

FAIR EARTH FOUNDATION

FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 AUGUST 2021

SOMERBYS LIMITED
CHARTERED ACCOUNTANTS
30 NELSON STREET
LEICESTER
LE1 7BA

Chairman

Edwin Bentham

Trustees

Edwin C Bentham
John E Wright
Catherine E Hipkin

Offices

43 High Street
Market Harborough
Leicestershire
LE16 7AQ

Independent Examiner

A M West
Somerbys Limited
30 Nelson Street
Leicester
LE1 7BA

**TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 AUGUST 2021**

The Trustees present their report and accounts for the year ended 31 August 2021

Administration Details

Fair Earth Foundation is registered with the Charity Commission and constituted as a Charitable Incorporated Organisation dated 11 May 2017.

Structure, Governance and Management

The Charity is administered by the Trustees as listed on page 1. The Trustees are satisfied with the results for the year, the level of reserves and the ability of the Charity to meet its liabilities when they fall due.

Trustees

Details of the Trustees can be found on page 1.

Appointment of Trustees

Trustees must be appointed by a resolution passed at a properly convened meeting of the charity trustees. In selecting individuals for appointment, the charity trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO.

Public Benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

Reserves Policy

It is the policy of the Trustees to maintain unrestricted funds, which include the free reserves of the Fund, at a level which, in the event of a significant fall in income, would provide sufficient resources to meet the ongoing operating expenditure.

Risk Management

The Trustees continue to assess the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to these risks.

Activities

- The Fair Earth Foundation CIO was established at the behest of the Charities Commission to assume the more 'global' aspects of the AWdF. It started (financial) operation in October 2019 with the launch of the London Eco-Film Festival.
- The Foundation has a number of key remits:
 - To run the London Eco Film Festival. This is an all-year programme building to the main event. It engages with disadvantaged communities across the UK through its Art & Nature programme, as well as commanding a global audience. In 2019 over 3000 films were submitted.

TRUSTEES' ANNUAL REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2021

- To build a Global volunteering programme conservation, nature & community at its heart. Programmes operate in Nigeria, Tanzania, Tenerife, Vietnam, Sri Lanka and Sierra Leone.
 - To develop micro-financing, enterprise development and fair trade initiatives globally, including in the UK. The Foundation gives particular reference to creative enterprises as these favour disadvantaged groups and individuals.
- Income sources
 - AWdF: Transfer of responsibilities for global volunteering to Fair Earth Foundation. Contributing to the London Eco-Film Festival.
 - True Fair Trading CIC: Surpluses generated through fair trade activities to be invested via Fair Earth Foundation into the disadvantaged communities it works with.
 - True Fair Eco Tourism CIC: Income generated for communities around the world with which it works.
 - Volunteer incomes: Global volunteering to be affected through programmes in Vietnam, Sri Lanka, Sierra Leone, Sao Tome and elsewhere.
 - Sponsorships;
 - Fundraising;
 - Grants.
- The accounting period has been extremely challenging. The second lockdown January- May 2021 devastated plans for the year with international travel, and so volunteering, severely restricted for much of the year. Travel restrictions were loosened in May 2021 enabling us to deliver our volunteer programmes in Tenerife but concentrated in 3-4 months rather than spread throughout the year and with hugely inflated costs due to additional accommodation costs, having to rent private charter boats rather than operate on the whale watching boats, the implementation of extremely expensive Covid protocols involving 247 driving logistics, extortionate Covid 'testing' costs and very expensive flights.
- Income projections were decimated. Volunteer incomes were above target and the exception as by keeping the programme up and running throughout the year (mainly with European (EU) volunteers in the Winter months) and with wider international travel all but impossible the demand for the Tenerife programme was very strong. This was through our own website and also through collaborations with GVI (Global Volunteering) and RGV (German Volunteering). French, Dutch, English, Spanish, Italian bookings were all strong particularly in the Summer months. There were no group bookings reflecting the especial difficulties faced by group organisers.
- The Fair Earth Foundation CIO was unable to develop volunteer programmes other than in Tenerife. Plans were in place for Vietnam, Sri Lanka, Thailand, Nepal, Nigeria, Tanzania etc but had to be cancelled because of Covid. The Foundation was able to help manage the AWdF funded programme in Tenerife.

TRUSTEES' ANNUAL REPORT (CONTINUED)
PERIOD ENDED 31 AUGUST 2021

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- The London Eco Film Festival was not able to run (because of Covid) and so a virtual festival was produced. This was focussed on impacts of the pandemic and was warmly received. The next 'TheLEFF' is to be February 2022, fingers crossed.
 - The supporting Not for Profits were unable to contribute significantly to income as most trade shows were cancelled with limited opportunities to generate income. True Fair Trading CIC generated a Pnds 5,000 contribution.
 - The Foundation's Sponsorships and Fundraising efforts were lamentable, mainly due to impracticalities in harnessing bid writing efforts because of lockdown initially and then because of pressure on time once restriction were lifted. A grant writing agency has been recruited to assist in this process going forward. There are a number of obvious benefactors including Turing and we remain optimistic about the potential going forward. One bright note has been the Teide Challenge through which funds were raised in support of projects by volunteers.
 - The Foundation was able to support communities in Sri Lanka, Thailand, Vietnam etc throughout the pandemic providing much needed income. Key programmes were in the areas of enterprise, education and latterly in the environment particularly with the advent of our community tree planting initiatives.
 - The pandemic gave the Foundation time to develop powerful new programmes: Art & Nature; Global Citizenship; Plant a Tree, Fund a Dream. We were able to collaborate with schools serving disadvantaged communities in the UK giving them, free of charge, several thousand fair trade terracotta pots to paint and sell to raise funds for projects- local or global- of their choice. We supported this with free paints, resources on global and local issues and workshop materials. The aim is to develop Creativity, Entrepreneurship and Altruism, building skill sets, empowering individuals, and showing a range of life opportunities.
 - Preparations are in hand to buy 100,000 UK tree saplings to give to young people in the Spring 2022 to sell with their pots. The proceeds to be shared between projects of their own choice and selected tree planting communities (schools in Tanzania, Nigeria, Sri Lanka and Vietnam). For every tree planted in the UK there will be 10 planted globally. Young people working together across the world for a better future- for society and for our shared environment.
 - The past year has been very difficult but the Foundation is in strong shape going forward.

On behalf of the Trustees

Ed Bentham

Ed Bentham (Feb 2, 2022 11:17 GMT)

Edwin Bentham - Trustee

Date - 14th January 2022

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES
YEAR ENDED 31 AUGUST 2021**

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 August 2021 which are set out on pages 6 to 9.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

Independent examiner's report

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Alex West

Alex West (Feb 7, 2022 14:20 GMT)

A West
Somerbys Limited
30 Nelson Street
Leicester
LE1 7BA

Date – 14th January 2022

RECEIPTS AND PAYMENTS ACCOUNT
YEAR ENDED 31 AUGUST 2021

	Notes	£	2021 £	£	2020 £
Receipts and Payments:					
Income	1		193,090		89,616
Bounce back loan	1		12,500		25,000
Covid-19 response grant			10,000		-
			<u>215,590</u>		<u>114,616</u>
Expenditure:					
- Administrative costs	2		(11,863)		(3,248)
- Expenses			-		(1,890)
- Miscellaneous	3		(8,383)		-
- Exchange rate gains/(losses)	1		(349)		-
Project costs:					
- LEFF	4	-		10,150	
- Volunteer costs	5	174,080		37,936	
- Fair trade/Enterprise	6	31,987		40,360	
- Art & nature	7	2,454		-	
- Global citizenship	8	3,660		-	
			<u>(212,181)</u>	<u></u>	<u>(88,446)</u>
Total expenditure:					
			<u>(232,776)</u>		<u>(93,584)</u>
Net movement of funds:					
			<u>(17,186)</u>		<u>21,032</u>
Opening cash position:		21,060		-	
Closing cash position:		<u>3,874</u>		<u>21,032</u>	
			<u>(17,186)</u>		<u>21,032</u>

STATEMENT OF ASSETS AND LIABILITIES
YEAR ENDED 31 AUGUST 2021

		2021		2020
	£	£	£	£
Monetary Assets:				
Bank accounts:				
- Sterling	3,334		20,000	
- Euro	<u>540</u>		<u>1,032</u>	
		3,874		21,032
Monetary liabilities:				
- Somerbys	1,000		1,000	
- Bounce back loan	<u>37,500</u>		<u>25,000</u>	
		<u>(38,500)</u>		<u>(26,000)</u>
		<u>(34,626)</u>		<u>(4,968)</u>

These statements were approved by the Trustees on 14th January 2022 and signed on their behalf by:

Ed Bentham

Ed Bentham (Feb 2, 2022 11:17 GMT)

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Edwin Bentham - Trustee

NOTES

YEAR ENDED 31 AUGUST 2021

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- 1 Total income excludes transfers between Euro and Sterling accounts of £25,314 (£18,471 and £6,843 respectively).

Euros were converted at an average exchange rate prevailing over the accounting period of 1.169. Due to variations in the exchange rate over the period there is a discrepancy in the consolidated accounts of £349

Income was made up of:

Volunteer Incomes £98,735 includes contributions from GVI £21,750 and RGV £23,374. Volunteer demand was particularly strong from European countries in the summer months.

- AWdF £69,289 contribution to support AWdF volunteers including Erasmus funded volunteers
- Kick Start scheme £2,441 One person was taken on under the scheme.
- True Fair Trading CIC £5,000
- Bounce Back Loan £22,500. To be repaid over ten years.
- LEFF £185 films submitted
- Miscellaneous £6,969

- 2 Administration & Expenses include £1,823 Kickstart payments; Recruitment of bid righting consultancy £5,895 NPG (Non-Profit Growth); £630 Web Services- Adobe, Webserve etc; £558 Web Development; £182, bank charges.

- 3 Misc. Payments to support completion of a Creative Centre (film making and photography) in Tenerife.

- 4 LEFF 2021 was held as a virtual event with no cost.

- 5 Volunteer Costs: These were focussed very much on the Tenerife programme as travel elsewhere during the period was all but impossible. The programme was complete for 2021 in December of 2020, but the second lockdown imposed at the very end of 2020 meant that everything had to be cancelled- flights, accommodation, insurances, Covid-19 tests etc and this carried on through to mid-May when flights resumed. The overheads in Tenerife, with the project team in place throughout was expensive to maintain. The biggest problem, of many, was incredibly expensive Covid-19 tests; for a long period, £400 per volunteer which the Foundation had to cover for the 120 funded placements.

Summer 2020 was very busy as there were serious restrictions on international travel. Costs were further increased as the volunteer programme had expensive Covid-19 protocols in place covering the delivery of a 247 volunteer drive programme as bus and taxi transport could not be used, provision of masks, disinfectant gel and continuous testing, hiring of more vehicles to drive volunteers, renting of private boats for exclusive use of volunteers as they could not go on to the whale watching boats etc all ate into budgets.

In total, some 890 volunteer weeks were facilitated providing accommodation, transport, food and expensive Covid-19 protocols including testing in medical centres and all project support. Additionally, for funded students, (160 plus), flights and insurances had to be paid.

NOTES (CONTINUED)
YEAR ENDED 31 AUGUST 2021

True Fair Eco Tourism CIC (TFET) £151,567 bore the brunt of organising volunteer arrangements in Tenerife and paid for the management and co-ordinator programme running the programme throughout the year. £15,000 of the funds transferred were on a soft loan basis in the hope that the funds may be repatriated at some point in the future.

Direct payments to Tenerife TFS £16,696 These included purchase of equipment £960 --Cameras; funding development of the new scientific dive programme £7,461 & £570; Refunds £1,577; some flights.

Asociation Whalefund £5,817 is a Spanish charitable association and facilitates the volunteer programme on Tenerife.

Fair Trade/ Enterprise. This includes payments to True Fair Trade CIC (TFT) to support projects in Vietnam £12,010 together with limited show support in the UK.

- 6 Fair Earth' direct expenditure £19,997 includes further support in Vietnam (£17,674) and in Thailand (£2,146).
- 7 Art & Nature. The Art & Nature programme delivers fair trade terracotta pots (made in Sri Lanka), painting materials and web-based inspirations for painting pots together with literature on Global Issues and workshop materials designed to link Global to Local and vice versa. During the pandemic we built up a strong network of schools across the UK with focus on disadvantaged and special education needs groups. Costs relate to getting materials, free of charge to schools. Aims: promoting- Creativity & Communication, Enterprise and Altruism
- 8 Global Citizenship. Volunteers in Tenerife take on the Teide Challenge (scaling the third highest volcano in the world) as a fund-raising exercise to support charities of their choice. These payments were to their chosen charities. The aim is to encourage lifelong altruistic behaviour.

Fair Earth Foundation
43 High Street
Market Harborough
Leicestershire

14 January 2022

Somerbys Limited
Chartered Accountants
30, Nelson Street
Leicester
LE1 7BA

Dear Sirs,

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your independent examination of the charity's financial statements for the year ended 31 August 2021. These enquiries have included inspection of supporting documentation where appropriate and are sufficient to satisfy ourselves that we can make each of the following representations. All representations are made to the best of our knowledge and belief.

General

- 1 We acknowledge that the work performed by you is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK) and that you do not express an audit opinion.
- 2 We confirm that the charity was entitled to exemption under section 144 of the Charities Act 2011 from the requirement to have its financial statements for the financial year ended 31 August 2021 audited.
- 3 We have fulfilled our responsibilities as trustees as set out in the terms of your engagement letter under the Charities Act 2011 for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you.
- 4 All the transactions undertaken by the charity have been properly reflected and recorded in the accounting records.
- 5 All the accounting records have been made available to you for the purpose of your independent examination. We have provided you with unrestricted access to all appropriate persons within the charity, and with all other records and related information requested, including minutes of all management and trustee meetings and correspondence with The Charity Commission.
- 6 The financial statements are free of material misstatements, including omissions.

Assets and liabilities

- 7 The charity has satisfactory title to all assets and there are no liens or encumbrances on the charity's assets, except for those that are disclosed in the notes to the financial statements.

- 8 All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.
- 9 We have no plans or intentions that may materially alter the carrying value and where relevant the fair value measurements or classification of assets and liabilities reflected in the financial statements.

Accounting estimates

- 10 Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

Legal claims

- 11 We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for, and disclosed in, the financial statements.

Laws and regulations

- 12 We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

Related parties

- 13 Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with legislative and accounting standards requirements.

Subsequent events

- 14 All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

Going concern

- 15 We believe that the charity's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the charity's needs. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the charity's ability to continue as a going concern need to be made in the financial statements.

Yours faithfully,

On behalf of the Trustees

Ed Bentham

Ed Bentham (Feb 2, 2022 11:17 GMT)

..... E. Bentham