

COMPANY REGISTRATION NUMBER: 07642041
CHARITY REGISTRATION NUMBER: 1143178

Size of Wales
Company Limited by Guarantee
Financial Statements
31 March 2021

CARSTON

Chartered accountants & statutory auditor
1st Floor, Tudor House
16 Cathedral Road
Cardiff
CF11 9LJ

Size of Wales
Company Limited by Guarantee
Financial Statements
Year ended 31 March 2021

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Size of Wales

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2021

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2021.

REFERENCE AND ADMINISTRATIVE DETAILS

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| Registered charity name | Size of Wales | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| Company registration number | 07642041 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Principal office and registered office | Temple of Peace King Edward VII Avenue Cathays Park Cardiff CF10 3AP | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| The trustees | <table><tr><td>Mr Stuart Clarke</td><td></td></tr><tr><td>Mr Clive Thomas</td><td></td></tr><tr><td>Dr Paul Belford</td><td>(Appointed 3 June 2020)</td></tr><tr><td>Mr Richard Huw Denman</td><td>(Appointed 3 June 2020)</td></tr><tr><td>Miss Sarah Evershed</td><td>(Appointed 3 June 2020)</td></tr><tr><td>Mr Anthony Burgess-Webb</td><td>(Resigned 1 April 2021)</td></tr><tr><td>Mr Edward Glover</td><td>(Resigned 1 April 2021)</td></tr><tr><td>Mrs Kathryn Jenkins</td><td>(Resigned 1 April 2021)</td></tr><tr><td>Dr Kathryn Monk</td><td>(Resigned 1 April 2021)</td></tr><tr><td>Mr Peter Davies</td><td>(Resigned 24 May 2021)</td></tr><tr><td>Mr Carwyn Jones</td><td>(Appointed 24 May 2021)</td></tr><tr><td>Ms Rebecca Williams</td><td>(Appointed 12 August 2021)</td></tr><tr><td>Ms Lowri Jenkins</td><td>(Appointed 24 August 2021)</td></tr><tr><td>Ms Hannah Harvey</td><td>(Appointed 24 August 2021)</td></tr><tr><td>Ms Carys Mair Thomas</td><td>(Resigned 13 September 2021)</td></tr></table> | Mr Stuart Clarke | | Mr Clive Thomas | | Dr Paul Belford | (Appointed 3 June 2020) | Mr Richard Huw Denman | (Appointed 3 June 2020) | Miss Sarah Evershed | (Appointed 3 June 2020) | Mr Anthony Burgess-Webb | (Resigned 1 April 2021) | Mr Edward Glover | (Resigned 1 April 2021) | Mrs Kathryn Jenkins | (Resigned 1 April 2021) | Dr Kathryn Monk | (Resigned 1 April 2021) | Mr Peter Davies | (Resigned 24 May 2021) | Mr Carwyn Jones | (Appointed 24 May 2021) | Ms Rebecca Williams | (Appointed 12 August 2021) | Ms Lowri Jenkins | (Appointed 24 August 2021) | Ms Hannah Harvey | (Appointed 24 August 2021) | Ms Carys Mair Thomas | (Resigned 13 September 2021) |
| Mr Stuart Clarke | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mr Clive Thomas | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dr Paul Belford | (Appointed 3 June 2020) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mr Richard Huw Denman | (Appointed 3 June 2020) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Miss Sarah Evershed | (Appointed 3 June 2020) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mr Anthony Burgess-Webb | (Resigned 1 April 2021) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mr Edward Glover | (Resigned 1 April 2021) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mrs Kathryn Jenkins | (Resigned 1 April 2021) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dr Kathryn Monk | (Resigned 1 April 2021) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mr Peter Davies | (Resigned 24 May 2021) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mr Carwyn Jones | (Appointed 24 May 2021) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| Key Management | <table><tr><td>Elsbeth Jones</td><td>(until 3 December 2020)</td></tr><tr><td>Nicola Pulman</td><td>(from 16 November 2020)</td></tr></table> | Elsbeth Jones | (until 3 December 2020) | Nicola Pulman | (from 16 November 2020) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Elsbeth Jones | (until 3 December 2020) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nicola Pulman | (from 16 November 2020) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Auditor | Carston Chartered accountants & statutory auditor 1st Floor, Tudor House 16 Cathedral Road Cardiff CF11 9LJ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bankers | Triodos Bank Brunel House 11 The Promenade Bristol BS8 3NN | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Size of Wales
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report) *(continued)*
Year ended 31 March 2021

OBJECTIVES AND ACTIVITIES

Our Vision

A world where people, trees and biodiverse forests thrive together in a safe climate.

Our Purpose

To support communities to secure, sustain and restore tropical forests as part of our national response to climate change.

What we do

The "size of Wales" is often used as a measure of deforestation. Size of Wales was established 10 years ago with the aim of turning that negative into a positive: to help to protect an area of tropical forest the size of Wales (2 million hectares) as part of Wales' national response to climate change.

We provide funding and expertise to local and indigenous communities in tropical regions to support them to secure and sustain their precious forests, grow more trees and establish sustainable livelihoods. Through education, community engagement and advocacy, we also raise awareness in Wales of the importance of tropical forests and trees in tackling climate change. We inspire people to see that they can be part of the solution.

Why we do it (public benefit)

We are a climate change charity. The world is facing a climate and nature crisis. Despite irrefutable evidence that man-made emissions are heating our planet and destabilising our climate, global greenhouse gas emissions continue to rise. Globally, we have emitted as much atmospheric carbon in the past thirty years as we did in the previous two centuries of industrialisation. Emissions soared in 2021 with one of the largest rises in emissions seen in history.

So far, we have experienced a global average temperature increase of around 1°C above pre-industrial levels and we are already seeing the dramatic effects of this warming across the world. From unprecedented forest fires to rapidly melting glaciers, storm surges, heatwaves and other extreme weather events which are leading to deaths, displacement of communities, economic impacts and species extinctions. But we are still currently on course to experience a temperature rise of at least 2.4°C by the end of this century, even if we meet the targets outlined in the Paris agreement.

Fast and deep cuts to global emissions are needed, and trees and forests are an essential part of the solution. The world's forests contain approximately 400 GtC and absorb approximately 2.6 billion tonnes of carbon dioxide each year. The evidence is clear that stopping global deforestation and restoring degraded forests is critical to limiting global temperature rises to 1.5°C above pre-industrial levels and the IPCC has stressed that we now only have 8 years left to act. Forests are crucial for life on earth.

Trees and forests are also crucial to climate change adaptation. By providing a wide range of ecosystem services they reduce social and ecosystem vulnerability in a changing climate and contribute to human wellbeing. This includes reducing soil degradation, erosion and flooding and providing shade, habitat, food and livelihoods. An estimated 26 million hectares forest were lost in 2019. Global deforestation itself is now estimated to account for up to 20% of global manmade greenhouse gas emissions.

Tropical forests are at the front line of this forest loss. Around 6-10% of Earth's land is covered with tropical forests, but some estimates suggest that tropical forests are currently being cut down at a rate that will eliminate them in less than 100 years. Tropical forests are also unparalleled in terms of their biological diversity - they sustain as much as 50% of the species on Earth - and are home to millions of people, who depend on them for their food and livelihoods.

Size of Wales

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2021

Our Aims

Our work focuses on achieving 4 strategic goals:

1. Support community projects that secure, and sustain over the long term, an area of tropical forest at least the size of Wales (at least 2 million hectares)
2. Support communities to tackle climate change and develop sustainable livelihoods by growing millions of trees
3. Move Wales towards eliminating imported deforestation from our economy by 2030
4. Inspire people across Wales to reduce their forest footprint, support tropical forests and take climate action.

Ensuring our work delivers our Aims

We review our aims and activities annually when we plan our activities for the coming year. This review looks at what we achieved and the outcomes of our work in the previous 12 months, and the public benefit of the work in line with our charitable purposes. Our annual planning involves setting a work plan and targets for the coming year. This helps us to ensure that our activities remain focused on delivering our aims. Size of Wales also undertook a full strategic review in 2019-20, setting a new 5-year strategy for the period of 2020-25.

Guiding Principles

All our work is guided by the following principles:

- **Community, participation and inclusion:** We put local communities at the heart of our work and aim to empower them and build links between communities in the projects we support and communities in Wales. We stand together with those on the front line of climate change, especially indigenous communities and other vulnerable and excluded groups such as women. We promote their voice through the work we do in Wales and overseas.
- **Collaboration:** We believe that collaboration is the best way to reach our goals, drawing on combined expertise, skills and experiences. We seek to consult and collaborate wherever possible via a wide range of stakeholders from Government officials, to public sector bodies, private sector, NGOs and general public - at the local, national and international level.
- **Evidence based and solutions focused:** We take a positive, solutions focused approach, and base all our work on robust evidence and science.
- **Strategic:** We target our work both in Wales and overseas to ensure that we can bring about change in behaviours, practices and policies and have greatest impact both at local and international level.
- **Sustainable development, sustainable livelihoods:** Our work supports the delivery of the UN Sustainable Development Goals and the Wellbeing of Future Generations (Wales) Goals.
- **Integrity, ethics & strong governance:** We strive for the highest standards of integrity, ethics, accountability and governance in everything we do. We will lead by example.

Size of Wales

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2021

ACHIEVEMENTS AND PERFORMANCE

We work towards our goals through four interrelated programmes of activities:

Goal 1: Forest protection

Aim: Support communities to secure - and sustain over the long term - an area of tropical forest at least the size of Wales (at least 2 million hectares)

This programme provides funding to impactful forest protection projects run by our strategic partners in tropical regions. The projects supported by Size of Wales in this period have been working to secure and sustain areas of tropical forests that total over 2 million hectares in size (size of Wales).



Map showing the locations of the seven forest protection projects supported by Size of Wales in this period

We ensure that all of our projects support local land rights and involve the indigenous communities that are directly affected by the loss of their forests. These projects - in Africa, South America and South East Asia - tackle deforestation in a range of ways including establishing land rights for indigenous people and supporting the development of sustainable forest management and sustainable livelihoods.

Projects Supported in 2020-21

In 2020-2021, we continued to support six of the forest protection projects which received approval for a total funding of £111,960 at the end of 2020. In addition, we provided £9,974 rapid response funding to a seventh project. Details are:

1. Securing Wapichan land rights (1,400,000ha), Guyana - Forest People's Programme (FPP)

Building the capacity of the Wapichan people to legally secure their ancestral territory and maintain their traditional forest knowledge in order to sustain their way of life, maintain healthy forest ecosystems, contribute to climate change mitigation and promote sustainable livelihoods.

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Year ended 31 March 2021

2. Securing Wampís territory, biodiversity and livelihoods in northern Peru (1,327,761 ha) - Forest People's Programme (FPP).

Its aims are to protect the human rights and secure legal land rights for the forest-dwelling indigenous communities, who have lived in the Peruvian Amazon for hundreds of years and naturally embody living sustainably and in harmony with their forest. Their territory stretches for 1.3 million hectares and much of it is at risk from illegal mining and logging.

3. Securing Ogiek Community Lands, Indigenous Forests, Knowledge and Livelihoods (178,000ha) - Forest People's Programme (FPP).

The Ogiek are an ancient tribe living on Mount Elgon, Kenya and without the Ogiek's occupation of this land it is likely to become vulnerable to deforestation and poaching.

4. Empowering local people to protect their forest (260,000ha) in Democratic Republic of Congo - Fauna and Flora International (FFI)

DRC's rainforests encompass an unusually wide variety of habitats with over 10,000 species of plant. They are home to many endemic species including the Grauer's gorilla. They store around 17 billion metric tons of carbon - approximately 8% of the Earth's total forest store of carbon - with approximately 40 million people who depend on these forests for their resources and livelihoods.

5. Kariba REDD+ Project: Conserving the wildlife, land and self-empowering the local people within the proposed Green Zambezi Corridor (GZA) (747,000ha) - South Pole Group

Setting up a community-led wildlife management area that will protect the local wildlife, the land and its resources. Training for sustainable livelihoods are provided to the local communities, such as conservation farming, crop rotation and the creation of fuel-wood plantations, so they can live and work in a way that is less harmful to the environment.

6. Forest Restoration in Borneo, Indonesia (2,000 hectares) - International Animal Rescue.

This project is working to reforest an area of forest damaged by fire. This land holds a high density of Borneo's wild orangutan population. Reforesting the area will reduce the risk of further fires, store carbon and provide food and habitat to the orangutan population.

7. COVID-19 Emergency Support for the Ogiek Community of Mt. Elgon via FPP Kenya

We provided rapid response funding to the Ogiek Community via FPP Kenya, recognising that the outbreak of COVID poses a serious threat to the integrity and population of Indigenous Peoples. This grant, therefore, is an essential way to support the Ogiek to be in a healthy position to defend and protect their rights and their lands.

Our primary mechanism for providing funding to these partners is our match fund. Thanks to the generous match fund provided by The Waterloo Foundation (TWF) we are able to match the fundraising done by our project partners, based on those fundraising activities meeting our guidelines for claiming match funding. The availability of a match fund helps our partners to leverage additional funds from other sources and maximises the investment made by Size of Wales. The match fund is also a valuable motivator for our own supporters who know that they are able to double the impact of their donations.

During the year, screening of new projects was further updated, based on clearer criteria developed for the types of projects and partners that we will work with, including a much greater emphasis on community led projects that work closely with Indigenous Peoples and local communities to protect their forests. These projects focus on newly emerging themes for Size of Wales such as gender, inclusion and diversity and deforestation-risk commodities whilst maintaining areas of work around sustainable livelihoods.

Following detailed screening in the year under review, successful new projects received a total of £102,617 funding in May 2021, confirming our commitment to supporting communities to protect 3,915,561 hectares of tropical forest.

Size of Wales

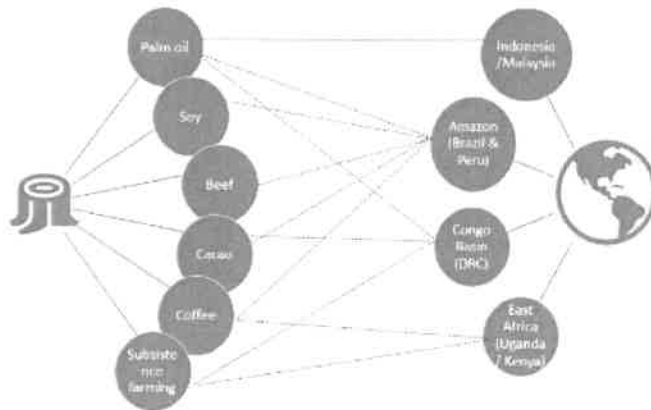
Company Limited by Guarantee

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Year ended 31 March 2021

Goal 2: Community tree growing

Aim: Support communities to tackle climate change and develop sustainable livelihoods by growing millions of trees



In this period, we continued to substantially strengthen our tree growing programme in Uganda and Kenya with funding from Welsh Government and Size of Wales' own funds and corporate donors.

The growth of this programme includes expanding our flagship Mbale Trees Programme in Eastern Uganda with our partners the Mount Elgon Tree Growing Enterprise and the Welsh Government. The network of seedling nurseries grew

and we strengthened other aspects of the programme, including investing in new monitoring and evaluation systems, recruiting new staff and increasing the programme's income.

Since 1 April 2020, 3,202,176 seedlings were distributed to 16,608 community members via 56 nurseries - which surpasses the 3.2 million tree target for this financial year. This is a significant achievement given the COVID-19 context and the programme is on track to reach the target of 25 million trees by 2025.



An independent impact assessment outlined the impact of the programme and identified areas that could be strengthened.

Overall, the study concluded that it "was largely a successful programme. Three success areas stand out: promotion of agroforestry to increase soil fertility and crop yields leading to increased income and food security; planting of trees for fuel wood that is a critical need for households and supports food security and greening the region to combat climate change and reduce natural disasters".

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At the **Bore Forest Project** in Kenya, 250,000 tree seedlings were propagated and 280,000 were in the process of being propagated over the past year, surpassing the 500,000 target total. These trees will increase tree canopy cover in Kenya by at least 200 hectares once the trees reach maturity and the associated atmospheric carbon drawdown will in time make a contribution to reducing climate change. The project now runs one of the largest non-governmental tree nurseries in the country with a readily scalable community model. Both the community and the local environment will now be significantly more resilient to climate change and as the planted trees grow in the coming years this will only increase.

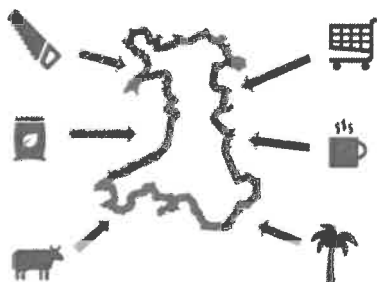


In December 2020, we ran our annual **Trees for Christmas** campaign - encouraging businesses and individuals to donate to plant fruit trees in Mbale Uganda. This was our most successful Christmas Trees campaign ever, raising a total of £32,314 for the programme. We are grateful to a number of corporate partners for supporting this campaign by raising or donating money, including Sport Pursuit, Admiral Group plc and Principality.

Goal 3: Imported deforestation

Aim: Move Wales towards eliminating imported deforestation from Wales' economy by 2030

We started this new programme of advocacy work in early 2020, thanks to funding from the Joseph Rowntree Charitable Trust. We also secured additional funding from the Polden-Puckham Charitable Foundation.



This programme focuses on five key forest risk commodities that are used here in Wales and are driving tropical deforestation: Beef, Soy, Palm Oil, Coffee and Cocoa. The programme will also include some advocacy on sustainable timber.

The focus of this work is on eliminating imported deforestation (especially tropical deforestation) from supply chains coming into Wales. This is a programme of policy and advocacy work in Wales (linking into UK wide and international campaigns and initiatives) encouraging the public sector, businesses and individuals in Wales to gradually eliminate imported tropical deforestation from Wales' economy.

What does

being a "Deforestation Free Nation" mean?

A deforestation free nation is one that has done all it can, within its decision-making ability and power, to eliminate imported deforestation from its economy.

Why we need to act

Wales is at a critical crossroads in its history and needs to address multiple emergencies - COVID-19 recovery, the climate and ecological emergency and ongoing inequalities in our nation.



We launched our policy paper in November at an event which over 120 people attended, including four Members of the Senedd and representatives from Welsh Government, public sector bodies, academic institutions and NGOs. Over the year we also had significant engagement with Welsh Government and all the main Welsh political parties to discuss manifesto pledges for the upcoming Welsh Parliament elections.

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Year ended 31 March 2021

We have secured significant media coverage of the campaign with BBC Wales covering our work. We also spoke at several events on the topic of deforestation free supply chains, including Cynnal Cymru's annual summer Sustainability Summit, the Wales in London network and the Blaenau Gwent Climate Assembly.

Goal 4: Education and Engagement

Aim: Inspire people across Wales to reduce their forest footprint, support tropical forests and take climate action.

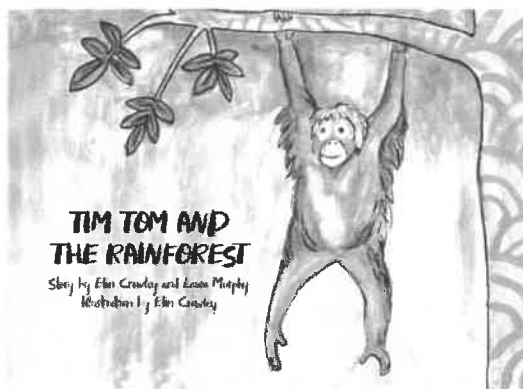
This programme is split into two sub-programmes:

- Education and Youth Engagement
- Community Engagement

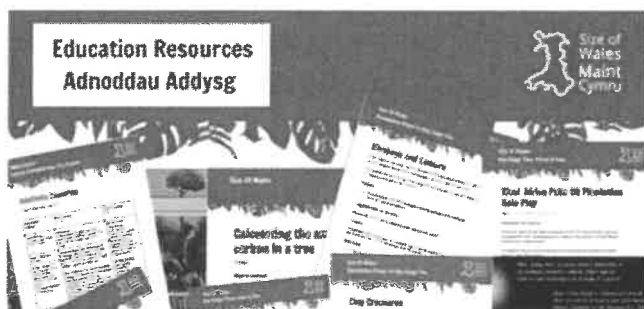
Education and Youth Engagement

In 2020-2021 we reimagined our education programme to deliver creative and interactive workshops, both in person and digitally.

Highly motivating primary school resources on deforestation have been created in line with the new curriculum for Wales. Our puppets Tim Tom the orangutan and Elon the elephant joined in visits with the youngest children. A fully illustrated story about Tim Tom and was launched on World Book Day, introducing the issue of unsustainable palm oil.



Our Education Outreach Officers delivered free, bilingual assemblies and workshops on climate change and deforestation in schools throughout Wales. Our outreach team adapted quickly to remote working, delivering physical, often outdoor, workshops when permitted and worked with 122 primary schools in this period, with **over 4,000 young people** taking part in the programme. A set of case studies highlighting some of the outcomes of the programme can be seen on our website.



Our new bilingual education resources are available to download for free at www.sizeofwales.org.uk

The resources are freely accessible online to anyone who wants to use them and are available in English and Welsh. The resources are designed to be used by teachers and by families at home to explore the topics of climate change and tropical forests in an engaging, age-appropriate way.

For secondary schools, the programme focused on the build up to COP26 and consisted of Size of Wales enabling schools to run their own "mini-MockCOPs" in their class/school. We worked with a partner charity Interclimate Network to create a pack of resources for schools to learn about the significance of COP26 and to put on their own mini-MockCOP event in their class. Size of Wales held 2 MockCOPs during 2020-21 with 35 delegations participating (105 students) and support from Assembly Members, Welsh Government officials, representatives from the Commissioner for Future Generations Office and the Children's Commission for Wales' office.

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The Youth Climate Ambassadors (YCA) were launched in 2020, comprising 12 young people from across Wales. The YCA have gone from strength to strength this last year. They are official members of Climate Cymru, the COP26 third sector campaign. The Youth Climate Ambassadors delivered a range of talks, including as part of a UN conference on climate change and Fairtrade fortnight. They ran an event to encourage other young people to register to vote for the Welsh Parliament elections. They have also been featured on BBC, ITV and S4C. To mark St David's Day 2021, the Youth Climate Ambassadors for Wales were invited to meet with US Chargé d'Affaires to the UK and other senior officials from the US Embassy.

Community Engagement

We are always looking for new and exciting ways to engage people of all ages on climate change and tropical deforestation, aiming to inspire everyone in Wales to feel that everyone can be part of the solution.

Every year in June we run our annual **Go Green Day** campaign - a national day of action across Wales where schools, businesses, organisations and individuals across Wales are encouraged to "Go Green" for the day to raise awareness on environmental issues and to raise money for tropical forest projects. All funds raised through Go Green Day are matched through our match fund.



A selection of photos from Go Green Day June 2020

Our 8th national Go Green Day in 2020 was reimagined as a range of successful online events, bringing communities together raising awareness and funds, matched with contributions from The Waterloo Foundation and supported by representatives of Welsh Government.

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Year ended 31 March 2021

FINANCIAL REVIEW

Review of the financial position at the end of the accounting period

Total income during the year was £1,284,467 (2020: £990,564).

Total expenditure amounted to £1,214,015 (2020: £658,212). Grant funding activities of £902,425 are included within this figure (2020: £427,498).

Overall, there was a surplus of £70,452 (2020: £332,352) of income over expenditure during the year. The majority of this is restricted and designated income carried forward to be spent in 2021-22, with £11,720 (2020: £35,397) unrestricted surplus added to our free reserves.

Summary of Reserves

At the year end the balance of unrestricted reserves, including designated funds of £78,543 (2020: £nil), was £204,063 (2020: £156,086) and restricted funds amounted to £373,579 (2020: £351,105). The level of free reserves available was £123,023 (2020: £153,889).

Principal sources of funding

We received funding from the Welsh Government as well as a number of trusts and foundations including The Waterloo Foundation, the Scottish Power Foundation, Prince Albert II of Monaco Foundation and the Joseph Rowntree Charitable Trust. In this period, we also received a number of smaller grants including from the Moondance Charitable Foundation, The Polden-Puckham Charitable Foundation and KEEN Youth Effect. Size of Wales also received some income from corporate partnerships and donations from the public.

Reserves Policy

The Board has a policy of retaining at least 3 months running costs. 3 months running costs would enable the charity to function, and staff to draw salaries, for a period commensurate with their notice period and would allow the charity to ensure all donations and charitable funds have been delivered to the recipient projects. This would also allow enough time to communicate the cessation of activities to Size of Wales' supporters.

Unrestricted funds, including designated funds of £78,543 (2020: £nil) at the end of March 2021 were £204,063 (2020: £156,085) and restricted funds amounted to £373,579 (2020: £351,105). Our unrestricted free reserves of £123,023 are in excess of our reserves policy. These reserves exclude fixed assets.

Investment policy

Size of Wales banks with Triodos which was chosen for its ethical investment policies. Funds are released to Size of Wales on a quarterly or annual basis and no long-term investments are held by the charity.

Risk Management

The Charity maintains a Risk Register that is regularly updated and reviewed by the trustees quarterly.

The primary risks currently faced by the charity are those of uncertain or short to medium-term funding; staff turnover; health and safety (especially when staff travel overseas and more recently in light of the COVID-19 pandemic); financial fraud (especially with regard to funding provided to overseas projects); safeguarding; and of not meeting funder targets/deliverables (particularly in light of COVID-19 restrictions).

Size of Wales

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2021

PLANS FOR FUTURE PERIODS

Size of Wales has recently put in place an ambitious new 5 year strategy for the period 2020-25. This is based on **four strategic goals** and **four operational pillars**:

Working to deliver our four strategic Goals

Goal 1: Support community projects that secure, and sustain over the long term, an area of tropical forest at least the size of Wales (at least 2 million hectares)

In 2020 -21 we started to evolve our existing match fund. The fund will continue to support projects working to protect tropical forests at least the size of Wales. The fund will, however, evolve to provide both match funding and rapid response grants to our strategic partners.

Our objective when providing match funding is to leverage additional funding for our partners from donors or funders who may not otherwise support that project, and we will seek to match more public fundraising appeals, encouraging more people to donate to tropical forest projects.

In some cases, partners need rapid access to funding to be able to pursue an urgent opportunity or address an immediate need. In these circumstances we will also consider offering rapid response to enable urgent, impactful opportunities or needs to be pursued or met.

The fund has two overlapping focus areas:

- **Forest Frameworks:** We will prioritise projects that work to improve the legal and policy frameworks to empower local and indigenous communities to secure their rights to take care of their forests.
- **Sustainable Livelihoods:** We will also prioritise projects working to build the capacity of local and indigenous communities to develop sustainable livelihoods that do not damage or degrade their precious forests.

By refining the focus of the fund in this way we hope to (a) increase our in-house expertise in our focus areas, making us a more specialist and targeted funder and partner (in turn increasing the value we add to our funders and donors as well as our partners), (b) increase our impact by targeting our funding at specific areas where we believe we can achieve the most impact, and (c) focus our education, policy and advocacy, and awareness raising activities on key themes/issues.

Goal 2: Support communities to tackle climate change and develop sustainable livelihoods by growing millions of trees

In this period, we will continue to expand our tree growing programmes. This growth will include expansion of our flagship Mbale Trees Programme in Eastern Uganda with our partners the Mount Elgon Tree Growing Enterprise and the Welsh Government, as well as partnering with new partners, such as the Boré project in Kenya, to expand our tree growing activities. To help us to leverage support in Wales for overseas tree growing projects and to build strong links between communities in Wales and the overseas communities that we support, we will also support at least one tree growing project in Wales. By doing this we aim to engage even more people, communities and businesses to support our cause by linking our overseas work to similar activities taking place in Wales. We also believe that it is important to demonstrate to our overseas partners that Wales too, is engaging in forest protection and restoration projects as part of our national response to climate change.

Goal 3: Move Wales towards eliminating imported deforestation from our economy by 2030

We will grow this new programme of advocacy work, focusing on eliminating imported deforestation (especially tropical deforestation) from supply chains coming into Wales. This programme of policy and advocacy work in Wales will advocate for Wales to become a "zero-deforestation nation". The aim is to encourage the public sector, businesses and individuals in Wales to gradually eliminate imported tropical deforestation from Wales' economy.

Size of Wales

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2021

Goal 4: Inspire people across Wales to reduce their forest footprint, support tropical forests and take climate action.

In 2020-21 we started to substantially expand our education and engagement programmes (subject to COVID-19 restrictions), increasing the size of our education team, working with more schools and continuing to deliver high quality resources to schools. We will also be running another programme of MockCOP events and working with our Youth Climate Ambassadors network in the run up to COP26 in Glasgow in November 2021.

Strengthening the four operational pillars underpinning our work

Pillar 1: Financial Resilience

To deliver this strategy, we want to grow our annual income and diversify our income streams to reduce our dependency on any one funder. This will be achieved through a range of income streams including grants (institutional, trusts & foundations), corporate partnerships and individual giving. We will develop an ethical fundraising strategy to help us deliver this growth.

As the Charity currently mainly relies on grant income, our income has not been substantially affected by the global COVID-19 pandemic. A number of our key grants are multi-year grants, providing us with reasonable financial stability for the period 2020-23, and our existing funders have agreed to adjustments to programmes and provided grant extensions where needed. We will continue to work to diversify our funding base through growing our non-grant income streams and by working to secure grants from new funders.

Pillar 2: Strong Governance

We will continue to strengthen our governance systems, ensuring that we are operating to the highest international standards. Where appropriate, we will also support our partners to strengthen their governance.

Pillar 3: High performing team

We need a high performing, expert and happy team to deliver our ambitious new strategy. As part of this we need to grow our team: broadening the experience, expertise and capacity of the team.

In 2019 we had a central team of 4 staff supported by freelancers (including our education outreach officers, finance officer and website support). In 2020-21 we expanded the central team to 7 staff, who will continue to be supported by freelancers. This will enable us to strengthen the team to deliver this strategy as well as put Size of Wales on a stronger and more sustainable footing over the long term.

We will also deepen and expand our use of volunteers:

- **Ambassadors:** These will be high profile individuals who can champion Size of Wales and our mission in the media, social media and at events.
- **Volunteers:** There is substantial scope and opportunity to increase our use of volunteers to support our work. We will work to increase our utilisation of volunteers across all areas of our work, including the provision of admin support.

We will also strive to recruit and maintain a diverse, inclusive, talented and engaged board of trustees and team and we have an Equality, Diversity, and Inclusion Champion, Anna Harris, within the team to support pushing this agenda forward.

Pillar 4: Profile & Reach

To deliver our new 5-year strategy, Size of Wales will need to continue to raise its profile across Wales and beyond. We added a Communications and Marketing Manager to the team in 2020 and are developing an exciting and innovative media and communications strategy to help us to reach new audiences.

Size of Wales

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Size of Wales is a charitable company limited by guarantee and as such is governed by a memorandum and articles of association. The company was incorporated on 20th May 2011 under the Companies Act 2006 and registered as a charity on 29th July 2011.

Trustee Recruitment and Appointment

Trustees are recruited through networks of the current trustee board and/or through public advertisement based on skills and experience in areas identified as needing support and in accordance with the Charity's trust deed. No external body or person has the right to appoint trustees.

Trustee Induction and Training

New trustees are provided with a trustee pack which contains the following documents:

- i. The essential trustee (a Charity Commission publication)
- ii. Charity commission new trustee registration
- iii. Conflict of interest policy
- iv. Other relevant organisational policies, including Safeguarding Policy and GDPR
- v. Declaration of interest form
- vi. Skills audit
- vii. Trustee role description
- viii. Articles of Association

Organisational Structure

As at the end of March 2021, Size of Wales had eleven trustees (who are also company directors), including the Chair and Founder of the charity. The board of trustees meet quarterly, with an Annual General Meeting held every November. Strategic decisions are made by the board but take on the views of the team in a collaborative and democratic style. Pay, remuneration and all governance decisions are made by the board according to the criteria set out in our governing documents and the Designated Authorities Policy. There are sub committees including Risk Sub Committee and Mbale (Uganda) Sub Committee as well as Lead Trustees such as Safeguarding Lead Trustee and Financial Lead Trustee.

The day-to-day management of Size of Wales is led by the Executive Director, Nicola Pulman (previously Elspeth Jones), who is supported by a team of staff, freelancers, contractors and volunteers.

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees (who are also directors of Size of Wales for the purposes of company law) are responsible for preparing the trustees' 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. Under company law the trustees must not approve the financial statements unless they are satisfied that they 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 these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP 2019 (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

Size of Wales

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2021

The trustees are responsible for keeping adequate 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company'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 information.

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 legislation in other jurisdictions.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 24 November 2021 and signed on behalf of the board of trustees by:



Signed

Trustee

Print Name

Carwyn Jones

Size of Wales
Company Limited by Guarantee
Independent Auditor's Report to the Members of Size of Wales
Year ended 31 March 2021

We have audited the financial statements of Size of Wales (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, 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 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Size of Wales

Company Limited by Guarantee

Independent Auditor's Report to the Members of Size of Wales (continued)

Year ended 31 March 2021

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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

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

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity 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.

Size of Wales

Company Limited by Guarantee

Independent Auditor's Report to the Members of Size of Wales *(continued)*

Year ended 31 March 2021

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We design our procedures so as to obtain sufficient appropriate audit evidence that the financial statements are not materially misstated due to non-compliance with laws and regulations or due to fraud or error.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations - this responsibility lies with management with the oversight of the Trustees.

Based on our understanding of the charity and the charity sector, discussions with management and trustees we identified financial reporting standards, Charities Act 2011 and Companies Act 2006 as having a direct effect on the amounts and disclosures in the financial statements.

As part of the engagement team discussion about how and where the charity's financial statements may be materially misstated due to fraud, we did not identify any areas with an increased risk of fraud.

Our audit procedures included:

- completing a risk-assessment process during our planning for this audit that specifically considered the risk of fraud;
- enquiry of management about the Charity's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- enquiry of management, about litigations and claims and inspection of relevant correspondence;
- analytical procedures to identify any unusual or unexpected relationships;
- specific audit testing on and review of areas that could be subject to management override of controls and potential bias, most notably around the key judgments and estimates, including the carrying value of accruals, provisions, grant making and revenue recognition;
- considering management override of controls outside of the normal operating cycles including testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements including evaluating the rationale of significant transactions, outside the normal course of charitable activity.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

Size of Wales

Company Limited by Guarantee

Independent Auditor's Report to the Members of Size of Wales *(continued)*

Year ended 31 March 2021

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Farzana Ahmed (Senior Statutory Auditor)

For and on behalf of
Carston
Chartered accountants & statutory auditor

1st Floor, Tudor House
16 Cathedral Road
Cardiff
CF11 9LJ

Dated: 09/12/2021

Size of Wales
Company Limited by Guarantee
Statement of Financial Activities
(including income and expenditure account)
Year ended 31 March 2021

| | | Unrestricted funds | 2021 Restricted funds | Total funds | 2020 Total funds |
|---|------|-----------------------|-----------------------------|-------------------------|---------------------|
| | Note | £ | £ | £ | £ |
| Income and endowments | | | | | |
| Donations and legacies | 5 | 73,314 | 1,210,338 | 1,283,652 | 990,370 |
| Investment income | 6 | 330 | – | 330 | 194 |
| Other income | 7 | 485 | – | 485 | – |
| Total income | | <u>74,129</u> | <u>1,210,338</u> | <u>1,284,467</u> | <u>990,564</u> |
| Expenditure | | | | | |
| Expenditure on charitable activities | 8,9 | 26,045 | 1,187,864 | 1,213,909 | 658,083 |
| Other expenditure | 12 | 106 | – | 106 | 129 |
| Total expenditure | | <u>26,151</u> | <u>1,187,864</u> | <u>1,214,015</u> | <u>658,212</u> |
| Net income and net movement in funds | | <u>47,978</u> | <u>22,474</u> | <u>70,452</u> | <u>332,352</u> |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 156,085 | 351,105 | 507,190 | 174,838 |
| Total funds carried forward | | <u>204,063</u> | <u>373,579</u> | <u>577,642</u> | <u>507,190</u> |

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.


The notes on pages 22 to 31 form part of these financial statements.

Size of Wales
Company Limited by Guarantee
Statement of Financial Position
31 March 2021

| | Note | 2021 £ | 2020 £ |
|---|------|-----------------------|-----------------------|
| Fixed assets | | | |
| Tangible fixed assets | 17 | 2,497 | 2,196 |
| Current assets | | | |
| Debtors | 18 | 52,594 | 16,471 |
| Cash at bank and in hand | | 556,262 | 542,396 |
| | | <u>608,856</u> | <u>558,867</u> |
| Creditors: amounts falling due within one year | 19 | <u>33,711</u> | <u>53,873</u> |
| Net current assets | | 575,145 | 504,994 |
| Total assets less current liabilities | | 577,642 | 507,190 |
| Net assets | | <u>577,642</u> | <u>507,190</u> |
| Funds of the charity | | | |
| Restricted funds | | 373,579 | 351,104 |
| General funds | | 125,520 | |
| Designated funds | | <u>78,543</u> | |
| Unrestricted funds | | 204,063 | 156,086 |
| Total charity funds | 21 | <u>577,642</u> | <u>507,190</u> |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 24 November 2021, and are signed on behalf of the board by:


 _____ Signed
 STUART CLARKE
 _____ Print Name
 Trustee

Company Registration Number: 07642041

The notes on pages 22 to 31 form part of these financial statements.

Size of Wales
Company Limited by Guarantee
Statement of Cash Flows
Year ended 31 March 2021

| | 2021 | 2020 |
|---|-----------------------|----------------|
| | £ | £ |
| Cash flows from operating activities | | |
| Net income | 70,452 | 332,352 |
| <i>Adjustments for:</i> | | |
| Depreciation of tangible fixed assets | 720 | 197 |
| Other interest receivable and similar income | (330) | (194) |
| Loss on disposal of tangible fixed assets | 106 | 129 |
| Accrued (income)/expenses | (5,755) | 12,090 |
| <i>Changes in:</i> | | |
| Trade and other debtors | (36,123) | (4,035) |
| Trade and other creditors | (14,406) | (83,846) |
| Cash generated from operations | 14,664 | 256,693 |
| Interest received | 330 | 194 |
| Net cash from operating activities | <u>14,994</u> | <u>256,887</u> |
| Cash flows from investing activities | | |
| Purchase of tangible assets | (1,128) | (2,154) |
| Proceeds from sale of tangible assets | – | 50 |
| Net cash used in investing activities | <u>(1,128)</u> | <u>(2,104)</u> |
| Net increase in cash and cash equivalents | 13,866 | 254,783 |
| Cash and cash equivalents at beginning of year | 542,396 | 287,613 |
| Cash and cash equivalents at end of year | <u>556,262</u> | <u>542,396</u> |

The notes on pages 22 to 31 form part of these financial statements.

Size of Wales

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2021

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Temple of Peace, King Edward VII Avenue, Cathays Park, Cardiff, CF10 3AP.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006, as well as applicable charity and company law.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity. Monetary amounts are rounded to the nearest £.

Going concern

After making reasonable enquiries and having considered the impact of the COVID-19 pandemic and other factors on the financial performance of the charity and its current performance, the Trustees believe that the charity will be able to continue to fulfil its charitable purpose, will be able to meet its liabilities as they fall due, and will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the trustees continue to adopt the going concern basis in preparing the financial statements.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The only estimation in the preparation of these accounts is depreciation, which is not a material item.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Size of Wales

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Size of Wales
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 March 2021

3. Accounting policies *(continued)*

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Equipment - 33% reducing balance

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Match funding

The commitment to provide match funded grants will only be recognised when the donations to be match funded have been received and agreed by the board of trustees, and not when they are notified or pledged.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4. Limited by guarantee

Each member of the Board of Trustees has undertaken to guarantee the Charity's debts to the sum of £1 each.

Size of Wales
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 March 2021

5. Donations and legacies

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2021 £ |
|---|----------------------------|--------------------------|--------------------------|
| Donations | | | |
| Donations | 73,314 | 20,000 | 93,314 |
| The Waterloo Foundation - donations | — | 100,000 | 100,000 |
| The Waterloo Foundation - general funding | — | 30,000 | 30,000 |
| Grants | | | |
| Welsh Government | — | 910,396 | 910,396 |
| Joseph Rowntree Charitable Trust | — | 52,500 | 52,500 |
| Millennium Stadium | — | — | — |
| Prince Albert II Monaco Foundation | — | 19,032 | 19,032 |
| Scottish Power | — | 60,000 | 60,000 |
| Other grants receivable | — | 18,410 | 18,410 |
| | <u>73,314</u> | <u>1,210,338</u> | <u>1,283,652</u> |

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2020 £ |
|---|----------------------------|--------------------------|--------------------------|
| Donations | | | |
| Donations | 58,467 | — | 58,467 |
| The Waterloo Foundation - donations | 100,000 | — | 100,000 |
| The Waterloo Foundation - general funding | 30,000 | — | 30,000 |
| Grants | | | |
| Welsh Government | — | 747,179 | 747,179 |
| Joseph Rowntree Charitable Trust | — | 35,000 | 35,000 |
| Millennium Stadium | — | 5,000 | 5,000 |
| Prince Albert II Monaco Foundation | — | 1,390 | 1,390 |
| Scottish Power | — | 5,000 | 5,000 |
| Other grants receivable | 4,500 | 3,834 | 8,334 |
| | <u>192,967</u> | <u>797,403</u> | <u>990,370</u> |

6. Investment income

| | Unrestricted Funds £ | Total Funds 2021 £ | Unrestricted Funds £ | Total Funds 2020 £ |
|--------------------------|----------------------------|--------------------------|----------------------------|--------------------------|
| Bank interest receivable | <u>330</u> | <u>330</u> | <u>194</u> | <u>194</u> |

7. Other income

| | Unrestricted Funds £ | Total Funds 2021 £ | Unrestricted Funds £ | Total Funds 2020 £ |
|--------------|----------------------------|--------------------------|----------------------------|--------------------------|
| Other income | <u>485</u> | <u>485</u> | <u>—</u> | <u>—</u> |

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Year ended 31 March 2021

8. Expenditure on charitable activities by fund type

| | Unrestricted Funds | Restricted Funds | Total Funds 2021 |
|--------------------------|--------------------|------------------|-------------------------|
| | £ | £ | £ |
| Grants / project funding | 26,045 | 1,183,024 | 1,209,069 |
| Support costs | — | 4,840 | 4,840 |
| | <u>26,045</u> | <u>1,187,864</u> | <u>1,213,909</u> |
| | Unrestricted Funds | Restricted Funds | Total Funds 2020 |
| | £ | £ | £ |
| Grants / project funding | 156,140 | 496,428 | 652,568 |
| Support costs | 1,495 | 4,020 | 5,515 |
| | <u>157,635</u> | <u>500,448</u> | <u>658,083</u> |

9. Expenditure on charitable activities by activity type

| | Activities undertaken directly | Grant funding of activities | Support costs | Total funds 2021 | Total fund 2020 |
|--------------------------|--------------------------------|-----------------------------|---------------|-------------------------|-----------------|
| | £ | £ | £ | £ | £ |
| Grants / project funding | 306,644 | 902,425 | — | 1,209,069 | 652,568 |
| Governance costs | — | — | 4,840 | 4,840 | 5,515 |
| | <u>306,644</u> | <u>902,425</u> | <u>4,840</u> | <u>1,213,909</u> | <u>658,083</u> |

10. Analysis of support costs

| | Analysis of support costs | Total 2021 | Total 2020 |
|------------------|---------------------------|---------------------|--------------|
| | £ | £ | £ |
| Governance costs | <u>4,840</u> | <u>4,840</u> | <u>5,515</u> |

11. Analysis of grants

| | 2021 | 2020 |
|-------------------------------|-----------------------|----------------|
| | £ | £ |
| Grants to institutions | | |
| Grants to institutions | <u>902,425</u> | <u>427,498</u> |
| Total grants | <u>902,425</u> | <u>427,498</u> |

12. Other expenditure

| | Unrestricted Funds | Total Funds 2021 | Unrestricted Funds | Total Funds 2020 |
|--|--------------------|-------------------|--------------------|------------------|
| | £ | £ | £ | £ |
| Loss on disposal of tangible fixed assets held for charity's own use | <u>106</u> | <u>106</u> | <u>129</u> | <u>129</u> |

Size of Wales
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Year ended 31 March 2021

13. Net income

Net income is stated after charging/(crediting):

| | 2021 | 2020 |
|---|-------------|------|
| | £ | £ |
| Depreciation of tangible fixed assets | 720 | 197 |
| Loss on disposal of tangible fixed assets | 106 | 129 |

14. Auditors remuneration

| | 2021 | 2020 |
|--|--------------|-------|
| | £ | £ |
| Fees payable for the audit of the financial statements | 4,820 | 4,660 |

15. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

| | 2021 | 2020 |
|---|----------------|---------|
| | £ | £ |
| Wages and salaries | 160,312 | 112,642 |
| Social security costs | 11,097 | 6,579 |
| Employer contributions to pension plans | 8,460 | 5,977 |
| | 179,869 | 125,198 |

The average head count of employees during the year was 6 (2020: 5). The average number of full-time equivalent employees during the year is analysed as follows:

| | 2021 | 2020 |
|-----------------|-------------|------|
| | No. | No. |
| Number of staff | 5 | 4 |

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £52,198 (2020: £50,193).

16. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

All trustees are entitled to claim the cost of attending trustee meetings. The total reimbursed was £nil (2019: £592) for travelling and subsistence costs.

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Notes to the Financial Statements *(continued)*
Year ended 31 March 2021

17. Tangible fixed assets

| | Equipment £ | Total £ |
|-------------------------|----------------|---------------------|
| Cost | | |
| At 1 April 2020 | 2,860 | 2,860 |
| Additions | 1,128 | 1,128 |
| Disposals | (527) | (527) |
| At 31 March 2021 | <u>3,461</u> | <u>3,461</u> |
| Depreciation | | |
| At 1 April 2020 | 664 | 664 |
| Charge for the year | 720 | 720 |
| Disposals | (420) | (420) |
| At 31 March 2021 | <u>964</u> | <u>964</u> |
| Carrying amount | | |
| At 31 March 2021 | <u>2,497</u> | <u>2,497</u> |
| At 31 March 2020 | <u>2,196</u> | <u>2,196</u> |

18. Debtors

| | 2021 £ | 2020 £ |
|--------------------------------|----------------------|---------------|
| Trade debtors | 1,435 | 4,116 |
| Prepayments and accrued income | 51,159 | 11,035 |
| Other debtors | – | 1,320 |
| | <u>52,594</u> | <u>16,471</u> |

19. Creditors: amounts falling due within one year

| | 2021 £ | 2020 £ |
|---------------------------------|----------------------|---------------|
| Trade creditors | 10,518 | 33,373 |
| Accruals and deferred income | 10,988 | 16,744 |
| Social security and other taxes | – | 2,633 |
| Other creditors | 12,205 | 1,123 |
| | <u>33,711</u> | <u>53,873</u> |

20. Pensions and other post-retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £8,460 (2020: £5,977).

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Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

21. Analysis of charitable funds

Unrestricted funds

| | At 1 April 2020 £ | Income £ | Expenditure £ | Transfers £ | At 31 March 2021 £ |
|--------------------------|-------------------------|---------------|------------------|----------------|--------------------------|
| General funds | 156,085 | 15,190 | (3,470) | (42,285) | 125,520 |
| Designated funds: | | | | | |
| Project Donations | – | 58,939 | (22,681) | 42,285 | 78,543 |
| | <u>156,085</u> | <u>74,129</u> | <u>(26,151)</u> | <u>–</u> | <u>204,063</u> |

| | At 1 April 2019 £ | Income £ | Expenditure £ | Transfers £ | At 31 March 2020 £ |
|---------------|-------------------------|----------------|------------------|----------------|--------------------------|
| General funds | 120,688 | 193,161 | (157,764) | – | 156,085 |
| | <u>120,688</u> | <u>193,161</u> | <u>(157,764)</u> | <u>–</u> | <u>156,085</u> |

Restricted funds

| | At 1 April 2020 £ | Income £ | Expenditure £ | Transfers £ | At 31 March 2021 £ |
|--|-------------------------|------------------|--------------------|----------------|--------------------------|
| Welsh Government | 325,771 | 930,396 | (1,046,422) | – | 209,745 |
| The Waterloo Foundation | – | 130,000 | (37,985) | – | 92,015 |
| Prince Albert II of Monaco Foundation | – | 19,032 | (19,032) | – | – |
| Scottish Power Fdn | – | 60,000 | (7,699) | – | 52,301 |
| Scottish Power Prize | 5,000 | – | – | – | 5,000 |
| Joseph Rowntree Charitable Trust | 17,500 | 52,500 | (65,482) | – | 4,518 |
| KEEN | 2,834 | 3,910 | (6,744) | – | – |
| Moondance Foundation | – | 4,500 | (4,500) | – | – |
| Polden Puckham | – | 10,000 | – | – | 10,000 |
| | <u>351,105</u> | <u>1,210,338</u> | <u>(1,187,864)</u> | <u>–</u> | <u>373,579</u> |

| | At 1 April 2019 £ | Income £ | Expenditure £ | Transfers £ | At 31 March 2020 £ |
|--|-------------------------|----------------|------------------|----------------|--------------------------|
| Welsh Government | 2,738 | 747,179 | (424,146) | – | 325,771 |
| The Waterloo Foundation | – | – | – | – | – |
| Millennium Stadium | – | 5,000 | (5,000) | – | – |
| Prince Albert II of Monaco Foundation | – | 1,390 | (1,390) | – | – |
| Scottish Power Fdn | 51,412 | – | (51,412) | – | – |
| Scottish Power Prize | – | 5,000 | – | – | 5,000 |
| Joseph Rowntree Charitable Trust | – | 35,000 | (17,500) | – | 17,500 |
| KEEN | – | 3,834 | (1,000) | – | 2,834 |
| | <u>54,150</u> | <u>797,403</u> | <u>(500,448)</u> | <u>–</u> | <u>351,105</u> |

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Notes to the Financial Statements *(continued)*
Year ended 31 March 2021

21. Analysis of charitable funds *(continued)*

Unrestricted funds:

Excluding the fixed assets value from the general reserves, the free reserves at the year-end amounted to £123,023 (2020 £153,889).

A designated fund was set up during the year for the donations received towards project funding. A transfer was made from general reserves to the designated reserve to include those donations received for this purpose in prior years.

Restricted funds:

Welsh Government grant has been received in relation to the Education and Communication Programme and to the Mbale Trees project in Mbale, Uganda. They also supplied a one-off capital grant for equipment required as part of the Mbale project.

The Waterloo Foundation provided funding to support forest projects and other general costs. The balance was spent by May 2021.

The Prince Albert II of Monaco Foundation grant has been received in respect of its forest protection project in northern Peru.

The Scottish Power Foundation grant has been received in respect of its MockCOP programme.

The Scottish Power Prize Fund grant was received towards the education programme for school pupils for participating in the MockCOP events in school. The event could not take place during the current year so the balance has rolled forward.

The Joseph Rowntree Charitable Trust grant was received towards the "Eliminating imported deforestation from Wales' economy" project.

The KEEN Effect Youth grant was received towards the "Forest Champions" initiative.

The Moondance Foundation provided a grant as part of their Covid-19 relief fund.

The Polden Puckham Charitable Foundation provided funds towards growing the "Deforestation Free Nation" project.

22. Analysis of net assets between funds

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2021 £ |
|----------------------------|----------------------------|--------------------------|--------------------------|
| Tangible fixed assets | 2,497 | – | 2,497 |
| Current assets | 226,266 | 382,590 | 608,856 |
| Creditors less than 1 year | (24,700) | (9,011) | (33,711) |
| Net assets | 204,063 | 373,579 | 577,642 |
| | | | |
| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2020 £ |
| Tangible fixed assets | 2,196 | – | 2,196 |
| Current assets | 207,762 | 351,105 | 558,867 |
| Creditors less than 1 year | (53,873) | – | (53,873) |
| Net assets | 156,085 | 351,105 | 507,190 |

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Year ended 31 March 2021

23. Analysis of changes in net debt

| | At 1 Apr 2020 | Cash flows | At 31 Mar 2021 |
|--------------------------|----------------|---------------|-------------------|
| | £ | £ | £ |
| Cash at bank and in hand | <u>542,396</u> | <u>13,866</u> | <u>556,262</u> |

24. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

| | 2021 | 2020 |
|-----------------------|----------|--------------|
| | £ | £ |
| Not later than 1 year | <u>–</u> | <u>7,080</u> |

25. Related parties

During the previous year, Size of Wales partnered with a private limited company, SportPursuit Limited, who donated £42,701 (2020 £20,260) to the charity. Daniel Rhys Jones, a director of SportPursuit Limited is the husband of Elspeth Jones, the charity's senior manager until 3 December 2020.

26. Post balance sheet events

The Covid-19 pandemic has had a significant negative effect on the UK and World economy and, whilst the consequences of Covid-19 on the charitable company have been insignificant during the year and since the year-end, the trustees recognise that in the longer term its effect may be more significant. At this point in time any long-term effect on the charitable company is unknown, but the trustees remain confident of the financial position of the charitable company and its ability to meet its obligations and liabilities as they fall due. The trustees believe there are sufficient reserves to withstand any future further economic downturns created by the pandemic and are confident that it is correct to prepare the accounts on a going concern basis and that this is not a subsequent event that requires an adjustment in the annual accounts.