

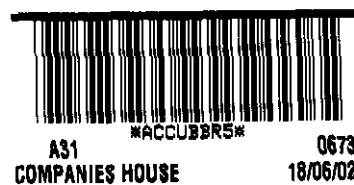
THE WOODLAND TRUST

REPORT AND ACCOUNTS

31 DECEMBER 2001

Registered Company No. 1982873

Registered Charity No. 294344



PATRONS

The Lord Barber of Tewkesbury;
The Marchioness of Dufferin and Ava;
The Earl of Lichfield; Dame Moura Lympany, DBE;
E M Nicholson, Esq, CB, CVO.

VICE PRESIDENTS

D G Waddams, FCCA;
T H White, FRICS.

TRUSTEES

D J Austwick, OBE, MBA, BA;
A T Bigg, BA; T N W Field, MA;
D L Foot, CB, FICFor; A P Golding, FCA, ATII;
C Hall, LLB; T W Jones, MA, FICFM;
J B Lake, PhD, MSc; P J Oliver, FCA (Chairman);
N A Ramsden, MICFM, BSc; T C Smout, CBE, FRSE, FBA;
R M Thomas, CBE, BA, FRGS; R H Trafford, MA.

The Trustees are also the Directors of the Company.

PRINCIPAL OFFICERS

Chief Executive - Michael J Townsend, BSc (For), FICF

Deputy Chief Executive, Financial Director and Company Secretary - Julian C Purvis, BSc, FCA

Woodland Operations Director - Norman J Starks, BSc (For), MICF

Policy Director - Hilary M Allison, MA, MSc, PhD

Marketing Director - Douglas P Seddon

Director of Corporate, Grants and Regional Fundraising - Karl D Mitchell.

The Woodland Trust is a non-profit making company limited by guarantee
and is a registered charity.

Founded in 1972 by Kenneth Watkins, OBE.

In Scotland, the Woodland Trust operates as the Woodland Trust Scotland.
In Wales, the Woodland Trust operates as Coed Cadw.

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INTRODUCTION

Welcome to the Woodland Trust's latest Annual Report and Accounts which covers our activities for the year 1 January 2001 to 31 December 2001.

The Woodland Trust was founded at a time of emerging consciousness about the crisis surrounding the UK's woodland. Our mission then, as now, is to conserve, restore and re-establish the UK's woodland. We have established a clear vision for the future; our aims are to:

- ensure no further loss of ancient woodland
- restore and improve the biodiversity of woods
- increase the area of new native woodland
- increase in people's awareness and enjoyment of woodland.

The Woodland Trust is the leading woodland conservation charity in the UK and continues to be one of the UK's foremost conservation organisations.

Summary of Woodland and Land Owned at 31 December 2001

	Hectares	Number of Woods	Numbers of Woods with Designations			
			Ancient Woodland & Ancient Woodland Sites	Sites of Special Scientific Interest	Special Areas of Conservation	National Nature Reserves
England	9,619	891	246	68	8	4
Scotland	7,443	86	14	6	1	-
Wales	1,811	124	71	29	6	1
Northern Ireland	239	52	2	-	-	-
TOTAL 31.12.01	19,112	1,153	333	103	15	5

THE WOODLAND TRUST

CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2001

The Woodland Trust in a changing climate

The biggest impacts on our environment are climate change and human intervention. Whatever one's views on the cause of climate change, there is no doubt that it is happening faster than ever before. Because woodland cannot quickly adapt, it and the millions of life-forms dependent on it, are especially vulnerable to the effects of climate change. Human intervention can only be changed by humans (short of some cataclysmic event). If we are to change our behaviour, people at large have to understand their integral connection with and dependence on all forms of life. People's hearts and minds need to be re-connected to the natural world.

In 2001 the Woodland Trust has continued to be active on both fronts and, in the time frame of but a single year, I believe very successfully. Ultimate success will, of course, be judged by future generations. Woodland communities are more robust if they are larger or part of a wider semi-natural landscape. To that end we planted 533 hectares of new woodland this year, including, in partnership with the Scottish Forest Alliance, an initial 379 hectares of the 988 hectares we acquired at Glen Quey and Glen Sherup. This is just 30 kilometres from Scotland's second largest conurbation around Edinburgh.

People's latent interest in the environment was illustrated convincingly by the active participation of over 12,000 individuals in our phenology project organised in partnership with the Centre for Ecology and Hydrology. This gave them, first hand, a real understanding of the practical and observable effects of climate change. In Britain, everybody became much more aware of their environment as a result of the tragedy of foot and mouth disease. Farming is but one aspect of the countryside and our belief that our environment must be managed on a landscape scale was outlined in our policy document **Turning over a new leaf in the Countryside**.

If the Trust's success is measured by its contact with people, 2001 was a considerable success on that score too. Our membership surpassed 100,000 and the message of our special report on climate change **A Midsummer Night's Nightmare** reached, through the media, an estimated 20 million people.

Success of course also requires money and I am pleased to say that our gross income exceeded £15 million. This was lower than in the previous year as a result of the successful completion of **Woods on your Doorstep**, but it includes our highest ever income from membership and legacies. In spite of lower income, however, we acquired more land than in any year since 1996. We have received enormous support during the year from a wide range of individuals and organisations, many of whom have given, or bequeathed, us very substantial sums of money and I should like to record here our sincere gratitude for their generosity which makes such a lasting difference.

The Trust is its members, its volunteers, its staff and its trustees and to all of them, led by our visionary chief executive, Mike Townsend, I am immensely grateful. During the year we welcomed two new trustees, Dawn Austwick, and John Lake, both of whom bring very relevant skills to our deliberations. We also said good-bye to Paul Wright who had completed an unprecedented 25 years as a trustee. We thank him for so many years of service and wish him well.

Woodland is crucially important in its own right, but it is also a metaphor for the wider environment upon which we all depend. The Trust has a vision of a countryside planned on a landscape scale in which woodland will play a significant role and a world in which people understand that role and their part in it. We have made some major strides to realising that vision in 2001. We may not see the fulfilment of that vision in our lifetimes – woodland has a lifespan so much greater than ours – but I am confident that we will continue to play our part, year by year, in working successfully towards that vision.



Peter Oliver
Chairman
28 May 2002

THE WOODLAND TRUST

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2001

The Directors have pleasure in presenting their report together with the audited accounts for the year ended 31 December 2001. The Chairman's Report appears on page 4.

1. Registration and Legal Structure

The Woodland Trust is a charity registered with the Charity Commission in England and Wales No. 294344 and is a company limited by guarantee No. 1982873. It has obtained the consent of the Registrar of Companies to be exempt from the requirement to use the word "Limited" in its name.

It has one wholly owned subsidiary company: Woodland Trust (Enterprises) Ltd. (Company No. 2296645).

2. Registered Office

Autumn Park, Dysart Road, Grantham, Lincolnshire. NG31 6LL.

3. Charitable Objects

The Woodland Trust is required by charity and company law to act within the objectives of its Memorandum of Association.

The Woodland Trust's mission is to conserve, restore and re-establish the UK's woodland. Its aims are to:

- ensure no further loss of ancient woodland
- restore and improve the biodiversity of woods
- increase the area of new native woodland
- increase people's awareness and enjoyment of woodland.

4. Organisation

The Trustees are the Directors of the Company and form the Woodland Trust's Council which is the ultimate governing body. They are appointed by invitation. One fifth of the Directors retire each year and may offer themselves for re-appointment.

The Woodland Trust's Council has three sub-committees involving the Trustees and the Principal Officers. They undertake work on behalf of the Council and submit reports for consideration by the Council. The day to day management is delegated to the Chief Executive, the Principal officers and the Trust's staff.

The Finance and Administration Sub-Committee carries out some of the roles of an Audit Committee and a Remuneration Committee.

5. Directors

The Directors of the Company throughout the year were:

Mr A T Bigg	Mr P J Oliver (Chairman)
Mr T W Field	Ms N A Ramsden
Mr D L Foot	Prof T C Smout
Mr A P Golding	Mrs R M Thomas
Mr C Hall	Mr R H Trafford
Mr T W Jones	

Mr C P Wright resigned on 10 August 2001.

Mrs D J Austwick was appointed a Director on 5 September 2001.

Dr J B Lake was appointed a Director on 5 September 2001.

THE WOODLAND TRUST

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2001

6. Statement of Directors' Responsibilities

Company Law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group as at the end of the financial year and of the surplus or deficit of the company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Woodland Trust purchases indemnity insurance to protect it and its directors from losses arising from any wrongful act of its Directors or officers and to indemnify them against their legal liability arising from any claim against them. The premium for the policy was £4,340 (2000: £1,796).

7. Report from Mr A P Golding, Chairman of the Finance and Administration Sub-Committee

We are very pleased to report that in 2001 the Trust received a record membership income of £2.82m, which reflected the increase in our membership from 77,000 to 103,000, while legacy income was the highest in the Trust's history at £2.66m. This has come about as the result of increasingly effective investment by the Trust in recruiting and retaining members.

Both these factors helped provide a very encouraging increase in the Trust's total unrestricted income of 16%, from £8.1m to £9.4m. In contrast the Trust's total income fell from £17.4m to £15.8m. This was due to the fact that the major phases of the Trust's Millennium projects, especially Woods on Your Doorstep, were completed during 2000. These projects attracted many sources of income that were restricted for the project concerned and we had anticipated the decline in both total income and total expenditure during 2001.

The main areas of expenditure in furtherance of the Trust's objects were:

	<u>2001</u> <u>£'000</u>	<u>2000</u> <u>£'000</u>
• Acquisition of woodland & land	1,257	2,631
• Tree planting & associated work	1,940	2,406
• Other conservation work	3,061	2,648
• Visitor related costs	2,542	2,191
• Education & information	948	1,230
• Public Affairs in support of Conservation	293	136
• Support costs for Charitable Activities	1,138	878
• Management & administration	173	151
• Membership recruitment	1,520	921
• Other fundraising and publicity costs	<u>1,753</u>	<u>1,453</u>
Total expenditure	<u>14,625</u>	<u>14,645</u>

Due to the relatively low cost of land in Scotland the expenditure of £1.3m on acquiring land belies the fact that the Trust acquired more land in 2001 than in any previous year, with the exception of 1996 when the Trust acquired Glen Finglas. As part of the Scottish Forestry Alliance we are creating a new native woodland complex of over 1,000 ha in the Ochils and we have already planted hundreds of hectares. BP Amoco plc have provided much of the funding for this and their contributions have boosted our sponsorship income to an unprecedented level.

THE WOODLAND TRUST

**Deloitte
& Touche**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2001**

Our expenditure on fundraising and publicity relates to the costs of raising income from all sources. Within the expenditure of £3.3m, we incurred £1.5m on recruiting new members resulting in an increase of 34% growth in our membership to 103,000. A healthy membership is essential to our ability to expand our conservation activity and we have been delighted that the Trust's objectives and activities have obviously struck a chord with so many people.

The Consolidated Statement of Financial Activities on Page 10 shows a surplus of £554,000 on the General Fund. The analysis of funds in Note 18 on page 27 indicates that our General Fund comprises working capital and operating fixed assets. Any surplus funds generated are transferred to the Contingency Fund. The purpose of this fund is described below in paragraph 9. It should be noted that the value of the Contingency Fund was within the target range that the Trustees deem to be appropriate.

Falls in the stock market had a significant influence on the value of our investment portfolio with net losses of £1.4m. The majority of our investments represent permanent endowments which provide income for the management of our woodland. The income derived from these investments is not affected significantly by short-term fluctuations in their capital value.

Finally we thank all those supporters who have kindly completed gift aid forms and who have taken advantage of the tax benefits of donating shares or donating via Payroll Giving. Over £750,000 of tax was recovered in the year. This has made a very substantial difference, for which we are most grateful.

8. Internal Controls and Risk Management

The Directors are responsible for the proper governance of the Trust. They seek to make the Trust effective and efficient in achieving its objectives, whilst at the same time ensuring that the Trust's assets are not exposed to undue risk.

They aim to do this by having processes that engender a clear understanding of what the Trust is seeking to achieve, how it intends to achieve those objectives and the role and responsibilities of each member of staff.

The Trust's systems can provide only reasonable and not absolute assurance of the safeguarding of its assets against unauthorised use or disposition, the maintenance of proper accounting records and the reliability of information used and published by the Trust.

The Directors have considered the major risks to which the charity is exposed, as identified by Directors, staff and external advisors. They have reviewed these risks and systems have been established to manage these risks.

The Directors consider a five year financial forecast prior to reviewing financial reserve levels and the preparation and approval of an annual budget. Financial forecasts of the outcome for each year are updated prior to each Council meeting. Financial and other reports are considered by the Council four times a year, and each sub-committee normally meets at a similar frequency.

There is a well defined process of checks prior to the acquisition or disposal of any interest in land and by the end of 2002 the Trust expects to have a risk assessment in place for every Woodland Trust site.

Periodically reviews are undertaken of current processes and practices. These often involve external auditors or other professionals with a view to improvement. The Trust's activities are also subject to audit by statutory agencies and its Forest Stewardship Council Certification is assessed by third parties. Reviews undertaken in the year have not established any significant weaknesses in the Trust's systems of internal control, financial or otherwise.

THE WOODLAND TRUST

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2001

9. Financial Reserves

The General Fund consists of operating cash, working capital and operating fixed assets required for day to day management of the Woodland Trust.

The Trust's only designated fund is its Contingency Fund which enables it to respond quickly to opportunities to conserve threatened woodland, as well as providing some protection against unforeseen shortfalls in income or essential unplanned expenditure. Given the likely magnitude of opportunities that will arise and the perceived level of risk relating to income and expenditure, the Directors consider it appropriate that this fund has a minimum value of £2.0m and a maximum value of £3.0m. Its value was £2.2m at 31 December 2001 (2000 £2.5m). These parameters are reviewed annually.

The only other financial reserves are the funds restricted for use on specific projects or woods by the donors of those funds, and the Trust's permanent endowments.

10. Investment Powers and Policy

The Woodland Trust's Memorandum of Association enables it to invest monies not immediately needed for its purposes in such investments as may be thought fit, subject to such conditions and consents as may be required by law.

The Trust's investments that represent its endowment funds are held for the long term and those that represent its restricted and designated funds are held for the medium/short term. Each investment portfolio is managed by one of two investment managers and each has an objective of optimising total return, subject to an acceptable level of risk and to meeting any minimum income requirement.

The Trust's investment managers take account of environmental/conservation issues in their consideration of investment choice. If they become aware of any obvious conflicts of interest between the Trust's objectives and the objectives/activities of any company whose shares may be acquired on behalf of the Trust for the purpose of investment, they are requested to advise the Trust at the earliest opportunity. It is however recognised that the ultimate responsibility for identifying those whose activities are in direct conflict with our stated objectives, lies with the Trust.

11. Taxation

The Woodland Trust is a registered charity and as such can claim exemption from corporation tax on its income and gains which are applied for charitable purposes under section 505, Income and Corporation Taxes Act 1988.

12. Supplier Payment Policy

The Trust does not impose standard payment terms on suppliers but agrees specific terms with each. The Trust's policy is to pay its suppliers in accordance with the terms which have been agreed.

13. Share Capital

The company does not have a share capital and is limited by guarantee.

14. Auditors

A resolution proposing that haysmacintyre be appointed as the Woodland Trusts new auditors, replacing Deloitte & Touche, is to be proposed at the forthcoming Annual General Meeting.



Julian C Purvis
Secretary
28 May 2002

Deloitte & Touche
1 Woodborough Road
Nottingham NG1 3FG



THE WOODLAND TRUST

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INVESTOR IN PEOPLE

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
OF THE WOODLAND TRUST**

**Deloitte
& Touche**

We have audited the financial statements of The Woodland Trust for the year ended 31 December 2001 which comprise the statement of financial activities, the income and expenditure account, the balance sheets, the cash flow statement and the related Notes 1-25, which have been prepared under the accounting policies set out therein.

Respective responsibilities of trustees and auditors

As described in the statement of director's responsibilities, the trustees, who are also the directors of the charity for the purposes of company law, are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and other information contained within the annual report as described in the contents section for the above year and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and estimates and judgements made by the trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, the financial statements give a true and fair view of the charitable company and the group's state of affairs as at 31 December 2001 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Deloitte & Touche
Chartered Accountants and Registered Auditors
1, Woodborough Road
Nottingham

10 June 2002

**Deloitte
Touche
Tohmatsu**

Aberdeen, Belfast, Birmingham, Bracknell, Bristol, Cambridge, Cardiff, Crawley, Edinburgh, Glasgow, Leeds, Liverpool, London, Manchester, Milton Keynes, Newcastle upon Tyne, Nottingham, St Albans and Southampton.
Principal place of business at which a list of partners' names is available: Stonecutter Court, 1 Stonecutter Street, London EC4A 4TR.
Authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

THE WOODLAND TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2001

		UNRESTRICTED FUNDS				Restated (see Note 2)	
		General	Designated	Restricted	Endowment	Total	Total
		Fund	Funds	Funds	Funds	2001	2000
Note		£'000	£'000	£'000	£'000	£'000	£'000
INCOMING RESOURCES							
Donations, Legacies and Similar Incoming Resources	3	7,805	-	993	-	8,798	8,243
<i>Incoming Resources from Operating Activities:</i>							
Activities in furtherance of the charity's objects	3	1,296	-	3,582	2	4,880	7,846
Activities for generating funds	3	159		1,383	-	1,542	865
Investment Income	10	117	-	193	-	310	324
Other Incoming Resources		78	-	186	-	264	155
Total Incoming Resources		9,455	-	6,337	2	15,794	17,433
RESOURCES EXPENDED							
<i>Cost of Generating Funds:</i>							
Fundraising & Publicity Costs	5	2,964	264	3	42	3,273	2,374
<i>Charitable Expenditure:</i>							
Cost of activities in furtherance of the charity's objects:							
Woodland Operations & Public Affairs	5	3,706	-	4,130	-	7,836	7,381
Education & Information	5	948	-	-	-	948	1,230
Support Costs	6	1,113	-	25	-	1,138	878
Management & Administration	7	170	-	3	-	173	151
Total Resources Expended		8,901	264	4,161	42	13,368	12,014
This statement excludes £1,257k of Woodland and Land acquired as per note 11							
Net Incoming Resources from operations before transfers		554	(264)	2,176	(40)	2,426	5,419
Transfers between funds	18	(85)	(540)	620	5	-	-
Net Losses on Investment Assets	13	-	(522)	(100)	(740)	(1,362)	(449)
Net Movements in Funds		469	(1,326)	2,696	(775)	1,064	4,970
Fund Balances Brought Forward at 1 January 2001		2,414	3,488	43,583	7,773	57,258	52,288
Fund Balances Carried Forward at 31 December 2001	18	2,883	2,162	46,279	6,998	58,322	57,258

THE WOODLAND TRUST

CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2001

		<u>2001</u>	<u>Restated</u>
		<u>£'000</u>	<u>(see Note 2)</u>
	<u>Note</u>		<u>2000</u>
			<u>£'000</u>
Gross Income of Continuing Operations		13,918	16,259
Non-Charitable Trading Activities: Income	20	1,874	1,170
Total Income of Continuing Operations		<u>15,792</u>	<u>17,429</u>
Total Operating Expenditure of Continuing Operations		(13,208)	(11,834)
Non-Charitable Trading Activities: Expenditure		(160)	(174)
Operating Surplus of Income over Expenditure		<u>2,424</u>	<u>5,421</u>
Interest Receivable		2	4
Interest Payable		-	(6)
Net Income For The Year Before Transfers and Fixed Asset Investment Disposals	8	<u>2,426</u>	<u>5,419</u>
(Loss)/gain on disposal of Fixed Asset Investments	13	(134)	562
Net Income for the Year		<u>2,292</u>	<u>5,981</u>

The Consolidated Summary Income and Expenditure Account is derived from the Consolidated Statement of Financial Activities on page 10, which together with the notes to the accounts on pages 14 to 32, provides full information on the movements during the year on all the funds of the group. The surplus for the year for Companies Act purposes comprises the net incoming resources for the year plus loss on disposal of fixed asset investments.

STATEMENT OF RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2001

	<u>2001</u>	<u>2000</u>
		<u>Restated</u>
		<u>(see Note 2)</u>
	<u>£'000</u>	<u>£'000</u>
Income for the year being total recognised gains and losses related to the year	2,292	5,981
Unrealised losses on investments	(1,228)	(1,011)
Total recognised gains and losses in the period	<u>1,064</u>	<u>4,970</u>
Prior period adjustment (Note 2)	(624)	
Total recognised gains and losses since last annual report	<u>440</u>	

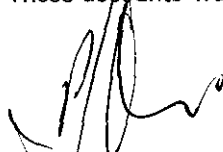
The Notes on pages 14 to 32 form part of these accounts.

THE WOODLAND TRUST

BALANCE SHEETS AT 31 DECEMBER 2001

		<u>Group</u>		<u>Charity</u>	
			<u>Restated</u> <u>(see Note 2)</u>		<u>Restated</u> <u>(see Note 2)</u>
		<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
	<u>Note</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Fixed Assets					
Tangible Assets					
Woodland and Land	11	39,847	38,604	39,847	38,604
Other Fixed Assets	12	390	424	390	424
		<u>40,237</u>	<u>39,028</u>	<u>40,237</u>	<u>39,028</u>
Investments	13	14,465	13,607	14,465	13,607
		<u>54,702</u>	<u>52,635</u>	<u>54,702</u>	<u>52,635</u>
Current Assets					
Stocks	14	143	161	141	154
Debtors	15	3,431	6,171	3,509	5,854
Cash at Bank and In Hand	25(b)	2,139	1,235	2,103	1,235
		<u>5,713</u>	<u>7,567</u>	<u>5,753</u>	<u>7,243</u>
Creditors					
Amounts falling due within one year	16	(2,018)	(2,853)	(2,058)	(2,529)
Net Current Assets		<u>3,695</u>	<u>4,714</u>	<u>3,695</u>	<u>4,714</u>
Total Assets Less Current Liabilities		58,397	57,349	58,397	57,349
Creditors					
Amounts falling due after more than one year	17	(75)	(91)	(75)	(91)
Net Assets	19	<u>58,322</u>	<u>57,258</u>	<u>58,322</u>	<u>57,258</u>
Financed by:					
Unrestricted funds					
General Fund	18	2,883	2,414	2,883	2,414
Designated Funds	18	2,162	3,488	2,162	3,488
Restricted Funds	18	46,279	43,583	46,279	43,583
Permanent Endowments	18	6,998	7,773	6,998	7,773
		<u>58,322</u>	<u>57,258</u>	<u>58,322</u>	<u>57,258</u>

These accounts were approved by the Directors on 28 May 2002.


Peter J Oliver
Chairman

The Notes on pages 14 to 32 form part of these accounts.

THE WOODLAND TRUST

CONSOLIDATED CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2001

		<u>2001</u>		<u>Restated (see Note 2)</u>	
	<u>Note</u>	<u>£'000</u>	<u>£'000</u>	<u>2000</u>	<u>£'000</u>
<u>Reconciliation of Net Incoming Resources to Net Cash Inflow</u>					
<u>From Operating Activities</u>					
Net Incoming Resources			2,426		5,419
Depreciation		241		240	
Profit on disposal of Woodland & Land		(116)		(66)	
Profit on disposal of other Fixed Assets		(3)		(2)	
Investment Income		(310)		(324)	
Decrease in Stock		18		71	
Decrease/(Increase) in Debtors		2,740		(1,249)	
(Decrease)/Increase in Creditors		(827)		388	
Donated Woodland and Land		(203)		(870)	
			1,540		(1,812)
Net Cash Inflow from Operating Activities			<u>3,966</u>		<u>3,607</u>

CASH FLOW STATEMENT

Net Cash Inflow from Operating Activities		3,966	3,607
Returns on Investments & Servicing of Finance	25(a)	310	324
Capital Expenditure & Financial Investment	25(a)	(3,348)	(3,816)
Increase in Cash	25(b)	<u>928</u>	<u>115</u>

Reconciliation of Net Cashflow to movement in Net Funds

Increase in Cash in year	25(b)	928	115
Net Funds at 1 January	25(b)	1,211	1,096
Net Funds at 31 December		<u>2,139</u>	<u>1,211</u>

The Notes on pages 14 to 32 form part of these accounts.

THE WOODLAND TRUST

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2001

1. **ACCOUNTING POLICIES**

Basis of Accounting

The financial statements have been prepared under the historical cost convention, with the exception of listed investments which are included at their market value. The financial statements have been prepared in accordance with the Charity Commission Statement of Recommended Practice (SORP) (Revised 2000) – Accounting and Reporting by Charities, the Companies Act 1985 and applicable accounting standards. The particular accounting policies adopted are described below.

Basis of Consolidation

Group accounts have been prepared in respect of the Woodland Trust and its wholly owned subsidiary Woodland Trust (Enterprises) Ltd. The accounts have been consolidated on a line-by-line basis. A statement of financial activities for the charity has not been prepared as it is not materially different from the group statement of financial activities.

Fund Accounting

Unrestricted Funds

These funds can be used for any of the charity's purposes.

Designated Funds

These funds have been set aside out of unrestricted funds, by the Trustees, for specific purposes.

Restricted Funds

These funds have been given to the Woodland Trust for a particular purpose to be used in accordance with the wishes of the donor. They include grants from statutory bodies. The use of these funds is generally restricted to the purchase or maintenance of specific woods or to purchase or create a wood in a particular locality. Until they are expended the funds are invested.

All land and woodland purchased and donated has been classified as restricted funds. This is a prudent approach as it is not practicable to review the legal documents and funding conditions on all the sites acquired since the Woodland Trust was established.

Endowment Funds

These represent sums of money given in conjunction with gifts of land to provide for their future conservation. All the endowments are intended to be permanent with the original capital being maintained and only the income and capital growth being utilised. In certain circumstances some of the original capital can be expended.

Incoming Resources

Life and annual membership subscriptions are included in full in the year they are received. This represents a change in accounting policy. Previously life membership subscriptions were credited to the life membership equalisation account and released to income in ten equal annual instalments. The 2000 comparative figures have been amended to reflect the change in policy.

THE WOODLAND TRUST

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2001

1. ACCOUNTING POLICIES (CONTINUED)

Incoming Resources (Continued)

Income from investments, gift aid and deeds of covenant is included gross. An estimate of the income tax reclaimable at the period end is included in these accounts.

Incoming resources in the form of donated assets have been included in the Consolidated Statement of Financial Activities and the Consolidated Income and Expenditure Account at a reasonable estimate of their value and where appropriate, they have been capitalised.

Grants for woodland management are credited to the Consolidated Statement of Financial Activities and the Consolidated Income and Expenditure Account in the year in which they are receivable. The SORP (revised 2000) indicates that, for charities, this treatment is the most appropriate interpretation of the relevant Statement of Standard Accounting Practice.

Legacy income from each bequest left to the Trust is recognised once a reasonable estimate of its value can be made and providing there is no evidence of any significant contentious claims against the deceased's estate. Where the Trust is left part of the residue of an estate, the deceased's Will, initial statements of assets and liabilities and draft Estate Accounts are used to calculate the estimated value of the bequest. This estimate is only recognised as income once the Executors have proved the Will, (i.e. obtained probate). Bequests of land for conservation purposes are recognised as income and as an asset on the date the land is transferred to the Trust.

No incoming resources in the Consolidated Statement of Financial Activities have been included net of expenditure.

Resources Expended

Indirect costs are allocated to the expenditure headings in the Consolidated Statement of Financial Activities on the basis of the number of employees engaged in each area of the Trust's work.

Cost of Generating Funds consists of expenditure relating to all major appeals, communications requesting funds, applying for grants and other general publicity as part of fundraising efforts together with associated support activities.

Woodland Operations and Public Affairs consists of all expenditure relating to the establishment, care and maintenance of the Woodland Trust's woods, and public affairs activities in support of the Trust's conservation objectives.

Education and Information consists of the costs of the Woodland Trust's in house publications to members and supporters, its web-sites, the provision of a telephone based enquiry service, the provision of information via multi-media and a public relations service.

Support Costs of charitable activities consists of costs incurred directly in support of expenditure on the objects of the charity. These include costs relating to the provision of premises, personnel, information technology and accounts excluding costs incurred in preparing of the statutory accounts together with a proportion of the costs incurred by the chief executive, deputy chief executive and their support staff.

Management and Administration consists of audit fees, costs incurred in preparation of the statutory accounts and costs incurred by the Trustees together with a proportion of the costs incurred by the chief executive, deputy chief executive and their support staff.

THE WOODLAND TRUST

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2001

1. **ACCOUNTING POLICIES (CONTINUED)**

Depreciation

Depreciation is not provided on freehold and long leasehold woodland and land, which is considered to have a very long useful life. Leasehold land with a lease term of less than 50 years remaining is depreciated.

Fixed assets with a cost of more than £100 are capitalised and depreciated. A full year's depreciation is charged in the year of purchase and none in the year of disposal. Depreciation has been charged at the following rates:

Computer equipment	25% per annum on cost
Office equipment - fixtures	10% per annum on cost
Office equipment - other	20% per annum on cost
Motor vehicles	25% per annum on cost
Livestock Quota	20% per annum on cost
Plant & Machinery	25% per annum on cost
Donated woodland and land (short leasehold)	Period of lease

Assets

With the exception of land donated for the Woods on Your Doorstep Projects, the valuation of donated woodland and land is based on a rolling three year average price per hectare (ha) of woodland and land purchased by the Woodland Trust during the financial years 1999-2001, (2000: 1998-2000). Larger Scottish estates have been excluded from this calculation as the value per hectare of these sites is not representative of the land donated during the year.

Planting land donated to the Woods On Your Doorstep project is valued at £6k per ha in England and Wales and £9.6k per ha in Northern Ireland. These values reflect typical land prices at the time the contract with the Millennium Commission was agreed.

The value of donated land is disclosed in Note 11 to the accounts.

Much of the land owned by the Woodland Trust is "historic" as defined in the SORP, ie "of acknowledged historic, scientific (including environmental) importance". All land acquired has been capitalised and is included within 'Woodland and Land' in the Balance Sheet. It is not practicable to analyse the overall historic cost of woodland and land between "historic" and "non historic".

It is the firm policy of the Trust not to dispose of its sites, unless exceptional circumstances arise.

Investments

Investments are stated at market value. It is the Woodland Trust's policy to keep valuations up to date such that when investments are sold, there is no gain or loss arising relating to the previous year. As a result the Consolidated Statement of Financial Activities and the Consolidated Income and Expenditure Account include those unrealised gains and losses arising from the revaluation of the investment portfolio throughout the year. Disclosure is made in the notes to the accounts of the difference between historic cost and sale proceeds of investments sold during the year.

THE WOODLAND TRUST

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2001

Stocks

Stocks are stated at the lower of cost and net realisable value, where cost comprises purchase price.

Other

Operating lease rentals are charged to the Income and Expenditure Account in equal annual amounts over the lease term.

The Woodland Trust operates defined contribution pension schemes. The cost of providing pensions is charged to the income and expenditure account in the period in which contributions are made.

Irrecoverable VAT is classified under the same heading as the expenditure or asset to which it relates. In 2001 this amounted to £393k (2000: £361k).

THE WOODLAND TRUST

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2001

2. RESTATEMENT OF COMPARATIVE YEAR FIGURES

In order to comply with SORP (revised 2000), the accounting policy for recognising life membership income has been revised. Income is now recognised in the year in which it is received on the grounds that the conditions for receipt have been met.

In addition an adjustment has been made to the group and charity balance sheets to reclassify pooled liquidity funds from cash to investments.

An adjustment has been made to the group accounts only of £356k to other debtors and an equal amount to accruals and deferred income due within one year, in order to contra intra group balances in 2000.

The comparatives have been restated as follows:

	<u>As previously reported at 31 December 2000</u>	<u>Prior Period Adjustment</u>	<u>As restated at 31 December 2000</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Charity Investments	10,656	2,951	13,607
Cash	4,186	(2,951)	1,235
Accruals & deferred income < 1 year	175	(93)	82
Accruals & deferred income > 1 year	545	(531)	14
	<u>720</u>	<u>(624)</u>	<u>96</u>
Incoming resources	<u>8,061</u>	<u>182</u>	<u>8,243</u>
Fund balances brought forward at 1 January 2001	<u>51,846</u>	<u>442</u>	<u>52,288</u>

	<u>As previously reported at 31 December 2000</u>	<u>Prior Period Adjustment</u>	<u>As restated at 31 December 2000</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Group Investments	10,656	2,951	13,607
Cash	4,186	(2,951)	1,235
Other debtors	876	(356)	520
Accruals & deferred income < 1 year	898	(449)	449
Accruals & deferred income > 1 year	545	(531)	14
	<u>1,443</u>	<u>(980)</u>	<u>463</u>
Incoming resources	<u>8,061</u>	<u>182</u>	<u>8,243</u>
Fund balances brought forward at 1 January 2001	<u>51,846</u>	<u>442</u>	<u>52,288</u>

In order to give a more accurate reflection as to what resources expended relate to, costs of £325k have been reallocated from support costs to fundraising and publicity on the face of the Statement of Financial Activities in year 2000.

THE WOODLAND TRUST

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2001

3. INCOMING RESOURCES

As summarised in the Consolidated Statement of Financial Activities:

	<u>UNRESTRICTED FUNDS</u>				<u>Total</u>	<u>Total</u>
	<u>General</u>	<u>Designated</u>	<u>Restricted</u>	<u>Endowment</u>	<u>2001</u>	<u>2000</u>
	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	<u>£'000</u>	<u>£'000</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Membership Subscriptions	2,816	-	-	-	2,816	2,061
Legacies Receivable	2,505	-	154	-	2,659	2,619
Charitable Trust Donations	179	-	216	-	395	472
Lotteries	332	-	-	-	332	309
Company Donations	58	-	38	-	96	76
Landfill Tax	-	-	486	-	486	607
Other Donations	1,915	-	99	-	2,014	2,099
Donations, Legacies and Similar Incoming Resources	<u>7,805</u>	<u>-</u>	<u>993</u>	<u>-</u>	<u>8,798</u>	<u>8,243</u>

	<u>UNRESTRICTED FUNDS</u>				<u>Total</u>	<u>Total</u>
	<u>General</u>	<u>Designated</u>	<u>Restricted</u>	<u>Endowment</u>	<u>2001</u>	<u>2000</u>
	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	<u>£'000</u>	<u>£'000</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Grants Receivable (see Note 4)	684	-	3,222	-	3,906	6,216
Donated Woodland & Land	-	-	203	-	203	870
Woodland Management Income	<u>612</u>	<u>-</u>	<u>157</u>	<u>2</u>	<u>771</u>	<u>760</u>
Activities in furtherance of the Charity's objects	<u>1,296</u>	<u>-</u>	<u>3,582</u>	<u>2</u>	<u>4,880</u>	<u>7,846</u>
Sponsorship Income	60	-	1,383	-	1,443	788
Merchandise Income	<u>99</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>99</u>	<u>77</u>
Activities for Generating Funds	<u>159</u>	<u>-</u>	<u>1,383</u>	<u>-</u>	<u>1,542</u>	<u>865</u>
Total Incoming Resources from Operating Activities	<u>1,455</u>	<u>-</u>	<u>4,965</u>	<u>2</u>	<u>6,422</u>	<u>8,711</u>

THE WOODLAND TRUST

**NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2001**

4. GRANTS RECEIVABLE

	<u>2001</u> <u>£'000</u>	<u>2000</u> <u>£'000</u>
Millennium Commission	1,322	3,379
Forestry Commission	1,066	1,190
Heritage Lottery Fund	756	552
Department of Environment Food & Rural Affairs	168	144
European Union	107	84
The Mersey Forest	90	-
Local Authorities	55	218
The National Forest Company	48	143
ScottishPower UK plc	37	-
Department of Environment for Northern Ireland	33	76
The Community Fund	32	28
Forest Service for Northern Ireland	31	91
Environment Agency	25	-
The Countryside Agency	24	99
Scottish Natural Heritage	21	87
The Causeway Initiative	17	-
Countryside Council for Wales	-	24
Millennium Forest for Scotland	-	21
Other	74	80
	<u>3,906</u>	<u>6,216</u>

Included within Grants receivable are restricted grants of £3.2m (2000:£5.2m).

5. RESOURCES EXPENDED

	<u>2001</u>	<u>2000</u>
Fundraising & Publicity Costs		
Membership recruitment	1,520	921
Merchandise & lottery	236	223
Other fundraising costs	1,095	905
Support costs	422	325
	<u>3,273</u>	<u>2,374</u>
Woodland Operations & Public Affairs		
Tree planting and associated work	1,940	2,406
Other conservation work	3,061	2,648
Visitor related costs	2,542	2,191
Public affairs activity in support of conservation	293	136
	<u>7,836</u>	<u>7,381</u>
Education & Information Costs		
Membership publications and support	719	715
Education, public relations, web sites & other information	229	515
	<u>948</u>	<u>1,230</u>

THE WOODLAND TRUST

**NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2001**

6. SUPPORT COSTS FOR CHARITABLE EXPENDITURE

	<u>2001</u> <u>£'000</u>	<u>2000</u> <u>£'000</u>
Staff costs	514	402
Premises	107	101
Depreciation	142	140
Other	375	235
	<u>1,138</u>	<u>878</u>

7. MANAGEMENT AND ADMINISTRATION OF THE CHARITY

	<u>2001</u> <u>£'000</u>	<u>2000</u> <u>£'000</u>
Staff costs	115	100
Audit and professional fees	27	30
Trustees expenses and council meetings	20	16
Other costs	11	5
	<u>173</u>	<u>151</u>

8. NET INCOME FOR THE YEAR BEFORE TRANSFERS OR INVESTMENT ASSET DISPOSALS

The surplus for the year is after charging:

	<u>2001</u> <u>£'000</u>	<u>2000</u> <u>£'000</u>
Salaries and Wages	3,664	3,106
Social Security Costs	332	281
Other Pension Costs	169	137
	<u>4,165</u>	<u>3,524</u>
Depreciation	241	240
Auditors' Fees and Expenses:		
Audit work	19	16
Other services	8	14
Rental Under Operating Leases	408	393
Irrecoverable Value Added Tax	393	361

Employees and Volunteers

The average number of employees during the year was 192 (2000: 165). The average number of employees, analysed by function, was:

	<u>2001</u>	<u>2000</u>
Woodland Operations and Public Affairs	82	78
Education & information	30	27
Support activities	35	25
Fundraising & publicity	42	32
Management & Administration	3	3
	<u>192</u>	<u>165</u>

THE WOODLAND TRUST

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2001

The Woodland Trust relies on volunteers to help with the following activities; fundraising, wardening and care of its woods, photography, and promotion of the Woodland Trust's work. Approximately 1,600 volunteers assist with these activities. In addition we rely on volunteers to collect data relating to climate change through the Phenology project. Currently over 12,000 individuals have registered to provide information.

9. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

The Directors of the company, who comprise its Council, did not receive any remuneration during the period. Travelling expenses incurred by 11 Directors on Council business were reimbursed and amounted to £8,014 (2000: £6,273) during the year.

Employees' emoluments for the year fell into the following bands:

<u>£'s</u>	<u>No. of Employees</u>	
	<u>2001</u>	<u>2000</u>
60,000-69,999	1	1
50,000-59,999	1	1

All employees earning more than £50k participated in the pension scheme. Contributions of £13k (2000: £12k) were made during the year for these employees.

10. INVESTMENT INCOME

Income from investments was as follows:

	<u>2001</u> <u>£'000</u>	<u>2000</u> <u>£'000</u>
Income From UK Listed Investments	164	163
Income From Overseas Listed Investments	5	17
Income From Other UK Authorised Investments	111	102
Income From Other Overseas Authorised Investments	16	16
Income From Cash Deposits	14	26
	<u>310</u>	<u>324</u>

THE WOODLAND TRUST

**NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2001**

11. FIXED ASSETS - WOODLAND AND LAND

The Group and the Charity:

	<u>Total</u>	<u>Woodland And Land Purchased (Freehold)</u>	<u>Woodland And Land Purchased (Long Leasehold)</u>	<u>Woodland and Land Donated (Freehold)</u>	<u>Woodland And Land Donated (Long Leasehold)</u>	<u>Woodland And Land Donated (Short Leasehold)</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Cost or Donated Value at 1 January 2001	38,627	30,198	597	4,306	2,911	615
Additions for the Year	1,257	1,038	-	6	213	-
Disposals in the Year	(1)	-	-	(1)	-	-
Cost or Donated Value at 31 December 2001	<u>39,883</u>	<u>31,236</u>	<u>597</u>	<u>4,311</u>	<u>3,124</u>	<u>615</u>
Depreciation						
At 1 January 2001	23	-	-	-	-	23
Charge for the Year	<u>13</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13</u>
At 31 December 2001	<u>36</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36</u>
Net Book Value						
At 31 December 2001	<u>39,847</u>	<u>31,236</u>	<u>597</u>	<u>4,311</u>	<u>3,124</u>	<u>579</u>
At 31 December 2000	<u>38,604</u>	<u>30,198</u>	<u>597</u>	<u>4,306</u>	<u>2,911</u>	<u>592</u>

The additions to donated woodland and land include legal fees of £16k (2000: £81k).

The Trust currently leases 50 acres (2000: 50 acres) of woodland under short leaseholds at peppercorn rents. In the opinion of the Directors it is impracticable to assign a value of these leases.

The following sites are subject to a floating charge:

The Group and the Charity:

<u>Site</u>	<u>Floating Charge</u>
Glenrothes Estate, Fife	£846k
Livingston Estate, West Lothian	£497k
Backmuir Wood, Dundee	£31k
Glen Sherup Estate, Perth & Kinross	£805k
Glen Finglas Estate, Stirling	£2.7m

The assets scheduled above represent assets used for direct charitable purposes.

THE WOODLAND TRUST

**NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2001**

12. **OTHER FIXED ASSETS**

The Group and the Charity:

	<u>Total</u> <u>£'000</u>	<u>Computer</u> <u>Equipment</u> <u>£'000</u>	<u>Equipment</u> <u>£'000</u>	<u>Plant &</u> <u>Machinery</u> <u>£'000</u>	<u>Livestock</u> <u>Quota</u> <u>£'000</u>
Cost or Donated Value					
At 1 January 2001	1,307	834	322	66	85
Additions	208	148	35	25	-
Disposals	(59)	(13)	(19)	(16)	(11)
At 31 December 2001	<u>1,456</u>	<u>969</u>	<u>338</u>	<u>75</u>	<u>74</u>
Depreciation					
At 1 January 2001	883	571	231	46	35
Charge for the Year	228	163	37	13	15
Disposals	(45)	(14)	(19)	(10)	(2)
At 31 December 2001	<u>1,066</u>	<u>720</u>	<u>249</u>	<u>49</u>	<u>48</u>
Net Book Value					
At 31 December 2001	<u>390</u>	<u>249</u>	<u>89</u>	<u>26</u>	<u>26</u>
At 31 December 2000	<u>424</u>	<u>263</u>	<u>91</u>	<u>20</u>	<u>50</u>

The Net Book Value at 31 December 2001 represents Fixed Assets used for:

	<u>Total</u> <u>£'000</u>	<u>Computer</u> <u>Equipment</u> <u>£'000</u>	<u>Equipment</u> <u>£'000</u>	<u>Plant &</u> <u>Machinery</u> <u>£'000</u>	<u>Livestock</u> <u>Quota</u> <u>£'000</u>
Direct Charitable Purposes:					
Woodland Operations and Public Affairs	198	107	39	26	26
Education and Information	47	35	12	-	-
Support Activities	62	46	16	-	-
	<u>307</u>	<u>188</u>	<u>67</u>	<u>26</u>	<u>26</u>
Other Purposes:					
Fundraising and Publicity	80	59	21	-	-
Management and Administration of the Charity	3	2	1	-	-
	<u>390</u>	<u>249</u>	<u>89</u>	<u>26</u>	<u>26</u>

THE WOODLAND TRUST

**NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2001**

13. INVESTMENTS

The Group and the Charity:

	<u>2001</u> <u>£'000</u>	<u>Restated</u> <u>(see Note 2)</u> <u>2000</u> <u>£'000</u>
Investments at Market Value:		
Permanent Endowments	6,998	7,773
Designated Funds	1,724	2,501
Restricted Funds	5,743	3,333
	<u>14,465</u>	<u>13,607</u>

Investments consist of:

	<u>Restated</u> <u>(see Note 2)</u>		<u>Restated</u> <u>(see Note 2)</u>	
	<u>Cost</u>		<u>Valuation</u>	
	<u>2001</u> <u>£'000</u>	<u>2000</u> <u>£'000</u>	<u>2001</u> <u>£'000</u>	<u>2000</u> <u>£'000</u>
Cash held as part of investments	315	325	315	325
UK Listed Investments	4,826	5,122	5,188	6,405
Overseas Listed Investments	1,182	1,398	1,181	1,681
Other UK Authorised Investments	7,577	4,833	7,594	4,874
Other Overseas Authorised Investments	188	323	187	322
	<u>14,088</u>	<u>12,001</u>	<u>14,465</u>	<u>13,607</u>

The Woodland Trust has appointed two investment advisors to assist with the management of its investment portfolios. The investments consist of equities, unit trusts, investment trusts, gilts and other fixed interest investments. No individual investment comprises more than 5% of the value of the portfolio and there are no restrictions on the realisation of any of the investments.

The Woodland Trust owns the entire issued share capital (100 ordinary shares of £1) in its subsidiary, Woodland Trust (Enterprises) Limited, which is incorporated in England. Details of its trading activities are set out in Note 20 to the accounts.

The movement on valuation of investments is as follows:

	<u>2001</u> <u>£'000</u>	<u>Restated</u> <u>(see Note 2)</u> <u>2000</u> <u>£'000</u>
Market value at 1 January	13,607	12,141
Acquisitions	5,599	5,803
Sales Proceeds	(3,379)	(3,888)
Net Investment Losses	(1,362)	(449)
Market value at 31 December	<u>14,465</u>	<u>13,607</u>
Cost at 31 December	<u>(14,088)</u>	<u>(12,001)</u>
Unrealised Investment Gain at 31 December	<u>377</u>	<u>1,606</u>
Investment losses/gains calculated on a historic cost basis	<u>(134)</u>	<u>562</u>

THE WOODLAND TRUST

**NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2001**

14. STOCKS

	<u>Group</u>		<u>Charity</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Glen Finglas Livestock	113	123	113	123
Raw Materials and Consumables	30	38	28	31
	<u>143</u>	<u>161</u>	<u>141</u>	<u>154</u>

15. DEBTORS

	<u>Group</u>		<u>Charity</u>	
	<u>2001</u>	<u>Restated</u>	<u>2001</u>	<u>2000</u>
	<u>£'000</u>	<u>(see Note 2)</u>	<u>£'000</u>	<u>£'000</u>
		<u>2000</u>		
		<u>£'000</u>		<u>£'000</u>
Legacies Receivable	1,396	1,882	1,396	1,882
Grants Receivable	1,052	2,756	1,052	2,756
Trade Debtors	555	764	154	92
Other Debtors	139	520	618	875
Work In Progress – Legal Fees	32	11	32	11
Prepayments and Accrued Income	257	238	257	238
	<u>3,431</u>	<u>6,171</u>	<u>3,509</u>	<u>5,854</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>Group</u>		<u>Charity</u>	
	<u>2001</u>	<u>Restated</u>	<u>2001</u>	<u>2000</u>
	<u>£'000</u>	<u>(see Note 2)</u>	<u>£'000</u>	<u>£'000</u>
		<u>2000</u>		
		<u>£'000</u>		<u>£'000</u>
Trade Creditors	1,679	1,817	1,675	1,810
Payment received on account of future projects	108	372	108	372
Bank overdrafts (see Note 25 (b))	-	24	-	-
Taxation and social security	107	90	107	90
Amounts owed to subsidiary company	-	-	48	74
Other Creditors	27	101	27	101
Accruals and deferred income	97	449	93	82
	<u>2,018</u>	<u>2,853</u>	<u>2,058</u>	<u>2,529</u>

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

The Group and the Charity:

	<u>2001</u>	<u>2000</u>
	<u>£'000</u>	<u>£'000</u>
Trade Creditors – Retentions	73	77
Accruals and Deferred Income	2	14
Deposited Covenant Provision		
	<u>75</u>	<u>91</u>

THE WOODLAND TRUST

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2001

18. MOVEMENT ON FUNDS

	Total Funds £'000	UNRESTRICTED FUNDS			
		General Fund £'000	Designated Funds £'000	Restricted Funds £'000	Permanent Endowments £'000
Balance at 1 January 2001	57,258	2,414	3,488	43,583	7,773
Net Movement in Funds in year	1,064	469	(1,326)	2,696	(775)
Balance at 31 December 2001	<u>58,322</u>	<u>2,883</u>	<u>2,162</u>	<u>46,279</u>	<u>6,998</u>

Included in the above are Revaluation Reserves of:

Balance at 1 January 2001	1,605	-	478	-	1,127
Movement in the Year	(1,228)	-	(503)	(45)	(680)
Balance at 31 December 2001	<u>377</u>	<u>-</u>	<u>(25)</u>	<u>(45)</u>	<u>447</u>

Analysed as:

General Funds

	Balance at 1 January 2001 £'000	Movement in Funds:			Balance at 31 December 2001 £'000
		Incoming Resources £'000	Gains/ (Expenses) £'000	Transfers £'000	
General Fund	<u>2,414</u>	<u>9,455</u>	<u>(8,901)</u>	<u>(85)</u>	<u>2,883</u>

The General Fund represents working capital and operating fixed assets and is analysed in Note 19.

Designated Funds

	Balance at 1 January 2001 £'000	Movement in Funds:			Balance at 31 December 2001 £'000
		Incoming Resources £'000	Gains/ (Expenses) £'000	Transfers £'000	
Woodland Management Fund	924	-	-	(924)	-
Contingency Fund	2,564	-	(786)	384	2,162
	<u>3,488</u>	<u>-</u>	<u>(786)</u>	<u>(540)</u>	<u>2,162</u>

THE WOODLAND TRUST

**NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2001**

Restricted Funds

	Balance at 1 January 2001 £'000	Movement in Funds:			Balance at 31 December 2001 £'000
		Incoming Resources £'000	Gains/ (Expenses) £'000	Transfers £'000	
Woodland and Land	38,604	-	-	1,243	39,847
Woods on Your Doorstep (England & Wales)	2,415	1,210	(1,202)	22	2,445
Woods on Your Doorstep (Northern Ireland)	1,579	1,317	(1,108)	(261)	1,527
Woodland Management Fund	-	2,607	(1,733)	661	1,535
Restricted Legacies	911	181	(38)	(302)	752
Various other activities	74	1,022	(180)	(743)	173
	<u>43,583</u>	<u>6,337</u>	<u>(4,261)</u>	<u>620</u>	<u>46,279</u>

Woodland and land comprises the capital costs of the woods purchased and the value of donated woodland and land.

Woods on Your Doorstep (England & Wales) and Woods on Your Doorstep (Northern Ireland) represent a surplus of restricted income, which will be applied to future costs.

The Woodland Management Fund consists of unspent restricted income associated with specific sites. This fund was restructured during the year having previously been a designated fund. All unrestricted funds held in the designated fund were transferred to the Contingency Fund.

Restricted legacies represent legacies where the testator has restricted their use for specific purposes or in specific locations. The Trust is actively seeking opportunities to expend these legacies and optimise the benefits they can provide for woodland conservation.

Various other restricted activities include many individual grants and donations for specific purposes, which will be applied to future costs. These include Landfill Tax income of £485k. The Landfill Tax balance as at 31 December 2001 of £46k (2000: £211k) will be applied to future costs.

Permanent Endowments

	Balance at 1 January 2001 £'000	Movement in Funds:			Balance at 31 December 2001 £'000
		Incoming Resources £'000	Gains/ (Expenses) £'000	Transfers £'000	
Glenrothes	3,807	2	(454)	5	3,360
Livingston	2,245	-	(328)	-	1,917
Warrington & Runcorn	901	-	-	-	901
Preston & Chorley	820	-	-	-	820
	<u>7,773</u>	<u>2</u>	<u>(782)</u>	<u>5</u>	<u>6,998</u>

The Permanent Endowments represent funds given to the Woodland Trust in association with gifted woodland and land in the locations noted above, under terms requiring the Woodland Trust to invest permanently the sums given in order to provide income for the future management of that woodland and land.

The terms of the Warrington & Runcorn and Preston & Chorley endowments enable the capital growth in excess of the original sums paid to the Trust to be treated as unrestricted funds.

THE WOODLAND TRUST

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2001

19. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

This note details the Group position which is the same as the Charity position.

The Trustees consider that the resources available to the Charity are suitable and adequate to meet the known present obligations of the charitable company and group.

Fund balances at 31 December 2001 are represented by:

	<u>UNRESTRICTED FUNDS</u>			<u>RESTRICTED FUNDS</u>	
	<u>Total</u>	<u>General</u>	<u>Designated</u>	<u>Restricted</u>	<u>Permanent</u>
	<u>Funds</u>	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>	<u>Endowments</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Tangible Fixed Assets	40,237	329	-	39,908	-
Investments	14,465	-	1,724	5,743	6,998
Cash at Bank and In Hand	2,139	911	438	790	-
Other Current Assets	3,574	3,269	-	305	-
Other Current Liabilities	(2,018)	(1,624)	-	(394)	-
Liabilities due over more than one year	(75)	(2)	-	(73)	-
Total Net Assets	<u>58,322</u>	<u>2,883</u>	<u>2,162</u>	<u>46,279</u>	<u>6,998</u>

THE WOODLAND TRUST

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2001

20. NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARY

The Woodland Trust has one wholly owned trading subsidiary which is incorporated in the UK. Woodland Trust (Enterprises) Limited was established to undertake mail order, sponsorship and promotional activities. This company donates its taxable profits to the Woodland Trust. A summary of its trading account is shown below. Audited accounts have been filed with the Registrar of Companies.

Profit and Loss Account

	<u>2001</u> <u>£'000</u>	<u>2000</u> <u>£'000</u>
Turnover	1,874	1,170
Cost of Sales	(156)	(167)
Gross Profit	<u>1,718</u>	<u>1,003</u>
Licence Payment to the Woodland Trust	(40)	(40)
Distribution Costs	(51)	(53)
Administration Expenses	(33)	(33)
Other Operating Income	1	1
Operating Profit	<u>1,595</u>	<u>878</u>
Interest Payable	-	(1)
Interest Receivable	2	4
Net Profit	<u>1,597</u>	<u>881</u>
Payment under Gift Aid to the Woodland Trust	(1,597)	(881)
Accumulated Loss Brought Forward	-	-
Accumulated Loss Carried Forward	<u>-</u>	<u>-</u>

THE WOODLAND TRUST

**NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2001**

21. OPERATING LEASE COMMITMENTS

At 31 December 2001, the Woodland Trust, both the Group and the Charity are committed to making the following payments during the next year in respect of operating leases.

	<u>2001</u> <u>£'000</u>	<u>2000</u> <u>£'000</u>
Land and Buildings		
Leases which expire:		
Within one year	-	-
Within two to five years	104	104
After five years	-	-
	<u>104</u>	<u>104</u>
Other		
Leases which expire:		
Within one year	51	20
Within two to five years	141	160
After five years	-	-
	<u>192</u>	<u>180</u>

22. CAPITAL COMMITMENTS

There are commitments for expenditure not provided for in these accounts in respect of woodland and land purchases as follows:

	<u>2001</u> <u>£'000</u>	<u>2000</u> <u>£'000</u>
Contracts Placed	-	140
Authorised by the Directors but not contracted for	1,076	477
	<u>1,076</u>	<u>617</u>

23. PENSION SCHEMES

The Woodland Trust operates defined contribution schemes for all qualifying employees. The assets of the schemes are held in separate funds administered by independent pension providers. The total cost of pensions for the year incurred by the Woodland Trust was £169k (2000: £137k). Included in other creditors is £nil (2000: £nil) in respect of pension schemes.

24. CONTINGENT LIABILITIES

The Directors were not aware of any significant contingent liabilities at 31 December 2001 and 31 December 2000.

The Woodland Trust has given indemnities to Executors under the standard terms for legacies received. The Directors believe the chance of significant claims arising as a result of these to be negligible.

THE WOODLAND TRUST

**NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2001**

25. **NOTES TO THE CASH FLOW STATEMENT**

	<u>2001</u> <u>£'000</u>	<u>2000</u> <u>£'000</u>
(a) Gross Cash Flows		
Returns on Investments & Servicing of Finance		
Investment Income	<u>310</u>	<u>324</u>
Capital Expenditure & Financial Investment		
Purchase of Woodland and Land	(1,054)	(1,760)
Purchase of Fixed Assets	(208)	(230)
Purchase of Investments	(3,100)	(1,955)
Sale of Land	117	66
Sale of Fixed Assets	17	22
Sale of Investments	880	41
	<u>(3,348)</u>	<u>(3,816)</u>

(b) **Analysis of Changes in Net Funds / (Debt)**

	<u>At 1 January</u> <u>2001</u> <u>£'000</u>	<u>2001</u> <u>Cashflows</u> <u>£'000</u>	<u>At 31 December</u> <u>2001</u> <u>£'000</u>	<u>At 1 January</u> <u>2000</u> <u>£'000</u>	<u>2000</u> <u>Cashflows</u> <u>£'000</u>
Cash in Hand, at Bank	1,235	904	2,139	1,176	59
Bank Overdrafts	(24)	24	-	(80)	56
TOTAL	<u>1,211</u>	<u>928</u>	<u>2,139</u>	<u>1,096</u>	<u>115</u>

PROFESSIONAL ADVISORS

AUDITORS

Deloitte & Touche, Chartered Accountants, Nottingham

BANKERS

Lloyds TSB plc, Grantham and Plymouth
Bank of Ireland, Bangor

INSURANCE BROKERS

Williams & Williams Ltd, Leicester

INVESTMENT ADVISORS

Chiswell Associates Limited, London
J P Morgan International Bank Limited, London

SOLICITORS

Mills and Reeve, Cambridge
Nelsons, Derby
Patterson & Donnelly, Bangor
Roythorne and Co, Spalding, Lincolnshire
Russells Solicitors, Newtownards
Stones, Exeter, Devon
Tods Murray WS, Edinburgh
Wilson Nesbitt, Belfast