

COOL EARTH ACTION

Annual Report 2023/24

COOL EARTH ACTION

DIRECTOR'S INTRODUCTION

For the year ended 31 January 2024

Just in case we were getting used to the climate crisis, 2023 reminded us just how quickly things can worsen. It wasn't just the hottest year on record, it was the hottest by a wide margin.

But whilst the records broken for ocean heat, sea level rise, Antarctic ice loss and glacier retreat are truly shocking, the fact that extreme weather created so much hunger will mark the year out. The threat that climate change poses to lives has never been so clear. Well over 300 million people now face food insecurity, more than double the figure in 2019.

This is no surprise to the rainforest communities that we work alongside. When we look at how the resources we provide to families and villages are used, food consistently holds the top spot. This reflects the cycles of floods and droughts that have moved from once-in-a-lifetime events to every few years. People sensibly assume the frequency will increase.

This is why the consistency of the support Cool Earth receives from our donors is so fundamental to our impact. The threats to families and forests have evolved during Cool Earth's sixteen years of operations but the reliability and flexibility of our support has ensured resilience in rainforest communities. And in 2023, just as in 2007, community resilience equals rainforest protection.

This expansive review of the year details just how effective our approach is. In a year of record heat Cool Earth's team and the partners we work alongside have delivered record impact. In the year ahead, with a doubling of cash and data resources to communities, I can promise our unique approach to rainforest protection will break records again

Matthew Owen, Director, Cool Earth Action

Local and Indigenous led

Whilst the world is being destroyed by industries, extractive activities, fossil fuel dependency and wars, we, Indigenous peoples stand at the forefront and fight to protect our territory.

It is crucial to recognise the role of Indigenous peoples and local communities in keeping rainforests alive, preserving biodiversity and defending ancestral lands. This is where our resistance thrives.

The Amazon rainforest is a graveyard of failed projects. They all started from a colonial vision that imposed external ideas on communities. Our work with Cool Earth is different. We start by understanding the needs and realities of our communities.

Together, we have come to understand the common vision of the people who live in and have protected the rainforest for generations. This is essential for achieving sustainability. We value the work that Indigenous communities have already done and strengthen their autonomy in the face of the climate crisis.

Ketty Marcelo, President of ONAMIAP, The National Organization of Andean and Amazonian Indigenous Women of Peru

In Dedication

This report is dedicated to Frank Field, Cool Earth's co-founder and one of the most influential politicians of his generation. None of our work would be possible without our incredible supporters, and it was with great sadness that early 2024 we lost Frank.

Frank campaigned tirelessly on social justice, tackling poverty and ensuring decency in politics. Co-founding Cool Earth in 2007, Frank turned his attention to climate change and the outdated and ineffective conservation models that had failed to halt rainforest destruction.

Frank's vision was to put local and Indigenous peoples back in control of their rainforest. The greatest tribute we can pay him is to continue Cool Earth's people-first approach and prove his vision, that protecting rainforest community rights really is the smartest climate action.

Cool Earth exists to back people living in rainforest and fight the climate crisis

We halt deforestation by supporting the Indigenous peoples and local communities who rely on and live alongside the rainforest. They have the longest and best track record of keeping the rainforest standing, allowing it to remain a vital carbon sink. With tropical rainforests found in some of the planet's most marginalised areas, we must recognise that injustices created by poor social and economic policy play a major role in deforestation. In the face of these injustices, our support must be unconditional.

Last year our partnerships in Peru saw Cyclone Yaku and the onset of El Niño contributing to unpredictable weather and landslides that prevented us from reaching Awajún communities. Political instability and unrest in Papua New Guinea led to riots in the capital, pausing travel to the communities we work with. As well as the Peruvian government making controversial changes to the Forestry and Wildlife law that has the potential to put Indigenous peoples and the Amazon at risk.

Extreme weather patterns, unpredictable political events, and economic crises are just a few of the threats against the livelihoods of those living in the rainforest. These factors all have an impact on the Indigenous communities we work with and the support they need to remain strong and resilient.

Less than 1% of climate funding is allocated to Indigenous peoples and local communities in the rainforest, despite the essential role they play in its protection. They have contributed to the climate crisis the least, yet are expected to fix it, and with no resources.

The urgency of backing them to keep their rainforest home intact for their communities, and the planet, cannot be overstated. We do this in three ways - providing unconditional cash, supporting locally-led projects and ensuring access to rainforest data via our Rainforest Labs.

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 2024.

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.

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.

Programmes

In 2021 we developed a Programmes Strategy to guide our work until 2026. We continued to work to this framework through 2023/24, building on two key existing projects, Unconditional Cash Transfers and Rainforest Labs, as well as continuing to work with local partners and communities across the three major rainforest biomes on a range of projects to protect rainforest and back indigenous and local people living there.

We are proud to be protecting over 457,000 hectares of rainforest, working with over 59,000 people and representing 60 communities in the Amazon Basin, the Congo Basin and the New Guinea rainforest.

We are also proud to be supporting 40 locally led projects. Each one protects the rainforest by ensuring those who live there can make an income. Sustainable businesses, like jewellery making, fish farming, cacao production and farming as well as weaving, strengthen communities, preserve their culture and create financial security. When people living in the rainforest have cash, they have choice. Choices beyond selling their land to survive.

Each one of our programmes tackles a challenge which is different from the rest.

2023/24 saw:

The world's first basic income pilot for Indigenous peoples

In 2023, together with female led Indigenous partners ONAMIAP and OMIAASEC, as well as tech partners AidKit, we co-created the world's first basic income pilot for Indigenous peoples living in rainforests.

For the next two years every adult in three communities in the Amazon will receive a regular income to sustain their needs. That means cash directly in the hands of the people with an unbeatable record of keeping rainforests safe. It matters, because the rainforest is their home, and if they are forced to leave, those who want to destroy it will move in.

Data for all

Rainforest Labs, we're talking about data and technology in Indigenous communities to give people control over their lives, their land, and the future of their rainforests.

With tech partners Cadasta, the technology is enabling communities to track real-time threats such as forest fires, flooding or illegal loggers. In 2023 we opened a new Rainforest Lab in Huaracayo, in the Awajún community in Peru, the first to trial running on solar power.

Our Lab in Ovirí, based in the Asháninka community, is entering its second year. And we started construction on a brand-new Rainforest Lab in Papua New Guinea – our first in the country.

Peru

Along with the basic income pilot, Rainforest Labs and supporting locally-led projects, we have been working to reduce wildfires in the Amazon rainforest. Thanks to PAAMARI, a one-of-a-kind initiative led by Indigenous led organisation CARE, 50% of the rainforest we protect in Peru is monitored for wildfires.

In partnership with CARE we trained 126 people to join 18 Forest Surveillance Committees across 19 communities in the Ene River basin to detect fires and safely put them out. We also established a new wildfire monitoring centre in the city of Satipo. As a result of all this work, 5,000 Asháninka families and their livelihoods are better protected from wildfires.

Papua New Guinea

We've signed new partnerships with both the Gadaisu and Kondu communities in Papua New Guinea doubling the amount of rainforest protected. These partnerships promise to work closely together in developing projects that will ultimately reduce deforestation in these areas. This is a huge step forward in our mission to back even more people in Papua New Guinea, and to protect more rainforest.

Just 33% of people in rural communities in Papua New Guinea have access to clean water and 13% to basic sanitation. So we have been working in partnership with local organisation Rural Water Supply and Sanitation Project (RWSSP) to install 90 giant water tanks and 100 toilets in Gadaisu and Sololo to improve health and sanitation for over 3,000 people. We are also training the community in how to maintain and fix the water tanks and toilets so the project's impact lasts.

Cameroon

We've been working to back land rights for rainforest communities right across Cameroon. Since 2021 we have been working on 'Our forest our future' programme. Working with local organisation OELO, helping to create community forests and support local projects in the Bas Ogooue region of Gabon.

We supported 33,646 people within the Bikoro Territory in partnership with Go Conscious Earth. The two-year partnership has now ended but we will continue championing their important work.

105 family run organic farms have been established on previously used land, rejuvenating old farms and preventing further forest clearances thanks to our work with CCREAD supporting 20 rainforest communities in Cameroon.

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 a Global Head of Department and supported by other members of the Global Leadership Team. As well as programming, each hub also contributes to Cool Earth's finance, human resources, fundraising and communications capacity.

The Peru Hub is made up of six regional partnerships that include two indigenous nations. It has a team of 18 staff and 39 consultants. The PNG Hub is composed of three regional partnerships and has a team of 6 staff and 15 consultants.

The Cool Earth network also includes three exceptional locally led organisations that are designing and delivering people-led approaches to forest protection, shaping the future of rainforest conservation in Cameroon, Gabon, and the Democratic Republic of the Congo. 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 twice 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 15.

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Company Information

The trustees of the charity, also the directors of the company, who have held office since 1 February 2023 are as follows:

Mr. Anthony Juniper (Chair of Trustees)

Mr. Johan Eliasch

Ms. Gillian Burke

The Rt. Hon. Lord Deben

Mr. Mark Ellingham

The Rt. Hon. Lord Field CH - served as a board member until passing on 23rd April 2024

Mr. Johan Rockström

The Baroness Jenkin of Kennington resigned from the Cool Earth board on 20th March 2023 and we would like to thank her for her support, guidance and backing of Cool Earth and wish her the very best.

The principal address and registered address of the charity is Tremough Innovation Centre, Penryn, Cornwall, TR10 9TA.

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: CAF Bank, 25 Kings Hill Avenue, Kings Hill, West Malling, ME19 4TA

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

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), Lauren Howard (Head of Fundraising and Engagement) and Sophie Kisnorbo (Head of 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.

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). The report and accounts have been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies.

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's 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.

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our Trustees' Annual Report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- The trustees, having made enquires of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that 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 GCE, OELO, CCREAD, CARE, ONAMIAP, OMIAASEC, GreenTVETPNG, Rural Water Supply and Sanitation Project (RWSSP), Kokonas Industri Koporesen (KIK) and University of Goroka, Binatang Research Center and CELCOR, Cadasta and AidKit.

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.

Income and Fundraising

Cool Earth's income for the year was £4.88million (2022/2023: £6.09 million) and individuals, businesses and foundations continue to be the primary funding source.

In 2023, Cool Earth spent over £3.5m on programmatic work, including £2m given directly to communities living in rainforest.

- Donors in the UK & Europe together gave £3.27m
- Supporters in the US collectively donated \$1.18m
- We added £444,000 to our reserves, safeguarding the future of the organisation's vital work
- For every £1 we spent on fundraising, we raised £7.50

Financial Results of Activities and Events

Total income for the year amounted to £4,885,615 (2022/2023: £6,096,861), and total expenditure was £4,350,991 (2022/2023: £6,009,586), resulting in net income of £534,624 (2022/2023: £87,275).

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

During the year a trading subsidiary of Cool Earth was retired from the Register of Companies whilst still carrying a cash balance. These funds are in the process of being retrieved from the Treasury Solicitor who has confirmed no objection to the restoration. In these accounts the funds are therefore held in debtors and are expected to return to cash shortly after the balance sheet date.

Reserves Policy

As of 31 January 2024, the charity had “free reserves” of £4,378,151 (31 January 2023: £3,236,424). Beyond the requirements of a prudent working capital base, since 2011 Cool Earth has held a Reserves Fund, to ensure it can realise its commitments to community partners even in the event of an income shortfall.

Each year an assessment is made of the funding requirements of each partnership.. The ‘free reserves’ fulfils the funding requirements for every partnership that Cool Earth has entered into 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.

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.

Advantage has been taken of the small companies exemption in preparing the audit report.

This report was approved by the trustees on 24th October 2024, and was signed for and on behalf of the board by:



..... Chair of Trustees Mr Anthony Juniper

30/10/24

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 2024 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 2024 and of its incoming resources and application of resources 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 Charities Act 2011.

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, 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on pages 11-16, the trustees 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 Crime 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 nominal ledger for any undisclosed transactions in relation to these regulations.

The audit engagement team identified the risk of management override of controls and income recognition as the areas 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, challenging judgments and estimates and testing the recognition of income in line with the SORP requirements.

A further description of our responsibilities for the audit of the financial statements is provided 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.



KERRY GALLAGHER
Senior Statutory Auditor
For and on behalf of

30/10/24

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
Davidson House, Forbury Square, Reading RG1 3EU

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

COOL EARTH ACTION**STATEMENT OF FINANCIAL ACTIVITIES**

(Including Income and Expenditure Account)

For the year ended 31 January 2024

		Unrestricted Funds £	Restricted Funds £	TOTAL 2024 £	TOTAL 2023 £
	Notes				
INCOME FROM:					
Donations and legacies	3	3,211,333	1,645,131	4,856,463	6,075,019
Other trading activities	4	20,658	-	20,658	20,477
Investments	5	8,493	-	8,493	1,365
TOTAL		3,240,484	1,645,131	4,885,615	6,096,861
EXPENDITURE ON:					
Raising funds	6	(430,817)	(83,979)	(514,796)	(1,004,810)
Charitable activities:					
Project Work	7	(1,709,851)	(2,126,344)	(3,836,195)	(5,004,776)
TOTAL		(2,140,668)	(2,210,323)	(4,350,991)	(6,009,586)
NET INCOME AND NET MOVEMENT IN FUNDS		1,099,816	(565,193)	534,624	87,275
RECONCILIATION OF FUNDS					
Fund balances brought forward at 1 February 2023		3,304,686	1,474,673	4,779,359	4,692,084
FUND BALANCES CARRIED FORWARD AT 31 JANUARY 2024	14	4,404,502	909,481	5,313,983	4,779,359

COOL EARTH ACTION**STATEMENT OF FINANCIAL ACTIVITIES**

(Including Income and Expenditure Account)

For the year ended 31 January 2023

	Notes	Unrestricted Funds £	Restricted Funds £	TOTAL 2023 £	TOTAL 2022 £
INCOME FROM:					
Donations and legacies	3	2,522,261	3,552,758	6,075,019	3,832,012
Other trading activities	4	20,477	-	20,477	28,690
Investments	5	1,365	-	1,365	7,700
TOTAL		2,544,103	3,552,758	6,096,861	3,868,402
EXPENDITURE ON:					
Raising funds	6	(1,000,557)	(4,253)	(1,004,810)	(551,366)
Charitable activities: Project Work	7	(1,793,063)	(3,211,713)	(5,004,776)	(2,500,809)
TOTAL		(2,793,620)	(3,215,966)	(6,009,586)	(3,052,175)
NET INCOME AND NET MOVEMENT IN FUNDS		(249,517)	336,792	87,275	816,227
RECONCILIATION OF FUNDS					
Fund balances brought forward at 1 February 2022		3,554,203	1,137,881	4,692,084	3,875,857
FUND BALANCES CARRIED FORWARD AT 31 JANUARY 2023	14	3,304,686	1,474,673	4,779,359	4,692,084

COOL EARTH ACTION BALANCE SHEET

as at 31 January 2024

Company Number: 06053314

	Notes	2024 £	2023 £
FIXED ASSETS			
Intangible assets	10	24,557	58,457
Tangible assets	11	1,792	9,805
		<u>26,349</u>	<u>68,262</u>
CURRENT ASSETS			
Debtors	12	2,305,767	2,265,800
Cash at bank and in hand		3,053,167	2,589,411
		<u>5,358,934</u>	<u>4,855,211</u>
LIABILITIES			
Creditors: Amounts falling due within one year	13	(71,300)	(144,114)
NET CURRENT ASSETS		<u>5,287,634</u>	<u>4,711,097</u>
TOTAL ASSETS LESS CURRENT LIABILITIES & NET ASSETS		<u>5,313,983</u>	<u>4,779,359</u>
THE FUNDS OF THE CHARITY			
Restricted income funds	14	909,481	1,474,673
Unrestricted funds	14	4,404,502	3,304,686
		<u>5,313,982</u>	<u>4,779,359</u>

The financial statements on pages 21 to 23 were approved by the trustees and authorised for issue on 24th October 2024, and are signed on their behalf by



Chair of Trustees Mr Anthony Juniper

30/10/24

COOL EARTH ACTION STATEMENT OF CASH FLOWS

for the year ended 31 January 2024

	Notes	2024 £	2023 £
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash provided by operating activities	16	455,262	(1,829,101)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Dividends, interest and rents from investments		8,493	1,365
Purchase of intangible fixed assets		-	-
Purchase of tangible fixed assets		-	(4,003)
Short term investment withdrawn/(deposited)		-	-
Net cash provided by/(used in) investing activities		8,493	(2,638)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD		463,756	(1,831,740)
Cash and cash equivalents at the beginning of the reporting period		2,589,411	4,421,150
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	17	3,053,167	2,589,410

COOL EARTH ACTION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 January 2024

1. ACCOUNTING POLICIES

Company Information

Cool Earth Action is a private company limited by guarantee incorporated in England and Wales. The principal address and registered office address of the charity 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 2024

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.

COOL EARTH ACTION

NOTES TO THE FINANCIAL STATEMENTS

(Continued) for the year ended 31 January 2024

1. ACCOUNTING POLICIES (Continued)

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.

COOL EARTH ACTION

NOTES TO THE FINANCIAL STATEMENTS

(Continued) for the year ended 31 January 2024

1. ACCOUNTING POLICIES (Continued)

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 2024

3. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	TOTAL 2024 £	TOTAL 2023 £
Donations received from individuals and on-line through the charity's website	2,548,116	58,462	2,606,578	1,392,802
Other donations received from corporate and other similar supporters	648,677	989,324	1,638,001	1,452,110
Income from non-core campaign	-	597,345	597,345	2,770,028
Donations in kind:				
Marketing	14,540	-	14,540	460,080
Accommodation costs				
	<u>3,211,333</u>	<u>1,645,131</u>	<u>4,856,464</u>	<u>6,075,020</u>

4. OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	TOTAL 2024 £	TOTAL 2023 £
Shop sales and other similar income	20,658	-	20,658	20,477
	<u>20,658</u>	<u>-</u>	<u>20,658</u>	<u>20,477</u>

5. INVESTMENTS

	Unrestricted Funds £	Restricted Funds £	TOTAL 2024 £	TOTAL 2023 £
Bank interest receivable on short term cash deposits	8,493	-	8,493	1,365
	<u>8,493</u>	<u>-</u>	<u>8,493</u>	<u>1,365</u>

6. RAISING FUNDS

	Unrestricted Funds £	Restricted Funds £	TOTAL 2024 £	TOTAL 2023 £
Direct costs	150,028	-	150,028	193,244
Support costs - see note 8 (30%)	280,789	83,979	364,768	811,566
	<u>430,817</u>	<u>83,979</u>	<u>514,796</u>	<u>1,004,810</u>

COOL EARTH ACTION

NOTES TO THE FINANCIAL STATEMENTS

(Continued) for the year ended 31 January 2024

7.PROJECT WORK

	Unrestricted Funds £	Restricted Funds £	TOTAL 2024 £	TOTAL 2023 £
Direct costs	739,230	2,126,344	2,865,574	3,725,236
Support costs - see note 8 (70%)	970,621	-	970,621	1,279,540
	1,709,851	2,126,344	3,836,195	5,004,776

8.SUPPORT & GOVERNANCE

	Unrestricted Funds		Restricted Funds £	TOTAL 2024 £	TOTAL 2023 £
	Support Costs	Governance Costs			
Donations in kind:					
Marketing costs	-	14,540	-	14,540	460,080
Staff costs (15%) - note 10	782,587	138,104	83,979	1,004,670	1,264,823
Staff recruitment, training and welfare (30%)	18,377	7,876	-	26,253	18,235
Travel and subsistence expenses (15%)	21,298	3,758	-	25,056	29,800
Premises operating lease costs (30%)	36,351	15,579	-	51,930	56,563
Other premises costs (40%)	2,602	1,735	-	4,337	7,843
Communications costs (60%)	44,927	67,391	-	112,318	123,705
Other costs (50%)	3,288	3,288	-	6,576	15,798
Legal and professional fees (10%)	22,547	2,505	-	25,052	26,857
Auditor's remuneration:					
Audit fee (100%)	-	-	-	-	-
Accountancy and advisory services (100%)	-	15,574	-	15,574	28,381
Amortisation (25%)	25,425	8,475	-	33,900	48,440
Depreciation - owned assets (25%)	5,895	1,965	-	7,860	13,764
Exchange losses	7,325	-	-	7,325	(3,181)
	970,622	280,790	83,979	1,335,391	2,091,108

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 2024

9. STAFF COSTS

	2024 No.	2023 No.
The average monthly number of persons employed by the charitable company (excluding trustees) during the year was, as follows: Support staff	19	26
Staff costs for the above persons:	£	£
Wages and salaries	886,765	1,118,205
Social security costs	100,135	123,602
Pension contribution pension scheme costs	17,769	23,015
	<u>1,004,669</u>	<u>1,264,822</u>

During the year, no employee earned total emoluments in the range £90,001 to £100,000 (2022/2023 one employee in the range £90,001 to £100,000).

During the year, no employee earned total emoluments in the range £100,00 to £110,000 (2022/2023: one employee in the range £100,000 to £110,000).

During the year, one employee earned total emoluments in the range £110,00 to £120,000 (2022/2023: no employee in the range £110,000 to £120,000).

The highest paid employee is part 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 £268,236 (2022/2023: £293,432).

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 2024

10. INTANGIBLE ASSETS

	Website £
Cost:	
01 February 2023	328,623
Additions	-
Disposals	-
	<hr/>
31 January 2024	328,623
Amortisation:	
01 February 2023	270,166
Charge for the year	33,900
Disposals	-
	<hr/>
31 January 2024	304,066
Net book Value:	
31 January 2024	<hr/> 24,557
31 January 2023	<hr/> 58,457

COOL EARTH ACTION**NOTES TO THE FINANCIAL STATEMENTS**

(Continued) for the year ended 31 January 2024

11. TANGIBLE ASSETS

	Office & computer equipment £
Cost:	
01 February 2023	86,008
Additions	-
Disposals	(13,098)
	<hr/>
31 January 2024	72,910
Depreciation:	
01 February 2023	76,203
Charge for the year	7,861
Disposals	(12,946)
	<hr/>
31 January 2024	71,118
Net book Value:	
31 January 2024	1,792
	<hr/>
31 January 2023	9,805
	<hr/>

COOL EARTH ACTION**NOTES TO THE FINANCIAL STATEMENTS**

(Continued) for the year ended 31 January 2024

12. DEBTORS	2024	2023
	£	£
Amounts falling due within one year:		
Trade debtors	70,389	51,605
Other debtors	2,235,380	2,214,197
Prepayments and accrued income	(2)	(2)
	<u>2,305,767</u>	<u>2,265,798</u>

Other debtors contains charity funds not available to the charity at the balance sheet date. These funds were held by the Treasury Solicitor and have now been returned to Cool Earth shortly after the balance sheet debt.

13. CREDITORS	2024	2023
	£	£
Amounts falling due within one year:		
Trade creditors	58,532	30,202
Other taxation and social security costs	-	1,885
Other creditors	12,768	3,722
Accruals	-	108,304
	<u>71,300</u>	<u>144,113</u>

COOL EARTH ACTION**NOTES TO THE FINANCIAL STATEMENTS**

(Continued) for the year ended 31 January 2024

14. THE FUNDS OF THE CHARITY

	Balance at 1 February 2023	Income	Expenditure	Balance at 31 January 2024
	£	£	£	£
Restricted income funds:				
Peru fund	-	46,385	(46,385)	-
PNG fund	-	138,750	(138,750)	-
Cameroon fund	-	25,000	(25,000)	-
Forest Research	-	283,662	(55,651)	228,011
Unconditional Cash				
Transfers	395,617	343,000	(106,013)	632,604
Programmes	-	180,574	(131,707)	48,867
New Partnership	60,641	23,338	(83,979)	-
The Queen's Green Canopy fund	1,018,417	608,439	(1,626,856)	-
	<u>1,474,675</u>	<u>1,649,148</u>	<u>(2,214,341)</u>	<u>909,481</u>
Unrestricted income funds:				
General fund	<u>3,304,686</u>	<u>3,236,466</u>	<u>(2,136,650)</u>	<u>4,404,502</u>
Net Asset	<u>4,779,361</u>	<u>4,885,614</u>	<u>(4,350,991)</u>	<u>5,313,983</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.

COOL EARTH ACTION

NOTES TO THE FINANCIAL STATEMENTS

(Continued) for the year ended 31 January 2024

14. THE FUNDS OF THE CHARITY (Continued)

The Forest Research & Forest Monitoring provides community partners with access to satellite data that reveals trends and threats in real-time, driving real-time climate action. This gives more control to Indigenous peoples and local communities over their land.

The Unconditional Cash Transfers are direct payments given directly to individuals, households, communities, and indigenous organisations who decide how to use it to meet their most urgent needs. The payments are sent frequently, and there's no catch or requirements on how the cash is spent.

The Programmes fund is used to support Cool Earth's general programmes work that is not covered by the Peru, PNG or Cameroon funds.

New Partnerships funds are reserved for any partnerships with indigenous-led organisations Cool Earth is scoping and has yet to start.

The Queen's Green Canopy initiative which invited people from across the United Kingdom to "Plant a Tree for the Jubilee". Everyone from individuals to youth groups, villages, cities, counties, schools, and corporates were encouraged to play their part to enhance our environment by planting trees. This project has now finished.

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed assets	Current assets	Current liabilities	Total
As at 31 January 2024:	£	£	£	£
Restricted income funds:				
Forest Research	-	228,011	-	228,011
Unconditional Cash Transfers	-	632,604	-	632,604
Cash Transfer Peru	-	48,867	-	48,867
Unrestricted income funds:				
General fund	26,349	4,449,452	(71,300)	4,404,501
NET ASSETS	26,349	5,358,934	(71,300)	5,313,983

COOL EARTH ACTION**NOTES TO THE FINANCIAL STATEMENTS**

(Continued) for the year ended 31 January 2024

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS (Continued)

	Fixed assets	Current assets	Current liabilities	Total
As at 31 January 2023:	£	£	£	£
Restricted income funds:				
Unconditional Cash Transfers	-	395,617	-	395,617
Programmes	-	60,641	-	60,641
The Queen's Green Canopy Fund	-	1,018,417	-	1,018,417
Unrestricted income funds:				
General fund	68,262	3,380,536	(144,114)	3,304,684
NET ASSETS	68,262	4,855,211	(144,114)	4,779,360

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

	2024	2023
	£	£
Net income for the reporting period	534,624	87,275
Adjustments for:		
Dividends, interest and rents from investments	(8,493)	(1,365)
Amortisation charges	33,900	48,440
Depreciation charges	7,861	13,764
Loss on disposal of tangible fixed assets	151	955
(Increase)/decrease in debtors	(39,969)	(2,051,881)
Increase/(decrease) in creditors	(72,813)	73,711
Net cash provided by operating activities	455,263	(1,829,101)

COOL EARTH ACTION**NOTES TO THE FINANCIAL STATEMENTS**

(Continued) for the year ended 31 January 2024

17. ANALYSIS OF NET DEBT

	2023	Cashflows	2024
	£	£	£
Cash at bank and in hand	2,589,411	463,756	3,053,167

18. 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 was no other related party transactions.