

**COOL EARTH**

**Annual Report 2015**

Cool Earth Action

Company number: 06053314

Charity number: 1117978

This Annual Report includes the Trustees' Annual Report, the Auditor's Report and the Financial Statements for the year ended 31 January 2015.

The trustees present their report and the financial statements for Cool Earth Action (referred to as "Cool Earth") for the year ended 31 January 2015.

## **OBJECTIVES AND ACTIVITIES**

The charity Cool Earth believes that local people are the best custodians of the forest. As such, rainforest villages are at the heart of all their projects, they decide how the money is spent and they drive the process.

Cool Earth's community-led model is protecting rainforest in projects across Brazil, Ecuador, Peru, the Democratic Republic of the Congo and most recently, Papua New Guinea. To date, these projects are saving 541,000 acres of at-risk rainforest through partnerships with 129 rainforest villages.

### **PUBLIC BENEFIT**

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

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

### *Benefits and beneficiaries*

The charity strives to promote sustainable development for the benefit of the public. In doing so, the charity provides the following range of benefits:

- Preventing the destruction of rainforest through community-led conservation.
- Protecting habitats for rainforest biodiversity.
- Mitigating climate change through preventing the release of CO<sub>2</sub> from deforestation.
- Building capacity in rainforest communities.
- Educating the general public on the importance of rainforest protection.

These benefits are, in particular, provided to the following range of beneficiaries:

- Rainforest communities in South America, the Democratic Republic of the Congo and Papua New Guinea.
- The general public, schools and educators across the UK and internationally.

#### *Trustees' assessment of public benefit*

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

- Developing projects where the rainforest would otherwise be destroyed and which are strategically located to form shields of protection for neighbouring forest.
- Assessing and measuring the amount of forest saved and CO<sub>2</sub> stored by each project through satellite mapping and carbon measurement.
- Monitoring the biodiversity within the project and neighbouring areas to assess protection of fauna and flora.
- Evaluating the effectiveness of community investments, focusing particularly on income generated from the sale of sustainable rainforest products.
- For Cool Earth's education aims, the trustees measure how many schools sign up to and use the charity's newsletter and resources, and what levels of funds are raised from participating schools and colleges.

#### CHARITABLE ACTIVITIES

In pursuance of the charitable objectives the charity undertakes the following principal charitable activities:

##### *Project work*

Cool Earth supports or provides funding to a number of projects overseas, in particular in Peru, Ecuador, Papua New Guinea, the Democratic Republic of the Congo and Brazil. These projects involve:

- Investment in the protection and conservation of rainforest that without Cool Earth's support would otherwise be cleared within eighteen months.
- Investment in sustainable community enterprises that are consistent with rainforest protection.
- Building the capacity of local partners to improve the livelihoods of people living within and near to Cool Earth's projects.
- Supporting local Non-Governmental Organisations ("NGOs") in their conservation activities.

### *Advocacy and Education*

Cool Earth promotes sustainable means of achieving economic growth and conservation by producing materials, presenting at conferences and schools, and managing events that disseminate the charity's message throughout its sponsor territories, principally the United Kingdom, Europe, and the United States of America.

## **ACHIEVEMENTS AND PERFORMANCE**

Cool Earth's project activities are comprised of three main activities:

**FOREST PROTECTION** – focusing on rainforest that is most at-risk and which forms shields to protect millions of acres of neighbouring forest.

**INCOME GENERATION** – developing sustainable income streams for community partners to relieve the pressure on the standing forest.

**PARTNER SUPPORT** – putting local people in control, equipping them with the resources they need to keep their forest intact.

### ACHIEVEMENTS IN FOREST PROTECTION:

- Increased area of community protected forest to 500,000 acres. This is keeping 120 million trees standing and locking in more than 130 million tonnes of CO<sub>2</sub>.
- Formed a rainforest shield to protect 5.2 million acres of neighbouring forest.
- Extended the Ashaninka Project to the village of Oviri on the Rio Tambo, putting

16,000 more acres of land under community protection.

- Safeguarded the habitat of 80 species on the IUCN Red List.
- Trained 76 people to continue mapping our Lubutu Project.
- Launched the Yakolima Project in Papua New Guinea, replicating our model in the third largest rainforest biome and proving that it works across the globe.
- Kayants village joined the Awajún Project adding another village to the shield.
- Successfully completed three projects in Ecuador, Brazil and Peru

#### ACHIEVEMENTS IN INCOME GENERATION:

- More than doubled the number of cacao producers in the Ayompari Growers Association in the Ashaninka Project from 69 to 174.
- Produced the first Cool Earth chocolate bar, made with single origin cacao from the Ashaninka Project.
- Employed a coffee technician to support 64 producers in high altitude villages in the Ashaninka Project to develop coffee as an income stream
- Adorned every model in Vivienne Westwood's Paris fashion show with jewelry made by AMARNO artisans
- Funded artisans from the Awajún Project to attend indigenous fairs in Lima, generating sales and leading to new markets.
- Invested in 37 community fish farms to ensure a pollution free source of protein for Ashaninka and Awajún families.

#### ACHIEVEMENTS IN PARTNER SUPPORT:

- Increased Cool Earth's indigenous partners to 36,473 people across 118 villages.
- Equipped 19 rainforest schools with learning tools.
- Funded 24 scholarships for students from our partner communities so that they can carry on to higher education.
- Provided 672 mosquito nets to combat malaria.
- Funded an emergency evacuation programme in our Ashaninka project, which has so far saved 15 lives.
- Provided 8 communities with transport for medical evacuations and market links.
- Provided 46 families with safe water.

- Built 41 homes for the most vulnerable members of the communities.
- Constructed 4 medical outposts to ensure medical care is accessible to even the most remote communities.

## GOVERNANCE, STRUCTURE AND MANAGEMENT

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

The overall strategic direction of the charity is determined by the trustees, who meet formally at least twice each year. The trustees are responsible for planning and policy making, and accordingly, all key decisions are referred to and taken by the board of trustees.

## COMPANY INFORMATION

The trustees of the charity, also the directors of the company, who have held office since 1 February 2014 are as follows:

The Rt Hon. The Lord Deben  
Mr. Mark Ellingham  
Mr. Johan Eliasch  
The Rt Hon. Frank Field DL MP  
The Baroness Jenkin of Kennington

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

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

The trustees have made the following professional appointments:

Solicitor: Berwin Leighton Paisner LLP, Adelaide House, London Bridge,  
London, EC4R 9HA  
Banker: The Co-operative bank, 62-64 Southampton Row, Holborn,  
London, WC1B 4ND  
Auditor: Baker Tilly UK Audit LLP, Forbury Square, Davidson House, Reading,  
RG1 3EU  
Accountant: Baker Tilly Tax and Accounting Limited, 3rd Floor, One London Square,  
Cross Lanes, Guildford, GU1 1UN

Mr. Matthew Owen acts in an executive capacity as the Executive Director of Cool Earth Action, and he is assisted in the day-to-day management of the charity by Mrs. Clare Vincent, who is the secretary to the board of trustees and directors, and the Company Secretary.

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

## TRUSTEES' RESPONSIBILITIES

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

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

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

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

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

## DISCLOSURE OF INFORMATION TO THE AUDITOR

The trustees at the date of approval of this trustees' annual report confirm that so far as each of them is aware, there is no relevant audit information of which the charity's auditor

is unaware, and the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that audit information.

#### RISK AND CORPORATE GOVERNANCE MATTERS

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

#### RELATIONSHIPS WITH RELATED PARTIES

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

## COOL EARTH'S SUPPORTERS

Cool Earth is grateful to the support of a range of individuals and businesses and trusts over the last year. The support of the following has been invaluable for making donations or grants of £1,500 or more during the year.

AS Adventure	Medicash
Ask	OVO Energy
B & J Lloyd Family Charitable Trust	Planet First
BAL	Prologis
Bauer Consumer Media	The Pallet Network
Brother Earth	Network Rail
Brother International	Sainsbury's
Buyagift	Smeg
Carbon Responsible	TalkTalk
Classic Cottages	The Adventurists
Climate Revolution	The Fuel Card Group
Doorstep Skis	The Nairobi Coffee & Tea Company
Escada	The Office Coffee Company
Georgia May Jagger	The Reed Foundation
Glow-worm	The Simon Gibson Charitable Trust
Island Foundation	Vivienne Westwood
Keycamp	Waypoint Outcome
Marks & Spencer	

## FINANCIAL REVIEW

### INCOME AND FUNDRAISING

Cool Earth's income for the year was £1.2 million and their business partners continue to be their primary funding source. OVO Energy, Brother International and Marks and Spencer have continued their long-term support and the partnership with The Adventurists has raised £166,000 and recruited more than 1,600 active fundraisers.

In December 2014, Cool Earth participated in the 'Big Give Christmas Challenge' which matches donations made online over three days. Cool Earth's participation raised over £70,000. Funds from the challenge will be used to provide community support to the Awajún Partnership through Cool Earth's *Rainforest Lifelines* initiative.

Online donations increased from £205,000 in the previous year to £336,000. A new website, designed to convert more web traffic into donations, launched ahead of Christmas and raised three times the amount compared to the same period last year. The new website is expected to play a key part in Cool Earth's fundraising for the coming year.

### FINANCIAL RESULTS OF ACTIVITIES AND EVENTS

Total incoming resources for the year amounted to £1,321,339 (2013/2014: £1,176,485), and total resources expended was £1,162,789 (2013/2014: £963,580) resulting in net incoming resources of £158,550 (2013/2014: £212,905).

### RESERVES POLICY

As of 31 January 2014, the charity had "free reserves" of £1,869,050 (31 January 2014: £1,710,500). Beyond the requirements of a prudent working capital base, since 2011 Cool Earth has been developing a Reserves Fund so it can realise its commitments to community partners even in the event of an income shortfall. A project reserve of £1.95 million was set as a five-year target, calculated on the basis of 18 months of project funding from 2016.

## **INVESTMENTS POLICY**

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

### FUNDS HELD AS CUSTODIAN

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

## PLANS FOR FUTURE PERIODS

### FUTURE STRATEGY

The long-term aims of Cool Earth are consistent with its mission to help fund rainforest protection and inform people of the role local people play in conservation and the role of deforestation in climate change. Plans for 2015/16 are:

- Expand Cool Earth's existing projects to shield 10 million acres of rainforest through the formation of new community partnerships.
- Develop five-year plan with existing community partners to develop sustainable income streams that will replace Cool Earth funding.
- Consolidate Cool Earth's local presence in the three key rainforest regions, the Amazon, the Congo Basin and Oceania.
- Develop Cool Earth's Reserves Fund to safeguard Cool Earth's commitments to partner communities in the event of an income shortfall.
- Diversify income sources to ensure resilience of Cool Earth's revenue, including improving Cool Earth's online performance and increasing income from Trusts and Foundations.

This report was approved by the trustees on 21 October 2014, and was signed for and on behalf of the board by

..... Trustee

The Rt Hon. Frank Field DL MP

21 October 2015

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

We have audited the financial statements of Cool Earth Action for the year ended 31 January 2015 on pages 17 to 28. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' responsibilities set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 January 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records, 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 exemption from the requirement to prepare a strategic report.

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

## COOL EARTH ACTION STATEMENT OF FINANCIAL ACTIVITIES

(including Income & Expenditure Account) for the year ended 31 January 2015

	Notes	Unrestricted Funds £	Restricted Funds £	TOTAL 2015 £	TOTAL 2014 £
<b>INCOMING RESOURCES</b>					
<i>Incoming resources from generated funds</i>					
Voluntary income	1	1,307,069	-	1,307,069	1,158,569
Investment income	2	14,270	-	14,270	17,916
<b>TOTAL INCOMING RESOURCES</b>		<b>1,321,339</b>	<b>-</b>	<b>1,321,339</b>	<b>1,176,485</b>
<b>RESOURCES EXPENDED</b>					
<i>Costs of generating funds</i>					
Support costs	3	324,215	-	324,215	101,333
<i>Charitable activities</i>					
Project Work	4	783,258	-	783,258	803,231
Advocacy & Education	5	15,838	-	15,838	21,299
Governance costs	6	39,478	-	39,478	37,717
<b>TOTAL RESOURCES EXPENDED</b>		<b>1,162,789</b>	<b>-</b>	<b>1,162,789</b>	<b>963,580</b>
<b>NET INCOMING RESOURCES, NET INCOME FOR THE YEAR, &amp; NET MOVEMENT IN FUNDS</b>		<b>158,550</b>	<b>-</b>	<b>158,550</b>	<b>212,905</b>
<b>TRANSFERS</b>					
Gross transfers between funds		-	-	-	-
<b>RECONCILIATION OF FUNDS</b>					
Fund balances brought forward at 1 February 2014		1,710,500	-	1,710,500	1,497,595
<b>FUND BALANCES CARRIED FORWARD AT 31 JANUARY 2015</b>		<b>1,869,050</b>	<b>-</b>	<b>1,869,050</b>	<b>1,710,500</b>
=====					

The net movement in funds for the year arises from the charitable company's continuing operations. No separate statement of total recognised gains and losses has been presented as all such gains and losses are included in the statement of financial activities.

## COOL EARTH ACTION BALANCE SHEET

as at 31 January 2015

Company Number: 06053314

	Notes	2015 £	2014 £
<b>FIXED ASSETS</b>			
Tangible assets	8	80,713	80,102
<b>CURRENT ASSETS</b>			
Debtors	9	77,873	-
Cash at bank and in hand		1,756,364	1,646,298
		<u>1,834,237</u>	<u>1,646,298</u>
<b>LIABILITIES</b>			
Creditors: Amounts falling due within one year	10	(45,900)	(15,900)
		<u>1,788,337</u>	<u>1,630,398</u>
<b>NET CURRENT ASSETS</b>			
		<u>1,869,050</u>	<u>1,710,500</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES &amp; NET ASSETS</b>			
		<u>1,869,050</u>	<u>1,710,500</u>
		=====	=====
<b>THE FUNDS OF THE CHARITY</b>			
<i>Restricted income funds</i>			
Ashaninka Fund	11	-	-
<i>Unrestricted income funds</i>			
General Fund	11	1,869,050	1,710,500
		<u>1,869,050</u>	<u>1,710,500</u>
		=====	=====

The financial statements on pages 17 to 28 were approved by the trustees and authorised for issue on 21 October 2015, and are signed on their behalf by

..... Trustee  
Rt. Hon Frank Field MP

21 October 2015

## COOL EARTH ACTION ACCOUNTING POLICIES

Financial statements for the year ended 31 January 2015

### *Basis of Accounting*

The financial statements have been prepared to comply with current statutory requirements (principally being the Companies Acts 2006 and the Charities Act 2011), under the historical cost convention, and in accordance with United Kingdom Generally Accepted Accounting Practice. The recommendations in *Accounting and Reporting by Charities: Statements of Recommended Practice (revised 2005)* issued by the Charity Commission in March 2005 have been followed. The accounting policies have been applied consistently in prior years.

### *Going Concern*

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

### *Incoming Resources*

All incoming resources are included in the statement of financial activities when the charity is entitled to the income, and the amount can be quantified with reasonable accuracy. Donations are normally brought into account when received, and are stated gross of any attributable tax recoverable. Government and institutional grants are accounted for on a receivable basis. Donations and grants given for specific purposes are treated as restricted income.

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

### *Gifts In Kind*

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

### *Foreign Currencies*

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

## COOL EARTH ACTION ACCOUNTING POLICIES (Continued)

### *Resources Expended*

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

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

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

### *Tangible Fixed Assets*

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

Website, office & computer equipment on a 25% reducing balance basis

*Fund Accounting*

The general fund comprises the accumulated surpluses of unrestricted incoming resources over resources expended, which are available for use in furtherance of the general objectives of the charity.

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

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

## COOL EARTH ACTION NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2015

	Unrestricted Funds £	Restricted Funds £	TOTAL 2015 £	TOTAL 2014 £
<b>1. VOLUNTARY INCOME</b>				
Donations received on-line through the charity's website	336,602	-	336,602	205,553
Other donations received from individual, corporate sponsors and other supporters	970,467	-	970,467	953,016
	<u>1,307,069</u>	<u>-</u>	<u>1,307,069</u>	<u>1,158,569</u>
=====				
<b>2. INVESTMENT INCOME</b>				
Bank interest receivable on short term cash deposits	14,270	-	14,270	17,916
	<u>14,270</u>	<u>-</u>	<u>14,270</u>	<u>17,916</u>
=====				
<b>3. COST OF GENERATING FUNDS</b>				
Support costs (see note 6)	324,215	-	324,215	101,333
	<u>324,215</u>	<u>-</u>	<u>324,215</u>	<u>101,333</u>
=====				

COOL EARTH ACTION  
NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 January 2015

	Unrestricted Funds £	Restricted Funds £	TOTAL 2015 £	TOTAL 2014 £
<b>4. COSTS OF PROJECT WORK</b>				
Direct costs:				
Donations to Fauna & Flora International	32,651	-	32,651	15,822
Donations to Ecotribal	206,703	-	206,703	252,184
Other donations	139,059	-	139,059	141,801
Other direct project costs	3,600	-	3,600	23,571
	<hr/>		<hr/>	<hr/>
	382,013	-	382,013	433,378
Support costs (see note 6)	401,245	-	401,245	369,853
	<hr/>		<hr/>	<hr/>
	783,258	-	783,258	803,231
	=====		=====	=====
<b>5. COSTS OF ADVOCACY &amp; EDUCATION</b>				
Support costs (see note 6)	15,838	-	15,838	21,299
	<hr/>		<hr/>	<hr/>
	15,838	-	15,838	21,299
	=====		=====	=====

## COOL EARTH ACTION NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2015

	Fundraising trading: cost of goods sold and other costs £	Project Work & Education £	Advocacy	Governance costs £	TOTAL 2015 £	TOTAL 2014 £
<b>6. SUPPORT &amp; GOVERNANCE COSTS</b>						
Project work costs	-	186,261	-	-	186,261	147,990
Staff costs (note 7)	89,170	71,336	3,567	14,267	178,340	104,211
Recharged support staff costs	-	52,603	-	-	52,603	52,603
Public relations and communications costs	10,369	4,444	-	-	14,813	3,943
Promotional marketing costs	11,935	-	-	-	11,935	21,199
Travel and subsistence expenses	4,025	46,283	-	-	50,308	37,307
Communications costs	39,451	2,192	2,192	-	43,835	5,908
Legal and professional fees	155,109	13,429	-	13,429	181,967	80,856
Other costs	12,694	4,232	4,232	-	21,158	30,528
Auditor's remuneration:						
Audit fee	-	-	-	10,320	10,320	12,000
Accountancy and advisory services	135	1,890	540	135	2,700	3,973
Exchange gains	(18)	(258)	(74)	(18)	(368)	2,984
Depreciation - owned assets	1,345	18,833	5,381	1,345	26,904	26,700
	324,215	401,245	15,838	39,478	780,776	530,202

Support costs are allocated directly based on activity and thereafter using the ratios, which are based on estimated assessed impact of the costs involved. Included within auditor's remuneration are amounts payable to Baker Tilly UK Audit LLP in respect of audit services of £10,320 (2013/2014: £12,000) and amounts payable to Baker Tilly Tax and Accounting Limited in respect of accountancy and advisory services of £2,700 (2013/2014: £3,973).

COOL EARTH ACTION  
NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2015

	2015	2014
7. STAFF COSTS		
	No.	No.
The average monthly number of persons employed by the charitable company (excluding trustees) during the year was, as follows:		
Support staff	9	7
	==	==
	£	£
Staff costs for the above persons:		
Wages and salaries	160,647	89,496
Social security costs	13,693	14,715
	<u>178,340</u>	<u>104,211</u>
	=====	=====

No employee received total emoluments in excess of £60,000 during the current or previous year.

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

COOL EARTH ACTION  
NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 January 2015

8. TANGIBLE ASSETS

	Website, office & computer equipment £	
Cost:		
1 February 2014	230,653	
Additions	27,515	
	<u>          </u>	
31 January 2015	258,168	
Depreciation:		
1 February 2014	150,551	
Charge for the year	26,904	
	<u>          </u>	
31 January 2015	177,455	
Net book value:		
31 January 2015	80,713	=====
31 January 2014	80,102	=====
	2015	2014
	£	£

9. DEBTORS

Amounts falling due within one year:		
Prepayments and accrued income	77,873	-
	=====	=====

10. CREDITORS

Amounts falling due within one year:		
Accruals	45,900	15,900
	=====	=====

## COOL EARTH ACTION NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2015

### 11. THE FUNDS OF THE CHARITY

	Balance at 1 February 2014 £	Incoming resources £	Outgoing resources £	Transfers between funds £	Balance at 31 January 2015 £
Restricted income Funds:					
Ashaninka Fund	-	-	-	-	-
Unrestricted income Funds:					
General Fund	1,710,500	1,321,339	(1,162,789)	-	1,869,050
	<u>1,710,500</u>	<u>1,321,339</u>	<u>(1,162,789)</u>	<u>-</u>	<u>1,869,050</u>
	=====	=====	=====	=====	=====

The Ashaninka Fund was originally set up in 2009 to recognise the donation income received from Brother International Europe Limited to be used in order to conserve not less than 1,000 acres of endangered rainforest in Cool Earth's Ashaninka project in Peru, and to provide support to the communities in this project. The Ashaninka Fund is still used for donation income received for the benefit of this project.

## ACCOUNTANT'S REPORT TO THE BOARD OF TRUSTEES OF COOL EARTH ACTION ON THE UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2015

In order to assist you to fulfil your duties under the Companies Act 2006 and the Charities Act 2011 ("the Acts") and regulations thereunder, we prepared for your approval the financial statements of Cool Earth Action which comprise the Statement of Financial Activities, the Balance Sheet and the related notes as set out on pages 17 to 28 from the charitable company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

This report is made solely to the board of trustees of Cool Earth Action as a body, in accordance with the terms of our engagement letter dated 13 June 2013. Our work has been undertaken solely to prepare for your approval the financial statements of Cool Earth Action and state those matters that we have agreed to state to them in accordance with AAF 2/10 as detailed at [icaew.com/compilation](http://icaew.com/compilation). This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights against Baker Tilly Tax and Accounting Limited for any purpose or in any context. Any party other than the trustees which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, Baker Tilly Tax and Accounting Limited will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

It is your duty to ensure that Cool Earth Action has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and net movement in funds of Cool Earth Action under the Acts and regulations thereunder.

We have not been instructed to carry out an audit or a review of the financial statements of Cool Earth Action. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

BAKER TILLY TAX AND ACCOUNTING LIMITED  
Chartered Accountants  
3<sup>rd</sup> Floor, One London Square  
Cross Lanes  
Guildford  
Surrey GU1 1UN

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