

# **COOL EARTH ACTION**

## **Annual Report 2016**

**Cool Earth Action**  
**Company number: 06053314**  
**Charity number: 1117978**

**This Annual Report includes the Trustees' Annual Report, the Auditor's Report and the Financial Statements for the year ended 31 January 2016.**

COOL EARTH ACTION  
TRUSTEES' ANNUAL REPORT  
for the year ended 31 January 2016

The trustees present their report and the financial statements for Cool Earth Action (also known as and referred to as "Cool Earth") for the year ending 31 January 2016.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the financial statements and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)

#### OBJECTIVES AND ACTIVITIES

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

Cool Earth's community-led model is protecting rainforest in projects across Brazil, Ecuador, Peru, the Democratic Republic of the Congo and most recently, Papua New Guinea. To date, these projects have saved 746,000 acres of at-risk rainforest through partnerships with over 150 rainforest villages.

#### PUBLIC BENEFIT

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

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

#### *Benefits and beneficiaries*

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

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

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

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

COOL EARTH ACTION  
TRUSTEES' ANNUAL REPORT (Continued)  
for the year ended 31 January 2016

*Trustees' assessment of public benefit*

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

- Developing projects where the rainforest would otherwise be destroyed and which are strategically located to form shields of protection for neighbouring forest.
- Assessing and measuring the amount of forest saved and quantity of CO<sub>2</sub> stored by each project through satellite mapping and carbon measurement.
- Monitoring the biodiversity within the project and neighbouring areas to assess protection of fauna and flora.
- Evaluating the effectiveness of community investments, focusing particularly on income generated from the sale of sustainable rainforest products.

CHARITABLE ACTIVITIES

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

*Project work*

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

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

*Advocacy and Education*

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

ACHIEVEMENTS AND PERFORMANCE

JANUARY

By the start of 2015, Cool Earth supporters had saved half a million acres of rainforest. By the end of 2015 that total was 640,000 acres – thirty times the size of Manhattan. Our partnerships put more trees out of the reach of loggers in 2015 than ever before.

FEBRUARY

The AMARNO cooperative in our Awajún partnership began creating artisan jewellery using seeds and dyes from plants in the forest. AMARNO used Cool Earth funds for much needed computer training, giving them the skills they needed to be able to access new markets and improve their business practices.

**COOL EARTH ACTION  
TRUSTEES' ANNUAL REPORT (Continued)  
for the year ended 31 January 2016**

**MARCH**

Tragically, a third of all the families in our Asháninka partnership have seen a child die before the age of five. We asked the women in our partner villages about the challenges that mothers face, and trained some select women to become maternal health promoters. Most of the biggest challenges mothers and new babies face are as a result of malnutrition. Our focus is now on improving nutrition throughout all our partnerships across the globe.

**APRIL**

In our Lubutu partnership, 2,000 tonnes of wood are used for fuel every year, which has a big impact on the forest. Wood fuelled stoves are dangerous to health: globally, household air pollution from cooking fires kills more children every year than AIDS and malaria combined (Practical Action, 2004: "Smoke: the Killer in the Kitchen"). We installed 45 new energy efficient stoves and trained 164 community members to use them.

**MAY**

We carried out a household survey in our Awajún partnership to assess the impact on communities of working with Cool Earth. We were both surprised and very much encouraged by the outcomes. Over the past two years, 92% of all AMARNO cooperative members reported considerably increased levels of self-esteem; 85% of women in the cooperative reported improved hopes for the future; and 97% of women now feel more empowered.

*"WE USED TO GET TOGETHER TO COOK. WE THEN DECIDED TO START MAKING JEWELLERY FOR SALE, SO WE COULD SUPPORT OUR FAMILIES AND EDUCATE OUR CHILDREN. THERE WERE JUST TEN OF US UNDER A LITTLE THATCHED ROOF."*  
Balbina Paukai, Urakusa

**JUNE**

Cool Earth picked up the Charity Award for Environment and Conservation. We've since followed that up with a PEA (People, Environment, Action) award for best International NGO, and a Cornwall Sustainable Business Award, as well as being runner up for Third Sector's Big Impact award.

*"THIS IS A MASSIVE ACHIEVEMENT FOR SUCH A YOUNG CHARITY AND I'M PROUD TO BE PART OF SOMETHING BUILT ENTIRELY ON THE COMMITMENT AND HARD WORK OF THE INDIGENOUS COMMUNITIES WE PARTNER WITH. I DON'T THINK IT WILL BE A SURPRISE TO ANY OF OUR SUPPORTERS THAT COOL EARTH IS JUDGED THE BEST IN THE BUSINESS."*  
Johan Eliasch, Co-founder of Cool Earth and Chairman and CEO of Head N.V.

**JULY**

In July, we were thrilled to announce a new village partnership. Oviri was the latest community to join our Asháninka Partnership in central Peru. This 16,000 acres – the size of 80 Battersea Park – has grown our forest shield to secure the northerly extent of the neighbouring reserve.

*"THANK YOU FOR SUPPORTING US. WE DON'T WANT TO LOSE OUR FOREST, WE WANT TO PRESERVE IT. NO TOWNS, NO ROADS, NO CARS – JUST TREES."*  
Leopoldo Chimanga Shumpate, Chief of Oviri Village

**AUGUST**

Sustainable hunting is the best option for providing food security, self-sufficiency, and protecting biodiversity. A healthy forest is a biodiverse one, and as a result of educational workshops in Lubutu, our partner associations decided to stop hunting with shotguns, and abandon the use of small-meshed fishing nets on spawning grounds. The community are now using more sustainable methods of hunting and fishing, so families still have access to protein for their diet, but with less impact on the forest.

**COOL EARTH ACTION  
TRUSTEES' ANNUAL REPORT (Continued)  
for the year ended 31 January 2016**

**SEPTEMBER**

In September, we launched our most exciting partnership to date: Orangerie Bay in Papua New Guinea. We were approached by three villages in the Milne Bay province, East Papua New Guinea. The launch of this partnership means Cool Earth is now saving rainforest across three continents and in all of the world's major rainforest biomes.

**OCTOBER**

Hot on the heels of the launch of our new partnership, we received an unbelievably generous grant. Thanks to the benevolence of the Michael Uren Foundation, we will be able to cover all of our operational costs until the end of 2016. That means that 100% of donations to Cool Earth can go directly to our rainforest partnerships.

**NOVEMBER**

November saw the launch of a new and ambitious initiative to protect forest across the 53 nations that make up the Commonwealth. The Queen's Commonwealth Canopy has Cool Earth's model of community-led conservation at its heart. Announced by Her Majesty the Queen, it's an exciting enterprise that we're proud to be leading, alongside the Royal Commonwealth Society, and the Commonwealth Forestry Association.

**DECEMBER**

We had the unfortunate news that all three villages in our Orangerie Bay partnership were experiencing the worst drought in Papua New Guinea's recent history. Whilst 40,000 international delegates met at the United Nations Climate Change Conference in Paris, the impact of global warming was simultaneously threatening lives on the ground in Papua New Guinea. We had an overwhelming response to our emergency appeal, the aid helping our 67 families in our Orangerie Bay partnership to survive a devastating drought.

**ACHIEVEMENTS IN INCOME GENERATION:**

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

**ACHIEVEMENTS IN PARTNER SUPPORT:**

- Increased Cool Earth's indigenous partners to 36,473 people across 118 villages.
- Equipped 19 rainforest schools with learning tools.
- Funded 24 scholarships for students from our partner communities so that they can carry on to higher education.
- Provided 672 mosquito nets to combat malaria.
- Funded an emergency evacuation programme in our Ashaninka project, which has so far saved 15 lives.
- Provided 8 communities with transport for medical evacuations and market links.
- Provided 46 families with safe water.
- Built 41 homes for the most vulnerable members of the communities.
- Constructed 4 medical outposts to ensure medical care is accessible to even the most remote communities.

**COOL EARTH ACTION  
TRUSTEES' ANNUAL REPORT (Continued)  
for the year ended 31 January 2016**

**GOVERNANCE, STRUCTURE AND MANAGEMENT**

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

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

**COMPANY INFORMATION**

The trustees of the charity, also the directors of the company, who have held office since 1 February 2015 are as follows:

The Rt Hon. Lord Deben (appointed 1 July 2015)  
Mr. Mark Ellingham  
Mr. Johan Eliasch  
The Rt Hon. Frank Field DL MP  
The Baroness Jenkin of Kennington (appointed 1 July 2015)  
Ms. Cynthia King (appointed 1 July 2015)

Three more trustees are currently being recruited, with the aid of external recruitment company, Trustees Unlimited. Final selection interviews are expected to take place at the end of November, with appointments being made shortly after.

The principal address of the charity is 66 Lemon St, Truro, TR1 2PN and the registered office address of the company is 27 Old Gloucester Street, London, UK WC1N 3AX.

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

The trustees have made the following professional appointments:

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

Mr. Matthew Owen acts in an executive capacity as the Executive Director of Cool Earth Action. The Executive Director had been seconded from Cornwall College, as such his remuneration package for the year ending January 2016 had not been set by the trustees. As of 1 February 2016, the secondment ended and he became an employee of Cool Earth Action.

Mr Owen is assisted in the day-to-day management of the charity by Mrs. Clare Vincent, who is Secretary to the Board of trustees and directors, and the Company Secretary.

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

**COOL EARTH ACTION  
TRUSTEES' ANNUAL REPORT (Continued)  
for the year ended 31 January 2016**

**TRUSTEES' RESPONSIBILITIES**

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

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

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

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

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

**DISCLOSURE OF INFORMATION TO THE AUDITOR**

The trustees at the date of approval of this trustees' annual report confirm that so far as each of them is aware, there is no relevant audit information of which the charity's auditor is unaware, and the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that audit information.

**RELATIONSHIPS WITH RELATED PARTIES**

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

COOL EARTH ACTION  
TRUSTEES' ANNUAL REPORT (Continued)  
for the year ended 31 January 2016

FINANCIAL REVIEW

INCOME AND FUNDRAISING

Cool Earth's income for the year was £1.6 million (2014/2015: £1.3 million) and their business partners continue to be their primary funding source. OVO Energy, Brother International and Marks and Spencer have continued their long-term support and the partnership with The Adventurists has raised £166,000 and recruited more than 1,600 active fundraisers.

FINANCIAL RESULTS OF ACTIVITIES AND EVENTS

Total income for the year amounted to £1,556,392 (2014/2015: £1,321,339), and total expenditure was £1,339,102 (2014/2015: £1,162,789) resulting in net income of £217,190 (2014/2015: £158,550).

RESERVES POLICY

As of 31 January 2016, the charity had "free reserves" of £1,972,382 (31 January 2015: £1,788,337). Beyond the requirements of a prudent working capital base, since 2011 Cool Earth has been developing a Reserves Fund so it can realise its commitments to community partners even in the event of an income shortfall. A project reserve of £1.95 million was set as a five-year target, calculated on the basis of 18 months of project funding from 2016.

INVESTMENTS POLICY

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

RISK AND CORPORATE GOVERNANCE MATTERS

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

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

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

COOL EARTH ACTION  
TRUSTEES' ANNUAL REPORT (Continued)  
for the year ended 31 January 2016

PLANS FOR FUTURE PERIODS

FUTURE STRATEGY

The long-term aims of Cool Earth are consistent with its mission to help fund rainforest protection and inform people of the role local people play in conservation and the role of deforestation in climate change. Plans for 2016/17 are:

- Develop existing partnerships in Peru, DR Congo and Papua New Guinea in line with our five year community plans.
- Bring to fruition work on improving agricultural productivity in each partnership to reduce the incidence of slash and burn cultivation.
- Invest in the dissemination of expertise between Cool Earth's partnerships, building on the work completed in Peru and Honduras in 2015.
- Grow the amount of endangered rainforest in community control to one million acres.
- Strengthen the charity's fundraising team with senior appointments in Fundraising and Communications.
- Consolidate Cool Earth's local presence through recruitment in the three key rainforest regions, the Amazon, the Congo Basin and Oceania.
- Develop Cool Earth's Reserves Fund to safeguard Cool Earth's commitments to partner communities in the event of an income shortfall.
- Diversify income sources to ensure resilience of Cool Earth's revenue, including improving Cool Earth's online performance and increasing income from Trusts and Foundations.

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 21 October 2016, and was signed for and on behalf of the board by:



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

21 October 2016

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

We have audited the financial statements of Cool Earth Action for the year ended 31 January 2016 on pages 11 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

### RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Statement of Trustees' Responsibilities set out on page 6, the trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

### SCOPE OF AUDIT OF THE FINANCIAL STATEMENTS

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

### OPINION ON FINANCIAL STATEMENTS

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 January 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

### OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BRITISH ORTHODONTIC SOCIETY  
(Continued)**

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

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

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

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

..... 2016

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

	Notes	Unrestricted Funds £	Restricted Funds £	TOTAL 2016 £	TOTAL 2015 £
<b>INCOME AND ENDOWMENTS FROM:</b>					
Donations and legacies	3	1,492,324	46,300	1,538,624	1,307,069
Investments	4	17,768	-	17,768	14,270
<b>TOTAL</b>		<b>1,510,092</b>	<b>46,300</b>	<b>1,556,392</b>	<b>1,321,339</b>
<b>EXPENDITURE ON:</b>					
Raising funds	5	(350,218)	-	(350,218)	(324,215)
Charitable activities					
Project Work	6	(934,628)	(46,300)	(980,928)	(822,736)
Advocacy & Education	7	(8,056)	-	(8,056)	(15,838)
<b>TOTAL</b>		<b>(1,292,902)</b>	<b>(46,300)</b>	<b>(1,339,202)</b>	<b>(1,162,789)</b>
<b>NET INCOME</b>		<b>217,190</b>	<b>-</b>	<b>217,190</b>	<b>158,550</b>
Transfers between funds		-	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>217,190</b>	<b>-</b>	<b>217,190</b>	<b>158,550</b>
<b>RECONCILIATION OF FUNDS</b>					
Fund balances brought forward at 1 February 2015		1,869,050	-	1,869,050	1,710,500
<b>FUND BALANCES CARRIED FORWARD AT 31 JANUARY 2016</b>	<b>15</b>	<b>2,086,240</b>	<b>-</b>	<b>2,086,240</b>	<b>1,869,050</b>
		=====	=====	=====	=====

**COOL EARTH ACTION**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
(including Income and Expenditure)  
for the year ended 31 January 2015

	Notes	Unrestricted Funds £	Restricted Funds £	TOTAL 2015 £	TOTAL 2014 £
<b>INCOME AND ENDOWMENTS FROM:</b>					
Donations and legacies	3	1,307,069	-	1,307,069	1,158,569
Investments	4	14,270	-	14,270	17,916
<b>TOTAL</b>		<b>1,321,339</b>	<b>-</b>	<b>1,321,339</b>	<b>1,176,485</b>
<b>EXPENDITURE ON:</b>					
Raising funds	5	(324,215)	-	(324,215)	(101,333)
Charitable activities					
Project Work	6	(822,736)	-	(822,736)	(840,948)
Advocacy & Education	7	(15,838)	-	(15,838)	(21,299)
<b>TOTAL</b>		<b>(1,162,789)</b>	<b>-</b>	<b>(1,162,789)</b>	<b>(963,580)</b>
<b>NET INCOME</b>		<b>158,550</b>	<b>-</b>	<b>158,550</b>	<b>212,905</b>
Transfers between funds		-	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>158,550</b>	<b>-</b>	<b>158,550</b>	<b>212,905</b>
<b>RECONCILIATION OF FUNDS</b>					
Fund balances brought forward at 1 February 2014		1,710,500	-	1,710,500	1,497,595
<b>FUND BALANCES CARRIED FORWARD AT 31 JANUARY 2015</b>	15	<b>1,869,050</b>	<b>-</b>	<b>1,869,050</b>	<b>1,710,500</b>
		=====		=====	=====

COOL EARTH ACTION  
BALANCE SHEET  
as at 31 January 2016

Company Number: 06053314

	Notes	2016 £	2015 £
<b>FIXED ASSETS</b>			
Intangible assets	10	53,323	-
Tangible assets	11	60,535	80,713
		<u>113,858</u>	<u>80,713</u>
<b>CURRENT ASSETS</b>			
Debtors	12	267,682	77,873
Cash at bank and in hand		1,727,993	1,756,364
		<u>1,995,675</u>	<u>1,834,237</u>
<b>LIABILITIES</b>			
Creditors: Amounts falling due within one year	13	(23,293)	(45,900)
<b>NET CURRENT ASSETS</b>		<u>1,972,382</u>	<u>1,788,337</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES &amp; NET ASSETS</b>		<u>2,086,240</u> =====	<u>1,869,050</u> =====
<b>THE FUNDS OF THE CHARITY</b>			
<i>Unrestricted funds</i>			
General Fund	15	2,086,240	1,869,050
<b>TOTAL CHARITY FUNDS</b>		<u>2,086,240</u> =====	<u>1,869,050</u> =====

The financial statements on pages 11 to 23 were approved by the trustees and authorised for issue on 21 October 2016, and are signed on their behalf by



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

21 October 2016

**COOL EARTH ACTION  
STATEMENT OF CASH FLOWS  
for the year ended 31 January 2016**

	Notes	2016 £	2015 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net cash provided by operating activities	16	29,958	123,311
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Dividends, interest and rents from investments		12,768	14,270
Purchase of intangible fixed assets		(71,097)	(27,515)
Net cash used in investing activities		<u>(58,329)</u>	<u>(13,245)</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD</b>		<b>(28,371)</b>	<b>110,066</b>
Cash and cash equivalents at the beginning of the reporting period		<u>1,756,364</u>	<u>1,646,298</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD</b>	17	<b>1,727,993</b> =====	<b>1,756,364</b> =====

COOL EARTH ACTION  
NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 January 2016

1. ACCOUNTING POLICIES

*Basis of Accounting*

These financial statements have been prepared in accordance with Financial Reporting Standard 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (FRS 102), the requirements of the Companies Act 2006 and under the historical cost convention. Within the definitions of FRS 102, the charitable company, which is limited by guarantee, is a public benefit entity. The financial statements have also been prepared in accordance with the accounting policies set out in more detail below, to comply with the charitable company’s governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with The Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014 (the FRS 102 Charities SORP 2015).

*First Time Adoption of FRS 102*

These financial statements are the first financial statements of Cool Earth Action prepared in accordance with FRS 102. The charitable company has also adopted the new applicable Charities SORP for the first time in this set of financial statements. In doing so, the comparative figures have been re-analysed and restated throughout.

The financial statements of Cool Earth Action for the year ended 31 January 2015 were prepared in accordance with the previous financial reporting framework. Consequently, the trustees have amended certain accounting policies to comply with FRS 102.

The reported financial position and financial performance for the previous period were not affected by the transition to FRS 102.

*Going Concern*

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

*Income*

All income is included in the statement of financial activities when the charity is entitled to the funds 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 charity can be assessed with reasonable accuracy. Where this is not the case, the nature of the gift is disclosed.



COOL EARTH ACTION  
 NOTES TO THE FINANCIAL STATEMENTS (Continued)  
 for the year ended 31 January 2016

1. ACCOUNTING POLICIES (Continued)

*Financial Assets and Liabilities*

The charity'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 charity.

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

Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of the restricted funds are set out in the notes to the 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 charity'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 2016 £	TOTAL 2015 £
Donations received on-line through the charity's website	268,581	-	268,581	336,602
Other donations received from individual, corporate sponsors and other supporters	1,223,743	46,300	1,270,043	970,467
	<u>1,492,324</u>	<u>46,300</u>	<u>1,538,624</u>	<u>1,307,069</u>
	=====	=====	=====	=====

COOL EARTH ACTION  
 NOTES TO THE FINANCIAL STATEMENTS (Continued)  
 for the year ended 31 January 2016

4. INVESTMENTS	Unrestricted Funds £	Restricted Funds £	TOTAL 2016 £	TOTAL 2015 £
Bank interest receivable on short term cash deposits	17,768	-	17,768	14,270
	=====			=====
5. RAISING FUNDS	Unrestricted Funds £	Restricted Funds £	TOTAL 2016 £	TOTAL 2015 £
Direct costs:				
Publicity costs	-	-	-	-
Support costs - see note 8:				
Specific	105,727	-	105,727	11,935
Allocated	244,491	-	244,491	312,280
	350,218	-	350,218	324,215
	=====			=====
6. PROJECT WORK	Unrestricted Funds £	Restricted Funds £	TOTAL 2016 £	TOTAL 2015 £
Direct costs:				
Donations to Fauna & Flora International	50,000	-	50,000	32,651
Donations to Ecotribal	13,602	-	13,602	206,703
Donations to Inga Foundation	15,000	-	15,000	-
Other donations	6,000	-	6,000	139,059
Other direct project costs	49,711	46,300	96,011	3,600
	134,313	46,300	180,613	382,013
Support costs - see note 8:				
Specific	551,774	-	551,774	238,864
Allocated	212,764	-	212,764	162,381
Governance costs – see note 8	35,777	-	35,777	39,478
	934,628	46,300	980,928	822,736
	=====			=====

COOL EARTH ACTION  
 NOTES TO THE FINANCIAL STATEMENTS (Continued)  
 for the year ended 31 January 2016

7. ADVOCACY & EDUCATION	Unrestricted Funds £	Restricted Funds £	TOTAL 2016 £	TOTAL 2015 £
Direct costs:				
Advocacy work	-	-	-	-
Support costs - see note 8:				
Specific Allocated	8,056	-	8,056	15,838
	<u>8,056</u>	<u>-</u>	<u>8,056</u>	<u>15,838</u>
	=====	=====	=====	=====
8. SUPPORT & GOVERNANCE COSTS	Support costs £	Governance costs £	TOTAL 2016 £	TOTAL 2015 £
Project work costs	483,584	-	483,584	186,261
Staff costs (92:8) - note 9	176,493	15,347	191,840	178,340
Recharged support staff costs	143,190	-	143,190	52,603
Public relations and communications costs	32,022	-	32,022	14,813
Promotional marketing costs	30,727	-	30,727	11,935
Travel and subsistence expenses	109,762	-	109,762	50,308
Communications costs	26,300	-	26,300	43,835
Legal and professional fees (90:10)	78,899	8,766	87,665	181,967
Other costs	5,026	-	5,026	21,158
Auditor's remuneration:				
Audit fee	-	10,500	10,500	10,320
Accountancy and advisory services (95:5)	2,935	155	3,090	2,700
Exchange gains	(3,069)	-	(3,069)	(368)
Amortisation	17,774	-	17,774	
Depreciation - owned assets (95:5)	19,169	1,009	20,178	26,904
	<u>1,122,812</u>	<u>35,777</u>	<u>1,158,589</u>	<u>780,776</u>
	=====	=====	=====	=====

Support costs are allocated directly based on activity and thereafter using the ratios, which are based on estimated assessed impact of the costs involved.

Included within auditor's remuneration are amounts payable to RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) in respect of audit services of £10,500 (2014/2015: £10,320) and amounts payable to RSM UK Tax and Accounting Limited (formerly Baker Tilly Tax and Accounting Limited) in respect of accountancy and advisory services of £3,090 (2014/2015: £2,700).

COOL EARTH ACTION  
 NOTES TO THE FINANCIAL STATEMENTS (Continued)  
 for the year ended 31 January 2016

9. STAFF COSTS	2016	2015
	No.	No.
The average monthly number of persons employed by the charitable company (excluding trustees) during the year was, as follows:		
Support staff	7	6
	==	==
	£	£
Staff costs for the above persons:		
Wages and salaries	177,335	164,647
Social security costs	14,505	13,693
	<u>191,840</u>	<u>178,340</u>
	=====	=====

No employee received total emoluments in excess of £60,000 during the current or previous year and the charity had no employees during the current or previous year that met the definition of key management personnel.

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.

10. INTANGIBLE ASSETS	Website £
Cost:	
1 February 2015	-
Additions	71,097
31 January 2016	<u>71,097</u>
Depreciation:	
1 February 2015	-
Charge for the year	17,774
31 January 2016	<u>17,774</u>
Net book value:	
31 January 2016	53,323
	=====
31 January 2015	-
	=====

COOL EARTH ACTION  
 NOTES TO THE FINANCIAL STATEMENTS (Continued)  
 for the year ended 31 January 2016

<b>11. TANGIBLE ASSETS</b>		<b>Office &amp; computer equipment £</b>
Cost:		
1 February 2015 and 31 January 2016		258,168
Depreciation:		
1 February 2015		177,455
Charge for the year		20,178
31 January 2016		<u>197,633</u>
Net book value:		
31 January 2016		60,535 =====
31 January 2015		80,713 =====
<b>12. DEBTORS</b>	<b>2016</b>	<b>2015</b>
	£	£
Amounts falling due within one year:		
Trade debtors	205,924	-
Prepayments and accrued income	61,758	77,873
	<u>267,682</u>	<u>77,873</u>
	=====	=====
<b>13. CREDITORS</b>	<b>2016</b>	<b>2015</b>
	£	£
Amounts falling due within one year:		
Other taxation and social security costs	7,393	-
Accruals	15,900	45,900
	<u>23,293</u>	<u>45,900</u>
	=====	=====
<b>14. FINANCIAL INSTRUMENTS</b>	<b>2016</b>	<b>2015</b>
	£	£
Financial assets:		
Debt instruments measured at amortised cost	267,682	77,873
	=====	=====
Financial liabilities:		
Measured at amortised cost	15,900	45,900
	=====	=====

COOL EARTH ACTION  
 NOTES TO THE FINANCIAL STATEMENTS (Continued)  
 for the year ended 31 January 2016

15. THE FUNDS OF THE CHARITY

	Balance at 1 February 2015 £	Income £	Expenditure £	Transfers between funds £	Balance at 31 January 2016 £
<b>Restricted income</b>					
<b>Funds:</b>					
Ashaninka Fund	-	46,300	(46,300)	-	-
<b>Unrestricted income</b>					
<b>Funds:</b>					
General Fund	1,869,050	1,510,092	(1,292,902)	-	2,086,240
	<u>1,869,050</u>	<u>1,556,392</u>	<u>(1,339,202)</u>	<u>-</u>	<u>2,086,240</u>
	=====	=====	=====	=====	=====

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

16. RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	2016 £	2015 £
Net income for the reporting period	217,190	158,550
Adjustments for:		
Dividends, interest and rents from investments	(17,768)	(14,270)
Amortisation charges	17,774	-
Depreciation charges	20,178	26,904
Increase in debtors	(184,809)	(77,873)
(Decrease)/increase in creditors	(22,607)	30,000
Net cash provided by operating activities	<u>29,958</u>	<u>123,311</u>
	=====	=====
17. ANALYSIS OF CASH AND CASH EQUIVALENTS	2016 £	2015 £
Cash at bank and in hand	1,727,993	1,756,364
	=====	=====