

COOL EARTH ACTION

Annual Report 2021

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 2021.

COOL EARTH ACTION
TRUSTEES' ANNUAL REPORT
for the year ended 31 January 2021

The trustees present their report and the financial statements for Cool Earth Action (also known as and referred to as "Cool Earth") for the year ended 31 January 2021.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association of the charitable company, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Cool Earth is a network of community led conservation partnerships. It works alongside people living in rainforest to demand and deliver its protection. Cool Earth's founding principle is that people who live in rainforest must determine its future. Without this, rainforest destruction will remain a key driver of the climate crisis.

Cool Earth was created in 2007 to provide grant funding to rainforest communities and NGOs that work alongside them. The charity has worked to protect at-risk forest and ensure the voices of people who live in rainforest lead decisions that affect their future.

The essential role that rainforest protection plays in addressing the climate crisis becomes clearer each year. So too does the realisation that the conservation sector has contributed to the abuse and disenfranchisement of people who live in rainforest.

Cool Earth has strived to put its planning, its decisions and its spending in the hands of people who live in rainforests and to ensure power lies within communities themselves. Progress has been made but there is still much to do.

Above all, six core values must become embedded into everything Cool Earth does.

- People who live in rainforest determine its future;
- Funding decisions are planned, led and implemented by rainforest communities;
- Conservation leadership is from the ground up and is not imposed by Cool Earth or partner NGOs;
- Conservation funding is a transaction that has consequences beyond its monetary value. As such, each transaction must be fair and transparent;
- The use of evaluation and monitoring technologies must serve communities, to enhance our understanding of emerging threats to the forest through an equal exchange of knowledge.
- When Cool Earth is privileged to have a presence in a community, it keeps intervention to a minimum and ideally limits its work to providing cash payments to households.

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 cash payments and 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; and
- To promote a greater recognition that local leaders and communities must lead and be rewarded for the development of strategies to address the role destruction of the natural world plays in the climate crisis.

Benefits and beneficiaries

Trustees' assessment of public benefit

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

- Participating in partnerships to protect rainforest at risk of destruction and degradation;
- Evaluating the effectiveness of Indigenous People and Local Communities (IP&LC) in protecting rainforest compared to protected areas and privately or state-owned forest.
- Assessing and measuring the amounts of forest protected and quantities of carbon stored by each partnership through satellite mapping and ground surveying.

ACHIEVEMENTS AND PERFORMANCE

Every one of Cool Earth's partner communities have suffered loss as a result of Covid-19.

Whilst the death-toll has been mercifully low, the impact of the pandemic on marginalised communities living on the frontline of the climate emergency has been profound.

Precarious supply chains collapsed long before any cases were identified so food shortages and disappearing incomes preceded the health crisis. For villages with recent experience of losing family members to viruses brought into their communities, an immediate lock-down was the only appropriate response.

Since its foundation, Cool Earth's delivery model had depended on in-country teams distributing grants and training. The team has prided itself on a light touch albeit with dependable and regular village based work. Closed communities made this model seem redundant and we resigned ourselves at best to a lost year. We anticipated widespread infection in regions with less than one ventilator per 100,000 people, the collapse of local economies and the ascendance of illegal logging and land trafficking.

With the status quo not an option, local teams and community members drove changes to the model. A three year transition to cash giving (as opposed to investment in community assets) and relocating control to the people doing the work of conservation shifted gear and was completed in as many months. Skills training was delivered by facilitators who had locked down with the communities and shifted to focus on quick-to-harvest subsistence crops. Funds were made available in every partnership to purchase emergency food and medical supplies both for partnership communities and their neighbours. Any savings from cancelled field visits were redeployed into household grants.

These should be considered irreversible. They have accelerated Cool Earth's commitment to be as "community-led" as possible. They have also demonstrated that the quality of decision making and effectiveness of implementation is directly related to its proximity to the people who will be affected. We are consequently revising our programme strategy to privilege unconditional cash grants (with spending planned locally) over Cool Earth proposed initiatives. The benchmarks we will use to judge the success of this shift in leadership to people who live in the rainforest will be proposed to the board at our autumn meeting.

If successful, these changes will ensure Cool Earth's approach stands in marked contrast to that of most International Conservation NGOs who remain wedded to their role as controlling intermediary between funder and recipient.

PARTNERSHIP DEVELOPMENT

The pandemic of 2020 brought home that populations across the world are interconnected more than ever before. The actions of people on one side of the world quickly and significantly impact those of others thousands of miles away. The virus managed to travel to every corner of the planet, including to the remote rainforest villages that Cool Earth works in.

This is exactly the same for Climate change. The carbon emitting actions of people on one continent go on to affect everyone. But there is a terrifying disparity in global action between the two. The devastation caused by Covid19 is clearly identifiable and attributable and deaths rose most immediately in the Global North, where it ground economies to a halt. This meant the northern powers of governments and businesses, got acting to do something to fight the virus and reduce its impact right away. In the meantime climate change continued to progress largely unabated and even ignored.

Climate change has been having just as devastating an impact on people's lives. The difference is its impacts have so far been felt most acutely in the global south by those living in poverty. Crop failure, sea level rise, disease, water shortage and the endless list of devastation caused by climatic change also results in hundreds of thousands of people losing their lives. But the world is not coming together at such rapid speed and energy as they have done to fight Coronavirus because it's not felt so acutely by those in the positions of power. Changes in climate are forecast to eventually affect all our daily lives in such devastating ways that we won't be able to ignore it (as seen in Canada this summer), but by the time it reaches that point, it will already be out of control.

While global powers work on the slow process of how to wean us off our addiction to fossil fuels. There is a simple tactic, the equivalent of a vaccine, that can be carried out right now....supporting the people living in and protecting one of the most valuable carbon resources on the planet, rainforest. By fighting poverty of those most affected by rainforest loss and doing that right now, the contribution that deforestation makes to climate change can be halted.

During 2020 Cool Earth's field operations were largely halted to prevent the transmission of coronavirus to our rainforest partnerships. This forced our local teams in Peru and Papua New Guinea, and our NGO partners around the world to take a step back from the daily operations of partnership support, and come up with new solutions on how to carry on supporting people living in the rainforest partnerships without directly visiting.

There was also a sudden request and need for support by partner communities to help tackle the coronavirus threat to their remote villages where health care was severely inadequate and hospitals a long distance away. The result was a rapid need to find local connections and expertise to pull together ideas on how to work together on this new threat to communities. Before we knew it we were working with local experts, indigenous federations, local government, consultants, NGOs and businesses that we had not taken the time to collaborate with or had not known about before.

Through tackling the need for emergency food, face masks, simple sanitation and medical supplies, we built relationships that are now proving to be the key to supporting people to improve their livelihoods and wellbeing and fight forest loss as people learn to live with the virus and continue to be affected by the inequalities that poverty and climate change have brought.

We learnt more than ever that people living in rainforests know how to protect it more than anyone else. Bringing in our western ideas of conservation is not the answer and instead collaborating and funding local groups who know what works best in their communities, their neighbourhoods and their rainforest lands are the key to fighting climate change.

PERU

In 2020, the global health crisis caused great stress to our Awajún and Asháninka communities and added unforeseen complexity to our conservation work in the Peruvian Amazon. Nevertheless, it gave Cool Earth's Peru team the opportunity to take a closer look at the needs and potential for greater collaboration and local responses to address global threats. The importance of leading flexible and local actions was reinforced, and the pandemic proved that there is no better model than a community-led one when addressing rainforest conservation.

Cool Earth's work in Peru switched to remote support and local teams used any technology available to keep regular communication with partnerships to address field realities, identify urgent needs, and keep assisting communities with income generation projects, while progressively transferring field leadership and management to people in the partnerships.

The Peru team developed a Covid-19 Contingency Plan and £ 38,654 of funds was reallocated to address new priorities and challenges such as food sovereignty and security (launching short-cycled seed project) and health. Cool Earth partnered with local allies and strengthened relationships with grassroots indigenous organizations to scale aid and reach the remotest villages.

ASHANINKA

Location: Rio Tambo, Junin Province,
Peru Forest type: Tropical rainforest
Villages: 20

The pandemic drastically affected original work plans for 2020/2021. Ashaninkas closed their territories in an attempt to stop the spread of the virus, so all fieldwork and travels to the communities were suspended for almost the whole year. During the first months of the lockdown, field technicians provided remote technical support, when possible, for those benefiting from Cool Earth's income generation projects. However, due to its remoteness, field support to the Asháninka partnerships has proved challenging. For this reason, the Peru team decided to suspend the cacao and coffee activities for the whole of 2020. The technician's contracts were terminated and the local coordinator took on the role of providing technical assistance while progressively handing over project leadership and management to inhabitants and exploring ways to liaise with other local organisations.

Hygiene kits (150 face masks and 50 alcohol gel), as well as medical supplies, were delivered to Cool Earth's six partnerships. To deliver the aid, we partnered with the [Central Asháninka del Río Ene](#) (CARE), a political organisation representing most Asháninka communities in the Ene valley. Partnering with CARE allowed us to deliver hygiene kits to another 59 Asháninka communities in the area. Additionally, medical supplies and an oxygen concentrator were also delivered to the Cutivireni health post.

In 2020, Cool Earth teams delivered short-cycled seeds to help communities with increasing the diversity of foods in forest gardens and nutritional resilience. These activities, which began at the request of the community during the pandemic, have evolved into what is now the "short-cycle seed project". This project continues this year thanks to the leadership of community promoters and the remote support provided by local teams. Also, the central role of women in seed selection and production should be highlighted since it has been vital to the success of the project.

Regarding unconditional cash giving, its execution in 2020 has been particularly challenging. Covid-19, Asháninka remote locations and travel restrictions have made it impossible for the communities to make effective use of the cash giving funds they're entitled to. Under those circumstances, Cool

Earth's local team has been helping communities with the purchase of food and medicines, which were then sent to the communities.

Camantavishi

In 2020, Camantavishi used £98,615 funds from Cool Earth, which they invested in health (medicines, medical supplies). Additionally, as part of the short-cycle seeds project a total of 30 families from Camantavishi received a mix of vegetable, corn, potato, and nut seeds. The cash giving and the short-cycle seeds projects are the two only active projects in Camantavishi.

Cutivireni

In 2020, Cutivireni received £7,951 from Cool Earth, which they invested in health (medicines, medical supplies), education, institutional strengthening of the community association (TSIMI), communal infrastructure, and services. As for the short-cycle seeds project, a total of 185 families from Cutivireni received a mix of vegetables, corn, potato, and nuts.

In regards to the cacao and coffee projects, thanks to remote support provided by the local coordinator, five families from Cutivireni sold almost 2,100kg of cacao beans in 2020. Also, conversations began last year with community leaders to design a plan to strengthen Cutivireni's Ayompari producer association. It was agreed that Cool Earth will support the registration of Ayompari as an official organization, and will provide them a seed fund as a loan to collect and store cacao and coffee in Cutivireni.

Before the covid outbreak, the cacao technician facilitated 25 one-to-one training sessions on weed management and on pruning techniques. The coffee technician facilitated 24 one-to-one training sessions on weed management.

Oviri

In 2020, Oviri received £20,536 from Cool Earth, which they invested in health and food supplies, communal infrastructure and services, institutional strengthening of the community association (IYARE), and agricultural activities (cacao). Oviri was the only community that decided not to participate in the short-cycled seeds project but instead allocated funds to supply the community with hygiene kits and basic food supplies to address food shortages due to travel restrictions.

Parijaro

In 2020, Parijaro received £8,546 from Cool Earth, which was spent on health (medicines and medical supplies) and administrative support. As for the short-cycle seeds project a total of 16 families from Parijaro received a mix of vegetable, corn, potato, and nut seeds. Additionally, thanks to local team remote technical support, Parijaro successfully sold 3,500 kg of coffee to a local exporter, Machu Picchu Foods.

Before the covid outbreak, the coffee technician facilitated six one-to-one training sessions on pruning techniques and weed management.

In addition, the remote villages of Manitirari and Tankoari in the community of Cutivireni, as well as Parijaro, have received support to repair radios and have been provided with new batteries.

AWAJUN

Location: Amazonas Province, North Peru

Forest type: Tropical rainforest

Villages: 6

Awajún communities were hit hard by the pandemic. Many people in Huaracayo and Urakuza contracted Covid, including a Cool Earth community facilitator and income generation projects

participants, and unfortunately, some of them passed away. This situation forced us to suspend fieldwork during the first months of the covid outbreak. However, income generation projects to address basic needs proved to be extremely important for the Awajún communities, and in August leaders formally requested that Cool Earth resume its activities in the field. A strict Covid protocol was put in place by Cool Earth local teams to protect both staff and community members, and we resumed field activities in October.

As for the project focused on tackling food sovereignty and security, the fish farming technician carried out 60 technical assistances in pond management and fish feeding, visiting 36 participants in Urakuza and 24 in Huaracayo, and delivered 37,000 tilapia fish fry to the communities at the beginning of October. As for the short-cycled seed project, six local staff members received basic training on short-cycle seed techniques and 249 technical assistance sessions were carried out to monitor the production of seeds provided to the communities.

Additionally, Cool Earth's Peru teams delivered hygiene kits containing face masks and alcohol gel to 465 families in Urakuza and 145 in Huaracayo. Medical supplies and an oxygen concentrator were also delivered to Urakuza's health post. Funds were allocated to support the nearest local hospital in Santa Maria de Nieva with medicines and protective healthcare equipment for staff as we came funders of the Somos Amazonia campaign.

As for the unconditional cash giving project, in 2020 the Awajun partnerships successfully managed to use the funds to cover basic needs to remain resilient in the face of the crisis.

Huaracayo

In 2020, Huaracayo received £9,843.59 from Cool Earth which they invested in health, educational infrastructure, and administrative and community support. A big part of the funds was also used to scale up fish farming projects. As for the short-cycle seeds project, a total of 104 families from Huaracayo received corn, beans, and rice seeds. Seed selection was based on the requests made by participants of the inga project. Before the covid outbreak, 16 one-to-one training sessions were conducted by the cacao technician. Similarly, the fish farming technician conducted 14 one-to-one training sessions.

Urakuza

In 2020, Urakuza received £20,876 from Cool Earth, which they invested in health, education (supporting young people to access higher education), and administrative and community support. A big part of the funds was also used to scale up cacao and fish farming projects. As for the short-cycle seeds project, a total of 214 families from Urakuza received short-cycled seeds (corn, beans and rice seeds) to help with diversity in forest gardens and nutritional resilience. Infield assistance with growing techniques and nursery implementation were carried out in the field by community staff and coordinated remotely by local teams.

Before the covid outbreak, the cacao technician conducted 34 one-to-one training sessions. Fish farmers benefited from 39 one-to-one training. The inga technician continued providing assistance to the 11 inga beneficiaries in Urakuza.

Governance Structure and Management

The Peru Hub is made up of six regional partnerships that include two indigenous nations. It has a team of 24.

- Lima staff: 4
- Awajún programme: 9 (3 CE staff, 5 technicians, 1 community facilitator)
- Ashaninka programme: 11 (3 CE staff, 2 technicians, 1 community facilitator, 5 communal staff)

PAPUA NEW GUINEA

MILNE BAY

Location: Milne Bay, South East PNG

Forest type: Tropical rainforest

Villages: 17

Due to restrictions in 2020, existing project work in PNG was forced to slow down. Focus was shifted to building stronger networks with local people, government and NGOs to address the Covid-19 emergency. As we move forward involving this larger group of stakeholders in community projects and land use planning will better support long term livelihood improvements.

To reduce the risk of Covid-19 affecting people in the partnership villages, Cool Earth collaborated with the Rural Water Supply and Sanitation Project (RWSSP), headed by the United Church in PNG. We identified eight villages, including the three Cool Earth partnership areas, who wanted to be included in the work. The teams met community leaders and discussed their needs for improved sanitation, focussing on Covid-19 prevention. The project included clean water infrastructure, behaviour change and PPE objectives. The locations for 24 handwash stations at congregational areas such as schools, markets and health centres were agreed and three had been constructed by the end of 2020. Community awareness sessions were held to make people aware of measures they can take to avoid getting Covid-19 and what to do if there are local cases. Thirty-three community volunteers were trained to spread public health messages in their villages, distributing hundreds of leaflets and posters. Masks, gowns, thermometers, alcohol gel and soap have been distributed to health centres, aid posts and schools.

Gadaisu

Refinements to the forest agreements have been ongoing since 2019 after concerns were raised by some residents about the committee mispending Cool Earth funds. In 2020, several consultations were held involving leaders in Gadaisu and Local Level Government officials. An independent conflict mediator spoke to all stakeholders and provided advice about how Cool Earth could continue to work there. Now recruited, the Senior Manager will focus on this in 2021 to negotiate an improved forest agreement with leaders and residents in Gadaisu. Agreed suggestions are that we work to support projects that sit under the Ward Development Committees, either alongside or instead of giving cash to a committee. This would reduce the risk of exacerbating inequalities and promote long term livelihoods changes for all people living there.

The leaders in Gadaisu are collaborating with the Rural Water Supply and Sanitation Project (RWSSP) team on the Covid-19 prevention project because this project is managed by the United Church in PNG, not by Cool Earth. This is an indicator of how working alongside other local groups, such as the Ward administration, might be a success in the future.

Wabumari

Wabumari Community Association used the unrestricted funds of £1,363 from Cool Earth to support households and small businesses during lockdown. At this time, the local informal economy shut down leading to increased food prices at supermarkets, and the collapse of rural market stalls. The financial support given helped families to buy food and basic necessities at the inflated prices, and allowed small goods stalls to purchase in bulk and continue to trade within their villages. This meant that people living rurally could still shop locally, avoiding the risk of travel to the crowded town.

The parabiology project, focussing on establishing conservation plots for a model of research-based ecotourism, began with a visit from the conservationist Dr Chris Dahl, who worked to establish a similar project in the Madang Province of PNG. Dr Dahl gave positive feedback about the potential of the site to attract researchers for conservation, and about employment of local people as guides and assistants. He suggested gathering forest data to serve as an attraction for researchers and setting up long-term forest health monitoring plots. This will begin in 2021, alongside training the people living there who want to develop careers in the field of conservation and guiding.

Sololo

The first year of the education project was completed and local government and administrative heads attended the ceremony where 13 out of 15 enrolled students graduated. This was the first time that some of the leaders in the village had met these officials, introducing them to a network of advisors and contacts to be able to approach in the future. The project included life skills of sewing, healthy eating and livestock keeping as well as literacy and numeracy; 36 people participated in the classes and learnt from this project which was delivered by local organisation CSC (Community service consultancy Inc). Twelve people have enrolled on the education project for 2021, including people from villages outside of Sololo, in Wadauda ward. This will be delivered by GreenTVET, a Papua New Guinean organisation specialising in rural education.

Village leaders and community reps spent their unrestricted funds of £6,917 on health care for elders, 14 children's school fees and on food, sanitary items and fuel for every household during the lockdown. After the death of a community leader, funds helped reconcile a land-based conflict and hold traditional community grieving events.

PNG Office capacity building

The Project Manger left in the third quarter of 2020, and three new roles were identified for recruitment in 2021. These were:

- A Senior Manager to promote independence of the PNG office and form a culturally appropriate strategy for work there.
- Two coordinator positions to develop projects that will support small businesses and income for local people and to support community land use planning, including mapping for agriculture, research and protected areas.

All office and community staff were trained to use Smartphone apps to collect data. This strengthens communications between Cool Earth and partners and builds skills of local people to record information and decisions made in their villages.

Rainforest Partnerships

Mozambique

Mount Namuli

NGO Partner(s): Legado, Nitidae, LUPA

Location: Gurue District, Zambezia Province

Forest Type: Tropical dry forest

Community members: 10,000

Villages: 10

Activities under the Mount Namuli project include beekeeping, conservation agriculture, securing land tenure for the Namuli communities and holding meetings and workshops to establish a conservation agreement, as well as leadership training and conservation focused educational and awareness raising activities. Programme activities faced some constraints as a result of the Covid-19 pandemic, but activities generally remained on track, with activities such as community meetings adjusted to meet government health and safety guidelines.

25 beehives were transported to the beekeepers and a total of 54 hives are now installed. Five honey harvests were carried out with a total of 23.7 kilograms of honey harvested and bought by the Mozambican company Agrimel with whom the Namuli beekeepers have a partnership. A honey processing room was built and supplied with necessary materials for processing and packaging honey. In addition, Namuli's beekeepers are working with the Natural Resource Management Committees to implement fire control measures to protect forests and apiaries.

Work continued consistently on conservation agriculture. Enhanced varieties of Cassava resistant to African Cassava Mosaic Virus were trialled by 8 'experimental farmers' and progress has been seen in disease control with local cassava varieties. Greenhouses were constructed to support tomato growth, and training on pest control was conducted. Short cycle maize seeds were distributed and developments made in supporting common bean production and seed conservation, a high-value added cash crop in the area.

Work on the legacy leadership and the conservation agreement aspects of the project continued with groups sizes reduced. In-depth historical profiles of the Mucunha and Murrabue communities were conducted with 10 community members who knew the history of their communities well. These profiles provide the starting point for the Community Vision. Community facilitators were selected as advocates and leaders in the community to work on land delimitation and were key in carrying out the Participatory Rural Appraisal in communities. This is a foundational step to solidifying land tenure for the Namuli communities and creating the land use plan for the Conservation Agreement.

The Namuli partnership came to its end in May 2021 with all project activities to be continued by the Legado: Namuli team independently. We are very grateful for the valuable partnership that the Legado team and people of Namuli provided, in their openness to share knowledge, ideas and lessons learnt and their energy in supporting the people of Namuli. The incredible resilience and strength of the people of Namuli to withstand the daily pressures they face from threats and drivers to their livelihoods and wellbeing was inspiring. We are optimistic and excited for the future of the people of Namuli and will be continuing to follow how their journey progresses in the efforts to protect the unique biodiversity of the mount Namuli forest.

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Democratic Republic of the Congo

Lubutu

NGO Partner: Fauna & Flora International (FFI)
Location: Maniema Province
Forest Type: Tropical rainforest
Community members: 12,900
Villages: 46

Cool Earth has worked on the Lubutu partnership since 2013, in recent years focusing on distribution and improvements to fuel-efficient stoves which aim to reduce degradation of forest from fuel wood collection whilst improving the health and well-being of families across the partner villages.

Community work in this partnership was on hold from March 2020-July 2020 as a result of Covid-19 restrictions and community concerns over the spread of the virus. Work to scale-up the use of fuel-efficient stoves and awareness raising on their benefits resumed in July, strictly adhering to government guidelines. Training sessions were conducted in July and December 2020 reaching 22 villages, including five new target villages, and a total of 529 people. Support was provided to construct kitchen shelters, and 360 energy efficient stoves have also been built. Since 2014, 2,289 households have received training, 2,161 kitchen shelters have been built and 1,810 energy-efficient stoves constructed.

In 2021, we will continue to support the expansion of fuel-efficient stove usage amongst the communities of REGOLU and REGOMUKI to reduce pressure on the surrounding forests.

Cambodia

Cardamom Mountains
NGO Partner: Fauna & Flora International (FFI)
Location: Trat Province, Cambodia
Forest Type: Tropical rainforest
Community members: 3,291
Villages: 12

The first year of Cool Earth's partnership with FFI in the Cardamom Mountains ran from June 2019 to July 2020. The renewal of the partnership was delayed as a result of the impact of Covid-19 on Cool Earth's funding and internal capacity, but the partnership was renewed in October 2020 for a further year. FFI's work in the Cardamom Mountains focuses on the protection of Siamese crocodiles and Asian elephants. Cool Earth's funding contributes towards livelihood development in key villages in order to reduce pressure on forest habitat.

Developing livelihoods in the area focuses on poultry raising, rice production and a lemongrass essential oils community enterprise. In the first year of partnership 44 training sessions reaching 210 households were held on poultry care encompassing health, disease, nutrition, and sanitation. The majority of participants involved in poultry raising activities were women. Individual coaching has also been offered to farmers. This activity has already increased participants' household monthly incomes with the majority of additional income being spent on food, thus reducing the strain of hunger months. Between October 2020 and January 2021 technical training and individual coaching has continued with chicken raisers, with more participants joining the programme consistently.

26 rice production training sessions were held with a total of 368 household participants involved. Between November 2018 and November 2019 an improvement in rice yields from 1.32 tonnes per hectare (t/ha) to 1.55 t/ha was seen with a reduction of hunger months from 2.14 to 1.9 on average.

Training on rice production has continued, including the establishment of experimental plots to test improved farming methods.

The members of the lemongrass essential oil enterprise have attended two trainings on financial and business management. They began processing oil in January 2020, and between January and July 2020 had produced 12.44 litres of essential oil and made a profit of \$205. New income has mainly been spent on purchasing food. Since July 2020 the cooperative has faced some challenges as a result of the Covid-19 pandemic as their main buyer has suspended the purchase of essential oils. However, the team are continuing to work and are exploring new buyer options and diversifying their work with FFI's assistance.

In June and July 2020 participatory evaluations of the project were held focusing on rice production and chicken raising, feedback from which was used to improve the project for following years.

Cameroon

Muanenguba

NGO Partner: Centre for Community Regeneration & Development (CCREAD)

Location: Bakossi Reserve and Banyang-Mbo, Koupe Muanenguba Division, Southwest Region

Forest Type: Tropical Mountain Systems

Community members: 10,000

Villages: 5

The first two years of the Muanenguba Partnership or the 'Rise for Nature' programme with CCREAD Cameroon ran from May 2018 to June 2020. The renewal of the partnership was delayed as a result of the impact of Covid-19 on Cool Earth's funding and internal capacity. The partnership was then renewed in December 2020 for a further three years. The programme aims to improve local livelihoods, preserve local biodiversity and protect local forests.

A total of 15 new members have joined the community rainforest education and control groups, allowing for an increase in monitoring trips and campaigns against bush burning. New members attended training on how to organise activities on rainforest protection for their respective communities. Between November and June 2020 the community education and control groups reached 267 community members who had not previously attended outreach sessions. Outreach by the community groups has reduced the number of small-scale illegal timber exploiters from 28 at the beginning of the partnership to only eight by May 2020 and rates of loss of species such as Obeche, Mahogany and Sapele have reduced significantly.

Two honey harvests were conducted between November and June 2020. A total of 594 litres of honey has now been harvested since the bee farms were established. Community members sell 75% of their honey harvest, keeping 25% to consume. Ten follow up training sessions have been held with bee farmers and one additional set of bee farming materials has been provided in each of the villages.

Transfer of seedlings from the non-timber forest product (NTFP) nurseries for the regeneration of old farm plots has reduced the amount of land cleared for farm expansion. 106 households have reported that they did not have to clear new land for the first time in ten years.

Cool Earth provided two emergency response grants to CCREAD Cameroon to assist with their response to the Covid-19 pandemic in the partner communities. This funding was used to provide food supplies and hygiene and sanitation equipment.

The partnership renewal in December 2020 has seen requests for project activities to be expanded to 20 new communities as a result of the positive reputation developed over the first two years of

project activities. Monitoring and support work continues in the five pilot communities with plans in place for the installation of solar energy. The plan of activities for the coming year includes the establishment of community rainforest education and control groups in each of the new communities and the establishment of community nurseries for the development of NTFP species for the regeneration of old farm plots. A rainforest threats analysis is also planned along with a community mapping exercise to clarify community boundaries and forest territories.

GOVERNANCE, STRUCTURE AND MANAGEMENT

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

Cool Earth has two operational hubs in Peru and Papua New Guinea that operate as locally registered organisations. They are regional partnerships that work to ensure local people's rights over the rainforest are exercised. Each hub is led by an in-country senior manager who are members of the Global Leadership Team.

The Peru Hub is made up of six regional partnerships that include two indigenous nations. It has a team of 18. The PNG Hub is composed of three regional partnerships and has a team of 17.

The Cool Earth network also includes six exceptional locally led organisations that are designing and delivering people-led approaches to forest protection, shaping the future of rainforest conservation in Cameroon, Cambodia, the Democratic Republic of the Congo, Ecuador and Mozambique.

Cool Earth provides support, funding and evaluation for the members of this network. The overall strategic direction of the charity is determined by the trustees, who meet formally two times a year and periodically to address exceptional issues. The trustees are responsible for planning and policy making, and accordingly, all key decisions are referred to and taken by the board of trustees. Day to day management is provided by an executive director based in the UK who is supported by a senior leadership group and a team of 14.

Company Information

The trustees of the charity, also the directors of the company, who have held office since 1 February 2019 are as follows:

Ms. Samantha Cohen
The Rt. Hon. Lord Deben
Mr. Johan Eliasch
Mr. Mark Ellingham
The Rt. Hon. Frank Field MP DL
The Baroness Jenkin of Kennington
Mr. Anthony Juniper
Mr. Johan Rockström

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, 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

Mr. Matthew Owen acts in an executive capacity as the Executive Director of Cool Earth Action and is responsible for the day-to-day management of the charitable company. The key management personnel of Cool Earth Action are considered to be Matthew Owen, Dr. Hannah Peck (Deputy Director), Sarb Remphry (HR and Operations Manager) and Lauren Howard (Fundraising and Communications Senior Manager). The remuneration of the key management personnel is decided upon by the board of trustees taking account of performance and the levels of pay in a representative peer group of similar Non-Governmental Organisations.

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

Trustees' Responsibilities

The trustees, who are the directors of Cool Earth for the purposes of company law, are responsible for preparing 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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.

Method of Recruitment, Appointment, Election, Induction and Training of Trustees

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

In accordance with the company Memorandum and Articles of Association, the minimum number of trustees should not be less than three, but no maximum limit is dictated. It is likely in the future suitable trustee candidates will be identified by the existing trustees or be referred to the existing trustees through the Advisory

Board and/or other interested third parties. Appointment as a trustee is by election and requires an ordinary resolution of the members of the charitable company.

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

New trustees will be provided with both an introduction to the charity, its work and their role within it, and with pertinent copies of paperwork.

Relationship with Related Parties

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

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

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

FINANCIAL REVIEW

Income and Fundraising

Cool Earth's income for the year was £2.3 million (2019/2020: £3.2 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 £2,341,059 (2019/2020: £3,223,113), and total expenditure was £2,150,770 (2019/2020: £2,697,847) resulting in net income of £190,290 (2019/2020: £525,266).

The trustees are satisfied with the financial performance of the charitable company and its financial position at the balance sheet date.

Reserves Policy

As of 31 January 2021, the charity had "free reserves" of £3,429,459 (31 January 2020: £3,605,757). 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.

An initial 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. This target had been achieved by 31 January 2017. Since then an assessment has been made each year of the funding requirements of each partnership. The duration of each partnership is assessed in consultation with community partners, their allies and Cool Earth's programming teams and range from two to eight years. The 'free reserves' fulfils the funding requirements for every partnership that Cool Earth has entered in to and allows for additional partnerships to be added in the current year.

Investments Policy

The trustees have wide ranging powers to invest the funds of the charity at their discretion and as they think fit. The charity makes use of a Sterling bank account 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.

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

Risk 1: Natural or human induced hazards, such as floods, forest fires, epidemics and internal conflict impact on Cool Earth's ability to deliver parallel programmes and complete existing partnerships resulting in risk to personal security of staff, partners, assets and resources in country.

Mitigation Action 1: Country Security plans, and escalation processes, are in place to respond, adapt programmes and prepare contingency plans. During this year Hostile Environment Awareness Training was undertaken by key staff and in-country emergency procedures were updated for all Cool Earth's partnerships.

Risk 2: Failure to sustain levels of overall funding for Cool Earth's partnership commitments.

Mitigation Action 2: Cool Earth undertakes annual reviews of our fundraising and communications strategy. These have put in place strategies to diversify income by geography (an increase in non-sterling funds) and source (a more even division between business, individual and trust funders). Regular giving now accounts for 43% of total income (up from 30% in 2018/19) and no single funder represents more than 12% of total income.

Risk 3: Ineffective information flow, failure of internal controls, and a dispersed geography of programmes leads to a risk that funds could be misappropriated or incorrectly recorded and information not being available to make informed decisions.

Mitigation Action 3: Investments in improved accounting systems and the development of standard accounting policies, procedures and definitions are currently being rolled out across all partnerships.

COVID-19

As detailed in last year's annual report, the COVID-19 pandemic affected every community that has partnered with Cool Earth. Significant emergency funding was provided to support local healthcare and mitigate the economic impact of the pandemic during the 2020/21 financial year and beyond. External expertise was brought in to bolster Cool Earth's capacity to provide food and medical supplies. Reserve funds were made available to ensure the response to the pandemic did not imperil the grants, programmes and commitments made to partners. In the event, the success of the Rainforest Resilience Campaign meant there was no call on reserves and programming work continued to be delivered remotely or through technicians who remained in the communities.

This remote delivery of programming has revealed significant scope for future cost savings above and beyond the reduced overhead in 2020/21. These savings are being reinvested in community payments to address the ongoing threats to the rainforest from external drivers and the precarious economic conditions that have resulted from the ongoing pandemic and, and, in the case of Peru, a significant currency devaluation.

At the time of drafting this report in September 2021, COVID-related fatalities in Peru were thankfully continuing to fall as a result of rising vaccination rates. Cool Earth continues to offer emergency support. In PNG infection levels continue to rise during a new wave and where requested, assistance will be provided with information about vaccine availability and access to vaccination centres."

COOL EARTH ACTION
TRUSTEES' ANNUAL REPORT
for the year ended 31 January 2021

The experience of the pandemic has confirmed the judicious reserves policy that Cool Earth has in place and all budgeting continues to ensure emergency funding is available at all times to partnerships as well as pre-funding programming commitments.

The responses from Cool Earth have been two-fold.

The economic consequences of the pandemic are still unclear, but it can be certain that the global south will be hit hard. The World Bank has estimated that at least 100 million will fall into extreme poverty with a disproportionate number from nations with rainforest. Furthermore, recessions and weakening currencies have consistently triggered spikes in rainforest destruction. One of the biggest contributions Cool Earth can make is therefore consistency of approach and funding.

The second part of Cool Earth response has therefore been to reassure that there will be no impact on the grants, programmes and commitments made to partnerships from the pandemic. This is thanks to Cool Earth's unique reserves policy that prefunds all partnership work many years in advance. Such a policy was put in place to guarantee that commitments to economically marginal communities would not be rescinded in the face of funding shortfalls. It has served Cool Earth's partnerships well during this difficult period and will continue to set the organisation apart from the troubled legacy of undependable conservation funding.

The effects of the pandemic have inevitably extended to Cool Earth's income. Event driven donations have been hit hardest but the exceptional support of trusts and foundations, combined with an overwhelming response to a Rainforest Resilience Campaign, means revenue exceeds that of last year at the six-month mark. Cool Earth's income is heavily weighted to the final quarter of the year so there is no room for complacency and UK costs have been reduced accordingly without any change to the size of the team.

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 2021, and was signed for and on behalf of the board by:


..... Trustee
Ms Samantha Cohen CVO

6th October 2021

Opinion

We have audited the financial statements of Cool Earth Action (the 'charitable company') for the year ended 31 January 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 January 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are **required** to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters 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;
- the Trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws

and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the charitable company operates in and how the charitable company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011 and the charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Bribery Act 2010 and the Proceeds of Crimes Act 2002. We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected the ledger for any undisclosed transactions in relation to these regulations.

The audit engagement team identified the risk of management override of controls and as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

RSM UK Audit LLP

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Davidson House
Forbury Square
Reading
RG1 3EU
United Kingdom

Date 28 October 2021

COOL EARTH ACTION
 STATEMENT OF FINANCIAL ACTIVITIES
 (including Income and Expenditure Account)
 for the year ended 31 January 2021

	Notes	Unrestricted Funds £	Restricted Funds £	TOTAL 2021 £	TOTAL 2020 £
INCOME FROM:					
Donations and legacies	3	1,482,847	810,845	2,293,692	3,070,280
Charitable activities	4	-	-	-	82,983
Other trading activities	5	37,101	-	37,101	40,647
Investments	6	10,267	-	10,267	29,203
TOTAL		1,530,214	810,845	2,341,059	3,223,113
EXPENDITURE ON:					
Raising funds	7	(388,523)	(21,159)	(409,682)	(498,929)
Charitable activities: Project Work	8	(1,294,270)	(446,817)	(1,741,087)	(2,198,918)
TOTAL		(1,682,793)	(467,976)	(2,150,770)	(2,697,847)
NET INCOME/EXPENDITURE AND NET MOVEMENT IN FUNDS		(152,579)	342,869	190,290	525,266
RECONCILIATION OF FUNDS					
Fund balances brought forward at 1 February 2020		<u>3,605,757</u>	<u>79,810</u>	<u>3,685,567</u>	<u>3,160,301</u>
FUND BALANCES CARRIED FORWARD AT 31 JANUARY 2021	16	<u>3,453,178</u>	<u>422,679</u>	<u>3,875,857</u>	<u>3,685,567</u>

COOL EARTH ACTION
 STATEMENT OF FINANCIAL ACTIVITIES
 (including Income and Expenditure Account)
 for the year ended 31 January 2020

	Notes	Unrestricted Funds £	Restricted Funds £	TOTAL 2020 £	TOTAL 2019 £
INCOME FROM:					
Donations and legacies	3	2,879,830	190,450	3,070,280	2,481,657
Charitable activities	4	-	82,983	82,983	1,184
Other trading activities	5	40,647	-	40,647	10,294
Investments	6	29,203	-	29,203	474
TOTAL		2,949,680	273,433	3,223,113	2,493,609
EXPENDITURE ON:					
Raising funds	7	(463,687)	(35,242)	(498,929)	(493,263)
Charitable activities: Project Work	8	(1,811,245)	(387,673)	(2,198,918)	(1,562,568)
TOTAL		(2,274,932)	(422,915)	(2,697,847)	(2,055,831)
NET INCOME/(EXPENDITURE)		674,748	(149,482)	525,266	437,778
Transfer between funds		(78,951)	78,951	-	-
NET MOVEMENT IN FUNDS		595,797	(70,531)	525,266	437,778
RECONCILIATION OF FUNDS					
Fund balances brought forward at 1 February 2019		3,009,960	150,341	3,160,301	2,722,523
FUND BALANCES CARRIED FORWARD AT 31 JANUARY 2020	16	3,605,757	79,810	3,685,567	3,160,301
		=====	=====	=====	=====

COOL EARTH ACTION
STATEMENT OF CASH FLOWS
for the year ended 31 January 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Intangible assets	11	-	4,635
Tangible assets	12	23,719	34,676
		<u>23,719</u>	<u>39,311</u>
CURRENT ASSETS			
Investments	13	2,000,000	2,700,000
Debtors	14	122,493	42,426
Cash at bank and in hand		1,814,172	996,322
		<u>3,936,665</u>	<u>3,738,748</u>
LIABILITIES			
Creditors: Amounts falling due within one year	15	(84,526)	(92,492)
NET CURRENT ASSETS		<u>3,852,139</u>	<u>3,646,256</u>
TOTAL ASSETS LESS CURRENT LIABILITIES & NET ASSETS		<u>3,875,857</u>	<u>3,685,567</u>
THE FUNDS OF THE CHARITY			
Restricted income funds	16	422,679	79,810
Unrestricted funds	16	3,453,178	3,605,757
		<u>3,875,857</u>	<u>3,685,567</u>

The financial statements on pages 22 to 35 were approved by the trustees and authorised for issue on 6 October 2021, and are signed on their behalf by



..... Trustee
Ms Samantha Cohen CVO

COOL EARTH ACTION
 STATEMENT OF CASH FLOWS
 for the year ended 31 January 2021

	Notes	2021 £	2020 £
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash provided by operating activities	18	112,886	526,237
CASH FLOWS FROM INVESTING ACTIVITIES:			
Dividends, interest and rents from investments		10,267	29,203
Purchase of intangible fixed assets			
Purchase of tangible fixed assets		(5,303)	(24,544)
Short term investment withdrawn/(deposited)		700,000	50,000
Net cash provided by/(used in) investing activities		704,964	54,659
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD		817,850	580,896
Cash and cash equivalents at the beginning of the reporting period		996,322	415,426
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	19	1,814,172	996,322

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", the requirements of the Companies Act 2006 and under the historical cost convention.

Within the definitions of FRS 102, the charitable company, which is limited by guarantee, is a public benefit entity.

The financial statements have also been prepared in accordance with the accounting policies set out in more detail below, to comply with the charitable company's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

The financial statements are prepared in Sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £1.

Going Concern

The charitable company is fundamentally dependent upon the continuing financial support of sponsors, supporters and other key funders to remain a going concern. The trustees have formulated financial plans for the future 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.

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.

1 . ACCOUNTING POLICIES (Continued)

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.

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.

COOL EARTH ACTION
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 for the year ended 31 January 2021

3. DONATIONS AND LEGACIES	Unrestricted Funds £	Restricted Funds £	TOTAL 2021 £	TOTAL 2020 £
Donations received from individuals and on-line through the charity's website	1,171,831	-	1,171,831	1,621,370
Other donations received from corporate and other similar supporters	310,266	810,845	1,121,111	1,444,410
Donations in kind:				
Event costs	-	-	-	-
Accommodation costs	750	-	750	4,500
	<u>1,482,847</u>	<u>810,845</u>	<u>2,293,692</u>	<u>3,070,280</u>

4. CHARITABLE ACTIVITIES	Unrestricted Funds £	Restricted Funds £	TOTAL 2021 £	TOTAL 2020 £
Project grant income	-	-	-	82,983
	<u>-</u>	<u>-</u>	<u>-</u>	<u>82,983</u>

5. OTHER TRADING ACTIVITIES	Unrestricted Funds £	Restricted Funds £	TOTAL 2021 £	TOTAL 2020 £
Shop sales and other similar income	37,101	-	37,101	40,647
	<u>37,101</u>	<u>-</u>	<u>37,101</u>	<u>40,647</u>

COOL EARTH ACTION
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 for the year ended 31 January 2021

6. INVESTMENTS

	Unrestricted Funds £	Restricted Funds £	TOTAL 2021 £	TOTAL 2020 £
Bank interest receivable on short term cash deposits	10,267	-	10,267	29,203
	<u>10,267</u>	<u>-</u>	<u>10,267</u>	<u>29,203</u>

7. RAISING FUNDS

	Unrestricted Funds £	Restricted Funds £	TOTAL 2021 £	TOTAL 2020 £
Direct costs	116,752	-	116,752	134,452
Support costs - see note 9 (30%)	271,771	21,159	292,930	364,477
	<u>388,523</u>	<u>21,159</u>	<u>409,682</u>	<u>498,929</u>

8. PROGRAMMES

	Unrestricted Funds £	Restricted Funds £	TOTAL 2021 £	TOTAL 2020 £
Direct costs	660,138	397,445	1,057,583	1,348,472
Support costs - see note 9 (70%)	634,132	49,372	683,504	850,446
	<u>1,294,270</u>	<u>446,817</u>	<u>1,741,087</u>	<u>2,198,918</u>

9. SUPPORT & GOVERNANCE

	Unrestricted Funds			TOTAL 2021 £	TOTAL 2020 £
	Support Costs	Governance Costs	Restricted Funds £		
Donations in kind:					
Accommodation costs	750	-	-	750	4,500
Staff costs (15%) - note 10	617,969	109,053	70,531	797,554	784,394
Staff recruitment, training and welfare (30%)	6,448	2,763	-	9,211	21,901
Travel and subsistence expenses (15%)	7,227	1,275	-	8,502	61,728
Premises operating lease costs (30%)	27,730	11,884	-	39,614	81,919
Other premises costs (40%)	2,548	1,699	-	4,247	6,805
Communications costs (60%)	22,320	33,480	-	55,800	44,846
Other costs (50%)	12,116	12,116	-	24,231	79,806
Legal and professional fees (10%)	8,160	907	-	9,066	53,210
Auditor's remuneration:	-	-	-	-	-
Audit fee (100%)	-	(952)	-	(952)	12,900
Accountancy and advisory services (100%)	-	-	-	-	6,471
Amortisation (25%)	3,476	1,159	-	4,635	27,678
Depreciation - owned assets (25%)	12,195	4,065	-	16,260	20,529
Exchange losses	7,515	-	-	7,515	8,236
	<u>728,454</u>	<u>177,449</u>	<u>70,531</u>	<u>976,434</u>	<u>1,214,923</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. The percentage of costs allocated as governance is disclosed above where relevant. Support costs are currently split 30:70 between raising funds and programmes.

10. STAFF COSTS

	2021 No.	2020 No.
The average monthly number of persons employed by the charitable company (excluding trustees) during the year was, as follows: Support staff	21	22

	£	£
Staff costs for the above persons:		
Wages and salaries	720,336	713,164
Social security costs	59,345	54,643
Pension contribution pension scheme costs	17,873	16,587
	<u>797,554</u>	<u>784,394</u>

During the year, one employee earned total emoluments in the range £60,001 to £70,000 (2019/2020: one employee in the range £60,001 to £70,000).

During the year, the total amount of employee benefits received by key management personnel for their services to the charitable company amounted to £228,753 (2018/2019: £188,794).

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 2021

11. INTANGIBLE ASSETS

	Website £
Cost:	
01 February 2020	208,479
Additions	-
Disposals	(7,056)
31 January 2021	<u>201,423</u>
Amortisation:	
01 February 2020	203,844
Charge for the year	4,635
Disposals	(7,056)
31 January 2021	<u>201,423</u>
Net book value:	
31 January 2021	-
31 January 2020	<u><u>4,635</u></u>

12. TANGIBLE ASSETS

	Office & computer equipment £
Cost:	
01 February 2020	345,886
Additions	5,303
Disposals	(268,042)
31 January 2021	<u>83,147</u>
Depreciation:	
01 February 2020	311,210
Charge for the year	16,260
Disposal	(268,042)
31 January 2021	<u>59,428</u>
Net book value:	
31 January 2021	23,719
31 January 2020	<u><u>34,676</u></u>

13. INVESTMENTS

	2021 £	2020 £
Short term cash deposit	<u>2,000,000</u>	<u>2,700,000</u>

COOL EARTH ACTION
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 for the year ended 31 January 2021

14. DEBTORS

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	120,911	39,394
Other debtors	633	54
Prepayments and accrued income	949	2,978
	<u>122,493</u>	<u>42,426</u>

15. CREDITORS

	2021	2020
	£	£
Amounts falling due within one year:		
Trade creditors	68,015	46,269
Other taxation and social security costs	-	10,017
Other creditors	2,761	8,266
Accruals	13,750	27,940
	<u>84,526</u>	<u>92,492</u>

16. THE FUNDS OF THE CHARITY

	Balance at 1 February -2020	Income	Expenditure	Balance at 31 January - 2021
	£	£	£	£
Restricted income funds:				
Peru fund	-	483,565	(172,395)	311,170
PNG fund	79,810	216,875	(204,625)	92,060
Cameroon fund	-	20,425	(20,425)	0
Programmes	-	73,449	(70,531)	2,917
New Partnership	-	16,531	-	16,531
	<u>79,810</u>	<u>810,845</u>	<u>(467,976)</u>	<u>422,679</u>
Unrestricted income funds:				
General fund	<u>3,605,757</u>	<u>1,530,214</u>	<u>(1,682,793)</u>	<u>3,453,178</u>
	<u>3,685,567</u>	<u>2,341,059</u>	<u>(2,150,770)</u>	<u>3,875,857</u>

The Peru fund was originally set up in 2009 to conserve not less than 1,000 acres of endangered rainforest through the Ashaninka project in Peru and to provide support to the local communities. The Peru restricted fund is still used to account for specific donation income received for the benefit of Cool Earth's projects in Peru and the related restricted expenditure.

The PNG fund was originally set up in 2017 to account for specific donation income received for the benefit of Cool Earth's projects in Papua New Guinea (PNG) and the related restricted expenditure.

The Cameroon fund was set up in 2019 in respect of Cool Earth's partnership with a local NGO, the Centre for Community Regeneration and Development (CCREAD), which is offering communities an alternative to the logging and bushmeat trades. This project aims to provide alternative sustainable livelihoods that reduce pressure on the wildlife-rich rainforest.

New Partnerships fund is to fund any newly established partnership made with a rainforest community that requires support for wellbeing projects that reduce the likelihood of the need for those people living in the rainforest to have to move away from their rainforest home or sell their trees. This fund could be used for a new partnership in any rainforest nation and be Programmes fund is to fund any general costs across the Programmes team's operations. This could include Programme staff salaries in the UK, any training specifically for programmes staff, office and equipment costs.

COOL EARTH ACTION
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 for the year ended 31 January 2021

16. THE FUNDS OF THE CHARITY (Continued)

	Balance at 1 February -2019 £	Income £	Expenditure £	Transfer between funds £	Balance at 31 January -2020 £
Restricted income funds:					
Peru fund	-	42,293	(42,293)	-	-
PNG fund	150,341	120,715	(191,246)	-	79,810
MEL fund	-	82,983	(161,934)	78,951	-
QCC fund	-	529	(529)	-	-
Cameroon fund	-	26,913	(26,913)	-	-
	<u>150,341</u>	<u>273,433</u>	<u>(422,915)</u>	<u>78,951</u>	<u>79,810</u>
Unrestricted income funds:					
General fund	<u>3,009,960</u>	<u>2,949,680</u>	<u>(2,274,932)</u>	<u>(78,951)</u>	<u>3,605,757</u>
	<u>3,160,301</u>	<u>3,223,113</u>	<u>(2,697,847)</u>	<u>-</u>	<u>3,685,567</u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed assets £	Current assets £	Current Liabilities £	Total £
As at 31 January 2021:				
Restricted income funds:				
Peru Fund	-	311,170	-	311,170
PNG fund	-	92,060	-	92,060
Programmes	-	2,917	-	2,917
New Partnership	-	16,531	-	16,531
Unrestricted income funds:				
General fund	23,719	3,513,986	(84,526)	3,453,179
NET ASSETS	<u>23,719</u>	<u>3,936,665</u>	<u>(84,526)</u>	<u>3,875,857</u>

	Fixed assets £	Current assets £	Current Liabilities £	Total £
As at 31 January 2020:				
Restricted income funds:				
PNG fund	-	79,810	-	79,810
Unrestricted income funds:				
General fund	39,311	3,566,446	(92,492)	3,605,757
NET ASSETS	<u>39,311</u>	<u>3,646,256</u>	<u>(92,492)</u>	<u>3,685,567</u>

18. RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	2021	2020
	£	£
Net income for the reporting period	190,290	525,266
Adjustments for:		
Dividends, interest and rents from investment	(10,267)	(29,203)
Amortisation charges	4,635	27,678
Depreciation charges	16,260	20,529
(Increase)/decrease in debtors	(80,067)	(28,415)
Increase/(decrease) in creditors	(7,965)	10,382
Net cash provided by operating activities	<u>112,886</u>	<u>526,237</u>

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021	2020
	£	£
Cash at bank and in hand	1,814,172	996,322

20. ANALYSIS OF NET DEBT

	At January 2020	Cashflows	At January 2021
	£	£	£
Cash as Bank and in Hand	996,322	817,850	1,814,172
Net Funds	<u>996,322</u>	<u>817,850</u>	<u>1,814,172</u>

21. RELATED PARTY TRANSACTIONS

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