

COOL EARTH ACTION

Annual Report 2022

Cool Earth Action
Company number: 06053314
Charity number: 1117978

This Annual Report includes the Chair's Introduction, the Trustees' Annual Report, the Auditor's Report and the Financial Statements for the year ended 31 January 2022.

COOL EARTH ACTION CHAIR'S INTRODUCTION

for the year ended 31 January 2022

It has become a cliché to regard the pandemic as a reset but for every aspect of our work in the world's three largest rainforests, this has been the case. Whilst the consequences of COVID-19 persist in weakened health care systems and higher prices, every single community that Cool Earth has partnered with is taking more control of its rainforest with more resources at their disposal.

Resources come in many shapes and sizes. Investments in livelihoods and community assets like health posts and sanitation systems remain central to our work. No resource however is more versatile than cash, and cash grants have underpinned every partnership we have, backed by forest agreements that encourage trees to be kept standing. After much research and discussion with communities, the future of Cool Earth cash grants looks unconditional; indigenous and local communities are the experts of their own land, and we owe much more to them than they would ever owe us.

Building on over a decade of experience of cash grants, we have therefore embarked on a substantial initiative to pilot unconditional cash transfers as a conservation strategy. Early indications and research shows that it may well prove to be the future of rainforest conservation.

Just as cash can empower communities, so can knowledge. So often, a village that can monitor its rainforest can also take control of it. This insight lies behind our Rainforest Lab initiative which takes the wealth of data that satellite imagery provides and weds it to local knowledge. Starting with a pilot project in Oviri in Peru, our Forest Research team, alongside our technology partner Cadasta, is training, equipping and funding local people to use data to bolster their land rights and build irrefutable evidence of their conservation leadership.

One of the many superpowers of trees is their ability to sequester carbon no matter where in the world they are. This has encouraged us to recognise tree conservation beyond rainforests with the Queen's Commonwealth Canopy initiative that launched in 2016 and concludes this year. To mark HM The Queen's Platinum Jubilee, we were asked to launch a UK-based equivalent and the Queen's Green Canopy is doing much to celebrate ancient woodlands and plant one million trees.

COOL EARTH ACTION
CHAIR'S INTRODUCTION (Continued)
for the year ended 31 January 2022

All told, 2021 was Cool Earth's busiest ever year. The scaling-up of our work and impact shows that people-led rainforest protection is being recognised on a global scale as the most effective approach to fight the climate crisis. Even in the most challenging times, support for indigenous peoples and local communities is growing at pace with our ambitions. Our commitment to these communities and their right to live in and nurture rainforest is demonstrated in the pre-funding of every single project we embark on.

This pre-funding is one of the ways that the Cool Earth team continues to put the rights and choices of local people who live in the rainforest at the centre of everything we do. It is the foundation of Cool Earth's unique model which in turn depends on an extraordinary group of supporters from over thirty different countries. This report provides many instances of how the partnership between funders and communities is doing more to keep rainforest standing than any other approach to conservation. As the climate crisis becomes ever more critical, it is to these two groups that we remain indebted.



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Johan Eliasch
Chair of Trustees

Date: 8 October, 2022

**COOL EARTH ACTION
TRUSTEES' ANNUAL REPORT**
for the year ended 31 January 2022

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 2022.

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 rainforests to demand and deliver its protection. Cool Earth’s founding principle is that people who live in rainforests 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 rainforests 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 rainforests.

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 rainforests 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 their, and our, understanding of emerging threats to the forest through an equal exchange of knowledge; and
- When Cool Earth is privileged to have a presence in a community, it keeps intervention to a minimum.

COOL EARTH ACTION
TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 January 2022

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 rainforests; 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.

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 peoples and local communities in protecting rainforest compared to protected areas and privately or state-owned forest; and
- 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

Fundraising and Engagement

Cool Earth's income for the year was £2.6 million, a 9% increase on 2020/21. Donations from individuals, businesses, and trusts and foundations were key sources of funding despite the challenges COVID-19 continued to bring across the sector.

In particular, support from businesses grew by 35% year on year, with national donation campaigns delivered with Voxi and M&S, new partnerships established with a range of organisations including Work For Good, and continued support from long-term corporate partners.

Throughout 2021, a new brand identity was developed alongside establishing a new website and supporter database (CRM) to ensure our fundraising is data-driven and as effective as possible and enabling Cool Earth to continue to strengthen relationships with our donors and engage new audiences.

COOL EARTH ACTION
TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 January 2022

Collaborations with the artist Coco Capitan and designer and patron Vivienne Westwood with WeTransfer, and successful income generation campaigns 'Time for Action' and the 'Big Give Green Match' ran alongside awareness campaigns 'Rainforest Firefighters' and '100 Reasons to be Optimistic' for COP26.

Notable PR coverage for Cool Earth included features in the Sky Arts Song for Nature concert, BBC radio and online, Sky News, the Evening Standard, the Daily Express, the Independent, Daily Mail and Time Out magazine.

Cool Earth Youth Ambassador Aleesha was awarded the Prime Minister's Points of Light Award, and Cool Earth co-founder Lord Field of Birkenhead made a Companion of Honour in the New Year's Honours list.

Staff spoke at a diverse range of national events, including Climate Expo, the Eden Project and the South-West International Development Network.

Not included in these accounts is income raised for *Cool Earth Action Inc.* (a US 501 3 c charitable organisation) by Cool Earth's fundraising team. In the year 2021/22, this was \$871,184 (£724,584).

Programmes

In 2021 we developed a Programmes Strategy to guide our work until 2026. This framework, built on existing projects, identified two new strategic priorities to ensure that the best guardians of the rainforest have the choice, the tools and the information to protect rainforest; Unconditional Cash Transfers and Rainforest Labs.

Unconditional Cash Transfers

We've provided communal cash grants to rainforest villages since 2008. Fifteen years on, with eight more partnerships in both Peru and Papua New Guinea, we're convinced that cash transfers remain a scalable and radical approach to halting tropical deforestation and fighting the climate crisis.

2021/22 was spent establishing the foundation and direction of our newest cash transfer programme. An initiative to provide long-term no-strings cash payments to people who live in the three greatest tropical rainforests (the Amazon and Congo Basins and the New Guinea rainforest). A global cash transfer programme manager was hired with initial objectives to collect data and information, analyse the current landscape on cash, conservation and climate and identify key academic stakeholders. All to help establish an intellectual context and rationale behind this programme.

In 2022/23, we plan to demonstrate that direct cash transfers to people living in rainforest is not only a way of rethinking ground-up approaches to conservation but is also the smartest climate action to take this coming decade.

COOL EARTH ACTION
TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 January 2022

Rainforest Labs

2021/22 was a transitional year for our forest monitoring project. We have been monitoring the health of rainforest and emerging threats to our partners since its inception with increasing capacity and expertise. However, COVID-19, coupled with increasing threats to the communities we work with, demonstrated that monitoring can only go so far from office spaces outside the rainforest.

Our strategy aims to remove the barriers preventing people who live in rainforest from accessing critical data so that they can protect their livelihoods and their forest. The Rainforest Labs programme will provide the relevant infrastructure, technology, and support to make this happen, funding access to the internet where it is needed, creating access to power, providing IT hardware and our Rainforest Labs software, developed in partnership with Cadasta, an industry leader in providing technological mapping software to indigenous peoples around the world. The programme commences with a pilot project in Oviri in the Peruvian Amazon in 2022.

PERU

In 2021, despite the effects of COVID-19, our field work gradually returned to normal in our four partnerships. By the end of 2021 all projects in both the Asháninka and Awajun communities were fully operating on the ground, following COVID-19 protocols. Normality allowed us to design the 2022 plans and budget, including the development of new activities.

We continued to focus on collaborations with local stakeholders, and transfer leadership and resources to indigenous associations. This has proven to be of vital importance for the resilience of rainforest and to scale the impact of our projects.

ASHÁNINKA

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

Cash Transfers

In 2021 we renewed our four Asháninka partnerships of Camantavishi, Cutivireni, Oviri and Parijaro.

Cutivireni used cash to build a house for health staff, attending health emergencies, paying education fees, buying radios, and maintenance for the most remote annexes. They also used the funds to support the Ayompari communal producer association. Parijaro used their funds to cover health emergencies, buy medicine, pay education fees and install satellite internet in the community. Oviri used their funds to cover health and education needs, and on the purchase of cacao equipment and supplies to support farmers. Camantavishi has used their funds mainly to cover health emergencies and school fees.

COOL EARTH ACTION
TRUSTEES' ANNUAL REPORT (Continued)
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Climate Adaptation

Given the significant evidence of uncontrolled rainforest fires in the Ene Valley during 2021, we partnered with indigenous-led organisation, Central Asháninka del Rio Ene (CARE). We provided CARE with the resources and funding needed to develop a plan to manage rainforest fires in the Ene Valley. The project aims to place leadership decision-making and funding in the hands of IPLCs, so they can be better informed and equipped to address forest fires in their territories. The forest fire project received attention in the Peruvian media. Isabel Felandro, Peru Country Manager, was interviewed about forest fires in the Amazon by Ojo Publico and the work that NGOs are doing to address this issue. Read the article [here](#).

Income Generation

2021/2022 saw the Peru team support the development of two associations of small Asháninka producers, Ayompari in Cutivireni and Metsori in Parijaro. During the second quarter of 2021/2022 both associations successfully completed their legal registration and opened their bank accounts. A seed fund was transferred and used for the collection and storage of cocoa and coffee in Cutivireni and Parijaro.

Both associations signed agreements with the local cooperative Pangoa and achieved successful sales. By working together as an association, farmers are now in a better position to access, negotiate and supply markets that want sustainable cocoa beans.

AWAJUN

Location: Amazonas Province, North Peru

Forest type: Tropical rainforest

Villages: 6

Cash Transfers

In 2021, we renewed the forest agreements with our four Asháninka partnerships of Huaracayo and Urakuza.

People from Urakuza spent the funds on improving the infrastructure and equipment of the primary school and bought school supplies and medicines for the communal health kit. Six young people received funds to cover university fees, used to support cacao and fish farming projects and to improve the sanitation infrastructure in Urakuza. As for Huaracayo, people used their funds to get energy access in the communal office, in university fees and for medicine in the communal health kit. A large part of the funds were also used to scale up fish farming projects.

Climate Adaptation

In 2021, the number of participants of the inga project grew to 34 Awajun families. Old and new members received training in inga alley cropping. Additionally, two nurseries were installed in Urakuza and Huaracayo for the cultivation of short cycle seeds.

As the inga project in the Awajun program continues to grow, a new inga technician was hired. Together with the communal promoters, she will lead the inga project in Urakuza and Huaracayo.

**COOL EARTH ACTION
TRUSTEES' ANNUAL REPORT** (Continued)
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Income Generation

In 2021, the number of cacao project participants increased from 76 to 100, and in January the Pamuk Bakau communal producer association was formed. The community also agreed to restore an old building as the first cacao centre, due to open in June 2022. Cacao farmers have regularly attended training on techniques such as soil management, grafting, pruning, fertilisation, pest management and rehabilitation. All cacao plots have undergone soil analysis, which has allowed the correct choice of fertilisers per plot, contributing to improve the quality of the cacao.

Food Security

The fish farming project addresses food security by diversifying the diet of Awajun families with locally sourced protein, with Cool Earth providing support to ensure the fish fry grow up healthy and strong.

The 93 participants of the Urakuza and Huaracayo fish farming project received tools, balanced fish food, and training on feed quality, natural nutrients, fishponds fertilisation and construction. Technicians also supported farmers in collecting biometric data on the size and weight of fish.

PAPUA NEW GUINEA (PNG)

2021 was a challenging year for our partners and colleagues and the communities of PNG, with the impacts of Covid-19 very much apparent; halting many projects until mid-year. Civil unrest disrupted and impacted many lives and livelihoods until the end of the year. By the start of 2022, projects were more stable, and progress resumed.

Key themes across our partnerships were the development of carbon plots, a focus on sharing data, the introduction of our paraecology programme, knowledge-sharing between academics, elders and youths, and the completion of COVID-19 prevention work.

MILNE BAY

Location: Milne Bay, South East PNG

Forest type: Tropical rainforest

Villages: 17

Sololo

Education

GreenTVET, an education service provider in PNG, delivered adult literacy and sewing skills to people in the Sololo partnership funded by Cool Earth. Sixty-three people took part in the teachings, over eight weeks.

COOL EARTH ACTION
TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 January 2022

Twenty-eight people completed the literacy modules which included sessions for life-coping skills, gender equity and awareness, HIV and AIDS awareness, and team building. These resulted in a growth in confidence and positive relationships within the student cohort. Fifteen of these students are continuing with the adult education programme, using the Flexible and Open Distance Education pathway, under the national education system. GreenTVET will assist these students to enrol for the 2022 academic year.

In the sewing modules, 34 people completed tie-dying skills and 29 people learnt to sew a blouse. These skills can be used to provide income as there is a need for sewn goods in local markets.

Cash Transfers

People in Sololo spent unrestricted funds given by Cool Earth on the ongoing construction of their resource centre, school fees and household cash distribution. Twenty-one children at all education levels had their school fees paid and thirty-four households received cash.

Wabumari

Cash Transfers

A governance meeting was conducted for Wabumari Community Development Association members to strengthen key skills in managing the association such as resolving conflicts and conducting community meetings. Following this, the community decided that 50% of donations from Cool Earth in 2021 would be spent on drinking water tanks and improving the elementary school classroom, due for construction in 2022. The remaining cash will be distributed between all households in Wabumari.

Income Generation

Event company Fusion Milne Bay (FMB) was identified as one of our potential collaborators to assist in income generation initiatives in Wabumari. The team worked with FMB to identify resources and skills that can be prioritised for business product development.

Rehabilitation of the coconut plantations and improvements in the quality of coconut products is needed for growers to access more profitable markets. Growers were introduced to Kokonas Industri Koporesen (KIK; the corporation for the coconut industry in PNG) who can provide training and support in creating high quality products.

**COOL EARTH ACTION
TRUSTEES' ANNUAL REPORT** (Continued)
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Forest Research

Two in-house training modules were conducted this year to the youths taking part in the Paraecology project. “Basic report writing and practical field research skills” and “Introduction to Biodiversity” modules were completed by five Biodiversity Officer staff and 17 young people. The aim of the training is to build the skills and knowledge for careers in conservation and guiding.

University of Goroka (PNG) academics set up carbon plots to collect data. The plots are for long-term monitoring of changes in forest health and ground-truthing of carbon data from remote sensing. Local young people worked with the academics to gain practical skills, techniques and knowledge. After collection of plants from the plots, the academics, youths and village elders shared knowledge about species, their names and their uses. It is crucial to involve elders in the transfer of local knowledge to the younger generation as traditional knowledge is highly connected with forest. With forest loss, there is a risk of losing knowledge about the benefits it provides. Researchers and the elders recorded approx 75 plant species, 46 of which had traditional uses including for tools, construction, food and medicines.

Peopesa

A new community partnership has been initiated with people in Peopesa (Wadauda ward). The local team travelled there to distribute COVID-19 PPE. Data was collected about people’s needs and expectations of the partnership. A Community Based Organisation (CBO) inception meeting was held with Ward leaders. The CBO, “Peopesa Community Foundation”, will work with us to address residents’ needs and support our commitment to strengthen community governance and empower leaders to manage community affairs and funds.

Water Sanitation and Hygiene (WaSH)

The six-month collaboration, started in 2020 with the United Church Rural Water Supply and Sanitation Project (RWSSP). The collaboration delivered hand wash stations and awareness about COVID-19 in all partner communities. Across eight villages, 24 hand wash stations have been built, serving over 2,500 people. Fourteen of these were at schools or health centres providing clean water to those who need it most. 33 people were trained as community health volunteers to assist in COVID-19 awareness and information provision.

RWSSP have identified further WaSH needs in the communities, including addressing women’s health and WaSH in Schools. These needs have been raised by people living in partner communities and RWSSP has the capacity to deliver a project to meet these needs, so a three- to five-year proposal to achieve this is being developed.

COOL EARTH ACTION
TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 January 2022

Governance, Structure and Management

Two new coordinators were hired to support the growth of small community businesses and local financial management and support community associations to develop land use plans that meet residents' development and conservation needs.

RAINFOREST NETWORK

Collaboration lies at the heart of Cool Earth's approach to rainforest conservation. The teams in Peru and Papua New Guinea have put in place a series of collaborative partnerships with communities that put local people in control of their rainforest. Elsewhere in the world's largest rainforest regions, we work alongside outstanding organisations that share Cool Earth's values and deliver people-led forest protection. Whilst focused on the Congo Basin, the Rainforest Network of partners is an essential part of how Cool Earth learns from some of the smartest approaches to conservation.

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, with recent work focusing on the distribution of and improvements to fuel efficient stoves. These reduce degradation of forest from fuel wood collection whilst improving health and wellbeing of families in partner villages. Since January 2021, activities have been largely on track after considerable disruption to activities in 2020 as a result of COVID-19 restrictions.

Since the start of 2021, 349 households participated in training on the construction and use of fuel-efficient stoves, 250 kitchens or shelters were built, and 237 stoves were constructed. This brings the total numbers since this programme of work began in 2014 to: 2,968 households trained, 2,561 shelters built, and 2,198 energy efficient stoves constructed. Additionally, 202 complete portable braziers were made. Marketing strategies for these braziers are being finalised so that sale of braziers can become a livelihood option.

The Lubutu partnership came to an end in January 2022, and project activities will be continued by FFI. We are very grateful for the success of this partnership and the work that FFI and the communities continue to do.

COOL EARTH ACTION
TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 January 2022

Community Forests in Équateur Province

NGO Partner: Go Conscious Earth
Location: Équateur Province, DRC
Forest Type: Tropical rainforest
Community members: 25,079
Villages: 16

Cool Earth is pleased to have funded a project for Go Conscious Earth in the DRC from December 2021.

This project will focus on creating management systems for four Local Community Forest Concessions (CFCLs) in the Équateur Province of the DRC, and governance and community capacity building to ensure that community members are able to conduct management of the CFCLs in line with government requirements.

Cambodia

Cardamom Mountains

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

Cool Earth's partnership with Fauna & Flora International (FFI) in the Cardamom Mountains was significantly impacted by COVID-19 restrictions throughout the project year. Despite this, good progress was made towards programme objectives.

Gender analysis and household surveys were designed and completed, technical training and coaching was provided to 84 farmers on chicken raising, a mobile phone-based information system was provided to provide easier access to advice and coaching for farmers during periods of COVID-19 restrictions on field work and 103 farmers participated in training on climate adaptive agriculture with a focus on rice.

The lemongrass essential oils cooperative received support from industry partner Bodia Apothecary Company in the production and processing of essential oils which marked a return to activities for the cooperative which faced disruptions to market linkages due to COVID-19.

Our work in this region has now come to an end, and project activities will be continued by FFI. We are very grateful for the success of this partnership and the work that FFI and the communities continue to do.

COOL EARTH ACTION
TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 January 2022

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

Villages: 25

Cool Earth's partnership with CCREAD Cameroon was renewed for a further three years in December 2020. The partnership renewal has seen the expansion of project activities to twenty more communities in the Kupe Muanenguba division.

Mapping and surveys analysing threats to the rainforest were completed covering all of the partner communities, and education and awareness-raising sessions on the importance of rainforests and biodiversity were held in all of the new partner communities, reaching a total of 1,205 community members.

Solar energy systems were installed in five communities from the first phase of the project, including the building of five 15kw mini grid solar systems and household electrification, community rainforest and wildlife education and advocacy groups were created in each of the new partner communities, and saplings were transplanted from the community tree nurseries to degraded farm plots in fifteen communities.

The CCREAD team also responded to the oversubscription of their earlier awareness raising sessions by creating a larger awareness raising campaign via a community football tournament. The team used football to engage participants and other community members from the 25 communities involved in the programme for football games and awareness raising and discussions about rainforests and biodiversity. These sessions proved very successful, with over 5,000 people attending throughout the day.

The Queen's Green Canopy (QGC)

A key part of Cool Earth's mission is advocating for the protection of native forests, wherever in the world those forest might grow. In 2020 Cool Earth was asked to launch a unique tree protection and planting initiative to mark Her Majesty's Platinum Jubilee in 2022. The resulting campaign is the Queen's Green Canopy and has championed Britain's ancient woodlands and invited people to "Plant a Tree for the Jubilee" during the 2021/22 and 2022/23 planting seasons.

COOL EARTH ACTION
TRUSTEES' ANNUAL REPORT (Continued)
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With a focus on planting sustainably, the QGC encourages tree planting which will benefit future generations. As well as inviting the planting of new trees, the QGC celebrates an Ancient Canopy of 70 Ancient Woodlands and 70 Ancient Trees. The QGC has collaborated with forestry and environmental groups across the UK to plant new trees and conserve existing and precious trees, some of which are hundreds of years old.

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.

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.

COOL EARTH ACTION
TRUSTEES' ANNUAL REPORT (Continued)
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Company Information

The trustees of the charity, also the directors of the company, who have held office since 1 February 2021 are as follows:

Ms. Gillian Burke	(appointed 3 May 2021)
Ms. Samantha Cohen	(resigned 1 June 2022)
The Rt. Hon. Lord Deben	
Mr. Johan Eliasch	
Mr. Mark Ellingham	
The Rt. Hon. Lord Field CH	
Mr. Anthony Juniper	
The Baroness Jenkin of Kennington	
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:	Stephens Scown LLP, 2 Kingdom Street, London, W2 6JP
Banker:	Barclays Bank, Turro Group, Leicester, Leicestershire LE87 2BB
Auditor:	RSM UK Audit LLP, Davidson House, Forbury Square, Reading, Berkshire RG1 3EU
Accountant:	RSM UK 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), Jules Wright (Senior Manager, Programmes), Lauren Howard (Senior Manager, Fundraising and Engagement) and Sarb Remphry (Senior Manager, Operations and HR). 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.

COOL EARTH ACTION
TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 January 2022

Trustees' Responsibilities

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

COOL EARTH ACTION
TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 January 2022

FINANCIAL REVIEW

Income and Fundraising

Cool Earth's income for the year was £3.9 million (2020/2021: £2.3 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 £3,868,402 (2020/2021: £2,341,059), and total expenditure was £3,052,175 (2020/2021: £2,150,770) resulting in net income of £816,227 (2020/2021: £190,290).

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 2022, the charity had "free reserves" of £3,426,785 (31 January 2021: £3,429,459). 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).

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.

COOL EARTH ACTION
TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 January 2022

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 8th October, 2023, and was signed for and on behalf of the board by:



..... Trustee
Mr Johan Eliasch

8 October 2023

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

Opinion

We have audited the financial statements of Cool Earth Action (the 'charitable company') for the year ended 31 January 2022, which comprise the statement of financial activities, the balance sheet and 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, 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 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 issues.

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

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

(Continued)

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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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.

Opinion 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' Annual 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' 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 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; 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)

Responsibilities of trustees

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

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

(Continued)

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; and
- 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, 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, 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 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.

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

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.

Kerry Gallagher

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

27 October 2022
.....

COOL EARTH ACTION
STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)
for the year ended 31 January 2022

	Notes	Unrestricted Funds £	Restricted Funds £	TOTAL 2022 £	TOTAL 2021 £
INCOME FROM:					
Donations and legacies	3	1,862,156	1,969,856	3,832,012	2,293,691
Other trading activities	4	28,690	-	28,690	37,101
Investments	5	7,700	-	7,700	10,267
TOTAL		1,898,546	1,969,856	3,868,402	2,341,059
EXPENDITURE ON:					
Raising funds	6	(510,202)	(41,164)	(551,366)	(409,682)
Charitable activities: Project Work	7	(1,287,319)	(1,213,490)	(2,500,809)	(1,741,087)
TOTAL		(1,797,521)	(1,254,654)	(3,052,175)	(2,150,769)
NET INCOME AND NET MOVEMENT IN FUNDS					
		101,025	715,202	816,227	190,290
RECONCILIATION OF FUNDS					
Fund balances brought forward at 1 February 2021		3,453,178	422,679	3,875,857	3,685,567
FUND BALANCES CARRIED FORWARD AT 31 JANUARY 2022					
	15	3,554,203	1,137,881	4,692,084	3,875,857
		=====	=====	=====	=====

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

		Unrestricted Funds	Restricted Funds	TOTAL 2021	TOTAL 2020
	Notes	£	£	£	£
INCOME FROM:					
Donations and legacies	3	1,482,846	810,845	2,293,691	3,070,280
Charitable activities		-	-	-	82,983
Other trading activities	4	37,101	-	37,101	40,647
Investments	5	10,267	-	10,267	29,203
TOTAL		1,530,214	810,845	2,341,059	3,223,113
EXPENDITURE ON:					
Raising funds	6	(388,523)	(21,159)	(409,682)	(498,929)
Charitable activities: Project Work	7	(1,294,270)	(446,817)	(1,741,087)	(2,198,918)
TOTAL		(1,682,793)	(467,976)	(2,150,769)	(2,697,847)
NET (EXPENDITURE)/ INCOME AND NET MOVEMENT IN FUNDS					
		(152,579)	342,869	190,290	525,266
RECONCILIATION OF FUNDS					
Fund balances brought forward at 1 February 2020		3,605,757	79,810	3,685,567	3,160,301
FUND BALANCES CARRIED FORWARD AT 31 JANUARY 2021					
	15	3,453,178	422,679	3,875,857	3,685,567
		=====	=====	=====	=====

**COOL EARTH ACTION
BALANCE SHEET**

as at 31 January 2022

Company Number: 06053314

	Notes	2022 £	2021 £
FIXED ASSETS			
Intangible assets	10	106,897	-
Tangible assets	11	20,521	23,719
		<u>127,418</u>	<u>23,719</u>
CURRENT ASSETS			
Investments	12	-	2,000,000
Debtors	13	213,919	122,492
Cash at bank and in hand		4,421,150	1,814,172
		<u>4,635,069</u>	<u>3,936,664</u>
LIABILITIES			
Creditors: Amounts falling due within one year	14	(70,403)	(84,526)
		<u>4,564,666</u>	<u>3,852,138</u>
NET CURRENT ASSETS			
		<u>4,692,084</u>	<u>3,875,857</u>
TOTAL ASSETS LESS CURRENT LIABILITIES & NET ASSETS			
		=====	=====
THE FUNDS OF THE CHARITY			
<i>Restricted income funds</i>	15	1,137,881	422,679
<i>Unrestricted funds</i>	15	3,554,203	3,453,178
		<u>4,692,084</u>	<u>3,875,857</u>
TOTAL CHARITY FUNDS			
		=====	=====

The financial statements on pages 16 to 29 were approved by the trustees and authorised for issue on 8 October, 2022, and are signed on their behalf by



..... Trustee
Mr Johan Eliasch

8 October, 2022

COOL EARTH ACTION
STATEMENT OF CASH FLOWS
for the year ended 31 January 2022

	Notes	2022 £	2021 £
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash provided by operating activities	17	744,423	112,886
CASH FLOWS FROM INVESTING ACTIVITIES:			
Dividends, interest and rents from investments		7,700	10,267
Purchase of intangible fixed assets		(127,200)	-
Purchase of tangible fixed assets		(17,945)	(5,303)
Short term investment withdrawn		2,000,000	700,000
		<hr/>	<hr/>
Net cash provided by investing activities		1,862,555	704,964
		<hr/>	<hr/>
CHANGE IN CASH AND CASH EQUIVALENTS			
IN THE REPORTING PERIOD			
		2,606,978	817,850
Cash and cash equivalents at the beginning of the reporting period			
		1,814,172	996,322
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END			
OF THE REPORTING PERIOD			
	18	4,421,150	1,814,172
		=====	=====

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 January 2022

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, 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.

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 January 2022

1. **ACCOUNTING POLICIES** (Continued)

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.

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.

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 January 2022

1. **ACCOUNTING POLICIES** (Continued)

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.

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 January 2022

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 2022 £	TOTAL 2021 £
Donations received from individuals and on-line through the charity's website	1,322,431	10,000	1,332,431	1,171,830
Other donations received from corporate and other similar supporters	539,725	736,021	1,275,746	1,121,111
Income from non-core campaign	-	1,223,835	1,223,835	-
Donations in kind:				
Accommodation costs	-	-	-	750
	1,862,156	1,969,856	3,832,012	2,293,691
	=====	=====	=====	=====

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 January 2022

4. OTHER TRADING ACTIVITIES	Unrestricted Funds £	Restricted Funds £	TOTAL 2022 £	TOTAL 2021 £
Shop sales and other similar income	28,690	-	28,690	37,101
	=====			=====
5. INVESTMENTS	Unrestricted Funds £	Restricted Funds £	TOTAL 2022 £	TOTAL 2021 £
Bank interest receivable on short term cash deposits	7,700	-	7,700	10,267
	=====			=====
6. RAISING FUNDS	Unrestricted Funds £	Restricted Funds £	TOTAL 2022 £	TOTAL 2021 £
Direct costs	214,574	-	214,574	116,752
Support costs - see note 8 (30%)	295,628	41,164	336,792	292,930
	510,202	41,164	551,366	409,682
	=====			=====
7. PROJECT WORK	Unrestricted Funds £	Restricted Funds £	TOTAL 2022 £	TOTAL 2021 £
Direct costs	295,519	1,117,441	1,412,960	1,057,583
Support costs - see note 8 (70%)	991,800	96,049	1,087,849	683,504
	1,287,319	1,213,490	2,500,809	1,741,087
	=====			=====

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 January 2022

8. SUPPORT & GOVERNANCE

	<u>Unrestricted Funds</u>			TOTAL	TOTAL
	Support	Governance	Restricted	2022	2021
	costs	costs	Funds	£	£
	£	£	£		
Donations in kind:					
Accommodation costs	-	-	-	-	750
Staff costs (15%) - note 9	836,301	147,582	137,213	1,121,096	797,554
Staff recruitment, training and welfare (30%)	4,206	1,802	-	6,008	9,211
Travel and subsistence expenses (15%)	16,170	2,853	-	19,023	8,502
Premises operating lease costs (30%)	35,811	15,347	-	51,158	39,614
Other premises costs (40%)	3,283	2,188	-	5,471	4,247
Communications costs (60%)	51,476	77,215	-	128,691	55,800
Other costs (50%)	12,834	12,835	-	25,669	24,231
Legal and professional fees (10%)	2,871	319	-	3,190	9,066
Auditor's remuneration:					
Audit fee (100%)	-	15,000	-	15,000	(952)
Accountancy and advisory services (100%)	-	10,125	-	10,125	-
Amortisation (25%)	15,227	5,076	-	20,303	4,635
Depreciation – owned assets (25%)	15,460	5,154	-	20,614	16,260
Loss on disposal of tangible fixed assets (25%)	397	132	-	529	-
Exchange (gains)/losses	(2,236)	-	-	(2,236)	7,516
	991,800	295,628	137,213	1,424,641	976,434
	=====	=====	=====	=====	=====

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.

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 January 2022

9. STAFF COSTS	2022	2021
	No.	No.
The average monthly number of persons employed by the charitable company (excluding trustees) during the year was, as follows:		
Support staff	28	21
	==	==
	£	£
Staff costs for the above persons:		
Wages and salaries	999,717	720,336
Social security costs	101,378	59,345
Pension contribution pension scheme costs	20,001	17,873
	<u>1,121,096</u>	<u>797,554</u>
	=====	=====

During the year, one employee earned total emoluments in the range £60,001 to £70,000 and one in the range £90,001 to £100,000 (2020/2021: one employee in the range £60,001 to £70,000). The highest paid employee is part of the QGC campaign and is not a member of the key management team.

During the year, the total amount of employee benefits received by key management personnel for their services to the charitable company amounted to £270,250 (2020/2021: £228,753).

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 2022

10. **INTANGIBLE ASSETS**

Website
£

Cost:

1 February 2021

201,423

Additions

127,200

31 January 2022

328,623

Amortisation:

1 February 2021

201,423

Charge for the year

20,303

31 January 2022

221,726

Net book value:

31 January 2022

106,897

=====

31 January 2021

-

=====

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 January 2022

11. TANGIBLE ASSETS

**Office
& computer
equipment
£**

Cost:

1 February 2021	83,147
Additions	17,945
Disposals	(17,859)
31 January 2022	<u>83,233</u>

Depreciation:

1 February 2021	59,428
Charge for the year	20,614
Disposals	(17,330)
31 January 2022	<u>62,712</u>

Net book value:

31 January 2022	20,521
	=====
31 January 2021	23,719
	=====

12. INVESTMENTS

	2022	2021
	£	£
Short term cash deposit	-	2,000,000
	=====	=====

13. DEBTORS

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	213,436	120,911
Other debtors	463	632
Prepayments and accrued income	20	949
	<u>213,919</u>	<u>122,492</u>
	=====	=====

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 January 2022

14. CREDITORS	2022 £	2021 £
Amounts falling due within one year:		
Trade creditors	46,947	68,015
Other creditors	3,956	2,761
Accruals	19,500	13,750
	<u>70,403</u>	<u>84,526</u>
	=====	=====

15. THE FUNDS OF THE CHARITY

	Balance at 1 February 2021 £	Income £	Expenditure £	Transfer between funds £	Balance at 31 January 2022 £
Restricted income funds:					
Peru fund	311,170	227,814	(464,340)	-	74,644
PNG fund	92,061	374,344	(221,049)	-	245,356
Cameroon fund	-	4,100	(4,100)	-	-
Programmes fund	2,917	134,296	(137,213)	-	-
New Partnership fund	16,531	5,467	(21,998)	-	-
The Queen's Green Canopy fund	-	1,223,835	(405,954)	-	817,881
	<u>422,679</u>	<u>1,969,856</u>	<u>(1,254,654)</u>	<u>-</u>	<u>1,137,881</u>
	=====	=====	=====	=====	=====
Unrestricted income funds:					
General fund	3,453,178	1,898,546	(1,797,521)	-	3,554,203
	<u>3,875,857</u>	<u>3,868,402</u>	<u>(3,052,175)</u>	<u>-</u>	<u>4,692,084</u>
	=====	=====	=====	=====	=====

The Peru fund was originally set up in 2009 to conserve not less than 1,000 acres of endangered rainforest through the Asháninka 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.

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 January 2022

15. **THE FUNDS OF THE CHARITY** (Continued)

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.

The 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.

The 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.

The Queen's Green Canopy (QGC) is a unique tree-planting initiative created to mark Her Majesty's Platinum Jubilee in 2022. The initiative invites people from across the United Kingdom to "Plant a Tree for the Jubilee". With a focus on planting sustainably, the QGC encourages the planting of trees to create a legacy in honour of The Queen's leadership of the Nation, which will benefit future generations. As well as inviting the planting of new trees, The Queen's Green Canopy will dedicate a network of 70 Ancient Woodlands across the United Kingdom and identify 70 Ancient Trees to celebrate Her Majesty's 70 years of service.

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 January 2022

15. **THE FUNDS OF THE CHARITY** (Continued)

	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	(204,624)	92,061
Cameroon fund	-	20,425	(20,425)	-
Programmes fund	-	73,449	(70,532)	2,917
New Partnerships fund	-	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	3,605,757	1,530,214	(1,682,793)	3,453,178
	<u>3,685,567</u>	<u>2,341,059</u>	<u>(2,150,769)</u>	<u>3,875,857</u>
	=====	=====	=====	=====

16. **ANALYSIS OF NET ASSETS BETWEEN FUNDS**

As at 31 January 2022:	Fixed assets	Current assets	Current liabilities	Total
	£	£	£	£
Restricted income funds:				
Peru fund	-	74,644	-	74,644
PNG fund	-	245,356	-	245,356
The Queen's Green Canopy	-	817,881	-	817,881
Unrestricted income funds:				
General fund	127,418	3,497,188	(70,403)	3,554,203
NET ASSETS	<u>127,418</u>	<u>4,635,069</u>	<u>(70,403)</u>	<u>4,692,084</u>
	=====	=====	=====	=====

COOL EARTH ACTION
NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 January 2022

16. **ANALYSIS OF NET ASSETS BETWEEN FUNDS** (Continued)

As at 31 January 2021:	Fixed assets £	Current assets £	Current liabilities £	Total £
Restricted income funds:				
Peru fund	-	311,170	-	311,170
PNG fund	-	92,060	-	92,060
Programmes fund	-	2,917	-	2,917
New Partnerships fund	-	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>3,936,664</u> =====	<u>(84,526)</u> =====	<u>3,875,857</u> =====

17. **RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

	2022 £	2021 £
Net income for the reporting period	816,227	190,290
Adjustments for:		
Dividends, interest and rents from investments	(7,700)	(10,267)
Amortisation charges	20,303	4,635
Depreciation charges	20,614	16,260
Loss on disposal of tangible fixed assets	529	-
Increase in debtors	(91,427)	(80,067)
Decrease in creditors	(14,123)	(7,965)
Net cash provided by operating activities	<u>744,423</u> =====	<u>112,886</u> =====

18. **ANALYSIS OF NET DEBT**

	1 February 2020 £	Cashflows £	31 January 2021 £
Cash at bank and in hand	1,814,172	2,606,978	4,421,150
	<u>1,814,172</u> =====	<u>2,606,978</u> =====	<u>4,421,150</u> =====

19. **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. There were no other related party transactions (2021: none).