

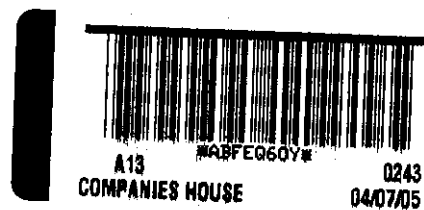
Registered Company No. 1982873

Registered Charity No. 294344

THE WOODLAND TRUST

REPORT AND ACCOUNTS

31 DECEMBER 2004



THE WOODLAND TRUST

PATRONS

The Rt Hon Lord Barber of Tewkesbury
The Most Hon the Marchioness of Dufferin and Ava
The Earl of Lichfield

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 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, MSc
J Nicola Nicholls, PhD, BSc
Peter J Oliver, FCA, (Chairman)
Adrian A Phillips, CBE, MA, Dip TP, MRTPI, FLI
Nicola A Ramsden, BSc, MInstF
Rachel M Thomas, CBE, DL, BA, DSc(hc), FRGS
Michael B Usher, OBE, PhD, DUniv, FIBiol, FRSE

The Trustees are also the Directors of the Company.

PRINCIPAL OFFICERS

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

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
CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2004

This has been another outstanding year of real progress. We continue to focus on achieving four vital objectives.

♦ **No further loss of ancient woodland**

Although ancient woodland is the UK's richest natural habitat, we know from the data we have collected that an increasing number of these irreplaceable woods are under threat. In particular, no less than 48 ancient woods are threatened by two new power lines traversing Scotland. We continue to take far reaching action to tackle this trend including launching a new website making it easier for people to report woods under threat and develop campaigns to safeguard them.

♦ **Improving woodland biodiversity**

The Woodland Trust remains at the forefront of conservation thinking. We co-hosted an important international conference on landscape ecology, the outcome of which will contribute to the conservation of the rich natural tapestry of woodland in the UK and beyond. Recognising the unique value of individual ancient trees, we announced a set of challenges highlighting their current vulnerability.

Many of our own ancient woodland sites were damaged by the planting of non-native conifers before we acquired them. We made excellent progress in restoring these and are taking action to urge and enable others to do the same with their ancient woods. In particular, we were instrumental in bringing about crucial changes to the UK Woodland Assurance Scheme, ensuring forest managers are given more robust guidelines on restoration.

♦ **Increasing new native woodland**

It is increasingly recognised that we need more woodland, yet the Government has reduced the availability of grants for creating new woodland in England. We are campaigning to reverse this inappropriate policy, but in the meantime have become necessarily more reliant on the generosity of the private sector. Our important new planting site at Victory Wood is an excellent example, made possible by extremely generous support for which we are immensely grateful.

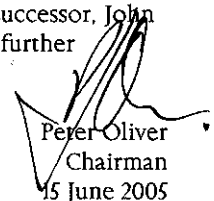
♦ **Increasing people's understanding and enjoyment of woodland**

We launched our most ambitious campaign ever. Tree For All aims to involve one million children in planting 12 million trees. In 2004 we planted 870,000 trees and involved 50,000 children. Crucially, we believe this will help a new generation to understand peoples' place in nature. This is an optimistic, outward looking campaign, which has inspired support from many partners, public and private.

Our report, Space for People, was very well received. It revealed new evidence on the need to improve access to woods and increase native woodland throughout the UK, and proposed new standards that help determine where the need is greatest. The year also saw the introduction of a website for a new junior wing of our UK Phenology Network. Nature Detectives will engage children in the intriguing task of watching how the seasonal timing of nature's events is responding in the light of climate change.

Once again our membership has increased, reaching 137,000 at the end of the year in which our income exceeded £17 million. We are truly grateful not only for the financial support of so many, but for the moral support implicit in this generosity.

This is my last report as chairman of the Trust, for I stand down in June 2005. It has been a privilege and a pleasure to fulfil this role, but I could not have done so without the help of many people, notably Mike Townsend, our former chief executive, Julian Purvis who has very ably acted in that role throughout the year, my fellow trustees and the Trust's committed and enthusiastic staff. I wish new chief executive, Sue Holden, and my successor, John Lake, well. I am leaving the Trust in good heart and good hands and I look forward to watching its further progress in inspiring people to value woodland.


Peter Oliver
Chairman
15 June 2005

THE WOODLAND TRUST
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2004

The Directors have pleasure in presenting their report together with the audited accounts for the year ended 31 December 2004. The Chairman's Report appears on page 1.

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. They are required to 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.

The Finance Sub-Committee carried out some of the roles of an Audit Committee, an Investment Committee, a Health and Safety Committee and a Remuneration 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 2004

5. **Directors**

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

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

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

Prof A A Phillips was appointed on 25 October 2004.

Dr J N Nicholls was appointed on 9 February 2005.

Prof M B Usher was appointed on 9 February 2005.

The following Directors served on the Finance Sub-Committee:

Mr A P Golding
Mr C Hall
Mr T W Jones
Dr J B Lake (Chair)
Dr J N Nicholls (joined the Sub-Committee from 9 February 2005)

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**

In 2004 the Trust received a record membership income of £3.8m (2003: £3.7m), which reflects an increase in membership from 127,000 to 137,000. Legacy income was also the highest in the Trust's history at £4m (2003: £3.5m). Whilst total unrestricted income increased from £10.8m to £12.3m, total restricted income decreased from £6.4m to £4.8m. Consequently total income decreased from £17.3m to £17.1m.

Total expenditure increased from £16.2m to £17m. The main areas of expenditure in furtherance of the Trust's objects were:

	2004 £'000	2003 £'000
♦ Acquisition of woodland and land (capitalised – see Note 10, page 19)	1,464	917
♦ Woodland conservation and public affairs	8,446	8,339
♦ Fundraising and publicity	3,493	3,837
♦ Education and information	1,958	1,351
♦ Operational support costs	1,453	1,520
♦ Management and administration	201	190
Total expenditure	17,015	16,154

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 increasingly works in collaboration with other landowners.

THE WOODLAND TRUST
REPORT OF THE DIRECTORS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2004

The Trust acquired 305 ha of land, including 140 ha at Lamberhurst in Kent. The Victory Wood will be created on this site to mark the bi-centenary of the battle of Trafalgar in 2005.

Expenditure on woodland conservation and public affairs increased to £8.4m (2003: £8.3m). Our Tree for All campaign has been a major focus and during the year 80,000 people helped us plant 870,000 trees, including nearly 1,000 schools who planted trees in November and December.

The Trust's expenditure on fundraising and publicity relates to the cost of raising income from all sources. It includes £1.3m (2003: £1.7m) expenditure on recruiting 22,700 new members. 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.

The Consolidated Statement of Financial Activities on page 9 shows a surplus of £588k on the General Fund. The analysis of funds in Note 18 on page 24 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 £0.5m (2003: net gain £0.9m).

Charities need to have regard to taxation in all their activities. During 2004 the Trust was successful in making further improvements in its ability to recover VAT on its expenditure, although irrecoverable VAT rose slightly to £135k (2003: £127k).

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 2003, we recovered over £1m in tax, which increased greatly the amount of work we were able to undertake. The Trust has been commended by The Giving Campaign 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 make a real 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. Emphasis is being placed on education, especially through the Tree for All campaign and Nature Detectives project.

The Trafalgar Woods project, which involves the creation of 27 woods throughout the UK to mark the bi-centenary of the battle of Trafalgar will be a highlight of activity in 2005.

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

THE WOODLAND TRUST
REPORT OF THE DIRECTORS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2004

POLICY AND CHARITY GOVERNANCE

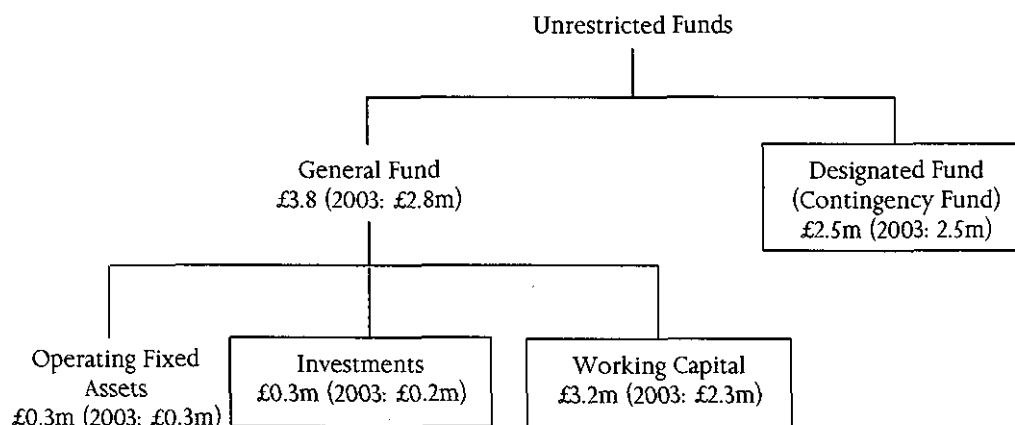
9. **Risk Management**

The Trust's risk assessment process identifies and prioritises the risks it faces and establishes suitable mitigating controls. During 2004, 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 is 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. "Free" reserves are shown in boxes.



The General Fund consists primarily of working capital and operating fixed assets required for the day-to-day management of the Trust. At 31 December this amounted to £3.8m (2003: £2.8m) of which £2m (2003: £1.1m) is represented by cash.

In the short-term, operating fixed assets cannot be converted to cash, so the Trust's "free" reserves were £6.0m at 31 December 2004 (2003: £5.0m). 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 2004 (2003: £2.5m). 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 2004

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 24 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. Each investment portfolio is managed by professional investment managers and has an objective of optimising total return, subject to an acceptable level of risk. Performance is monitored against a tailored benchmark.

During 2004 the Trust had five separate funds with its investment managers. The benchmark return was 11.1% (2003: 16.8%). The actual returns achieved ranged from 9.8% to 10.1% (2003: 18.1% to 23.6%).

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, (now Sarasin Chiswell) were appointed sole investment manager for the 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 2004

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 15 June 2005 and signed on their behalf:


Peter J Oliver
Chairman
15 June 2005

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 2004, 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 2004 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
Chartered Accountants
Registered Auditors
Date:

15 June 2005

Fairfax House
15 Fulwood Place
London
WC1V 6AY

THE WOODLAND TRUST
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2004

		UNRESTRICTED FUNDS		RESTRICTED FUNDS			
	Note	General Fund £'000	Designated Fund £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2004 £'000	Total 2003 £'000
INCOMING RESOURCES							
Donations, Legacies and similar incoming resources	2	10,298	-	2,071	-	12,369	10,660
<i>Incoming Resources from Operating Activities:</i>							
♦ Activities in furtherance of the charity's objects	2	1,151	-	2,329	-	3,480	5,277
♦ Activities for generating funds	2	441	-	187	-	628	821
Investment Income	9	392	-	233	-	625	496
Total Incoming Resources		12,282	-	4,820	-	17,102	17,254
RESOURCES EXPENDED							
<i>Cost of Generating Funds:</i>							
Fundraising and publicity costs	4	3,357	-	100	36	3,493	3,837
<i>Charitable Expenditure:</i>							
<i>Cost of activities in furtherance of the charity's objects:</i>							
♦ Woodland conservation and public affairs	4	4,820	-	3,626	-	8,446	8,339
♦ Education and information	4	1,863	-	95	-	1,958	1,351
Support costs	5	1,453	-	-	-	1,453	1,520
Management and administration	6	201	-	-	-	201	190
Total Resources Expended		11,694	-	3,821	36	15,551	15,237

This statement excludes £1,464k of Woodland and Land which has been capitalised as per Note 10.

Net Incoming Resources from operations before transfers

		588	-	999	(36)	1,551	2,017
Transfers between funds	17	397	-	(163)	(234)	-	-
Net Gains on Investment Assets							
	12	-	-	84	413	497	931
Net Movements in Funds		985	-	920	143	2,048	2,948
Fund Balances brought forward at 1 January		2,818	2,500	50,018	6,127	61,463	58,515
Fund Balances carried forward at 31 December	18	3,803	2,500	50,938	6,270	63,511	61,463

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 (£1,551k) and the net income for the year as defined under the Companies Act (£1,267k) are realised gains on investments of £316k reflected within net losses on investment assets and expenditure within the endowment funds of £36k.

The Notes on pages 12 to 27 form part of these accounts.

THE WOODLAND TRUST
BALANCE SHEETS AT 31 DECEMBER 2004

	Note	Group 2004 £'000	2003 £'000	Charity 2004 £'000	2003 £'000
Fixed Assets					
Tangible Assets:					
♦ Woodland and Land	10	44,149	42,717	44,149	42,717
♦ Other Fixed Assets	11	341	388	341	388
		44,490	43,105	44,490	43,105
Investments	12	15,427	15,361	15,427	15,361
		59,917	58,466	59,917	58,466
Current Assets					
Stocks	13	137	147	137	136
Debtors	14	3,468	4,412	3,500	4,448
Cash at Bank and In-hand	24(b)	2,010	1,140	1,958	1,099
		5,615	5,699	5,595	5,683
Creditors					
Amounts falling due within one year	15	(2,016)	(2,682)	(1,996)	(2,666)
Net Current Assets		3,599	3,017	3,599	3,017
Total Assets Less Current Liabilities		63,516	61,483	63,516	61,483
Creditors					
Amounts falling due after more than one year	16	(5)	(20)	(5)	(20)
Net Assets	18	63,511	61,463	63,511	61,463
Financed by:					
Unrestricted Funds:					
♦ General Fund	17	3,803	2,818	3,803	2,818
♦ Designated Fund	17	2,500	2,500	2,500	2,500
Restricted Funds	17	50,938	50,018	50,938	50,018
Permanent Endowments	17	6,270	6,127	6,270	6,127
		63,511	61,463	63,511	61,463

These accounts were approved by the Directors on 15 June 2005.


 Peter J Oliver
 Chairman

The Notes on pages 12 to 27 form part of these accounts.

THE WOODLAND TRUST
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2004

	Note	2004 £'000	2003 £'000
Reconciliation of Net Incoming Resources to Net Cash Inflow from Operations			
Net Incoming Resources from Operations		1,551	2,017
Depreciation		247	239
(Profit) on disposal of Woodland and Land		(23)	(31)
(Profit) on disposal of other Fixed Assets		(5)	(12)
Investment Income		(625)	(496)
Decrease/(Increase) in Stock		10	(18)
Decrease/(Increase) in Debtors		944	(664)
(Decrease)/Increase in Creditors		(681)	397
Donated Woodland and Land		(80)	(528)
		(213)	(1,113)
Net Cash Inflow from Operating Activities		1,338	904

CASH FLOW STATEMENT

Net Cash Inflow from Operating Activities		1,338	904
Returns on Investments and Servicing of Finance	24(a)	625	496
Capital Expenditure and Financial Investment	24(a)	(1,093)	(1,106)
Increase in Cash	24(b)	870	294

Reconciliation of Net Cash Flow to movement in Net Funds

Increase in Cash in year	24(b)	870	294
Net Funds at 1 January	24(b)	1,140	846
Net Funds at 31 December		2,010	1,140

The Notes on pages 12 to 27 form part of these accounts.

THE WOODLAND TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2004

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 subject to the terms of the endowment, where applicable permission is obtained.

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 2004

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
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 2004

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 2004 this amounted to £135k (2003: £127k).

THE WOODLAND TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2004

2. INCOMING RESOURCES

As summarised in the Consolidated Statement of Financial Activities:

	UNRESTRICTED FUNDS £'000	RESTRICTED FUNDS £'000	Total 2004 £'000	Total 2003 £'000
Membership Subscriptions	3,830	-	3,830	3,686
Legacies Receivable	3,434	609	4,043	3,460
Charitable Trust Donations	152	273	425	417
Lotteries	562	-	562	469
Company Donations	121	19	140	83
Landfill Tax	-	350	350	230
Other Donations	2,199	820	3,019	2,315
Donations, Legacies and Similar Incoming Resources	10,298	2,071	12,369	10,660

Included in Other Donations is £80k (2003: £150k) gifts in kind.

Legacy notifications

In addition to the legacy income recorded above, the Trust had been advised of a number of legacies bequeathed to it where the conditions regarding income recognition were not fulfilled by the year end. The combined estimated value of those legacies where it is possible to estimate their value was at least £1.416m (2003: £385k).

	UNRESTRICTED FUNDS £'000	RESTRICTED FUNDS £'000	Total 2004 £'000	Total 2003 £'000
Grants Receivable (see Note 3)	645	1,930	2,575	3,180
Woodland Management Income	506	319	825	1,569
Donated Woodland and Land	-	80	80	528
Activities in furtherance of the Charity's objects	1,151	2,329	3,480	5,277
Sponsorship Income	257	187	444	723
Merchandise Income	184	-	184	98
Activities for Generating Funds	441	187	628	821
Total Incoming Resources from Operating Activities	1,592	2,516	4,108	6,098

THE WOODLAND TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2004

3. GRANTS RECEIVABLE

	2004 £'000	2003 £'000
Forestry Commission	902	910
Heritage Lottery Fund	588	666
Department for the Environment, Food and Rural Affairs (DEFRA)	247	211
Local Authorities	181	198
EC Life Nature	99	-
Environment and Heritage Service	93	128
European Structural Funds	76	324
Big Lottery Fund	63	74
Countryside Council for Wales	62	11
Mersey Forest	51	-
Forest Service for Northern Ireland	38	-
English Nature	38	30
Frodsham Forward/Government Office for the North West	30	-
Friends of the Lake District	20	-
Brecon Beacons National Park Authority	10	-
Scottish Executive	8	42
Scottish Natural Heritage	7	21
The Countryside Agency	6	7
Wales Tourist Board	2	83
Big Lottery Fund Transforming Your Space	2	38
Millennium Commission	-	282
English Nature Aggregate Levy Sustainable Fund	-	19
Others	52	136
	2,575	3,180

Included within Grants receivable are restricted grants of £1.9m (2003: £2.9m).

4. RESOURCES EXPENDED

	2004 £'000	2003 £'000
Fundraising and Publicity Costs		
Staff costs	1,278	1,258
Membership recruitment	1,257	1,662
Merchandise and lottery	215	124
Depreciation	44	42
Other costs	699	751
	3,493	3,837
Woodland Conservation and Public Affairs		
Staff costs	2,613	2,317
Visitor related costs	1,457	1,860
Woodland restoration	1,065	1,059
Other conservation work	1,314	1,048
Tree planting and associated work	779	885
Public affairs activity in support of conservation	211	152
Depreciation	67	56
Other costs	940	962
	8,446	8,339
Education and Information Costs		
Staff costs	1,034	798
Membership publications and support	412	468
Education, public relations, web site and other information	512	85
	1,958	1,351

THE WOODLAND TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2004

5. SUPPORT COSTS FOR CHARITABLE EXPENDITURE

	2004 £'000	2003 £'000
Staff costs	645	678
Premises	122	126
Depreciation	136	141
Other costs	550	575
	1,453	1,520

6. MANAGEMENT AND ADMINISTRATION OF THE CHARITY

	2004 £'000	2003 £'000
Staff costs	138	129
Audit and professional fees	28	18
Trustees' expenses and meetings	19	13
Other costs	16	30
	201	190

7. NET INCOME FOR THE YEAR BEFORE TRANSFERS

The surplus for the year is after charging:

	2004 £'000	2003 £'000
Salaries and Wages	4,955	4,497
Social Security costs	506	455
Other Pension costs	247	228
	5,708	5,180
Depreciation	247	239
Auditors' fees and expenses:		
♦ Audit work	16	16
♦ Other services	12	2
Rentals under operating leases	513	478
Irrecoverable Value Added Tax	135	127

Employees and Volunteers

The average number of employees during the year was 227 (2003: 218).

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

	2004	2003
Woodland conservation and public affairs	96	92
Education and information	48	36
Support activities	33	37
Fundraising and publicity	47	50
Management and administration	3	3
	227	218

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 1,410 volunteers assist with these activities. In addition we rely on volunteers to collect data on climate change through our Phenology project. Currently 10,903 individuals are providing information.

THE WOODLAND TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2004

We use the volunteer investment and value audit (VIVA) process to estimate the contribution our volunteers make. In 2004 they contributed 131,443 hours with an ascribed value of £1.26m (2003: 114,135 hours, value £1.05m).

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 14 (2003: 12) Directors on Council business amounted to £14k (2003: £7k) 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 (2003: £7k).

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

£'s	No. of Employees	
	2004	2003
70,000-79,999	2	1
60,000-69,999	0	1
50,000-59,999	2	1

All employees earning more than £50k participated in the defined contribution pension scheme. Contributions of £21.4k (2003: £20k) were made during the year for these employees by the charity.

9. INVESTMENT INCOME

Income from investments was as follows:

	2004 £'000	2003 £'000
Income from UK Listed Investments	147	107
Income from Overseas Listed Investments	6	6
Income from other UK Authorised Investments	237	149
Income from other Overseas Authorised Investments	1	3
Income from Cash Deposits	19	52
Bank Interest receivable	215	179
	625	496

THE WOODLAND TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2004

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 2004	42,789	32,408	619	4,748	4,137	877
Additions for the year	1,464	1,381	-	-	-	83
Disposals in the year	(5)	-	-	(2)	(3)	-
Cost or Donated Value at 31 December 2004	44,248	33,789	619	4,746	4,134	960
Depreciation						
At 1 January 2004	72	-	-	-	-	72
Charge for the year	27	-	-	-	-	27
At 31 December 2004	99	-	-	-	-	99
Net Book Value						
At 31 December 2004	44,149	33,789	619	4,746	4,134	861
At 31 December 2003	42,717	32,408	619	4,748	4,137	805

The additions to donated woodland and land include legal fees of £3k (2003: £6k).

The Trust currently leases 50 acres (2003: 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 charge:

The Group and the Charity:

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

The assets scheduled above represent assets used for charitable purposes.

THE WOODLAND TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2004

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 2004	1,519	1,047	265	142	65
Additions	175	122	5	48	-
Disposals	(94)	(74)	(1)	(19)	-
At 31 December 2004	1,600	1,095	269	171	65
Depreciation					
At 1 January 2004	1,131	792	190	84	65
Charge for the year	220	156	24	40	-
Disposals	(92)	(72)	(1)	(19)	-
At 31 December 2004	1,259	876	213	105	65
Net Book Value					
At 31 December 2004	341	219	56	66	-
At 31 December 2003	388	255	75	58	-

The Net Book Value at 31 December 2004 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	144	93	23	28	-
Education and Information	72	46	12	14	-
Support Activities	48	31	8	9	-
	264	170	43	51	-
Other Purposes					
Fundraising and Publicity	72	46	12	14	-
Management and Administration of the Charity	5	3	1	1	-
	77	49	13	15	-
Total	341	219	56	66	-

THE WOODLAND TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2004

12. INVESTMENTS

The Group and the Charity:

	2004 £'000	2003 £'000
Investments at Market Value		
Permanent Endowments	6,357	6,185
Designated Funds	2,500	2,500
Restricted Funds	6,301	6,511
Unrestricted Funds	269	165
	15,427	15,361

	Cost		Valuation	
	2004 £'000	2003 £'000	2004 £'000	2003 £'000
Investments consist of:				
Cash held as part of investments	48	81	48	81
UK Listed Investments	4,451	4,231	4,820	4,109
Overseas Listed Investments	1,468	2,154	1,610	1,981
Other UK Authorised Investments	8,940	9,188	8,949	9,190
Other Overseas Authorised Investments	-	-	-	-
	14,907	15,654	15,427	15,361

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 £7,963k (2003: £8,121k) 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.

	2004 £'000	2003 £'000
The movement on valuation of investments is as follows:		
Market value at 1 January	15,361	13,872
Acquisitions	2,136	1,552
Sales Proceeds	(2,567)	(994)
Net Investment Gains	497	931
Market value at 31 December	15,427	15,361
Cost at 31 December	(14,907)	(15,654)
Unrealised Investment Gains/(Losses) at 31 December	520	(293)
Investment losses calculated on a historic cost basis	(316)	(142)

THE WOODLAND TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2004

13. STOCKS

	Group		Charity	
	2004	2003	2004	2003
	£'000	£'000	£'000	£'000
Livestock at Glen Finglas	117	115	117	115
Raw Materials and Consumables	20	32	20	21
	137	147	137	136

14. DEBTORS

	Group		Charity	
	2004	2003	2004	2003
	£'000	£'000	£'000	£'000
Grants Receivable	1,093	1,505	1,093	1,505
Legacies Receivable	1,444	1,387	1,444	1,387
Trade Debtors	223	414	133	75
Other Debtors	236	252	358	627
Prepayments and Accrued Income	472	854	472	854
	3,468	4,412	3,500	4,448

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2004	2003	2004	2003
	£'000	£'000	£'000	£'000
Trade Creditors	1,646	2,152	1,642	2,145
Payments received on account of future projects	135	161	135	161
Taxation and Social Security	143	137	143	137
Other Creditors	38	188	38	188
Accruals and Deferred Income	54	44	38	35
	2,016	2,682	1,996	2,666

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

The Group and the Charity

	2004	2003
	£'000	£'000
Trade Creditors - retentions	5	20

THE WOODLAND TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2004

17. MOVEMENT ON FUNDS

	Movement in Funds:				Balance at 31 December 2004 £'000
	Balance at 1 January 2004 £'000	Incoming Resources £'000	Resources Expended £'000	Transfer £'000	
General Fund	2,818	12,282	11,694	397	3,803
Designated Fund					
Contingency Fund	2,500	-	-	-	2,500

The transfer is the surplus from the General Fund plus the drawdown from the Endowment Funds, and transfers from the restricted fund as described below.

The General Fund represents working capital and operating fixed assets and is analysed in Note 18.

Restricted Funds	Movement in Funds:				Balance at 31 December 2004 £'000
	Balance at 1 January 2004 £'000	Incoming Resources £'000	Gains/ Expenses £'000	Transfers £'000	
Woodland and Land	42,717	1,028	(32)	436	44,149
Woods on Your Doorstep (England and Wales)	1,466	171	(499)	7	1,145
Woods on Your Doorstep (Northern Ireland)	1,365	100	(295)	-	1,170
Woodland Management Fund	2,431	1,262	(1,362)	146	2,477
Restricted Legacies	1,639	667	-	(658)	1,648
Forest Education Initiative	43	117	(81)	-	79
Various other funds	357	1,475	(1,468)	(94)	270
	50,018	4,820	(3,737)	(163)	50,938

Woodland and land comprises the capital costs of the woods purchased and the value of donated woodland and land. Where an acquisition of woodland and land has taken place a transfer may be made from restricted legacies or from other restricted funds.

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 £(43)k (2003: £(131)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.

Forest Education Initiative funds represent surplus income which will be applied to future costs.

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 2004 amounted to £136k and £140k was expended leaving a balance as at 31 December 2004 of £78k (2003: £82k), which will be applied to future costs.

THE WOODLAND TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2004

Permanent Endowments	Balance at 1 January 2004 £'000	Movement in Funds:		Balance at 31 December 2004 £'000
		Net Investment Gains £'000	Transfers £'000	
Glenrothes	2,876	180	(67)	2,989
Livingston	1,529	94	(63)	1,560
Warrington and Runcorn	901	52	(52)	901
Preston and Chorley	821	51	(52)	820
	6,127	377	(234)	6,270

The Permanent Endowments represent funds given to the Trust with gifts of woodland and land in the locations noted above, under terms requiring the funds to be invested permanently to provide income for the future management of that woodland and land. These funds include a revaluation reserve of £563k (2003: £(162)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 from Glenrothes and Livingston endowments are a drawdown 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 2004 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	44,490	273	-	44,217	-
Investments	15,427	269	2,500	6,301	6,357
Cash at Bank and In-hand	2,010	1,999	-	11	-
Other Current Assets	3,605	2,930	-	675	-
Other Current Liabilities	(2,016)	(1,663)	-	(266)	(87)
Liabilities due over more than one year	(5)	(5)	-	-	-
Total Net Assets	63,511	3,803	2,500	50,938	6,270

THE WOODLAND TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2004

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	2004	2003
	£'000	£'000
Turnover	1,210	1,309
Cost of Sales	(353)	(276)
Gross Profit	857	1,033
Licence Payment to the Woodland Trust	(60)	(60)
Distribution Costs	(69)	(48)
Administration Expenses	(46)	(21)
Other Operating Income	1	1
Operating Profit	683	905
Interest Payable	-	-
Interest Receivable	1	1
Net Profit	684	906
Payment under Gift Aid to the Woodland Trust	(684)	(906)
Accumulated Reserves Brought Forward	-	-
Accumulated Reserves Carried Forward	-	-
Balance Sheet	2004	2003
	£'000	£'000
Net Current Assets	154	401
Net Current Liabilities	(154)	(401)
Net Assets	-	-
Capital and Reserves	-	-

THE WOODLAND TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2004

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.

	2004 £'000	2003 £'000
Land and Buildings		
Leases which expire:		
Within one year	-	-
Within two to five years	175	175
After five years	-	-
	<u>175</u>	<u>175</u>
Other		
Leases which expire:		
Within one year	15	24
Within two to five years	302	343
After five years	-	-
	<u>317</u>	<u>367</u>

21. CAPITAL COMMITMENTS

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

	2004 £'000	2003 £'000
Authorised by the Directors but not contracted for	<u>-</u>	<u>-</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 £247k (2003: £228k). Included in other creditors is £nil (2003: £nil) in respect of pension schemes.

23. CONTINGENT LIABILITIES

The Directors were not aware of any significant contingent liabilities at 31 December 2004 and 31 December 2003.

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 2004

24. NOTES TO THE CASH FLOW STATEMENT

(a) Gross Cash Flows

	2004 £'000	2003 £'000
<i>Returns on Investments and Servicing of Finance</i>		
Investment Income	625	496

Capital Expenditure and Financial Investment

Purchase of Woodland and Land	(1,381)	(389)
Purchase of Fixed Assets	(175)	(224)
Purchase of Investments	(2,139)	(1,552)
Sale of Land	28	41
Sale of Fixed Assets	7	24
Sale of Investments	2,567	994
	<u>(1,093)</u>	<u>(1,106)</u>

(b) Analysis of Changes in Net Funds

	At 1 January 2004 £'000	2004 Cash Flows £'000	At 31 December 2004 £'000	At 1 January 2003 £'000	2003 Cash Flows £'000
Cash at Bank and In-hand	<u>1,140</u>	<u>870</u>	<u>2,010</u>	<u>846</u>	<u>294</u>

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

Sarasin Chiswell, London

SOLICITORS

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