 35 farmers across seven villages
- Supported the Boré Climate Change Women's Group (BCCWG) in peer-to-peer entrepreneurship learning workshops
- Local indigenous seedstock was successfully collected, following training supported by the Kenya Forest Research Institute (KEFRI)
- Tree planting techniques and knowledge improved through training provided to 500 farmers.
- Trained project staff on safeguarding, communications, and GPS mapping.

Size of Wales

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022



Seedlings at the Bore tree nursery

We also added a new partner, **Regrow Borneo**, to our project portfolio at the end of the financial year. This project seeks to restore tropical forest through ethical, transparent, and research-led replanting of tropical forest in the Lower Kinabatangan Wildlife Sanctuary, Sabah, Malaysia.

Some of the above work was enabled by our annual **Trees for Christmas** campaign - encouraging businesses and individuals to donate to plant fruit trees. We are grateful to our corporate partners for supporting this campaign by raising or donating money, including SportPursuit Ltd and Admiral Group PLC.

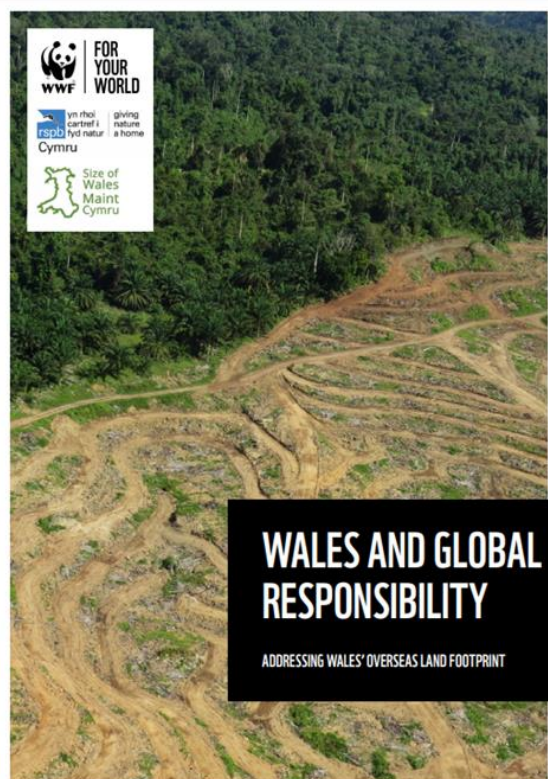
Goal 3: Imported deforestation

Aim: Move Wales towards eliminating imported deforestation from Wales' economy by 2030

2021-22 was an exciting year for our Deforestation Free Nation campaign, which brought about significant policy impacts and greater visibility of the issue across Wales, building on our programme of advocacy work started in early 2020, thanks to funding from the Joseph Rowntree Charitable Trust. We also secured additional funding from the Polden-Puckham Charitable Foundation.

The focus of this work is on eliminating imported deforestation (especially tropical deforestation) from supply chains coming into Wales. This is a programme of policy and advocacy work in Wales (linking into UK wide and international campaigns and initiatives) encouraging the public sector, businesses and individuals in Wales to gradually eliminate imported tropical deforestation from Wales' economy.

Together with WWF Cymru and RSPB Cymru, we published the Wales and Global Responsibility Report - the first of its kind with data to show Wales' overseas



Size of Wales

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

deforestation footprint. The report was shared at a cross party event with the Minister for Climate Change, a representative from Guarani People, and a Youth Climate Ambassador (YCA) for Wales and received very positive feedback from attendees.

We then publicly launched the report at COP26 in Glasgow. Size of Wales is now an official observer NGO of the United Nations Framework Convention on Climate Change (UNFCCC) COP process. At this conference, we raised the voices of indigenous peoples and young people from Wales. Using these voices, we organised a series of meetings with Welsh Government, delivered over eight talks and were featured on media numerous times.



Wampís Indigenous Leader meeting Welsh Climate Change Minister

These efforts culminated in Welsh Government publicly committing at COP26 to taking action on overseas deforestation by:

- Introducing deforestation free public sector procurement practices
- Monitoring consumption emissions caused by overseas deforestation in the low carbon plan.
- Exploring the issue of soy used in animal feed in Welsh farming.

We also launched our Deforestation Free Procurement Toolkit via a webinar with representatives from the French Government and Californian Assembly to share learning and practices from other countries. We have already seen interest from key Welsh public sector bodies to use the tool.

Goal 4: Education and Engagement

Aim: Inspire people across Wales to reduce their forest footprint, support tropical forests and take climate action.

This programme is split into two sub-programmes:

- Education and Youth Engagement
- Community Engagement

Education and Youth Engagement

Thanks to funding from Welsh Government, Size of Wales' education workshops continued to be in high demand in 2021-2022. We reached 284 schools with 18,034 children attending. We also worked with Climate.Cymru to produce COP26 school resources and 12 sessions were run for schools about COP26.

Size of Wales

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022



Workshop at St Therese Primary School

In addition, Size of Wales also delivered a session as part of Keep Wales Tidy eco week to over 80 classrooms and over 1,000 children on deforestation and its links to climate change.

As part of our partnership with Keep Wales Tidy, we delivered forests and climate change sessions to over 40 primary and secondary school teachers.

We were pleased to launch our Elon the Elephant story in both English and Welsh. The story is a very simple introduction to deforestation and how powerful using your voice can be, in order to change things for the better.

MockCOP and youth engagement (funded by Welsh Government and the Scottish Power Foundation)

The model UN MockCOP conference run jointly by Size of Wales and Welsh Centre for International Affairs (WCIA), provided a fantastic interactive opportunity for young people aged 14-18 to learn about the UN, the annual climate change talks and develop tolerance and understanding of nations and cultures by acting as those nations whilst discussing global issues.

During 2021-22, Size of Wales co-facilitated four Wales-based MockCOPs and, in the run up to COP26, the first ever Four Nations MockCOP. Fifty schools participated in the four Wales-based MockCOPs, with feedback indicating that for over 95% of pupils that MockCOP had increased their knowledge of climate change, increased their knowledge of global inequalities and helped them understand the international context of climate change.

Youth Climate Ambassadors for Wales (YCA)

The YCA are a group of 12 young people from across Wales who are passionate climate activists fighting for Climate Justice. All aims and actions are led by the YCA as outlined in their manifesto.

The YCA have continued to go from strength to strength this year. Their first main activity was organising the online Youth Climate Summit involving chairing a panel discussion between schools and the Welsh Government Climate Change Minister. They also ran screenings of documentaries on biodiversity and campaigned to encourage youth voter registration. Through engagement with Welsh Government Ministers, the YCA now co-chair the Cross-Party Group on Climate and Wellbeing in the Welsh Parliament and attend the monthly meetings.



YCA organised event at COP26

This year, eight members of the YCA were able to attend both blue and green zones at COP26, thanks to Size of Wales becoming an official observer of the UN process. The YCA certainly made their presence felt at COP26.

Size of Wales

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

They spoke at eight official COP events and two side events, which included running their own event (as pictured) from the Green Zone. They also spoke at the Climate Change Committee live from the floor of COP, filmed with indigenous leaders and featured on many other platforms.

Community Engagement

We continue to look for new and exciting ways to engage people of all ages on climate change and tropical deforestation, aiming to inspire everyone in Wales to feel that everyone can be part of the solution.

We held our annual Go Green Day climate action campaign, despite the COVID-19 situation. We ran a wide-ranging campaign with a variety of engaging content which raised our profile and reach, whilst raising money for our portfolio of overseas forest protection partnerships, and inspiring people to take action against tropical deforestation.

During the year we built on existing partnerships within the community such as Films for the Forest (Rainforest Partnership) and Run 4 Wales who enabled us to spread the message of our goals more widely and showcase some of our work. We were also able to reengage with our valued seedling partners and fortunate to start an exciting partnership with Orchard Media. We also increased our media presence significantly, both locally and internationally, including BBC Wales and ITV news, with a total of 91 media mentions.

FINANCIAL REVIEW

Review of the financial position at the end of the accounting period

Total income during the year was £1,213,923 (2021: £1,284,467).

Total expenditure amounted to £1,160,678 (2021: £1,214,015). Grant funding activities of £756,629 are included within this figure (2021: £902,425).

Overall, there was a surplus of £53,245 (2021: £70,452) of income over expenditure during the year. The majority of this is restricted income carried forward to be spent in 2022-23, with £5,277 (2021: £11,720) unrestricted surplus added to our reserves.

Summary of Reserves

At the year end the balance of unrestricted reserves, including designated funds, was £209,340 (2021: £204,063) and restricted funds amounted to £421,547 (2021: £373,579). The level of free reserves available was £140,178 (2021: £123,023).

Principal sources of funding

We received funding from the Welsh Government and Hub Cymru Africa, as well as a number of trusts and foundations including The Waterloo Foundation, the Scottish Power Foundation, and the Joseph Rowntree Charitable Trust. In this period, we also received smaller grants including from The Polden-Puckham Charitable Foundation and the United States Embassy. Size of Wales also received some income from corporate partnerships and donations from the public.

Reserves Policy

The Board has a policy of retaining at least 3 months running costs. 3 months running costs would enable the charity to function, and staff to draw salaries, for a period commensurate with their notice period and would allow the charity to ensure all donations and charitable funds have been delivered to the recipient projects. This would also allow enough time to communicate the cessation of activities to Size of Wales' supporters.

Unrestricted funds, including designated funds at the end of March 2022 was £209,340 (2021: £204,063) and restricted funds amounted to £421,547 (2021: £373,579). Our unrestricted free reserves of £140,178 are in excess of our reserves policy but below our internal target. These reserves are not influenced by fixed assets or investments.

Size of Wales

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

Investment policy

Size of Wales banks with Triodos which was chosen for its ethical investment policies. Funds are released to Size of Wales on a quarterly or annual basis and no long-term investments are held by the charity.

Risk Management

The charity maintains a Risk Register that is regularly updated and reviewed by the trustees quarterly via the Risk Sub Committee.

The primary risks currently faced by the charity are those of uncertainty in short to medium-term funding, staff turnover, health and safety (especially when staff travel overseas and more recently in light of the COVID-19 pandemic); financial fraud (especially with regard to funding provided to overseas projects), safeguarding and of not meeting funder targets/deliverables due to restrictions. Additionally, the charity recognises the importance of embedding antiracist and anti-oppressive practices in everything we do, both in Wales and overseas.

PLANS FOR FUTURE PERIODS

Size of Wales is committed to our ambitious 5 year strategy for the period 2020-25. This is based on **four strategic goals** above and **four operational pillars**:

Working to deliver our four strategic Goals

Goal 1: Support community projects that secure, and sustain over the long term, an area of tropical forest at least the size of Wales (at least 2 million hectares)

Our main focus will be to continue to support impactful partners and projects that fit Size of Wales' new forest strategy. We will complete the onboarding of our sixth partner to give Size of Wales a presence in the Brazilian Amazon - a region that is highly at risk from deforestation. This year, we will prioritise gathering inspiring communications material to use in our education and policy work and identify opportunities for our partners voices to be heard at international level via the All Party Parliamentary Group on Global Deforestation, events in Wales and COP27. Fundraising and supporting partners to develop their safeguarding work with downstream partners will form part of our work to build stronger partnerships.

We will continue to support projects working to protect tropical forests at least the size of Wales. The fund will continue to provide both match funding and rapid response grants to our strategic partners, to enable urgent, impactful opportunities or needs to be pursued or met.

Goal 2: Support communities to tackle climate change and develop sustainable livelihoods by growing millions of trees

We will continue to support and monitor our expanded tree growing programmes. A key focus will be on strengthening monitoring and evaluation, gender and safeguarding across the programme. We will also prioritise partner sharing and learning in this period.

Goal 3: Move Wales towards eliminating imported deforestation from our economy by 2030

We will follow up on the commitments made at COP26 by Welsh Government to tackle Wales' Deforestation Footprint. A key priority will be focussing on food and farming systems and procurement. We will support public sector bodies and businesses to use our deforestation free toolkits. We also plan to pilot our Deforestation Free Communities approach in Wales and engage school, farmers, community groups and local businesses to take action.

Goal 4: Inspire people across Wales to reduce their forest footprint, support tropical forests and take climate action

We will build on our expanded education and engagement programmes, increasing the size of our education team, working with more schools and continuing to deliver high quality resources to schools. We will also be running another programme of MockCOP events and working with our YCA network, holding Youth Climate Events in Wales to coincide with COP27 in November 2022.

Size of Wales

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

Strengthening the four operational pillars underpinning our work

Pillar 1: Financial Resilience

A number of our key grants are multi-year grants, providing us with reasonable financial stability for the period 2020-23, and our existing funders have agreed to adjustments to programmes and provided grant extensions where needed. We will continue to work to diversify our funding base through growing our non-grant income streams (corporate partnerships and individual giving) and by working to secure grants from new funders (institutional, trusts and foundations). This is to ensure we are not dependent on any one funder.

Pillar 2: Strong Governance

We will continue to strengthen our governance systems, ensuring that we are operating to the highest international standards, including diversifying our board of trustees. We also plan to develop an anti-racism policy and action plan with the support of external consultants.

Pillar 3: High performing team

We need a high performing, expert and happy team to deliver our ambitious strategy. As part of this we need to grow our team: broadening the experience, expertise and capacity of the team. Our aim is to continue to strengthen the team to deliver our strategy as well as put Size of Wales on a stronger and more sustainable footing over the long term.

We will also strive to recruit and maintain a diverse, inclusive, talented and engaged Board of Trustees.

Pillar 4: Profile & Reach

To deliver our 5-year strategy, Size of Wales will need to continue to raise its profile across Wales and beyond. Our Communications and Marketing Manager is helping the team to develop an exciting and innovative media and communications strategy to help us to reach new audiences. We will also be developing a new website.

Size of Wales is trialling ethical storytelling, a new approach to content gathering and storytelling in relation to the forest projects and forest communities we work with.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Size of Wales is a charitable company limited by guarantee and as such is governed by a memorandum and articles of association. The company was incorporated on 20th May 2011 under the Companies Act 2006 and registered as a charity on 29th July 2011.

Trustee Recruitment and Appointment

Trustees are recruited through networks of the current trustee board and/or through public advertisement based on skills and experience in areas identified as needing support and in accordance with the Charity's governing document. No external body or person has the right to appoint trustees.

Trustee Induction and Training

New trustees are provided with a trustee pack which contains the following documents:

- i. The essential trustee (a Charity Commission publication)
- ii. Charity commission new trustee registration
- iii. Conflict of interest policy
- iv. Other relevant organisational policies, including Safeguarding Policy and GDPR v. Declaration of interest form
- v. Skills audit
- vi. Trustee role description
- vii. Articles of Association

Size of Wales

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

Organisational Structure

As at the end of March 2022, Size of Wales had nine trustees (also company directors), including the Chair. The board of trustees meet quarterly with an Annual General Meeting held every November. Strategic decisions are made by the board but take on the views of the team in a collaborative and democratic style. Pay, remuneration and all governance decisions are made by the board according to the criteria set out in our governing documents and the Designated Authorities Policy.

There are sub committees including a Risk Sub Committee, Mbale (Uganda) Sub Committee and Ethics Sub Committee, as well as Lead Trustees such as a Safeguarding Trustee and a Financial Lead Trustee.

The day-to-day management of Size of Wales is led by the Executive Director, Nicola Pulman, who is supported by Deputy Director Barbara Davies-Quy and a team of staff, freelancers, contractors and volunteers.

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Size of Wales

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 23 November 2022 and signed on behalf of the board of trustees by:

Trustee.....

Name

Size of Wales

Company Limited by Guarantee

Independent Auditor's Report to the Members of Size of Wales

Year ended 31 March 2022

Opinion

We have audited the financial statements of Size of Wales (the 'charitable company') for the year ended 31 March 2022 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 trustees' 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.

Size of Wales

Company Limited by Guarantee

Independent Auditor's Report to the Members of Size of Wales *(continued)*

Year ended 31 March 2022

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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in 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, 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 charity'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 charity 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.

Size of Wales

Company Limited by Guarantee

Independent Auditor's Report to the Members of Size of Wales *(continued)*

Year ended 31 March 2022

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We design our procedures so as to obtain sufficient appropriate audit evidence that the financial statements are not materially misstated due to non-compliance with laws and regulations or due to fraud or error.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations - this responsibility lies with management with the oversight of the Trustees.

Based on our understanding of the charity and the charity sector, discussions with management and trustees we identified financial reporting standards, Charities Act 2011 and Companies Act 2006 as having a direct effect on the amounts and disclosures in the financial statements.

As part of the engagement team discussion about how and where the charity's financial statements may be materially misstated due to fraud, we did not identify any areas with an increased risk of fraud.

Our audit procedures included:

- completing a risk-assessment process during our planning for this audit that specifically considered the risk of fraud;
- enquiry of management about the Charity's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- enquiry of management, about litigations and claims and inspection of relevant correspondence;
- analytical procedures to identify any unusual or unexpected relationships;
- specific audit testing on and review of areas that could be subject to management override of controls and potential bias, most notably around the key judgments and estimates, including the carrying value of accruals, provisions, grant making and revenue recognition;
- considering management override of controls outside of the normal operating cycles including testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements including evaluating the rationale of significant transactions, outside the normal course of charitable activity.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Size of Wales

Company Limited by Guarantee

Independent Auditor's Report to the Members of Size of Wales *(continued)*

Year ended 31 March 2022

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Farzana Ahmed (Senior Statutory Auditor)

For and on behalf of
Carston
Chartered accountants & statutory auditor

1st Floor, Tudor House
16 Cathedral Road
Cardiff
CF11 9LJ

Dated:

Size of Wales
Company Limited by Guarantee
Statement of Financial Activities
(including income and expenditure account)
Year ended 31 March 2022

			2022		2021
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	5	62,906	1,150,581	1,213,487	1,283,652
Investment income	6	236	–	236	330
Other income	7	200	–	200	485
Total income		<u>63,342</u>	<u>1,150,581</u>	<u>1,213,923</u>	<u>1,284,467</u>
Expenditure					
Expenditure on charitable activities	8,9	62,065	1,098,613	1,160,678	1,213,909
Other expenditure	12	–	–	–	106
Total expenditure		<u>62,065</u>	<u>1,098,613</u>	<u>1,160,678</u>	<u>1,214,015</u>
Net income		<u>1,277</u>	<u>51,968</u>	<u>53,245</u>	<u>70,452</u>
Transfers between funds		4,000	(4,000)	–	–
Net movement in funds		<u>5,277</u>	<u>47,968</u>	<u>53,245</u>	<u>70,452</u>
Reconciliation of funds					
Total funds brought forward		204,063	373,579	577,642	507,190
Total funds carried forward		<u>209,340</u>	<u>421,547</u>	<u>630,887</u>	<u>577,642</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 24 to 33 form part of these financial statements.

Size of Wales
Company Limited by Guarantee
Statement of Financial Position
31 March 2022

	Note	2022 £	£	2021 £
Fixed assets				
Tangible fixed assets	17		1,673	2,497
Current assets				
Debtors	18	31,256		52,594
Cash at bank and in hand		661,418		556,262
		<u>692,674</u>		<u>608,856</u>
Creditors: amounts falling due within one year	19	<u>63,460</u>		<u>33,711</u>
Net current assets			<u>629,214</u>	<u>575,145</u>
Total assets less current liabilities			<u>630,887</u>	<u>577,642</u>
Net assets			<u><u>630,887</u></u>	<u><u>577,642</u></u>
Funds of the charity				
Restricted funds			421,547	373,579
General funds		141,851		125,520
Designated funds		<u>67,489</u>		<u>78,543</u>
Unrestricted funds			<u>209,340</u>	<u>204,063</u>
Total charity funds	21		<u><u>630,887</u></u>	<u><u>577,642</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 23 November 2022, and are signed on behalf of the board by:

Trustee.....

Name

Company Registration Number: 07642041

The notes on pages 24 to 33 form part of these financial statements.

Size of Wales
Company Limited by Guarantee
Statement of Cash Flows
Year ended 31 March 2022

	2022	2021
	£	£
Cash flows from operating activities		
Net income	53,245	70,452
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	824	720
Other interest receivable and similar income	(236)	(330)
Loss on disposal of tangible fixed assets	–	106
Accrued expenses/(income)	143	(5,755)
<i>Changes in:</i>		
Trade and other debtors	21,338	(36,123)
Trade and other creditors	29,606	(14,406)
Cash generated from operations	104,920	14,664
Interest received	236	330
Net cash from operating activities	105,156	14,994
Cash flows from investing activities		
Purchase of tangible assets	–	(1,128)
Net cash used in investing activities	–	(1,128)
Net increase in cash and cash equivalents	105,156	13,866
Cash and cash equivalents at beginning of year	556,262	542,396
Cash and cash equivalents at end of year	661,418	556,262

The notes on pages 24 to 33 form part of these financial statements.

Size of Wales
Company Limited by Guarantee
Notes to the Financial Statements
Year ended 31 March 2022

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Temple of Peace, King Edward VII Avenue, Cathays Park, Cardiff, CF10 3AP.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006, as well as applicable charity and company law.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity. Monetary amounts are rounded to the nearest £.

Going concern

After making reasonable enquiries and having considered the impact of various other factors on the financial performance of the charity and its current performance, the Trustee's believe that the charity will be able to continue to fulfil its charitable purpose, will be able to meet its liabilities as they fall due, and will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the trustees continue to adopt the going concern basis in preparing the financial statements.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The only estimation in the preparation of these accounts is depreciation, which is not a material item.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Size of Wales

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Size of Wales

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Equipment - 33% reducing balance

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Match funding

The commitment to provide match funded grants will only be recognised when the donations to be match funded have been received and agreed by the board of trustees, and not when they are notified or pledged.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4. Limited by guarantee

Each member of the Board of Trustees has undertaken to guarantee the Charity's debts to the sum of £1 each.

Size of Wales

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
Donations	62,906	–	62,906
The Waterloo Foundation - donations	–	100,000	100,000
The Waterloo Foundation - general funding	–	30,000	30,000
Grants			
Welsh Government	–	800,000	800,000
Joseph Rowntree Charitable Trust	–	72,375	72,375
Prince Albert II Monaco Foundation	–	–	–
Scottish Power	–	79,350	79,350
Hub Cymru Africa	–	50,000	50,000
Polden Puckham Charitable Foundation	–	10,000	10,000
US Embassy	–	8,856	8,856
	<u>62,906</u>	<u>1,150,581</u>	<u>1,213,487</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Donations	73,314	20,000	93,314
The Waterloo Foundation - donations	–	100,000	100,000
The Waterloo Foundation - general funding	–	30,000	30,000
Grants			
Welsh Government	–	910,396	910,396
Joseph Rowntree Charitable Trust	–	52,500	52,500
Prince Albert II Monaco Foundation	–	19,032	19,032
Scottish Power	–	60,000	60,000
Polden Puckham Charitable Foundation	–	10,000	10,000
Other grants receivable	–	8,410	8,410
	<u>73,314</u>	<u>1,210,338</u>	<u>1,283,652</u>

6. Investment income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Bank interest receivable	<u>236</u>	<u>236</u>	<u>330</u>	<u>330</u>

7. Other income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Other income	<u>200</u>	<u>200</u>	<u>485</u>	<u>485</u>

Size of Wales

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Grants / project funding	61,924	1,092,676	1,154,600
Support costs	141	5,937	6,078
	<u>62,065</u>	<u>1,098,613</u>	<u>1,160,678</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Grants / project funding	26,045	1,183,024	1,209,069
Support costs	–	4,840	4,840
	<u>26,045</u>	<u>1,187,864</u>	<u>1,213,909</u>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Grant funding of activities £	Support costs £	Total funds 2022 £	Total fund 2021 £
Grants / project funding	397,971	756,629	–	1,154,600	1,209,069
Governance costs	–	–	6,078	6,078	4,840
	<u>397,971</u>	<u>756,629</u>	<u>6,078</u>	<u>1,160,678</u>	<u>1,213,909</u>

10. Analysis of support costs

	Analysis of support costs £	Total 2022 £	Total 2021 £
Governance costs	<u>6,078</u>	<u>6,078</u>	<u>4,840</u>

11. Analysis of grants

	2022 £	2021 £
Grants to institutions		
Grants to institutions	756,629	902,425
Total grants	<u>756,629</u>	<u>902,425</u>

12. Other expenditure

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Loss on disposal of tangible fixed assets held for charity's own use	<u>–</u>	<u>–</u>	<u>106</u>	<u>106</u>

Size of Wales

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

13. Net income

Net income is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation of tangible fixed assets	824	720
Loss on disposal of tangible fixed assets	—	106
	<u> </u>	<u> </u>

14. Auditors remuneration

	2022	2021
	£	£
Fees payable for the audit of the financial statements	5,040	4,820
	<u> </u>	<u> </u>

15. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2022	2021
	£	£
Wages and salaries	216,021	160,312
Social security costs	16,017	11,097
Employer contributions to pension plans	12,845	8,460
	<u>244,883</u>	<u>179,869</u>

The average head count of employees during the year was 9 (2021: 6). The average number of full-time equivalent employees during the year is analysed as follows:

	2022	2021
	No.	No.
Number of staff	<u>7</u>	<u>5</u>

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £90,110 (2021: £52,198).

16. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

All trustees are entitled to claim the cost of attending trustee meetings. The total reimbursed was £nil (2021: £nil) for travelling and subsistence costs.

Size of Wales

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

17. Tangible fixed assets

	Equipment £	Total £
Cost		
At 1 April 2021 and 31 March 2022	3,461	3,461
Depreciation		
At 1 April 2021	964	964
Charge for the year	824	824
At 31 March 2022	1,788	1,788
Carrying amount		
At 31 March 2022	1,673	1,673
At 31 March 2021	2,497	2,497

18. Debtors

	2022 £	2021 £
Trade debtors	20,000	1,435
Prepayments and accrued income	11,256	51,159
	31,256	52,594

19. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	29,289	10,518
Accruals and deferred income	11,131	10,988
Social security and other taxes	5,463	—
Other creditors	17,577	12,205
	63,460	33,711

20. Pensions and other post-retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £12,845 (2021: £8,460).

Size of Wales

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

21. Analysis of charitable funds

Unrestricted funds

	At 1 April 2021	Income	Expenditure	Transfers	At 31 March 2022
	£	£	£	£	£
General funds	125,520	436	3,025	12,870	141,851
Project Donations	78,543	62,906	(65,090)	(8,870)	67,489
	<u>204,063</u>	<u>63,342</u>	<u>(62,065)</u>	<u>4,000</u>	<u>209,340</u>

	At 1 April 2020	Income	Expenditure	Transfers	At 31 March 2021
	£	£	£	£	£
General funds	156,085	15,190	(3,470)	(42,285)	125,520
Project Donations	–	58,939	(22,681)	42,285	78,543
	<u>156,085</u>	<u>74,129</u>	<u>(26,151)</u>	<u>–</u>	<u>204,063</u>

Restricted funds

	At 1 April 2021	Income	Expenditure	Transfers	At 31 March 2022
	£	£	£	£	£
Welsh Government	209,745	800,000	(728,351)	(4,000)	277,394
The Waterloo Foundation	92,015	130,000	(133,939)	–	88,076
Hub Cymru Africa	–	50,000	(40,000)	–	10,000
Scottish Power Fdn	52,301	79,350	(107,145)	–	24,506
Scottish Power Prize	5,000	–	–	–	5,000
Joseph Rowntree Charitable Trust	4,518	72,375	(68,767)	–	8,126
Polden Puckham Charitable Foundation	10,000	10,000	(13,411)	–	6,589
US Embassy	–	8,856	(7,000)	–	1,856
	<u>373,579</u>	<u>1,150,581</u>	<u>(1,098,613)</u>	<u>(4,000)</u>	<u>421,547</u>

	At 1 April 2020	Income	Expenditure	Transfers	At 31 March 2021
	£	£	£	£	£
Welsh Government	325,771	930,396	(1,046,422)	–	209,745
The Waterloo Foundation	–	130,000	(37,985)	–	92,015
Prince Albert II of Monaco Foundation	–	19,032	(19,032)	–	–
Scottish Power Fdn	–	60,000	(7,699)	–	52,301
Scottish Power Prize	5,000	–	–	–	5,000
Joseph Rowntree Charitable Trust	17,500	52,500	(65,482)	–	4,518
KEEN	2,834	3,910	(6,744)	–	–
Moondance Foundation	–	4,500	(4,500)	–	–
Polden Puckham Charitable Foundation	–	10,000	–	–	10,000
	<u>351,105</u>	<u>1,210,338</u>	<u>(1,187,864)</u>	<u>–</u>	<u>373,579</u>

Size of Wales

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

21. Analysis of charitable funds *(continued)*

Unrestricted funds:

Excluding the fixed assets value from the general reserves, the free reserves at the year-end amounted to £140,178 (2021 £123,023).

A designated fund was set up during the previous year for the donations received towards project funding. Further donations were received in the current year, as well as spending against the fund.

Fund transfers represent the transfer of costs from restricted and designated funds to unrestricted funds, where this has been covered by unrestricted funds in the previous year.

Restricted funds:

Welsh Government grant has been received in relation to the Education and Communication Programme and to the Mbale Trees project in Mbale, Uganda. They also supplied a one-off capital grant for equipment required as part of the Mbale project.

The Waterloo Foundation provided funding to support forest projects.

Hub Cymru Africa has provided funds towards the Gender and Climate Justice project.

The Prince Albert II of Monaco Foundation grant has been received in respect of its forest protection project in northern Peru.

The Scottish Power Foundation grant has been received in respect of its MockCOP programme and has been extended to support the Youth Climate Ambassadors programme.

The Scottish Power Prize Fund grant was awarded for the education programme for school pupils for participating in the MockCOP events in school and is being utilised to further support the Youth Climate Ambassadors in 2022/23.

The Joseph Rowntree Charitable Trust grant was received towards the "Eliminating imported deforestation from Wales' economy" project.

The KEEN Effect Youth grant was received towards the "Forest Champions" initiative.

The Moondance Foundation provided a grant as part of their Covid-19 relief fund.

The Polden-Puckman Charitable Trust provided funds towards growing the "Zero-Deforestation Nation" project.

The US Embassy has provided an award to support "Wales Youth Citizen Journalism Training Program".

Size of Wales

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

22. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	1,673	—	1,673
Current assets	236,127	456,547	692,674
Creditors less than 1 year	(28,460)	(35,000)	(63,460)
Net assets	<u>209,340</u>	<u>421,547</u>	<u>630,887</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	2,497	—	2,497
Current assets	226,266	382,590	608,856
Creditors less than 1 year	(24,700)	(9,011)	(33,711)
Net assets	<u>204,063</u>	<u>373,579</u>	<u>577,642</u>

23. Analysis of changes in net debt

	At 1 Apr 2021 £	Cash flows £	At 31 Mar 2022 £
Cash at bank and in hand	<u>556,262</u>	<u>105,156</u>	<u>661,418</u>

24. Related parties

During the year, donations were received from one of the trustees, Stuart Clarke, totalling £605 (2021 £206).

There were no other transactions with related parties requiring disclosure in the accounts.