

# COOL EARTH ACTION

## Annual Report 2017

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 2017.

COOL EARTH ACTION  
TRUSTEES' ANNUAL REPORT  
for the year ended 31 January 2017

The trustees present their report and the financial statements for Cool Earth Action (also known as and referred to as "Cool Earth") for the year ending 31 January 2017.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association of the charitable company, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

## OBJECTIVES AND ACTIVITIES

The charitable objectives for which the charity is established are as follows:

*Cool Earth provides 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. It also promotes a greater understanding of the role that forest communities play in keeping rainforest ecosystems intact and the role that rainforests play in the supporting life across the planet.*

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 of their projects with communities playing the central role in determining how funds are spent to protect their forest.

Cool Earth's community-led model has protected rainforest in partnerships across Brazil, Ecuador, Peru, the Democratic Republic of the Congo and Papua New Guinea. To date, these projects have saved 900,000 acres of at-risk rainforest through partnerships with over 5,500 rainforest partners.

## 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 protect neighbouring forest.
- Assessing and measuring the amount of forest saved and quantity of 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, non-timber rainforest products.

### CHARITABLE ACTIVITIES

In pursuance of the charitable objectives, the charity undertakes the following principal charitable activity:

Programme Development (also referred to as Project Work)

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

### ACHIEVEMENTS AND PERFORMANCE

With Cool Earth entering its tenth year, considerable attention has been paid to ensuring the organisation is focused on its mission of innovating in its work alongside rainforest communities to halt deforestation and climate change.

A decade of operations in the Amazon and Congo Basins and Papua New Guinea has created an imposing learning resource. Over the next five years, Cool Earth will focus on leveraging this resource to develop community partnerships protecting rainforest in as many settings as possible.

To achieve this, Cool Earth has reviewed the Monitoring, Evaluation and Learning (MEL) regimes in each partnership to ensure consistency in the data generated and best-in-class evidence of future impact.

The ambition of Cool Earth is to be able to compare the impact of different approaches to rainforest protection in different contexts and draw conclusions that will be of value to communities, governments and institutional funders. This has necessitated considerable investment in MEL capacity both in the UK and overseas to ensure it underpins every part of the organisation. Whilst upgrading Cool Earth's programmes, the impact of community partnerships continues to grow with forest protected rising 28% to 901,679 acres. This reflects existing partnerships securing tenure over adjoining forest and adding new annexes.

Headlines showing number of acres protected ignores Cool Earth's work alongside communities to build robust household economies and healthier villages. In the areas where Cool Earth operates, village-led conservation is not simply the most effective means of halting destruction, it is often the only force resisting destruction and degradation. Rather than list every partnership intervention, the following examples illustrate the range and variety of Cool Earth's work to reinforce the role of local people.

### *Ashaninka Partnership, Peru*

#### Nutrition

Malnutrition continues to be an issue for rainforest communities throughout the Amazon. A reliance on staple carbohydrates and the scarcity of protein means children, in particular, frequently suffer from malnutrition. Cool Earth has been trialling solutions and in 2016, 20 families (77 people) took part in a pilot nutrition project to reduce high rates of anaemia and nutrient shortages that exist throughout the community. A nutrition consultant continues to work with the families to teach techniques in growing a variety of subsistence vegetables such as spinach, pumpkin and beans to improve vitamin and protein access. The consultant has also been training families in keeping poultry (chickens and ducks), and developing further fish ponds in non-riverine locations.

#### Income Generation

Improved income is at the heart of community-led programmes to reduce deforestation. Continued technical training in sustainable agriculture for community members has resulted in improved income generation for:

- 286 cacao beneficiaries across the community, with production of two tonnes of cocoa beans during 2017 and a predicted three tonnes for 2018, and doubling to six tonnes by 2019.
- 105 coffee beneficiaries, with 1.8 tonnes of coffee beans produced during 2017 and a predicted 2.5 tonnes for 2018 and 5 tonnes for 2019.

Ten Asháninka community members have formed an artisan craft co-operative, making a range of products including bags, cushmas (traditional clothes), necklaces and baskets. The group is called 'Jeto', the Asháninka word for spider. Cool Earth's Peru Project coordinator, has considerable experience in developing market access for artisan groups and is providing training in product promotion and development.

#### Forest Health

Cool Earth's biodiversity officer has been recruited from the community of Tinkareni and is spear-heading work to monitor forest biodiversity with twelve camera traps. These have shown evidence of Spectacled Bears that are currently listed as Vulnerable on the IUCN Red list.

### *Awajun Partnership, Peru*

#### Rice Production

The village of Huaracayo in Cool Earth's Awajún partnership has developed a new source of income with rice cultivation on seasonally exposed flood-plain. With investment in a processor, the community has formed a rice committee and have produced 2,800 kg of rice. The waste products from the milling process are recycled to feed fish at the breeding centre as well as the community's ducks and chickens.

#### Fish Farming

Fish farms provide both a sustainable source of income and a source of protein that puts no pressure on the forest. Baby fish from hatcheries are sold to neighbouring villages to restock their own ponds. Last year, the annex of Kayants in the Awajún partnership used their fish pond to feed school children and fund school materials. There are currently 42 beneficiaries and around 4,000 fish fry in the breeding centre at Huaracayo.

### Intercropping

Increasing yields from food gardens without increasing their size is a challenge for all rainforest communities seeing their populations expand. In post-conflict locations, such as central Peru and the DR Congo, with is an issue that Cool Earth has addressed for some years. In the North of Peru, in the Awajun partnership, lessons from the Inga trials conducted with the Ashaninka are being applied. How do you increase crop yields without clearing forest? By using a miracle tree called Inga which fixes nitrogen in the soil and improves productivity. As a bonus, it provides fuel wood and is climate resilient. A training exchange trip to the Inga Foundation in Honduras happened in June 2016 which has enabled the successful uptake of a pilot scheme of Inga intercropping for long-term soil sustainability for families in the village. Marin, our fantastic Inga promoter in the Awajún partnership, is overseeing the implementation of the Inga pilots in both Urakusa and Huaracayo. Ten farmers in each community are learning how to intercrop Inga with cacao. Marin's greenhouse contains 1,250 Inga saplings which, right now, are being transplanted into the farmers' gardens.

### Laptop Training

The Awajún AMARNO artisans group are now one of the Amazon's flagship indigenous artisan groups. But, these women want to make sure they can achieve the same goals as any successful business. Cool Earth helped to provide accountancy training this year, and thanks to Rosa Paucai 10 community members started laptop training to boost their marketing skills. We have also helped AMARNO set up their first Facebook page to help get their jewellery seen worldwide. Strengthening the livelihoods which depend on the forest is the best way of keeping it safe long-term.

### *Papua New Guinea Partnerships*

#### Strengthening Financial and Saving Skills

Financial and basic governance training was delivered to Gadaisu and Wabumari committee members to support the management of community funds given by Cool Earth.

Project Coordinator, Daisy Haliba, spent two weeks training in VSLA savings group set up and facilitation, in collaboration with CARE International.

#### Education

Community funds were awarded by the community association to assist 17 children in Gadaisu and 16 in Wabumari in further education. The amount of money per student was used for transport, equipment, food or clothing.

#### Biodiversity Monitoring

There has been minimal biodiversity monitoring conducted during the last 12 months in both communities due to internal community disputes which are important for us to respect.

### *Wabumari Partnership, Papua New Guinea*

#### Safe Water Provision

Eight 9,000 litre water tanks were constructed in Wabumari to provide year-round clean water access across each hamlet in the community as a mitigation for increasingly severe droughts.

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TRUSTEES' ANNUAL REPORT (Continued)  
for the year ended 31 January 2017

#### Income Generation

The STALIE women's cooperative was established in October 2016, consisting of approximately 20 members of the community focussing on sewing and crafts to sell locally.

The STALIE group received K2,500 of community funds and invested in two manual sewing machines along with material and thread to make clothing, cushion covers and bedding to sell at the local community market.

#### The Queen's Commonwealth Canopy (QCC)

Wabumari became Papua New Guinea's first forest conservation project to join the QCC. A launch party was held in February 2017, with government and community members celebrating the efforts they have made to protect the community's forest and promote forest conservation across the Commonwealth.

#### *Gadaisu Partnership, Papua New Guinea*

#### Income Generation

The Dabu bakery cooperative tripled its profits from £9 per day at the beginning of 2016 to £27 per day in February 2017 (self-reported, data not 100% accurate or factually checked).

Johdan cooperative, comprising of 12 community members, received two electric sewing machines from Brother Ltd.

#### Community Association Strengthening

A community resource centre was built in Gadaisu to safely store community assets and provide an open meeting room for cooperatives or community members to use as they wish. It is also a place where committee accounts can be displayed to maintain transparency and access to everyone.

#### IT Training

Basic computer training was delivered to 8 women (ageing from 18 to 35) in Gadaisu in Microsoft Office Word and Excel.

#### Biodiversity Monitoring

Issac Dauge the biodiversity officer, identified several IUCN Red listed species including the Southern Crowned Pigeon and Forest Bittern. These photos have been used in Gadaisu primary school to raise awareness and support environmental education classes.

#### Transport Access

Gadaisu received a large dinghy and motor for emergency medical evacuations and to enable easier market access for community members to sell their produce.

#### *Lubutu Partnership, Democratic Republic of the Congo*

#### Sustainable Stoves

225 families were provided with fuel efficient stoves resulting in a 58% drop in fuelwood collection from the forest, an increase in time available for other activities and improved air quality in the home through reduction in smoke.

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TRUSTEES' ANNUAL REPORT (Continued)  
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An awareness raising programme was carried out, reaching 200 men to increase awareness in the importance of fuel efficient stoves for their family's health and conservation of the forest. This had been a previously women focused activity, the workshop has helped address the gender imbalance in participation to improve long-term adoption of the stoves.

A further 500 stoves are planned to be built by the end of 2017

Biodiversity Monitoring and Protection:

20 Grauer's gorilla families (comprised of 103 individuals), a highly-endangered species have been monitored, with a total of 63 patrols carrying out biodiversity surveys and monitoring for illegal activity. With other key endangered species numbers monitored in the area including the Congo Peafowl and Okapi.

The field teams have recorded and removed 1779 snares which pose a significant threat to wildlife in the area.

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 three times a 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 2016 are as follows:

The Rt Hon. Lord Deben (appointed as a director on 14 November 2016)

Mr. Johan Eliasch

Mr. Mark Ellingham (appointed as a director on 14 November 2016)

The Rt Hon. Frank Field MP DL

The Baroness Jenkin of Kennington (appointed as a director on 14 November 2016)

Ms. Cynthia King (appointed as a director on 14 November 2016)

The principal address of the charity is Tremough Innovation Centre, Penryn, Cornwall, TR10 9TA and the registered office address of the company is 27 Old Gloucester Street, London, 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: Barclays Bank, Turro Group, Leicester, LE87 2BB

Auditor: RSM UK Audit LLP, Forbury Square, Davidson House, Reading, Berkshire RG1 3EU

Accountant: RSM Tax and Accounting Limited, 3rd Floor, One London Square, Cross Lanes, Guildford, Surrey GU1 1UN

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TRUSTEES' ANNUAL REPORT (Continued)  
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Mr. Matthew Owen acts in an executive capacity as the Executive Director of Cool Earth Action and is responsible for the day-to-day management of the charitable company. The Executive Director had been seconded from Cornwall College, as such his remuneration package for the year ending January 2016 had not been set by the trustees. As of 1 February 2016, the secondment ended and he became an employee of Cool Earth Action. The remuneration of the Executive Director is decided upon by the board of trustees taking account of performance and the levels of pay in a representative peer group of similar Non-Governmental Organisations.

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

#### TRUSTEES' RESPONSIBILITIES

The trustees, who are the directors of Cool Earth for the purposes of company law, are responsible for preparing 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.

#### METHOD OF RECRUITMENT, APPOINTMENT, ELECTION, INDUCTION AND TRAINING OF TRUSTEES

##### RECRUITMENT

The original trustees were the founders of the organisation with particular personal interests in attempting to find a way to actively tackle worldwide climate change issues. As and when a future vacancy arises, or should the required mix of skills, experience and knowledge required with the board of trustees change over time, such matters will be considered when recruiting suitable candidates.

##### APPOINTMENT AND ELECTION

In accordance with the company Memorandum and Articles of Association, the minimum number of trustees should not be less than three, but no maximum limit is dictated. It is likely in the future suitable trustee candidates will be identified by the existing trustees, or be referred to the existing trustees through the Advisory Board and/or other interested third parties. Appointment as a trustee is by election and requires an ordinary resolution of the members of the charitable company.



## INDUCTION AND TRAINING

All trustees are made aware of and have access to relevant Charity Commission publications and are regularly briefed by their professional advisers on significant developments within the charity sector that are applicable to the charity's circumstances.

It is likely that any future new trustees will be provided with both an introduction to the charity, its work and their role within it, and with pertinent copies of paperwork.

## 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.

## 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.

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TRUSTEES' ANNUAL REPORT (Continued)  
for the year ended 31 January 2017

A trading subsidiary of Cool Earth exists (Cool Earth Limited), but has never traded and remains inactive.

Cool Earth Incorporated is an affiliated non-profit organisation in the USA that is registered as tax-exempt under section 501 (c)(3) of the federal law of the United States. Cool Earth Incorporated does not share trustees or offices with Cool Earth Action but does contribute to Cool Earth Action's programmes in Peru.

## FINANCIAL REVIEW

### INCOME AND FUNDRAISING

Cool Earth's income for the year was £1.7 million (2015/2016: £1.6 million) and individuals, businesses and foundations continue to be the primary funding source.

### FINANCIAL RESULTS OF ACTIVITIES AND EVENTS

Total income for the year amounted to £1,671,616 (2015/2016: £1,556,392), and total expenditure was £1,503,555 (2015/2016: £1,339,102) resulting in net income of £168,061 (2015/2016: £217,190).

### RESERVES POLICY

As of 31 January 2017, the charity had "free reserves" of £2,076,673 (31 January 2016: £1,972,382). 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 £2.1 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.

### 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.

As identified on the risk register, the main risks and the measures taken to mitigate them are as follows:

1. The loss of a major donor that would compromise the charity's ability to carry out its mission. Income streams are diversified to ensure no donor represents more than 15% of gross income and a reserve has been built to cover all existing commitments to community partnerships for at least three years.
2. Serious operational incidents (unlawful detention, serious injury etc.) – mitigated by programme team training, deployment evaluation and serious incident training.
3. Reputational damage, leading to a loss of stakeholder support and income – mitigated by adoption of, and adherence to, clear values, operating to internationally recognised standards, compliance with fundraising guidelines along with training of staff and monitoring and evaluation.

COOL EARTH ACTION  
TRUSTEES' ANNUAL REPORT (Continued)  
for the year ended 31 January 2017

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 2017/18 are:

- Continue to invest in existing programmes in Papua New Guinea, Peru and the Democratic Republic of the Congo.
- Manage the life-cycle of each community partnership to ensure partners dependency does not develop.
- Put in place business plans for income generation that does not depend on Cool Earth's funding.
- Scope out a portfolio of new partnerships that test the Cool Earth model of community led rainforest protection in a range of environmental, socio-economic and cultural contexts.
- Work alongside the Commonwealth Forestry Association and Royal Commonwealth Society to explore new community partnerships in Cameroon, Tanzania, Guyana and Mozambique.
- 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 business supporters.

FUNDS HELD AS CUSTODIAN

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

This report was approved by the trustees on 9<sup>th</sup> October 2017, and was signed for and on behalf of the board by:

..... Trustee  
The Rt Hon. Frank Field MP DL

9<sup>th</sup> October 2017

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

### OPINION ON FINANCIAL STATEMENTS

We have audited the financial statements of Cool Earth Action (the charitable company) for the year ended 31 January 2017, which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 2017 and of 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.

### SCOPE OF 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 OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and based on the work undertaken in the course of our audit, the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Trustees' Annual Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COOL EARTH ACTION (Continued)

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Statement of Trustees' Responsibilities set out on page 7, the trustees (who are also the directors of the 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.

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.

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

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COOL EARTH ACTION  
STATEMENT OF FINANCIAL ACTIVITIES  
(including Income and Expenditure Account)  
for the year ended 31 January 2017

	Notes	Unrestricted Funds £	Restricted Funds £	TOTAL 2017 £	TOTAL 2016 £
<b>INCOME AND ENDOWMENTS FROM:</b>					
Donations and legacies	3	1,576,654	77,582	1,654,236	1,538,624
Charitable activities	4	4,233	-	4,233	-
Other trading activities	5	1,902	-	1,902	-
Investments	6	11,245	-	11,245	17,768
<b>TOTAL</b>		<b>1,594,034</b>	<b>77,582</b>	<b>1,671,616</b>	<b>1,556,392</b>
<b>EXPENDITURE ON:</b>					
Raising funds	7	(382,005)	-	(382,005)	(350,218)
Charitable activities:					
Project Work	8	(1,043,968)	(77,582)	(1,121,550)	(980,928)
Advocacy & Education	9	-	-	-	(8,056)
<b>TOTAL</b>		<b>(1,425,973)</b>	<b>(77,582)</b>	<b>(1,503,555)</b>	<b>(1,339,202)</b>
<b>NET INCOME</b>		<b>168,061</b>	<b>-</b>	<b>168,061</b>	<b>217,190</b>
Transfers between funds		-	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>168,061</b>	<b>-</b>	<b>168,061</b>	<b>217,190</b>
<b>RECONCILIATION OF FUNDS</b>					
Fund balances brought forward at 1 February 2016		2,086,240	-	2,086,240	1,869,050
<b>FUND BALANCES CARRIED FORWARD AT 31 JANUARY 2017</b>	<b>18</b>	<b>2,254,301</b>	<b>-</b>	<b>2,254,301</b>	<b>2,086,240</b>

COOL EARTH ACTION  
STATEMENT OF FINANCIAL ACTIVITIES  
(including Income and Expenditure Account)  
for the year ended 31 January 2016

	Notes	Unrestricted Funds £	Restricted Funds £	TOTAL 2016 £	TOTAL 2015 £
<b>INCOME AND ENDOWMENTS FROM:</b>					
Donations and legacies	3	1,492,324	46,300	1,538,624	1,307,069
Investments	6	17,768	-	17,768	14,270
<b>TOTAL</b>		<b>1,510,092</b>	<b>46,300</b>	<b>1,556,392</b>	<b>1,321,339</b>
<b>EXPENDITURE ON:</b>					
Raising funds	7	(350,218)	-	(350,218)	(324,215)
Charitable activities:					
Project Work	8	(934,628)	(46,300)	(980,928)	(822,736)
Advocacy & Education	9	(8,056)	-	(8,056)	(15,838)
<b>TOTAL</b>		<b>(1,292,902)</b>	<b>(46,300)</b>	<b>(1,339,202)</b>	<b>(1,162,789)</b>
<b>NET INCOME</b>		<b>217,190</b>	<b>-</b>	<b>217,190</b>	<b>158,550</b>
Transfers between funds		-	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>217,190</b>	<b>-</b>	<b>217,190</b>	<b>158,550</b>
<b>RECONCILIATION OF FUNDS</b>					
Fund balances brought forward at 1 February 2015		1,869,050	-	1,869,050	1,710,500
<b>FUND BALANCES CARRIED FORWARD AT 31 JANUARY 2016</b>	<b>18</b>	<b>2,086,240</b>	<b>-</b>	<b>2,086,240</b>	<b>1,869,050</b>
		=====		=====	=====

COOL EARTH ACTION  
BALANCE SHEET  
as at 31 January 2017

Company Number: 06053314

	Notes	2017 £	2016 £
<b>FIXED ASSETS</b>			
Intangible assets	12	112,486	53,323
Tangible assets	13	65,142	60,535
		<u>177,628</u>	<u>113,858</u>
<b>CURRENT ASSETS</b>			
Investments	14	1,500,000	-
Debtors	15	71,145	267,682
Cash at bank and in hand		588,568	1,727,993
		<u>2,159,713</u>	<u>1,995,675</u>
<b>LIABILITIES</b>			
Creditors: Amounts falling due within one year	16	(83,040)	(23,293)
<b>NET CURRENT ASSETS</b>		<u>2,076,673</u>	<u>1,972,382</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES &amp; NET ASSETS</b>		<u>2,254,301</u> =====	<u>2,086,240</u> =====
<b>THE FUNDS OF THE CHARITY</b>			
<i>Restricted income funds</i>			
Peru restricted fund (formerly called the Ashaninka Fund)	18	-	-
Papua New Guinea restricted fund	18	-	-
<i>Unrestricted funds</i>			
General fund	18	2,254,301	2,086,240
<b>TOTAL CHARITY FUNDS</b>		<u>2,254,301</u> =====	<u>2,086,240</u> =====

The financial statements on pages 12 to 25 were approved by the trustees and authorised for issue on 9<sup>th</sup> October 2017, and are signed on their behalf by

..... Trustee  
The Rt Hon. Frank Field MP DL

9<sup>th</sup> October 2017



COOL EARTH ACTION  
STATEMENT OF CASH FLOWS  
for the year ended 31 January 2017

	Notes	2017 £	2016 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net cash provided by operating activities	20	475,504	29,958
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Dividends, interest and rents from investments		11,245	12,768
Purchase of intangible fixed assets		(96,058)	(71,097)
Purchase of tangible fixed assets		(30,116)	-
Short term cash deposit		(1,500,000)	-
Net cash used in investing activities		<u>(1,614,929)</u>	<u>(58,329)</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD</b>		<b>(1,139,425)</b>	<b>(28,371)</b>
Cash and cash equivalents at the beginning of the reporting period		<u>1,727,993</u>	<u>1,756,364</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD</b>	21	<b>588,568</b> =====	<b>1,727,993</b> =====

COOL EARTH ACTION  
NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 January 2017

1. ACCOUNTING POLICIES

*Company Information*

Cool Earth Action is a private company limited by guarantee incorporated in England and Wales. The registered office is 27 Old Gloucester Street, London WC1N 3AX and the principal place of business is Tremough Innovation Centre, Penryn, Cornwall, TR10 9TA.

The company's principal activity is disclosed in the trustees' annual report.

*Basis of Accounting*

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102), the requirements of the Companies Act 2006 and under the historical cost convention. Within the definitions of FRS 102, the charitable company, which is limited by guarantee, is a public benefit entity. The financial statements have also been prepared in accordance with the accounting policies set out in more detail below, to comply with the charitable company's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

*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.

*Income*

All income is included in the statement of financial activities when the charitable company is entitled to the funds, receipt is probable and the amount can be quantified with reasonable accuracy. Donations are normally brought into account when received and are stated gross of any attributable tax recoverable.

Government and institutional grants are accounted for on a receivable basis. Donations and grants given for specific purposes are treated as restricted income.

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

*Gifts In Kind*

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

COOL EARTH ACTION  
NOTES TO THE FINANCIAL STATEMENTS (Continued)  
for the year ended 31 January 2017

1. ACCOUNTING POLICIES (Continued)

*Foreign Currencies*

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

*Expenditure*

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

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

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

*Intangible Fixed Assets*

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

Website on a 33% straight-line basis

*Tangible Fixed Assets*

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

Office & computer equipment on a 33% straight-line basis

*Financial Instruments*

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are therefore classified and accounted for according to the substance of the contractual arrangement as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities.

COOL EARTH ACTION  
 NOTES TO THE FINANCIAL STATEMENTS (Continued)  
 for the year ended 31 January 2017

1. ACCOUNTING POLICIES (Continued)

*Financial Assets and Liabilities*

The charitable company's debtors and creditors that meet the definition of either a financial asset or a financial liability are initially recognised at the transaction value and thereafter are stated at amortised cost using the effective interest method.

*Fund Accounting*

The general fund comprises the accumulated surpluses of unrestricted income over expenditure, which is available for use in furtherance of the general objectives of the charitable company.

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

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

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There were no specific judgements, estimates and assumptions that were critical to the preparation of these financial statements.

3. DONATIONS AND LEGACIES	Unrestricted Funds £	Restricted Funds £	TOTAL 2017 £	TOTAL 2016 £
Donations received from individuals and on-line through the charity's website	737,151	-	737,151	268,581
Other donations received from corporate sponsors and other similar supporters	839,503	77,582	917,085	1,270,043
	1,576,654	77,582	1,654,236	1,538,624
	=====	=====	=====	=====

COOL EARTH ACTION  
NOTES TO THE FINANCIAL STATEMENTS (Continued)  
for the year ended 31 January 2017

4. CHARITABLE ACTIVITIES	Unrestricted Funds £	Restricted Funds £	TOTAL 2016 £	TOTAL 2015 £
Forest produce sales	4,233	-	4,233	-
	=====	=====	=====	=====
5. OTHER TRADING ACTIVITIES	Unrestricted Funds £	Restricted Funds £	TOTAL 2016 £	TOTAL 2015 £
Shop sales and other similar income	1,902	-	1,902	-
	=====	=====	=====	=====
6. INVESTMENTS	Unrestricted Funds £	Restricted Funds £	TOTAL 2016 £	TOTAL 2015 £
Bank interest receivable on short term cash deposits	11,245	-	11,245	17,768
	=====	=====	=====	=====
7. RAISING FUNDS	Unrestricted Funds £	Restricted Funds £	TOTAL 2017 £	TOTAL 2016 £
Direct costs	179,491	-	179,491	-
Support costs - see note 10	202,514	-	202,514	350,218
	-----	-----	-----	-----
	382,005	-	382,005	350,218
	=====	=====	=====	=====
8. PROJECT WORK	Unrestricted Funds £	Restricted Funds £	TOTAL 2017 £	TOTAL 2016 £
Direct costs	571,433	77,582	649,015	664,197
Support costs - see note 10	472,535	-	472,535	316,731
	-----	-----	-----	-----
	1,043,968	77,582	1,121,550	980,928
	=====	=====	=====	=====
9. ADVOCACY & EDUCATION	Unrestricted Funds £	Restricted Funds £	TOTAL 2017 £	TOTAL 2016 £
Direct costs	-	-	-	-
Support costs - see note 10	-	-	-	8,056
	-----	-----	-----	-----
	-	-	-	8,056
	=====	=====	=====	=====

COOL EARTH ACTION  
 NOTES TO THE FINANCIAL STATEMENTS (Continued)  
 for the year ended 31 January 2017

10. SUPPORT & GOVERNANCE COSTS	Support costs £	Governance costs £	TOTAL 2017 £	TOTAL 2016 £
Staff costs (92:8) - note 11	332,933	28,951	361,884	191,840
Recharged support staff costs	-	-	-	143,190
Staff recruitment, training and welfare	21,315	-	21,315	-
Public relations and communications costs	-	-	-	32,022
Promotional marketing costs	-	-	-	30,727
Travel and subsistence expenses	49,494	-	49,494	109,762
Premises operating lease costs	19,190	-	19,190	-
Other premises costs	8,758	-	8,758	-
Communications costs	29,910	-	29,910	26,300
Other costs	12,4098	-	12,409	5,026
Legal and professional fees (90:10)	85,352	9,484	94,836	87,665
Auditor's remuneration:				
Audit fee	-	11,940	11,940	10,500
Accountancy and advisory services (95:5)	5,376	283	5,659	3,090
Amortisation	36,895	-	36,895	17,774
Depreciation - owned assets (95:5)	24,234	1,275	25,509	20,178
Exchange gains	(2,750)	-	(2,750)	(3,069)
	<u>623,116</u>	<u>51,993</u>	<u>675,049</u>	<u>675,005</u>

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 RSM UK Audit LLP in respect of audit services of £11,940 (2015/2016: £10,500) and amounts payable to RSM UK Tax and Accounting Limited in respect of accountancy and advisory services of £5,659 (2015/2016: £3,090).

COOL EARTH ACTION  
 NOTES TO THE FINANCIAL STATEMENTS (Continued)  
 for the year ended 31 January 2017

11. STAFF COSTS	2017	2016
	No.	No.
The average monthly number of persons employed by the charitable company (excluding trustees) during the year was, as follows:		
Support staff	11	7
	==	==
	£	£
Staff costs for the above persons:		
Wages and salaries	325,477	177,335
Social security costs	33,013	14,505
Pension contribution pension scheme costs	3,394	-
	<u>361,884</u>	<u>191,840</u>
	=====	=====

During the year, one employee earned total emoluments in the range £70,001 to £80,000 (2015/2016: No employee received total emoluments in excess of £60,000) and in respect of that one employee the charitable company paid pensions contributions amounting to £2,340 (2015/2016: None).

During the current year, the charitable company had for the first-time employees that met the definition of key management personnel. The total amount of employee benefits received by key management personnel for their services to the charitable company amounted to £80,340 (2015/2016: £Nil) and the charitable company incurred employers' national insurance contribution costs of a further £8,988 (2015/2016: £Nil) in relation to the employment of these same members of staff.

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

COOL EARTH ACTION  
 NOTES TO THE FINANCIAL STATEMENTS (Continued)  
 for the year ended 31 January 2017

12. INTANGIBLE ASSETS	Website £
Cost:	
1 February 2016	71,097
Additions	96,058
31 January 2017	<u>167,155</u>
Amortisation:	
1 February 2016	17,774
Charge for the year	36,895
31 January 2017	<u>54,669</u>
Net book value:	
31 January 2017	112,486 =====
31 January 2016	53,323 =====
13. TANGIBLE ASSETS	Office & computer equipment £
Cost:	
1 February 2016	258,168
Additions	30,116
31 January 2017	<u>288,284</u>
Depreciation:	
1 February 2016	197,633
Charge for the year	25,509
31 January 2017	<u>223,142</u>
Net book value:	
31 January 2017	65,142 =====
31 January 2016	60,535 =====



COOL EARTH ACTION  
NOTES TO THE FINANCIAL STATEMENTS (Continued)  
for the year ended 31 January 2017

14. INVESTMENTS	2017 £	2016 £
Short term cash deposit	1,500,000 =====	- =====
15. DEBTORS	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	6,132	205,924
Other debtors	600	-
Prepayments and accrued income	64,413	61,758
	<u>71,145</u> =====	<u>267,682</u> =====
16. CREDITORS	2017 £	2016 £
Amounts falling due within one year:		
Trade creditors	15,392	-
Amounts due to Cool Earth Inc.	37,230	-
Other taxation and social security costs	14,228	7,393
Other creditors	50	-
Accruals	16,140	15,900
	<u>83,040</u> =====	<u>23,293</u> =====
17. FINANCIAL INSTRUMENTS	2017 £	2016 £
Financial assets:		
Debt instruments measured at amortised cost	1,571,145 =====	267,682 =====
Financial liabilities:		
Measured at amortised cost	31,532 =====	15,900 =====

COOL EARTH ACTION  
 NOTES TO THE FINANCIAL STATEMENTS (Continued)  
 for the year ended 31 January 2017

18. THE FUNDS OF THE CHARITY

	Balance at 1 February 2016 £	Income £	Expenditure £	Transfers between funds £	Balance at 31 January 2017 £
Restricted income funds:					
Peru restricted fund	-	22,600	(22,600)	-	-
Papua New Guinea restricted fund	-	54,982	(54,982)	-	-
	<u>-</u>	<u>77,582</u>	<u>(77,582)</u>	<u>-</u>	<u>-</u>
Unrestricted income funds:					
General fund	2,086,240	1,594,034	(1,425,973)	-	2,254,301
	<u>2,086,240</u>	<u>1,671,616</u>	<u>(1,503,555)</u>	<u>-</u>	<u>2,254,301</u>
	=====	=====	=====	=====	=====

The Peru restricted fund (formerly called the Ashaninka Fund) was originally set up in 2009 to recognise 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 Peru restricted fund is still used to account for specific donation income received for the benefit of the charitable company's projects in Peru and the related restricted expenditure.

The Papua New Guinea restricted fund was set up in 2017 to account for specific donation income received for the benefit of the charitable company's projects in Papua New Guinea and the related restricted expenditure.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed assets £	Current assets £	Current liabilities £	Total £
Unrestricted income funds:				
General fund	177,628	2,159,713	(83,040)	2,254,301
	=====	=====	=====	=====

COOL EARTH ACTION  
 NOTES TO THE FINANCIAL STATEMENTS (Continued)  
 for the year ended 31 January 2017

20. RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	2017 £	2016 £
Net income for the reporting period	168,061	217,190
Adjustments for:		
Dividends, interest and rents from investments	(11,245)	(17,768)
Amortisation charges	36,895	17,774
Depreciation charges	25,509	20,178
Decrease/(increase) in debtors	196,537	(184,809)
Increase/(decrease) in creditors	59,747	(22,607)
Net cash provided by operating activities	<u>475,504</u> =====	<u>29,958</u> =====
21. ANALYSIS OF CASH AND CASH EQUIVALENTS	2017 £	2016 £
Cash at bank and in hand	588,568 =====	1,727,993 =====

22. RELATED PARTY TRANSACTIONS

During the year, the UK charitable company enabled the set-up of a similar charitable company located in the United States of America and called Cool Earth Inc. This US charitable company has identical charitable objectives and is focused on raising funds from the general public in the USA.

During the year, the UK charitable company collected cash receipts on behalf of Cool Earth Inc. and at the balance sheet date, £37,230 (2016: £Nil) was owed to Cool Earth Inc.

During the current and previous year, the trustees provided donations-in-kind to the charity by way of incurring expenses personally and not seeking reimbursement from the charity in respect of those expenses.

There were no other related party transactions during the current or previous year.

ACCOUNTANT'S REPORT TO THE BOARD OF TRUSTEES OF COOL EARTH ACTION ON THE  
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2017

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 Statements of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes as set out on pages 12 to 25 in accordance with the financial reporting framework set out therein 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 ICAEW Technical Release 07/16 AAF as detailed at [icaew.com](http://icaew.com). 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 RSM UK 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, RSM UK 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.

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

..... 2017