

THE WOODLAND TRUST

REPORT AND ACCOUNTS

31 DECEMBER 2003



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Registered Company No. 1982873

Registered Charity No. 294344

THE WOODLAND TRUST

PATRONS

The Rt Hon Lord Barber of Tewkesbury
The Most Hon the Marchioness of Dufferin and Ava
The Earl of Lichfield
Dame Moura Lympany, DBE

PRESIDENT

Clive Anderson, MA

VICE PRESIDENTS

Donald G Waddams, FCCA
Theodore H White, FRICS

TRUSTEES

Dawn J Austwick, OBE, MBA, BA
Alan T Bigg, BA
Robert W Brown, OBE, BSc
Alison J Chmiel, MA, FCMA
Timothy N W Field, MA
David L Foot, CB, FICFor
Anthony P Golding, FCA, CTA, TEP
Colin Hall, LLB
Trevor W Jones, MA, FInstF, FIDM
John B Lake, PhD (Maths), MSc
Peter J Oliver, FCA, (Chairman)
Nicola A Ramsden, BSc, MInstF
Rachel M Thomas, CBE, DL, BA, DSc(hc), FRGS

The Trustees are also the Directors of the Company.

PRINCIPAL OFFICERS

Acting Chief Executive, Financial Director and Company Secretary - Julian C Purvis, BSc, FCA
Woodland Operations Director UK - Norman J Starks, BSc (For), MICF
Policy Director - Hilary M Allison, PhD, MA, MSc
Marketing Director - Douglas P Seddon, MA, MInstF
Director of Corporate, Grants and Regional Fundraising - Karl D Mitchell, MSc MInstF (Cert)

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.

THE WOODLAND TRUST
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THE WOODLAND TRUST
INTRODUCTION

Welcome to the Woodland Trust's latest Annual Report and Accounts, which covers our activities for the year 1 January 2003 to 31 December 2003.

The Woodland Trust was founded at a time of emerging consciousness about the crisis surrounding the UK's woodland. Our mission 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 people's understanding and enjoyment of woodland.

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

THE WOODLAND TRUST
CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2003

For more than 30 years the Woodland Trust has worked to conserve the UK's precious native woodland, the wildlife that depends on it and its place in our heritage.

As the issues and concerns shaping our work continue to evolve so we also change to meet new challenges. In 2003 we updated our plan for action, *Keeping woodland alive*. This identifies a number of key issues: climate change as the greatest threat to the environment; the need to conserve the landscape, not simply isolated reserves; restoration of ancient woodland planted with non-native trees and involving people, especially children, in our cause. We continue to pursue our core objectives:

♦ **No further loss of ancient woodland**

The Trust cares for more than 350 ancient woodland sites but this does not protect against the biggest single modern threat - climate change. The Trust leads a drive for action on a landscape scale while campaigning for greater legal protection from other threats such as airport and road expansion, and helping communities fight for local woods under threat.

♦ **Improving woodland biodiversity**

Woodland sustains a rich variety of species; maintaining and restoring the biodiversity of the UK's ancient woods and creating new native woodland is crucial for their and our future. In 2003 we carried out essential restoration work at 42 ancient woodland sites.

♦ **Increasing new native woodland**

Since its foundation the Trust has planted five million trees and created more than 3,200 hectares of new native woodland. During 2003 we planted over 360,000 trees across the UK including our major new site at Glen Sherup in the Ochils, Scotland and completed planting at Watkins Wood, Devon named after Trust founder Kenneth Watkins.

♦ **Increasing people's understanding and enjoyment of woodland**

Trust membership has more than doubled in just four years. This is a resounding endorsement of our work. We are encouraging even wider support through the introduction of family membership, new educational initiatives and opportunities for "hands on" involvement in tree planting.

In 2003 we were delighted to win the Charities Online Accounts Award for the best annual report and accounts published on the internet. This was a further indication of the success of our evolving family of web sites which enabled us to engage with more than 500,000 visitors last year and deliver our objectives in innovative ways.

This year we welcomed writer and broadcaster Clive Anderson as the Trust's new president. A long time member of the organisation, he believes that 'woodland touches a much deeper part of our relationship with our natural surroundings' and keenly supports our ground-breaking new campaign to engage people, especially children, in rediscovering this connection. We are preparing to launch this campaign in autumn 2004.

In realizing our vision we depend crucially not only on the support of our members, individual supporters and local communities, but on government, business and other organizations. That support resulted in our income exceeding £17 million in 2003 and we are immensely grateful to all of those who contributed to this result.

I have however, a matter of great sadness to report, for Mike Townsend is no longer able to continue as chief executive for health reasons. Having joined the Trust nine years ago and served as chief executive since 1997 Mike relinquished his duties with effect from 30th May 2004. It is thanks to his unique contribution and visionary leadership that the Trust is now recognised as one of the most respected conservation charities and is in good heart to face the coming opportunities and challenges. Julian Purvis will continue as acting chief executive until a permanent appointment is made.

Our work depends also on the commitment and dedication of our staff and volunteers and we offer our sincere thanks to all who have made the Woodland Trust the success that it is. The need for your continued support is as great today as ever. With it we will continue to make a positive difference.



Peter Oliver
Chairman
16 June 2004

THE WOODLAND TRUST
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2003

The Directors have pleasure in presenting their report together with the audited accounts for the year ended 31 December 2003. The Chairman's Report appears on page 2.

LEGAL AND ADMINISTRATIVE DETAILS

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) Limited, 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 understanding 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. The Directors retire every three years and may offer themselves for re-appointment. The Chairman and the chair of the Finance Sub-Committee may normally serve up to 12 years as a Trustee, other Trustees may normally serve up to nine years.

During 2003 the Woodland Trust's Council had three sub-committees involving the Directors and the Principal Officers. They undertook work on behalf of the Council and submitted reports for consideration by the Council.

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

From 2004 the Woodland Trust has dispensed with two sub-committees and the Council now meet more frequently. The only remaining sub-committee is the Finance Sub-Committee, which was previously called the Finance and Administration Sub-Committee.

The day-to-day management is delegated to the Chief Executive, the Principal Officers and the Trust's staff.

THE WOODLAND TRUST
REPORT OF THE DIRECTORS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2003

5. **Directors**

The Directors of the Company throughout the year and to the date of this report were:

Mrs D J Austwick	Mr A P Golding	Mr P J Oliver (Chairman)
Mr A T Bigg	Mr C Hall	Ms N A Ramsden
Mr T N Field	Mr T W Jones	Mrs R M Thomas
Mr D L Foot	Dr J B Lake	

Mr R W Brown was appointed a Director on 11 February 2004.

Mrs A J Chmiel was appointed a Director on 16 June 2004.

Prof T C Smout retired as a Director on 21 April 2004.

The Directors served on the following Sub-Committees:

Conservation	Marketing, Communications and Education	Finance and Administration (Also acts as an Audit Committee and Remuneration Committee)
Mr D L Foot – Chair	Mr T N Field – Chair from April 2003	Dr J B Lake – Chair from July 2003
Mr C Hall	Mr A T Bigg – Chair up to and	Mr A P Golding – Chair up to and
Ms N A Ramsden	including April 2003	including July 2003
Prof T C Smout	Mrs D J Austwick	Mr C Hall
Mrs R M Thomas	Mrs R M Thomas	Mr T W Jones

Mr P J Oliver, Chairman of the Woodland Trust, attended all the Sub-Committee meetings.

6. **Share Capital**

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

7. **Review of Activities**

The Directors are pleased to report that in 2003 the Trust received a record membership income of £3.7m (2002: £3.4m), which reflects an increase in membership from 115,000 to 127,000. Legacy income was also the highest in the Trust's history at £3.5m (2002: £3.1m). Income for specific projects increased from £4.9m to £6.5m. As a result, the Trust's total income increased from £16.1m to £17.3m. There was a slight decrease in unrestricted income from £11.2m to £10.8m.

Total expenditure increased slightly from £16.0m to £16.2m. The main areas of expenditure in furtherance of the Trust's objects were:

	2003 £'000	2002 £'000
♦ Acquisition of woodland and land (capitalised – see Note 10)	917	2,004
♦ Woodland conservation and public affairs	8,339	7,357
♦ Fundraising and publicity	3,837	3,844
♦ Operational support costs	1,520	1,442
♦ Education and information	1,351	1,205
♦ Management and administration	190	187
Total expenditure	16,154	16,039

The Trust achieves its objects through the acquisition of woodland, the acquisition of land for the creation of woodland, the restoration and management of woodland, advocacy and an extensive programme of communications – including its websites. The Trust also works in collaboration with other landowners.

THE WOODLAND TRUST
REPORT OF THE DIRECTORS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2003

The Trust acquired a further 247ha of land in Glen Devon in Perth and Kinross, adjacent to its existing landholding of 988ha. The Glen Devon project is one of the largest new native woodland planting schemes undertaken in the UK. It has only been made possible as a result of the financial support received from the Scottish Forest Alliance, initiated by BP. Overall, the Trust planted nearly 400,000 trees in 2003 and is well placed to plant considerably more in 2004.

The Trust's expenditure on fundraising and publicity relates to the cost of raising income from all sources. It includes £1.7m (2002: £1.5m) expenditure on achieving the growth in membership noted earlier. The Trust's membership has doubled in the last four years and further growth is essential if the Trust is to be able to expand its conservation activity and influence.

As a consequence of recent growth in membership, expenditure on woodland conservation and public affairs increased to £8.3m (2002: £7.4m). This increase has enabled the Trust's public affairs staff to be more fully engaged with woodland conservation issues both at national and regional levels within the UK. We have also been able to assist individual communities by providing a web-based Community Woodland Network.

The Consolidated Statement of Financial Activities on page 10 shows a surplus of £16k on the General Fund. The analysis of funds in Note 18 on page 25 indicates that the General Fund consists primarily of working capital and operating fixed assets. Surplus funds generated are transferred to the Contingency Fund. The purpose of the Contingency Fund is described in paragraph 10 and its value remained within its agreed target range.

Increases in the stock market replenished some of the loss in value of our investments incurred in recent years, with net gains of £0.9m (2002: net loss £1.8m). The majority of investments represent permanent endowments, which provide income for the management of specific woods. The income from these investments is not affected significantly by short-term fluctuations in their capital value.

Charities need to have regard to taxation in all their activities. During 2003 the Trust was successful in making further improvements in its ability to recover VAT on its expenditure. Irrecoverable VAT fell to £127k (2002: £299k).

Finally we would like to thank our many supporters who helped optimise the tax benefits available to the Trust by completing gift aid forms, as well as those who reduced their own tax liabilities by donating land and shares, donating via Payroll Giving and leaving tax effective bequests. As in 2002, we recovered over £1m in tax, which increased greatly the amount of work we were able to undertake. The Trust has been commended for achieving one of the highest gift aid recovery rates in the charity sector.

8. Future Developments

The Trust will continue to focus its conservation work on land acquisition, restoration, management and public affairs giving priority to those opportunities in which it can really make a difference.

The restoration of planted ancient woodland sites and woodland creation in areas of concentration of ancient woodland will be a particular priority.

We are working to achieve further increases in membership.

We will continue to develop our communication of woodland conservation issues using the media, the internet and printed publications. Greater emphasis will be placed on education.

We will advise and support others who share our aims, particularly landowners and community groups with an interest in woodland.

We wish to engage many more people in practical conservation and in order to achieve this we are planning a major campaign to involve children in planting millions of trees throughout the UK. This will be launched in autumn 2004.

THE WOODLAND TRUST
REPORT OF THE DIRECTORS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2003

POLICY AND CHARITY GOVERNANCE

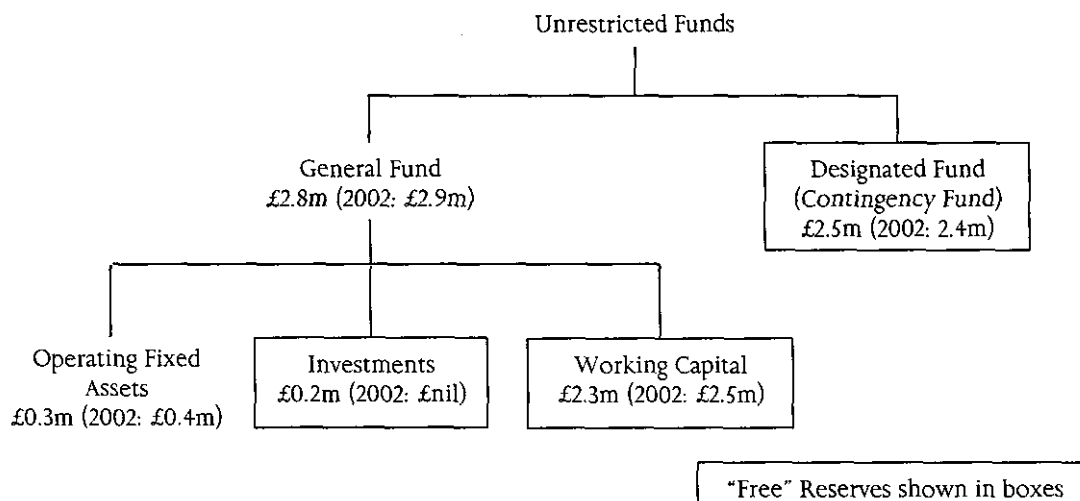
9. **Risk Management**

The Trust's risk assessment process identifies and prioritises the risks it faces and identifies and establishes, as required, suitable mitigating controls. During 2003, the Trust reviewed the effectiveness of its controls over key risks and the relevant documents used to monitor and evaluate risks were updated and approved by the Directors. This review will be undertaken annually.

10. **Financial Reserves**

Each year the Directors consider a five-year financial forecast prior to reviewing financial reserve levels for the following year and the preparation and approval of an annual budget. Financial forecasts for the current year are updated for each Council meeting.

The Trust's unrestricted funds comprise the General Fund and the Contingency Fund.



The General Fund consists primarily of working capital and operating fixed assets required for day-to-day management of the Woodland Trust. At 31 December this amounted to £2.8m (2002: £2.9m) of which £1.1m (2002: £0.8m) is represented by cash.

In the short-term, operating fixed assets cannot be converted to cash, so the Trust's "free" reserves were £5.0m at 31 December 2003 (2002: £4.9m). These sums comprise working capital, the Contingency Fund, and an element of investments as indicated above.

The Contingency Fund is a designated fund to enable the Trust to respond quickly to conservation opportunities, 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 should normally have a minimum value of £2.0m and a maximum value of £2.5m. Its value was £2.5m at 31 December 2003 (2002: £2.4m). These parameters are reviewed annually. The Contingency Fund comprises pooled cash deposit funds.

THE WOODLAND TRUST
REPORT OF THE DIRECTORS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2003

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

An analysis of all funds can be found on page 25 in Note 18 to the Accounts.

11. 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 conditions and consents required by law.

The investments representing endowment funds are held for the long-term and those that represent restricted and designated funds are held for the medium/short-term. During 2003 each investment portfolio was managed by one of two investment managers and each had an objective of optimising total return, subject to an acceptable level of risk. Performance is monitored against a tailored benchmark.

During 2003 the Trust had five separate funds with its investment managers. The benchmark return was 16.8% (2002: -18%). The actual returns achieved ranged from 18.1% to 23.6% (2002: -17.4% to -20.4%).

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

In February 2004 Chiswell Associates Limited was appointed sole investment manager for the Woodland Trust.

12. Taxation

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

13. 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 that have been agreed.

14. Auditors

haysmacintyre have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the Annual General Meeting.

15. 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 these financial statements the Directors are required to:

- ♦ select suitable accounting policies and 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 WOODLAND TRUST
REPORT OF THE DIRECTORS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2003

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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

These accounts were approved by the Directors on 16 June 2004 and signed on their behalf:



Julian C Purvis
Secretary
16 June 2004

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

We have audited the financial statements of the Woodland Trust for the year ended 31 December 2003, which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities. The trustees are also the directors of the Woodland Trust for the purposes of company law.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom 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 to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the charitable company 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 trustees' remuneration and transactions with the charitable company is not disclosed.

We read the other information contained in the Trustees' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or apparent material inconsistencies with the financial statements.

Basis of audit 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 disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors 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 state of the charitable company and the group's affairs as at 31 December 2003 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

haysmacintyre

haysmacintyre
Chartered Accountants
Registered Auditors

Date: 16 June 2004

Fairfax House
15 Fulwood Place
London
WC1V 6AY

THE WOODLAND TRUST
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2003

		UNRESTRICTED FUNDS		RESTRICTED FUNDS			
	Note	General Fund £'000	Designated Fund £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2003 £'000	Total 2002 £'000
INCOMING RESOURCES							
Donations, Legacies and similar incoming resources	2	9,037	-	1,623	-	10,660	10,710
<i>Incoming Resources from Operating Activities:</i>							
♦ Activities in furtherance of the charity's objects	2	833	-	4,444	-	5,277	4,045
♦ Activities for generating funds	2	629	-	192	-	821	765
Investment Income	9	312	-	184	-	496	541
Total Incoming Resources		10,811	-	6,443	-	17,254	16,061
RESOURCES EXPENDED							
<i>Cost of Generating Funds:</i>							
Fundraising and publicity costs	4	3,799	-	5	33	3,837	3,844
<i>Charitable Expenditure:</i>							
<i>Cost of activities in furtherance of the charity's objects:</i>							
♦ Woodland conservation and public affairs	4	3,955	-	4,384	-	8,339	7,357
♦ Education and information	4	1,331	-	20	-	1,351	1,205
Support costs	5	1,520	-	-	-	1,520	1,442
Management and administration	6	190	-	-	-	190	187
Total Resources Expended		10,795	-	4,409	33	15,237	14,035

This statement excludes £917k of Woodland and Land which has been capitalised as per Note 10.

Net Incoming Resources from operations before transfers

		16	-	2,034	(33)	2,017	2,026
Transfers between funds	17	(86)	147	224	(285)	-	-
Net Gains/(Losses) on Investment Assets	12	-	-	130	801	931	(1,833)
Net Movements in Funds		(70)	147	2,388	483	2,948	193
Fund Balances brought forward at 1 January		2,888	2,353	47,630	5,644	58,515	58,322
Fund Balances carried forward at 31 December	18	2,818	2,500	50,018	6,127	61,463	58,515

There are no recognised gains or losses other than those shown in the consolidated statement of financial activities above.

No separate income and expenditure account as required under the Companies Act 1985 has been presented as the only difference between the net incoming resources for the year before transfers (£2,017k) and the net income for the year as defined under the Companies Act (£1,908k) are realised losses on investments of £142k reflected within net losses on investment assets and expenditure within the endowment funds of £33k.

The Notes on pages 13 to 28 form part of these accounts.

THE WOODLAND TRUST
BALANCE SHEETS AT 31 DECEMBER 2003

	Note	Group 2003 £'000	2002 £'000	Charity 2003 £'000	2002 £'000
Fixed Assets					
Tangible Assets:					
♦ Woodland and Land	10	42,717	41,833	42,717	41,833
♦ Other Fixed Assets	11	388	392	388	392
		43,105	42,225	43,105	42,225
Investments	12	15,361	13,872	15,361	13,872
		58,466	56,097	58,466	56,097
Current Assets					
Stocks	13	147	129	136	125
Debtors	14	4,412	3,748	4,448	3,834
Cash at Bank and In-hand	24(b)	1,140	846	1,099	812
		5,699	4,723	5,683	4,771
Creditors					
Amounts falling due within one year	15	(2,682)	(2,253)	(2,666)	(2,301)
Net Current Assets		3,017	2,470	3,017	2,470
Total Assets Less Current Liabilities		61,483	58,567	61,483	58,567
Creditors					
Amounts falling due after more than one year	16	(20)	(52)	(20)	(52)
Net Assets	18	61,463	58,515	61,463	58,515
Financed by:					
Unrestricted Funds:					
♦ General Fund	17	2,818	2,888	2,818	2,888
♦ Designated Fund	17	2,500	2,353	2,500	2,353
Restricted Funds	17	50,018	47,630	50,018	47,630
Permanent Endowments	17	6,127	5,644	6,127	5,644
		61,463	58,515	61,463	58,515

These accounts were approved by the Directors on 16 June 2004.

Peter J Oliver

Peter J Oliver
Chairman

The Notes on pages 13 to 28 form part of these accounts.

THE WOODLAND TRUST
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2003

	Note	2003 £'000	£'000	2002 £'000	£'000
Reconciliation of Net Incoming Resources to Net Cash Inflow from Operations					
Net Incoming Resources from Operations			2,017		2,026
Depreciation		239		354	
(Profit) on disposal of Woodland and Land		(31)		(64)	
(Profit)/Loss on disposal of other Fixed Assets		(12)		2	
Investment Income		(496)		(541)	
(Increase)/Decrease in Stock		(18)		14	
(Increase) in Debtors		(664)		(317)	
Increase in Creditors		397		212	
Donated Woodland and Land		(528)		(1,141)	
			<u>(1,113)</u>		<u>(1,481)</u>
Net Cash Inflow from Operating Activities			904		545

CASH FLOW STATEMENT

Net Cash Inflow from Operating Activities		904	545
Returns on Investments and Servicing of Finance	24(a)	496	541
Capital Expenditure and Financial Investment	24(a)	<u>(1,106)</u>	<u>(2,379)</u>
Increase/(Decrease) in Cash	24(b)	<u>294</u>	<u>(1,293)</u>

Reconciliation of Net Cash Flow to movement in Net Funds

Increase/(Decrease) in Cash in year	24(b)	294	(1,293)
Net Funds at 1 January	24(b)	846	2,139
Net Funds at 31 December		<u>1,140</u>	<u>846</u>

THE WOODLAND TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2003

I. 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 accounting policies adopted are described below.

Basis of Consolidation

Group accounts have been prepared for the Woodland Trust and its wholly owned subsidiary Woodland Trust (Enterprises) Ltd. The accounts have been consolidated on a line-by-line basis. A separate Statement of Financial Activities has not been prepared for the Charity as permitted by paragraph 304 of the SORP 2000.

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 Directors, for specific purposes.

Restricted Funds

These funds have been given to the Trust for a particular purpose to be used in accordance with the wishes of the donor. They include grants from statutory bodies. 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 Trust was established.

Endowment Funds

These represent 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 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.

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 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 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.

THE WOODLAND TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2003

ACCOUNTING POLICIES (continued)
Incoming Resources (continued)

Legacy income from each bequest 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, (ie 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.

Millennium Commission grant income relates to final payments receivable in connection with Northern Ireland Woods on Your Doorstep site maintenance to be performed over the period to August 2006.

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 in each area of our work.

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

Woodland Conservation and Public Affairs consists of all expenditure for the establishment and maintenance of the Trust's woods and public affairs activities in support of our conservation objectives.

Education and Information consists of the costs of in-house publications to members and supporters, 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 those incurred in support of expenditure on the objects of the charity. These include the provision of premises, personnel, information technology and accounts, excluding costs incurred in preparing 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 those incurred by the chief executive, deputy chief executive and their support staff.

Depreciation

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

Fixed assets with a cost of more than £1,000 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	25% 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 and Machinery	25% per annum on cost
Donated woodland and land (short leasehold)	Period of lease.

THE WOODLAND TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2003

ACCOUNTING POLICIES (continued)

Assets

The value of donated land is disclosed in Note 10 to the accounts. Each site is valued in line with open market land values at the time of transfer to the Trust.

Much of the land owned by the 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 policy of the Trust not to dispose of its sites, unless exceptional circumstances arise.

Investments

Investments are stated at market value. The Trust's policy is 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 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.

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 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 2003 this amounted to £127k (2002: £299k).

THE WOODLAND TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2003

2. INCOMING RESOURCES

As summarised in the Consolidated Statement of Financial Activities:

	UNRESTRICTED FUNDS £'000	RESTRICTED FUNDS £'000	Total 2003 £'000	Total 2002 £'000
Membership Subscriptions	3,686	-	3,686	3,385
Legacies Receivable	2,501	959	3,460	3,126
Charitable Trust Donations	98	319	417	295
Lotteries	469	-	469	440
Company Donations	78	5	83	65
Landfill Tax	34	196	230	965
Other Donations	2,171	144	2,315	2,434
Donations, Legacies and Similar Incoming Resources	9,037	1,623	10,660	10,710

Included in Other Donations is £150k (2002: £70k) gifts in kind.

	UNRESTRICTED FUNDS £'000	RESTRICTED FUNDS £'000	Total 2003 £'000	Total 2002 £'000
Grants Receivable (see Note 3)	285	2,895	3,180	2,117
Donated Woodland and Land	-	528	528	1,141
Woodland Management Income	548	1,021	1,569	787
Activities in furtherance of the Charity's objects	833	4,444	5,277	4,045
Sponsorship Income	531	192	723	650
Merchandise Income	98	-	98	115
Activities for Generating Funds	629	192	821	765
Total Incoming Resources from Operating Activities	1,462	4,636	6,098	4,810

THE WOODLAND TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2003

3. GRANTS RECEIVABLE

	2003 £'000	2002 £'000
Forestry Commission	910	675
Heritage Lottery Fund	666	414
European Structural Funds	324	243
Millennium Commission	282	72
Department for the Environment, Food and Rural Affairs (DEFRA)	211	181
Local Authorities	198	21
Environment and Heritage Service	128	33
Wales Tourist Board	83	-
Community Fund	74	63
Scottish Executive	42	55
New Opportunities Fund Transforming Your Space Northern Ireland	38	-
English Nature	30	18
Scottish Natural Heritage	21	17
English Nature Aggregate Levy Sustainable Fund	19	-
Countryside Council for Wales	11	33
The Countryside Agency	7	83
Forest Service for Northern Ireland	-	70
English Heritage	-	41
Scottish Power UK plc	-	28
Objective 1/DEFRA via South Yorkshire Forest	-	5
Others	136	65
	3,180	2,117

Included within Grants receivable are restricted grants of £2.9m (2002: £1.9m).

4. RESOURCES EXPENDED

	2003 £'000	2002 £'000
Fundraising and Publicity Costs		
Staff costs	1,258	1,181
Membership recruitment	1,662	1,498
Merchandise and lottery	124	218
Depreciation	42	75
Other costs	751	872
	3,837	3,844
Woodland Conservation and Public Affairs		
Staff costs	2,317	2,104
Visitor related costs	1,860	1,460
Woodland restoration	1,059	826
Other conservation work	1,048	1,126
Tree planting and associated work	885	816
Public affairs activity in support of conservation	152	97
Depreciation	56	64
Other costs	962	864
	8,339	7,357
Education and Information Costs		
Staff costs	798	647
Membership publications and support	468	437
Education, public relations, web site and other information	85	121
	1,351	1,205

THE WOODLAND TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2003

5. SUPPORT COSTS FOR CHARITABLE EXPENDITURE

	2003 £'000	2002 £'000
Staff costs	678	647
Premises	126	109
Depreciation	141	215
Other costs	575	471
	1,520	1,442

6. MANAGEMENT AND ADMINISTRATION OF THE CHARITY

	2003 £'000	2002 £'000
Staff costs	129	132
Audit and professional fees	18	25
Trustees expenses and meetings	13	17
Other costs	30	13
	190	187

7. NET INCOME FOR THE YEAR BEFORE TRANSFERS

The surplus for the year is after charging:

	2003 £'000	2002 £'000
Salaries and Wages	4,497	4,112
Social Security costs	455	397
Other Pension costs	228	202
	5,180	4,711
Depreciation	239	354
Auditors' fees and expenses:		
♦ Audit work	16	16
♦ Other services	2	9
Rentals under operating leases	478	403
Irrecoverable Value Added Tax	127	299

Employees and Volunteers

The average number of employees during the year was 218 (2002: 210).

The average number of employees, analysed by function, was:

	2003	2002
Woodland conservation and public affairs	92	90
Education and information	36	31
Support activities	37	38
Fundraising and publicity	50	48
Management and administration	3	3
	218	210

We rely on volunteers to help with a wide range of activities including administration, tree planting, wardening and care of woods, research, photography, and promotion of our work. Over 1,305 volunteers assist with these activities. In addition we rely on volunteers to collect data on climate change through our Phenology project. Currently over 13,800 individuals are providing information.

THE WOODLAND TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2003

We use the volunteer investment and value audit (VIVA) process to estimate the contribution our volunteers make. In 2003 they contributed 114,135 hours with an ascribed value of £1.05m (2002: 125,836 hours, value £1.39m).

8. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

The Directors of the company, who comprise its Council, did not receive any remuneration during the period. Travelling and subsistence expenses incurred by 12 (2002: 13) Directors on Council business amounted to £7k (2002: £6k) during the year.

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 £7k (2002: £6k).

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

£'s	No. of Employees	
	2003	2002
70,000-79,999	1	-
60,000-69,999	1	2
50,000-59,999	1	1

All employees earning more than £50k participated in the defined contribution pension scheme. Contributions of £20k. (2002: £20k) were made during the year for these employees.

9. INVESTMENT INCOME

Income from investments was as follows:

	2003 £'000	2002 £'000
Income from UK Listed Investments	107	145
Income from Overseas Listed Investments	6	4
Income from other UK Authorised Investments	149	242
Income from other Overseas Authorised Investments	3	21
Income from Cash Deposits	52	11
Bank Interest receivable	179	118
	496	541

THE WOODLAND TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2003

10. FIXED ASSETS - WOODLAND AND LAND

The Group and the Charity:

	Total £'000	Woodland and Land Purchased (Freehold) £'000	Woodland and Land Purchased (Long Leasehold) £'000	Woodland and Land Donated (Freehold) £'000	Woodland and Land Donated (Long Leasehold) £'000	Woodland and Land Donated (Short Leasehold) £'000
Cost or Donated Value at 1 January 2003	41,882	32,047	597	4,476	4,147	615
Additions for the year	917	361	22	272	-	262
Disposals in the year	(10)	-	-	-	(10)	-
Cost or Donated Value at 31 December 2003	42,789	32,408	619	4,748	4,137	877
Depreciation						
At 1 January 2003	49	-	-	-	-	49
Charge for the year	23	-	-	-	-	23
At 31 December 2003	72	-	-	-	-	72
Net Book Value						
At 31 December 2003	42,717	32,408	619	4,748	4,137	805
At 31 December 2002	41,833	32,047	597	4,476	4,147	566

The additions to donated woodland and land include legal fees of £6k. (2002: £52k).

The Trust currently leases 50 acres (2002: 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:

Site	Floating Charge £'000
Glenrothes Estate, Fife	846
Livingston Estate, West Lothian	497
Backmuir Wood, Dundee	31
Glendevon Estate, Perth and Kinross, including Glen Quey and Geordie's Wood	1,771
Glen Finglas Estate, Stirling	2,705

The assets scheduled above represent assets used for charitable purposes.

THE WOODLAND TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2003

11. OTHER FIXED ASSETS

The Group and the Charity:

	Total £'000	Computer Equipment £'000	Equipment £'000	Plant & Machinery £'000	Livestock Quota £'000
Cost or Donated Value					
At 1 January 2003	1,754	1,195	348	137	74
Additions	224	134	61	29	-
Disposals	(459)	(282)	(144)	(24)	(9)
At 31 December 2003	1,519	1,047	265	142	65
Depreciation					
At 1 January 2003	1,362	915	307	77	63
Charge for the year	216	157	26	28	5
Disposals	(447)	(280)	(143)	(21)	(3)
At 31 December 2003	1,131	792	190	84	65
Net Book Value					
At 31 December 2003	388	255	75	58	-
At 31 December 2002	392	280	41	60	11

The Net Book Value at 31 December 2003 represents Fixed Assets used for:

	Total £'000	Computer Equipment £'000	Equipment £'000	Plant & Machinery £'000	Livestock Quota £'000
Charitable Purposes					
Woodland Operations and Public Affairs	161	106	31	24	-
Education and Information	55	36	11	8	-
Support Activities	74	49	14	11	-
	290	191	56	43	-
Other Purposes					
Fundraising and Publicity	93	61	18	14	-
Management and Administration of the Charity	5	3	1	1	-
	98	64	19	15	-
Total	388	255	75	58	-

THE WOODLAND TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2003

12. INVESTMENTS

The Group and the Charity:

	2003 £'000	2002 £'000
Investments at Market Value		
Permanent Endowments	6,185	5,705
Designated Funds	2,500	2,353
Restricted Funds	6,511	5,814
Unrestricted Funds	165	-
	15,361	13,872

	Cost		Valuation	
	2003 £'000	2002 £'000	2003 £'000	2002 £'000
Investments consist of:				
Cash held as part of investments	81	203	81	203
UK Listed Investments	4,231	4,907	4,109	3,920
Overseas Listed Investments	2,154	1,690	1,981	1,281
Other UK Authorised Investments	9,188	8,245	9,190	8,260
Other Overseas Authorised Investments	-	193	-	208
	15,654	15,238	15,361	13,872

Investment advisors are appointed to assist with the management of the Trust's 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. Included in "Other UK Authorised Investments" is £8,121k (2002: £7,622k) invested in pooled cash deposit funds.

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 19 to the accounts.

	2003 £'000	2002 £'000
The movement on valuation of investments is as follows:		
Market value at 1 January	13,872	14,465
Acquisitions	1,552	4,248
Sales Proceeds	(994)	(3,008)
Net Investment Gains/(Losses)	931	(1,833)
Market value at 31 December	15,361	13,872
Cost at 31 December	(15,654)	(15,238)
Unrealised Investment (Loss) at 31 December	(293)	(1,366)
Investment losses calculated on a historic cost basis	(142)	(90)

THE WOODLAND TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2003

13. STOCKS

	Group		Charity	
	2003	2002	2003	2002
	£'000	£'000	£'000	£'000
Livestock at Glen Finglas	115	107	115	107
Raw Materials and Consumables	32	22	21	18
	147	129	136	125

14. DEBTORS

	Group		Charity	
	2003	2002	2003	2002
	£'000	£'000	£'000	£'000
Grants Receivable	1,505	1,215	1,505	1,215
Legacies Receivable	1,387	1,722	1,387	1,722
Trade Debtors	414	170	75	150
Other Debtors	252	363	627	469
Work in Progress - Legal Fees	1	5	1	5
Prepayments and Accrued Income	853	273	853	273
	4,412	3,748	4,448	3,834

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2003	2002	2003	2002
	£'000	£'000	£'000	£'000
Trade Creditors	2,152	1,849	2,145	1,831
Payments received on account of future projects	161	203	161	203
Taxation and Social Security	137	110	137	110
Amounts owed to subsidiary company	-	-	-	77
Other Creditors	188	26	188	26
Accruals and Deferred Income	44	65	35	54
	2,682	2,253	2,666	2,301

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

The Group and the Charity

	2003	2002
	£'000	£'000
Trade Creditors - retentions	20	52

THE WOODLAND TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2003

17. MOVEMENT ON FUNDS

	Movement in Funds:				Balance at 31 December 2003 £'000
	Balance at 1 January 2003 £'000	Incoming Resources £'000	Resources Expended £'000	Transfer £'000	
General Fund	2,888	10,811	(10,795)	(86)	2,818
Designated Fund					
Contingency Fund	2,353	-	-	147	2,500

The transfer is the surplus from the General Fund plus the drawdown from the Endowment Funds.

The General Fund represents working capital and operating fixed assets and is analysed in Note 18. The surplus is transferred to the Contingency Fund.

Restricted Funds	Movement in Funds:				Balance at 31 December 2003 £'000
	Balance at 1 January 2003 £'000	Incoming Resources £'000	Gains/ Expenses £'000	Transfers £'000	
Woodland and Land	41,833	995	(34)	(77)	42,717
Woods on Your Doorstep (England and Wales)	1,792	171	(498)	1	1,466
Woods on Your Doorstep (Northern Ireland)	1,330	368	(333)	-	1,365
Woodland Management Fund	1,683	2,507	(1,973)	214	2,431
Restricted Legacies	746	992	(25)	(74)	1,639
Various other activities	246	1,410	(1,416)	160	400
	47,630	6,443	(4,279)	224	50,018

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

Woods on Your Doorstep (England and Wales) and Woods on Your Doorstep (Northern Ireland) represent a surplus of restricted income, which will be applied to future costs. The Woods on Your Doorstep (England and Wales) fund includes a revaluation reserve of £(131)k (2002: £(261)k).

The Woodland Management Fund consists of unspent restricted income associated with specific sites.

Restricted legacies represent those where the testator has restricted use for specific purposes or in specific locations. We are actively seeking opportunities to spend these for woodland conservation, but because of the nature of the restrictions imposed by the testator, it can sometimes take an appreciable period of time before qualifying spend can be identified.

Various other restricted activities include many individual grants and donations for specific purposes, which will be applied to future costs. The Landfill Tax received in 2003 amounted to £290k and £338k was expended leaving a balance as at 31 December 2003 of £82k (2002: £130k), which will be applied to future costs.

THE WOODLAND TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2003

Permanent Endowments	Balance at 1 January 2003 £'000	Movement in Funds:		Balance at 31 December 2003 £'000
		Net Investment Gains £'000	Transfers £'000	
Glenrothes	2,593	345	(62)	2,876
Livingston	1,393	194	(58)	1,529
Warrington and Runcorn	903	125	(127)	901
Preston and Chorley	755	104	(38)	821
	5,644	768	(285)	6,127

The Permanent Endowments represent funds given to us with gifts of woodland and land in the locations noted above, under terms requiring us to invest permanently the sums given to provide income for the future management of that woodland and land. These funds include a revaluation reserve of £(162)k (2002: £(1.105)k).

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

The transfers are a drawdown from Glenrothes and Livingston endowments to contribute to operating costs.

18. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

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

The Directors 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 2003 are represented by:

	Total Funds £'000	Unrestricted Funds		Restricted Funds	
		General Fund £'000	Designated Fund £'000	Restricted Fund £'000	Permanent Endowments £'000
Tangible Fixed Assets	43,105	328	-	42,777	-
Investments	15,361	165	2,500	6,511	6,185
Cash at Bank and In-hand	1,140	1,140	-	-	-
Other Current Assets	4,559	3,645	-	914	-
Other Current Liabilities	(2,682)	(2,460)	-	(164)	(58)
Liabilities due over more than one year	(20)	-	-	(20)	-
Total Net Assets	61,463	2,818	2,500	50,018	6,127

THE WOODLAND TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2003

19. 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	2003	2002
	£'000	£'000
Turnover	1,309	1,221
Cost of Sales	(276)	(219)
Gross Profit	1,033	1,002
Licence Payment to the Woodland Trust	(60)	(50)
Distribution Costs	(48)	(50)
Administration Expenses	(21)	(32)
Other Operating Income	1	1
Operating Profit	905	871
Interest Payable	-	-
Interest Receivable	1	-
Net Profit	906	871
Payment under Gift Aid to the Woodland Trust	(906)	(871)
Accumulated Reserves Brought Forward	-	-
Accumulated Reserves Carried Forward	-	-
Balance Sheet	2003	2002
	£'000	£'000
Net Current Assets	401	144
Net Current Liabilities	(401)	(144)
Net Assets	-	-
Capital and Reserves	-	-

THE WOODLAND TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2003

20. OPERATING LEASE COMMITMENTS

At 31 December, 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.

	2003 £'000	2002 £'000
Land and Buildings		
Leases which expire:		
Within one year	-	-
Within two to five years	175	166
After five years	-	-
	<u>175</u>	<u>166</u>
Other		
Leases which expire:		
Within one year	24	26
Within two to five years	343	257
After five years	-	-
	<u>367</u>	<u>283</u>

21. CAPITAL COMMITMENTS

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

	2003 £'000	2002 £'000
Authorised by the Directors but not contracted for	<u>-</u>	<u>40</u>

22. 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 £228k (2002: £202k). Included in other creditors is £nil (2002: £nil) in respect of pension schemes.

23. CONTINGENT LIABILITIES

The Directors were not aware of any significant contingent liabilities at 31 December 2003 and 31 December 2002.

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 2003

24. NOTES TO THE CASH FLOW STATEMENT

(a) Gross Cash Flows

	2003 £'000	2002 £'000
<i>Returns on Investments and Servicing of Finance</i>		
Investment Income	496	541
Capital Expenditure and Financial Investment		
Purchase of Woodland and Land	(389)	(863)
Purchase of Fixed Assets	(224)	(347)
Purchase of Investments	(1,552)	(4,248)
Sale of Land	41	69
Sale of Fixed Assets	24	2
Sale of Investments	994	3,008
	(1,106)	(2,379)

(b) Analysis of Changes in Net Funds

	At 1 January 2003 £'000	2003 Cash Flows £'000	At 31 December 2003 £'000	At 1 January 2002 £'000	2002 Cash Flows £'000
Cash at Bank and In-hand	846	294	1,140	2,139	(1,293)

THE WOODLAND TRUST

PROFESSIONAL ADVISORS

AUDITORS

haysmacintyre, Chartered Accountants, London

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

L'Estrange & Brett, Belfast
Nigel Davis & Co, Derby
Mills and Reeve, Cambridge
Roythorne and Co, Spalding, Lincolnshire
Stones, Exeter, Devon
Tods Murray WS, Edinburgh