

THE WOODLAND TRUST

REPORT AND ACCOUNTS

31 DECEMBER 2000



Registered Company No. 1982873

Registered Charity No. 294344

### **PATRONS**

The Lord Barber of Tewkesbury; The Marchioness of Dufferin and Ava;  
P F Garthwaite Esq, OBE; The Earl of Lichfield;  
Dame Moura Lympny, DBE; E M Nicholson, Esq, CB, CVO.

### **VICE PRESIDENTS**

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

### **TRUSTEES**

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

The Trustees are also the  
Directors of the Company.

### **PRINCIPAL OFFICERS**

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

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

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

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

Marketing Director - Douglas P Seddon

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 Woodland Trust

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## INTRODUCTION

Welcome to the Woodland Trust's latest Annual Report and Accounts which covers our activities for the year 1st January 2000 to 31st December 2000.

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

- We believe there should be no further loss of ancient woodland.
- We want to see the biodiversity of woods restored and improved.
- We wish to see an increase in the area of new native woodland.
- We want to see an increase in people's awareness and enjoyment of woodland.

The Woodland Trust continues to be one of the UK's foremost conservation organisations and is the largest national charity concerned solely with the conservation of the UK's heritage of native woodland.

### Summary of Woodland and Land Owned at 31.12.00

	Hectares	Number of Woods	Numbers of Woods with Designations			
			Ancient Woodland & Ancient Woodland Sites	Sites of Special Scientific Interest	Special Areas of Conservation	National Nature Reserves
England	9,706	861	281	80	9	6
Scotland	6,362	84	12	6	-	-
Wales	1,542	127	71	27	2	1
N. Ireland	181	40	1	-	-	-
TOTAL 31.12.00	17,791	1,112	365	113	11	7
TOTAL 31.12.99	17,434	1,059	358	113	10	5

## THE WOODLAND TRUST

### CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2000

In 2000 The Woodland Trust was successful in continuing to meet its objectives. Our Annual Review provides further details of our achievements and our plans for the future. More information is also available on our web-site [www.woodland-trust.org.uk](http://www.woodland-trust.org.uk). Here I summarise the key events and our aspirations.

This millennium year has seen the exciting culmination of two major projects to mark the start of the 21<sup>st</sup> century and appropriately the focus of one is on creation of new woods, the other on survival of ancient woods:

#### Woods on your Doorstep

We have completed the acquisition of all 200 sites in England and Wales under our 'Woods on your Doorstep' campaign and of 40 of the planned 50 similar sites in Northern Ireland. At a reception held at Westminster in November, Chris Smith, Secretary of State for Culture, Media and Sport, hailed this as one of the most effective and successful of all the Millennium Commission's celebratory projects.

#### Wild about Woods

We launched this innovative project to take the message about precious ancient woodland to sectors of the population who often do not have the opportunity for involvement in conserving woodland heritage. The project uses video, CD-Rom, cassettes, interactive booths (sited strategically throughout Britain), interpretation and way-marked trails at 14 flagship sites in England, Scotland and Wales – all used in an extremely imaginative way.

Despite continuing threats to ancient woodland, we scored some notable successes. For example, we:

- were instrumental in the removal of the development threat to the ancient woodland at Brands Hatch.
- published our study *'Why the UK's ancient woodland is still under threat'*. We briefed MPs on this and the resultant media coverage reached perhaps our largest audience yet.
- continued our programme of acquiring ancient woodland damaged by the wholesale planting of conifers in past decades. We restore these by gradually removing the conifers and encouraging the return of broadleaved trees and their associated fauna and flora. But with nearly half of the UK's 550,000 ha of ancient woods needing such restoration, acquisition by the Trust can only be part of the solution.
- began supporting other landowners as a means of protecting ancient woodland. In a pilot scheme in the Yorkshire Dales, made possible by two extremely generous legacies, we are helping landowners by enabling them to control grazing pressure with new fencing and to regenerate woodland on adjacent land in order to make woods larger and more sustainable.

In our efforts to improve biodiversity we developed an original, practical and effective plan for measuring biodiversity, (universally recognised as extremely difficult to achieve). We described this in our publication *'Woodland biodiversity – expanding our horizons'* which has been extremely well received in both conservation and government circles.

During the year we entered into an unprecedented partnership with the RSPB, The Forestry Commission and BP Amoco to form the Scottish Forest Alliance, which will undertake woodland creation on a grand scale in Scotland. The first purchase of a planting site to be funded by the alliance is of 400 hectares at Glen Quey in Perthshire where, over the coming years, we will create mixed broadleaved woodland to the visual benefit of the landscape and the enhancement of the biodiversity of this lovely countryside.

That our work finds favour amongst an increasing number of people is evidenced by our growing membership. By the end of 2000, our membership had increased by over 20% from 63,000 to a record breaking 77,000. A larger membership gives greater credibility to our case when we press government to give woodland the status and funding it justifies. More members also generate more unrestricted income. You will see from the accounts that follow that during 2000 we generated income of over £17m of which over £8m is unrestricted.

The Trust depends critically on its volunteers and in 2000 we introduced a scheme to identify 'Volunteer of the Year' who will be awarded the Watkins Memorial Medal. We plan to increase the range of projects that can be offered to volunteers who wish to help the Trust with their time, skills and knowledge. We hope during 2001 to recruit more trustees, who are of course also volunteers. Many of the appointments in recent years have arisen from applications in response to advertisements in *Broadleaf*, our popular news magazine, and I hope we will continue to recruit trustees from amongst our members.

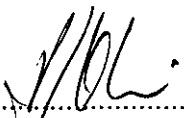
THE WOODLAND TRUST

CHAIRMAN'S REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2000

The fact that I am able to report another successful year is, once again, a tribute to all our supporters, volunteers and, of course, the staff of the Trust. It is a pleasure to acknowledge the stimulating support of all of them. Together, they will enable the Trust to continue to develop with confidence and to rise to the undoubted challenges that will face us in the future.

Perhaps the most fundamental of these is the fact that so many people regard themselves as separate from 'nature' and therefore unaffected by the natural world. This lack of recognition that humanity is but one small, (albeit hugely destructive), part of the ecosystem is perhaps why neither governments nor individuals are prepared to take action to combat the effects of climate change, if that action comes with an immediate cost. At a more local scale, there is a widespread failure, again by both government and the public at large, to understand that wildlife depends upon the whole countryside. It cannot exist in protected reserves alone. Conservation must be planned and implemented over much larger areas – at a 'landscape scale'.

These are challenges that go far beyond the protection of woodland but it is vital that they are understood if we are to be successful in protecting and enhancing our woodland heritage. The Woodland Trust will continue to play its part by acquiring and creating woodland and by encouraging and supporting others to do so. We will also act to further the knowledge and understanding of government and people to encourage attitudes more sympathetic to the world in which we live.

  
.....  
Peter Oliver  
Chairman  
24 May 2001

**THE WOODLAND TRUST**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 DECEMBER 2000**

The Directors have pleasure in presenting their report together with the audited accounts for the year ended 31 December 2000. The Chairman's Report appears on pages 4 - 5.

1. **Registration and Legal Structure**

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

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

Application has been made to formally wind up Woodland Trust (Services) Ltd (Company No. 2308264), which ceased to trade in 1999.

2. **Registered Office**

Autumn Park, Dysart Road, Grantham, Lincs. 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 vision is that there should be:

- no further loss of ancient woodland.
- restoration and improvement of the biodiversity of woods.
- an increase in the area of new native woodland.
- an increase in people's awareness and enjoyment of woodland.

4. **Organisation**

The Trustees are the Directors of the Company and form the Woodland Trust's Council which is the ultimate governing body. They are appointed by invitation and may offer themselves for re-appointment every five years.

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

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

**THE WOODLAND TRUST**

**REPORT OF THE DIRECTORS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2000**

5. Directors

The Directors of the Company throughout the year were:

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

Mr D V Gaulter retired on 31 May 2000.

Mrs R Thomas was appointed a Director on 4 May 2000.

6. Statement of Directors' Responsibilities

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

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

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

The Woodland Trust purchases indemnity insurance to protect it from loss 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 £1,796 (1999 : £1,628).

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

I am very pleased to report that the Trust had a record income of £17.3m in 2000, an increase of 5% on 1999. It was also a record year for membership income (£1.88m), which reflected the increase in our membership from 63,000 to 77,000, while legacy income was the highest in the Trust's history at £2.6m.

We spent £12.4m on direct charitable expenditure, which represents 85% of our total expenditure. The main areas of expenditure were:

	£'000
• Acquisition of woodland & land	2,631
• Tree planting & associated work	2,906
• Other woodland management	2,481
• Woodland access works	1,994
• Education & information	1,230
• Operational support costs	1,203
	-----
Direct Charitable expenditure	12,445
• Fundraising & publicity	2,049
• Management & administration	151
	-----
Total expenditure	14,645



**THE WOODLAND TRUST**

**REPORT OF THE DIRECTORS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2000**

7. Report from Mr A.P. Golding, Chairman of the Finance Sub Committee (continued)

Total expenditure was significantly less than total income in the year. This is mainly because over £9m of our income was restricted for specific projects and some of this has been carried forward to meet future expenditure, including £1.735m for Woods on Your Doorstep.

The Consolidated Statement of Financial Activities on Page 12 shows a surplus of £367,000 on the General Fund. The analysis of funds in Note 16 indicates that our General Fund comprises working capital. Any surplus cash within working capital is transferred to the Contingency Fund which is one of two designated funds. The purpose of these funds is described on page 9. It should be noted that the value of the Contingency Fund was just within the target range that the trustees deem to be appropriate.

The Trust's Millennium projects, particularly Woods on Your Doorstep, have had a significant impact on our accounts in recent years. Between 1997-2000, our Woods on Your Doorstep project generated income of over £20m of which £16m has so far been spent. The balance will be required to meet necessary management expenditure over the next few years, after which further fund raising will be required to enable us to manage these woods in the long term.

It is likely to be at least a year before the Trust will be in a position to embark on another project of this financial scale and therefore we expect to see a reduction in our income during 2001. However, in operational terms we expect to be creating new woods on an even larger scale in 2001 than in recent years, including at least one new wood in Scotland of over 400ha.

From April 2000 we have promoted and started to gain benefits from the outcome of the Government's Charity Tax Review. We are grateful to the many thousands of supporters who have signed a Gift Aid declaration to enable the Trust to recover tax on all their donations. During 2000 tax recovered was almost £600,000, including an extra £183,000 as a result of the Gift Aid changes. So I would urge all our supporters who are taxpayers who have not yet signed a declaration to do so. It can make a significant difference, particularly as we are able to recover tax on all your donations since 6 April 2000 as well as on your future donations.

8. Internal Controls

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

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

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

The Directors have considered overall financial risk in determining the financial reserves and investment policies of the Trust.

The Trust prepares an annual budget that is approved by the Council and makes regular financial forecasts. Financial and other reports are considered by the Council four times a year, and each Sub Committee normally meets at a similar frequency.

There is a stringent process of checks prior to the acquisition or disposal of any interest in land and by the end of 2001 the Trust expects to have a risk assessment for every Woodland Trust site.

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

**THE WOODLAND TRUST**

**REPORT OF THE DIRECTORS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2000**

9. Financial Reserves

The Trust has two designated funds that comprise unrestricted funds which have been set aside for specific purposes. These are the Contingency Fund and the Woodland Management Fund.

The Contingency Fund enables the Trust to respond quickly to opportunities to conserve threatened woodland, as well as providing some protection against unforeseen shortfalls in income or essential unplanned expenditure. Given the likely magnitude of opportunities that will arise and the perceived level of risk relating to income and expenditure, the Directors consider it appropriate that this fund has a minimum value of £2.5m and a maximum value of £3m. Its value was £2.5m at 31 December 2000 (1999 £2.7m). These parameters are reviewed annually.

It is important that our woods are sustainable financially, as well as ecologically. It is never likely to be either possible or appropriate to establish a fund from which the income will finance the maintenance costs of all the woods in the Trust's care. However, given the Trust's commitment to care for these woods in perpetuity, it is important that a modest level of financial provision exists which is not dependent on the Trust's normal operational activities. The Woodland Management Fund was established to provide a reliable source of income. Additions to the fund are usually financed from funds raised in respect of woods recently acquired. Its value was £0.9m at 31 December 2000 (1999 £0.7m). No upper limit has yet been established for this fund as it is still at a very low level in comparison to the annual costs of caring for the Trust's woods.

10. Investment Powers and Policy

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

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

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

11. Taxation

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

12. Supplier Payment Policy

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

13. Share Capital

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

THE WOODLAND TRUST

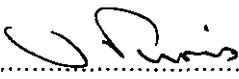
REPORT OF THE DIRECTORS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2000

14. Euro Currency

The Trustees do not consider that the introduction of the Euro currency will have any significant impact on the Woodland Trust's operations. Its accounting systems can accommodate the Euro should the need arise.

15. Auditors

Deloitte & Touche 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.

  
.....  
Julian C Purvis  
Secretary  
24 May 2001

Deloitte & Touche  
1 Woodborough Road  
Nottingham NG1 3FG



INVESTOR IN PEOPLE

**THE WOODLAND TRUST**

Tel: National 0115 950 0511  
International + 44 115 950 0511  
Fax (Gp. 3): 0115 959 0060  
DX 10064  
www.deloitte.co.uk

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

**Deloitte  
& Touche**

We have audited the financial statements on pages 12 to 31 which have been prepared under the accounting policies set out on pages 16 to 18.

Respective Responsibilities of Directors and Auditors

As described on page 7 the Trustees, who are also the Directors of The Woodland Trust for the purposes of company law, are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you.

Basis of Opinion

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

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether 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 affairs of the charitable company and group as at 31 December 2000 and of the incoming resources and application of resources, including its income and expenditure, of the charitable group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche*

Deloitte & Touche  
Registered Auditors

1, Woodborough Road  
Nottingham

*7 June 2001*

**Deloitte  
Touche  
Tohmatsu**

Aberdeen, Belfast, Birmingham, Bracknell, Bristol, Cambridge, Cardiff, Crawley, Edinburgh, Glasgow, Leeds, Liverpool, London, Manchester, Milton Keynes, Newcastle upon Tyne, Nottingham, St Albans and Southampton.

Principal place of business at which a list of partners' names is available: Stonecutter Court, 1 Stonecutter Street, London EC4A 4TR.

Authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

## THE WOODLAND TRUST

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2000**

	Note	UNRESTRICTED FUNDS				Total 2000 £'000	Total 1999 £'000
		General Fund £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000		
<b>Incoming Resources</b>							
Donations, Legacies and Similar Incoming Resources	2	6,256	-	1,805	-	8,061	7,131
Incoming Resources from Operating Activities	2	1,616	-	7,035	60	8,711	8,776
Investment Income	8	116	-	208	-	324	351
Other Incoming Resources		69	-	86	-	155	188
<b>Total Incoming Resources</b>		<u>8,057</u>	<u>-</u>	<u>9,134</u>	<u>60</u>	<u>17,251</u>	<u>16,446</u>
<b>Resources Expended</b>							
Direct Charitable Expenditure:							
Woodland Operations and Public Affairs		3,247	-	4,134	-	7,381	6,309
Education and Information Costs		1,229	-	1	-	1,230	803
Support Costs	4	1,013	-	190	-	1,203	1,262
		<u>5,489</u>	<u>-</u>	<u>4,325</u>	<u>-</u>	<u>9,814</u>	<u>8,374</u>
Other Expenditure:							
Fundraising and Publicity Costs		1,421	506	95	27	2,049	1,745
Management and Administration of the Charity	5	127	-	24	-	151	154
		<u>1,548</u>	<u>506</u>	<u>119</u>	<u>27</u>	<u>2,200</u>	<u>1,899</u>
<b>Total Resources Expended</b>		<u>7,037</u>	<u>506</u>	<u>4,444</u>	<u>27</u>	<u>12,014</u>	<u>10,273</u>
<b>Net Incoming Resources from operations before transfers</b>	6	1,020	(506)	4,690	33	5,237	6,173
Transfers between funds	16	(653)	679	(26)	-	-	-
Net Gains / (Losses) on Investment Assets	11	-	(203)	-	(246)	(449)	1,208
<b>Net Movements in Funds</b>		<u>367</u>	<u>(30)</u>	<u>4,664</u>	<u>(213)</u>	<u>4,788</u>	<u>7,381</u>
Fund Balances Brought Forward at 1 January 2000		1,423	3,518	38,919	7,986	51,846	44,465
<b>Fund Balances Carried Forward at 31 December 2000</b>	16	<u>1,790</u>	<u>3,488</u>	<u>43,583</u>	<u>7,773</u>	<u>56,634</u>	<u>51,846</u>

*The notes on pages 16 to 31 form part of these accounts*

**THE WOODLAND TRUST**  
**CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2000**

	<u>Note</u>	<u>2000</u> <u>£'000</u>	<u>1999</u> <u>£'000</u>
Gross Income of Continuing Operations		16,077	14,911
Non-Charitable Trading Activities: Income	18	1,170	1,534
Total Income of Continuing Operations		<u>17,247</u>	<u>16,445</u>
Total Operating Expenditure of Continuing Operations		(11,834)	(10,071)
Non-Charitable Trading Activities: Expenditure		(174)	(183)
Operating Surplus of Income over Expenditure		<u>5,239</u>	<u>6,191</u>
Interest Receivable		4	1
Interest Payable		(6)	(19)
Net Income For The Year Before Transfers and Fixed Asset Investment Disposals	6	<u>5,237</u>	<u>6,173</u>
Gain on disposal of Fixed Asset Investments	11	562	206
<b>Net Income for the Year</b>		<u><b>5,799</b></u>	<u><b>6,379</b></u>

Total income comprises £8,057,000 for unrestricted funds, £9,134,000 for restricted funds and £60,000 for endowment funds. A detailed analysis of income by source is provided in the Consolidated Statement of Financial Activities.

Turnover of non-charitable trading activities amounted to £1,170,000 (1999: £4,935,000). Trading activities of Woodland Trust (Enterprises) Limited decreased by £412,000 to £1,170,000. A detailed analysis of the trading results is shown in note 18.

Detailed analyses of expenditure are provided in the Consolidated Statement of Financial Activities and notes 4 - 7.

Net income, (before investment asset disposals for the year), of £5,237,000, comprises £514,000 net income on unrestricted funds, £4,690,000 net income on restricted funds and £33,000 net income on endowment funds, as shown in the Consolidated Statement of Financial Activities.

The Consolidated Summary Income and Expenditure Account is derived from the Consolidated Statement of Financial Activities on page 12, which together with the notes to the accounts on pages 16 to 31, provides full information on the movements during the year on all the funds of the group.

**THE WOODLAND TRUST**  
**BALANCE SHEETS AT 31 DECEMBER 2000**

			<u>Group</u>		<u>Charity</u>
		<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	<u>Note</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
<b>Fixed Assets</b>					
Tangible Assets					
Woodland and Land	9	38,604	35,985	38,604	35,985
Other Fixed Assets	10	424	444	424	444
		<u>39,028</u>	<u>36,429</u>	<u>39,028</u>	<u>36,429</u>
Investments	11	10,656	10,809	10,656	10,809
		<u>49,684</u>	<u>47,238</u>	<u>49,684</u>	<u>47,238</u>
<b>Current Assets</b>					
Stocks	12	161	232	154	227
Debtors	13	6,527	4,922	5,854	4,838
Cash at Bank and In Hand	23 (b)	4,186	2,508	4,186	2,287
		<u>10,874</u>	<u>7,662</u>	<u>10,194</u>	<u>7,352</u>
<b>Creditors</b>					
Amounts falling due within one year	14	(3,302)	(2,666)	(2,622)	(2,354)
<b>Net Current Assets</b>		<u>7,572</u>	<u>4,996</u>	<u>7,572</u>	<u>4,998</u>
<b>Total Assets Less Current Liabilities</b>		<u>57,256</u>	<u>52,234</u>	<u>57,256</u>	<u>52,236</u>
<b>Creditors</b>					
Amounts falling due after more than one year	15	(622)	(388)	(622)	(388)
<b>Net Assets</b>	17	<u>56,634</u>	<u>51,846</u>	<u>56,634</u>	<u>51,848</u>
<b>Financed by:</b>					
Unrestricted funds					
General Fund	16	1,790	1,425	1,790	1,425
Non-charitable Trading Fund	16	-	(2)	-	-
Designated Funds	16	3,488	3,518	3,488	3,518
Restricted Funds	16	43,583	38,919	43,583	38,919
Permanent Endowments	16	7,773	7,986	7,773	7,986
		<u>56,634</u>	<u>51,846</u>	<u>56,634</u>	<u>51,848</u>

These accounts were approved by the Directors on 24 May 2001.

.....  
Peter J Oliver  
Chairman

*The notes on pages 16 to 31 form part of these accounts.*

**THE WOODLAND TRUST**

**CONSOLIDATED CASHFLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2000**

	Note	£'000	2000 £'000	1999 £'000
<u>Reconciliation of Net Incoming Resources to Net Cash Inflow</u> <u>From Operating Activities</u>				
Net Incoming Resources			5,237	6,173
Depreciation		240		253
Profit on disposal of Woodland & Land		(66)		(8)
(Profit)/loss on disposal of other Fixed Assets		(2)		1
Investment Income		(324)		(351)
Decrease in Stock		71		53
Increase in Debtors		(1,605)		(965)
Increase in Creditors		926		391
Donated Woodland and Land		(870)		
			(1,630)	(1,968)
Net Cash Inflow from Operating Activities			<u>3,607</u>	<u>4,205</u>

**CASH FLOW STATEMENT**

Net Cash Inflow from Operating Activities		3,607	4,205
Returns on Investments & Servicing of Finance	23(a)	324	351
Capital Expenditure & Financial Investment	23(a)	(2,197)	(3,699)
Increase in Cash	23(b)	<u>1,734</u>	<u>857</u>

**Reconciliation of Net Cashflow to movement in Net Funds**

Increase in Cash in year	23(b)	1,734	857
Net Funds at 1 January	23(b)	2,428	1,571
Net Funds at 31 December		<u>4,162</u>	<u>2,428</u>



**THE WOODLAND TRUST**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2000**

**1. ACCOUNTING POLICIES**

**Basis of Accounting**

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

**Basis of Consolidation**

Group accounts have been prepared in respect of the Woodland Trust and its wholly owned subsidiary Woodland Trust (Enterprises) Ltd. The accounts have been consolidated on a line by line basis. A statement of financial activities for the charity has not been prepared as it is not materially different from the group statement of financial activities. The residual balances of Woodland Trust (Services) Ltd are wholly immaterial. Application has been made to formally wind up this company.

**Fund Accounting**

*Unrestricted Funds*

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

*Designated Funds*

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

*Restricted Funds*

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

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

*Endowment Funds*

These represent sums of money given in conjunction with gifts of land to provide for their future conservation. Some endowments are expendable and some require the original capital to be maintained and only the income and capital growth can be utilised. The income from the Glenrothes and Livingston endowments is restricted.

**Incoming Resources**

Annual subscriptions from members are included in full in the year they are received. Life membership subscriptions are credited to a life membership equalisation account and released to income in ten equal annual instalments.

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

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

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

**THE WOODLAND TRUST**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2000**

1. **ACCOUNTING POLICIES (CONTINUED)**

**Incoming Resources (Continued)**

However, in view of the nature of the Woodland Trust's activities, it is considered inappropriate to adopt a different treatment for grants received from public bodies than that adopted for donations received for woodland management as a result of appeals.

It is not practicable to quantify the effect of this departure due to the number, variety and extended lifecycle of grants received and as the terms of some grants do not specify precisely the expenditure they are intended to meet.

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

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

**Resources Expended**

The Consolidated Statement of Financial Activities shows expenditure analysed according to the requirements of the Statement of Recommended Practice. *Direct Charitable Expenditure* represents expenses directly attributable to the charitable aims of the Woodland Trust and those general overheads required for their performance. *Other Expenditure* encompasses the remaining expenditure of the charity, being the unattributed general overheads, fundraising and publicity costs and the general management of the Woodland Trust.

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

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

*Support Costs* of charitable activities comprise costs incurred directly in support of expenditure on the objects of the charity. These are considered to be 100% of the costs relating to the provision of premises, personnel, information technology and accounts excluding costs incurred in preparation of the statutory accounts and 50% of the costs incurred by the Trustees, Chief Executive, Deputy Chief Executive and their support staff.

*Fundraising and Publicity* includes the costs of all major appeals, contacts with supporters soliciting donations and other general publicity costs expended as part of fundraising efforts.

*Management and Administration of the Charity* consists of audit fees and the cost incurred in preparation of the statutory accounts together with 50% of the costs incurred by the Trustees, Chief Executive, Deputy Chief Executive and their support staff.

**Depreciation**

Depreciation is not provided on freehold and long leasehold woodland and land

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

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

**THE WOODLAND TRUST**

**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2000**

1. **ACCOUNTING POLICIES (CONTINUED)**

**Assets**

With the exception of land donated for the Woods on Your Doorstep Projects, the value of donated land and woodland is based on a rolling three year average price per hectare (ha) of woodland and land purchased by the Woodland Trust during the financial years 1998-2000, (1999: 1997-1999).

Planting land donated to the Woods On Your Doorstep project is valued at £6,000 per ha in England and Wales and £9,645 per ha in Northern Ireland. These values reflect typical land prices at the time the contract with the Millennium Commission was agreed.

The value of donated land is disclosed in note 9 to the accounts.

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

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

**Investments**

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

**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 on equal annual amounts over the lease term.

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

Irrecoverable VAT is classified under the same heading as the expenditure or asset to which it relates. In 2000 this amounts to £361,000 (1999: £296,000).

**THE WOODLAND TRUST**

**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2000**

**2. INCOMING RESOURCES**

As summarised in the Consolidated Statement of Financial Activities:

	<b>UNRESTRICTED FUNDS</b>				<b>Total</b>	<b>Total</b>
	<b>General</b>	<b>Designated</b>	<b>Restricted</b>	<b>Endowment</b>	<b>2000</b>	<b>1999</b>
	<b>Fund</b>	<b>Funds</b>	<b>Funds</b>	<b>Funds</b>	<b>£'000</b>	<b>£'000</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Legacies Receivable	2,120	-	499	-	2,619	1,733
Membership Subscriptions	1,879	-	-	-	1,879	1,653
Charitable Trust Donations	104	-	368	-	472	486
Lotteries	309	-	-	-	309	325
Company Donations	42	-	34	-	76	233
Other Donations	1,802	-	904	-	2,706	2,701
<b>Donations, Legacies and Similar Incoming Resources</b>	<b>6,256</b>	<b>-</b>	<b>1,805</b>	<b>-</b>	<b>8,061</b>	<b>7,131</b>

	<b>UNRESTRICTED FUNDS</b>				<b>Total</b>	<b>Total</b>
	<b>General</b>	<b>Designated</b>	<b>Restricted</b>	<b>Endowment</b>	<b>2000</b>	<b>1999</b>
	<b>Fund</b>	<b>Funds</b>	<b>Funds</b>	<b>Funds</b>	<b>£'000</b>	<b>£'000</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Grants Receivable (see note 3)	807	-	5,409	-	6,216	5,539
Donated Woodland & Land	-	-	870	-	870	1,342
Woodland Management Income	521	-	179	60	760	685
<b>Activities in furtherance of the Charity's objects</b>	<b>1,328</b>	<b>-</b>	<b>6,458</b>	<b>60</b>	<b>7,846</b>	<b>7,566</b>
Sponsorship Income	211	-	577	-	788	1,126
Merchandise Income	77	-	-	-	77	84
<b>Activities for Generating Funds</b>	<b>288</b>	<b>-</b>	<b>577</b>	<b>-</b>	<b>865</b>	<b>1,210</b>
<b>Incoming Resources from Operating Activities</b>	<b>1,616</b>	<b>-</b>	<b>7,035</b>	<b>60</b>	<b>8,711</b>	<b>8,776</b>

THE WOODLAND TRUST

NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2000

3. GRANTS RECEIVABLE

	<u>2000</u> <u>£'000</u>	<u>1999</u> <u>£'000</u>
Millennium Commission	3,379	2,532
Forestry Commission	1,190	1,246
Heritage Lottery Fund	552	715
Local Authorities	218	208
Ministry of Agriculture, Fisheries and Food	144	137
National Forest Company	143	25
The Countryside Agency, England	99	248
Forest Service for Northern Ireland	91	22
Scottish Natural Heritage	87	60
European Union - Leader II	84	91
Dept. of Environment for Northern Ireland	76	-
The National Lottery Charities Board	28	26
Countryside Council for Wales	24	19
Millennium Forest for Scotland	21	36
English Nature	7	32
Environment Agency	5	-
National Assembly for Wales	4	-
Red Rose Forest	-	85
Other	64	57
	<u>6,216</u>	<u>5,539</u>

4. SUPPORT COSTS

	<u>2000</u> <u>£'000</u>	<u>1999</u> <u>£'000</u>
Salaries and Wages	478	437
Social Security Costs	46	42
Pension Costs	27	22
Recruitment	21	51
Insurance	45	47
Premises Costs	139	141
Travel and Subsistence	6	6
Stationery and Printing	9	7
Depreciation	192	197
Other Costs	240	312
	<u>1,203</u>	<u>1,262</u>

5. MANAGEMENT AND ADMINISTRATION OF THE CHARITY

	<u>2000</u> <u>£'000</u>	<u>1999</u> <u>£'000</u>
Salaries and Wages	83	82
Social Security Costs	9	9
Pension Costs	8	7
Insurance	1	-
Travel and Subsistence	5	5
Stationery and Printing	1	1
Other Costs	44	50
	<u>151</u>	<u>154</u>

**THE WOODLAND TRUST**

**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2000**

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

The surplus for the year is after charging:

	<u>2000</u> <u>£'000</u>	<u>1999</u> <u>£'000</u>
Salaries and Wages	3,106	2,650
Social Security Costs	281	245
Other Pension Costs	137	107
	<u>3,524</u>	<u>3,002</u>
Depreciation	240	253
Fees Payable to the Auditors: for the Audit	16	16
for Taxation Advice	9	-
for Consultancy	4	7
Rental Under Operating Leases	393	400

**Employees and Volunteers**

The average number of employees during the year was 165 (1999: 154). The average number of employees, analysed by function, was:

	<u>2000</u>	<u>1999</u>
Woodland Operations and Public Affairs	78	71
Fundraising and Publicity	59	59
Support	28	24
	<u>165</u>	<u>154</u>

The Woodland Trust relies on volunteers to help with the following activities; fundraising, wardening and care of its woods, photography and promotion of the Woodland Trust's work. Approximately 3,600 volunteers assist with these activities.

**7. DIRECTORS' AND EMPLOYEES' EMOLUMENTS**

The Directors of the company, who comprise its Council, did not receive any remuneration during the period. Travelling expenses incurred by 11 Directors on Council business were reimbursed and amounted to £6,273 (1999: £6,846) during the year.

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

£'s	No. of Employees
60,000-69,999	1
50,000-59,999	1

All employees earning more than £50,000 participated in the pension scheme. Contributions of £12,283 were made during the year for these employees.

**8. INVESTMENT INCOME**

Income from investments was as follows:

	<u>2000</u> <u>£'000</u>	<u>1999</u> <u>£'000</u>
Income From Listed Investments	163	183
Income From Overseas Listed Investments	33	18
Income From Other Authorised Investments	102	122
Income From Cash Deposits	26	28
	<u>324</u>	<u>351</u>

**THE WOODLAND TRUST**

**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2000**

**9. FIXED ASSETS - WOODLAND AND LAND**

The Group and the Charity:

	<u>Total</u>	<u>Woodland</u>	<u>Woodland</u>	<u>Woodland</u>	<u>Woodland</u>	<u>Woodland</u>
		<u>And Land</u>	<u>And Land</u>	<u>and Land</u>	<u>And Land</u>	<u>And Land</u>
		<u>Purchased</u>	<u>Purchased</u>	<u>Donated</u>	<u>Donated</u>	<u>Donated</u>
		<u>(Freehold)</u>	<u>(Long</u>	<u>(Freehold)</u>	<u>(Long</u>	<u>(Short</u>
			<u>Leasehold)</u>		<u>Leasehold)</u>	<u>Leasehold)</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Cost or Donated Value at 1 January 2000	35,985	28,539	576	4,107	2,159	604
Additions for the Year	2,631	1,659	21	199	752	-
Disposals in the Year	-	-	-	-	-	-
Depreciation Charge	(12)	-	-	-	-	(12)
Cost or Donated Value at 31 December 2000	<u>38,604</u>	<u>30,198</u>	<u>597</u>	<u>4,306</u>	<u>2,911</u>	<u>592</u>

The additions to donated woodland and land include legal fees of £80,523 (1999: £46,190).

Short Leasehold properties (totalling 319.25 acres) were donated to the Woodland Trust in 1999. As the valuations for these properties were material they have been capitalised on the same valuation basis as freehold and long leasehold gifts and they have been amortised over the period of each lease. In addition, the Woodland Trust also leases 50 acres (1999: 50 acres) of woodland under short leaseholds at peppercorn rents. In the opinion of the Directors it is impracticable to assign a value to these leases.

Within woodland and land donated (freehold) is £845,690 representing land given to the Woodland Trust by Glenrothes Development Corporation. This land is subject to a floating charge dated 22 September 1994, registered 30 September 1994, for securing all monies due to the Corporation. (At 31 December 1999 and 31 December 2000 there were no sums due.)

Similarly, within woodland and land donated (freehold) is £497,952 representing land given to the Woodland Trust by Livingston Development Corporation. This land is subject to a floating charge dated 20 March 1996, registered 4 April 1996, for securing all monies due to the Corporation. (At 31 December 1999 and 31 December 2000 there were no sums due.)

Included in purchased freehold land are 42 acres of land at Backmuir Wood, Dundee subject to a fixed charge in favour of Scottish Natural Heritage dated 26 May 1997.

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

**THE WOODLAND TRUST**

**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2000**

10. **OTHER FIXED ASSETS**

The Group and the Charity:

	<u>Total</u> <u>£'000</u>	<u>Computer</u> <u>Equipment</u> <u>£'000</u>	<u>Equipment</u> <u>£'000</u>	<u>Motor</u> <u>Vehicles</u> <u>£'000</u>	<u>Livestock</u> <u>Quota</u> <u>£'000</u>
<u>Cost or Donated Value</u>					
At 1 January 2000	1,316	837	336	46	97
Additions	228	173	43	12	-
Disposals	(237)	(176)	(30)	(19)	(12)
At 31 December 2000	<u>1,307</u>	<u>834</u>	<u>349</u>	<u>39</u>	<u>85</u>
<u>Depreciation</u>					
At 1 January 2000	872	584	236	32	20
Provision for the year	228	158	45	8	17
Disposals	(217)	(171)	(27)	(17)	(2)
At 31 December 2000	<u>883</u>	<u>571</u>	<u>254</u>	<u>23</u>	<u>35</u>
<u>Net Book Value</u>					
At 31 December 2000	<u>424</u>	<u>263</u>	<u>95</u>	<u>16</u>	<u>50</u>
At 31 December 1999	<u>444</u>	<u>253</u>	<u>100</u>	<u>14</u>	<u>77</u>

The Net Book Value at 31 December 2000 represents Fixed Assets used for:

	<u>Total</u> <u>£'000</u>	<u>Computer</u> <u>Equipment</u> <u>£'000</u>	<u>Equipment</u> <u>£'000</u>	<u>Motor</u> <u>Vehicles</u> <u>£'000</u>	<u>Livestock</u> <u>Quota</u> <u>£'000</u>
<b>Direct Charitable Purposes:</b>					
Woodland Operations and Public Affairs	224	116	42	16	50
Education and Information	68	50	18	-	-
Support Activities	53	39	14	-	-
	<u>345</u>	<u>205</u>	<u>74</u>	<u>16</u>	<u>50</u>
<b>Other Purposes:</b>					
Fundraising and Publicity	75	55	20	-	-
Management and Administration of The Charity	4	3	1	-	-
	<u>424</u>	<u>263</u>	<u>95</u>	<u>16</u>	<u>50</u>



**THE WOODLAND TRUST**

**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2000**

**11. INVESTMENTS**

The Group and the Charity:

	<u>2000</u> <u>£'000</u>	<u>1999</u> <u>£'000</u>
Investments at Market Value:		
Permanent Endowments	7,773	7,986
Contingency Fund	2,231	2,418
Woodland Management Fund	652	405
	<u>10,656</u>	<u>10,809</u>

Investments consist of:-

	<u>Cost</u>		<u>Valuation</u>	
	<u>2000</u> <u>£'000</u>	<u>1999</u> <u>£'000</u>	<u>2000</u> <u>£'000</u>	<u>1999</u> <u>£'000</u>
Cash held as part of investments	325	553	325	553
Listed UK Investments	5,122	4,316	6,405	6,404
Overseas Listed Investments	1,398	935	1,681	1,438
Other Authorised Investments	2,205	2,384	2,245	2,414
	<u>9,050</u>	<u>8,188</u>	<u>10,656</u>	<u>10,809</u>

The Woodland Trust's investments were managed by two investment managers and consist of equities, unit trusts, investment trusts, gilts and other fixed interest investments. No individual investment comprises more than 5% of the value of the portfolio and there are no restrictions on the realisation of any of the investments.

The Woodland Trust owns the entire issued share capital (100 ordinary shares of £1) in its subsidiary, Woodland Trust (Enterprises) Limited, which is incorporated in England. Details of its trading activities are set out in note 18 to the accounts.

The movement on valuation of investments is as follows

	<u>2000</u> <u>£'000</u>	<u>1999</u> <u>£'000</u>
Market value at 1 January	10,809	9,632
Acquisitions	4,184	2,319
Sales Proceeds	(3,888)	(2,350)
Net Investment (Losses)/Gains	(449)	1,208
Market value at 31 December	<u>10,656</u>	<u>10,809</u>
Cost at 31 December	<u>(9,050)</u>	<u>(8,188)</u>
Unrealised Investment Gain at 31 December	<u>1,606</u>	<u>2,621</u>
Investment Gains calculated on a historic cost basis	<u>562</u>	<u>206</u>

Within other authorised investments is £100,000 representing a farmhouse and outbuildings given to the Woodland Trust by Glenrothes Development Corporation. This investment is subject to a floating charge dated 22 September 1994, registered 30 September 1994 for securing all monies due to the Corporation. As at 31 December 1999 and 31 December 2000 there were no sums due to the Corporation.

THE WOODLAND TRUST

NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2000

12. STOCKS

	<u>Group</u>		<u>Charity</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Raw Materials and Consumables	38	42	31	37
Glen Finglas Livestock	123	190	123	190
	<u>161</u>	<u>232</u>	<u>154</u>	<u>227</u>

13. DEBTORS

	<u>Group</u>		<u>Charity</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Trade Debtors	764	319	92	255
Other Debtors	876	1,025	875	1,005
Legacy Debtors	1,882	967	1,882	967
Grants Receivable: due within one year	2,756	2,141	2,756	2,141
Work In Progress – Legal Fees	11	149	11	149
Prepayments and Accrued Income	238	321	238	321
	<u>6,527</u>	<u>4,922</u>	<u>5,854</u>	<u>4,838</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>Group</u>		<u>Charity</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Payment received on account of future projects	372	216	372	216
Bank overdrafts (see note 23 (b))	24	80	-	80
Trade Creditors	1,817	1,652	1,810	1,646
Taxation and social security	90	81	90	75
Amounts owed to subsidiary company	-	-	74	34
Other Creditors	101	344	101	13
Accruals and deferred income	898	293	175	290
	<u>3,302</u>	<u>2,666</u>	<u>2,622</u>	<u>2,354</u>

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

The Group and the Charity:

	<u>2000</u>	<u>1999</u>
	<u>£'000</u>	<u>£'000</u>
Trade Creditors - Retentions	77	-
Accruals and Deferred Income		
Life Membership Provision	531	362
Deposited Covenant Provision	14	26
	<u>622</u>	<u>388</u>

**THE WOODLAND TRUST**

**NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2000**

16. **MOVEMENT ON FUNDS**

	<b>UNRESTRICTED FUNDS</b>				
	<u>Total</u> <u>Funds</u> <u>£'000</u>	<u>General</u> <u>Fund</u> <u>£'000</u>	<u>Designated</u> <u>Funds</u> <u>£'000</u>	<u>Restricted</u> <u>Funds</u> <u>£'000</u>	<u>Permanent</u> <u>Endowments</u> <u>£'000</u>
Balance at 1 January 2000	51,846	1,423	3,518	38,919	7,986
Net Movement in Funds in year	4,788	367	(30)	4,664	(213)
Balance at 31 December 2000	<u>56,634</u>	<u>1,790</u>	<u>3,488</u>	<u>43,583</u>	<u>7,773</u>

Included in the above are Revaluation Reserves of :

Balance at 1 January 2000	2,621	-	812	-	1,809
Movement in the Year	(1,016)	-	(334)	-	(682)
Balance at 31 December 2000	<u>1,605</u>	<u>-</u>	<u>478</u>	<u>-</u>	<u>1,127</u>

Analysed as :-

**General Funds**

	<u>Balance at</u> <u>1 January</u> <u>2000</u> <u>£'000</u>	<u>Movement in Funds:</u>			<u>Balance at</u> <u>31 December</u> <u>2000</u> <u>£'000</u>
		<u>Incoming</u> <u>Resources</u> <u>£'000</u>	<u>Gains/</u> <u>(Expenses)</u> <u>£'000</u>	<u>Transfers</u> <u>£'000</u>	
General Fund	1,425	8,057	(7,039)	(653)	1,790
Non-charitable Trading Funds	(2)	-	2	-	-
	<u>1,423</u>	<u>8,057</u>	<u>(7,037)</u>	<u>(653)</u>	<u>1,790</u>

The General Fund represents working capital and is analysed in note 17

**Designated Funds**

	<u>Balance at</u> <u>1 January</u> <u>2000</u> <u>£'000</u>	<u>Movement in Funds:</u>			<u>Balance at</u> <u>31 December</u> <u>2000</u> <u>£'000</u>
		<u>Incoming</u> <u>Resources</u> <u>£'000</u>	<u>Gains/</u> <u>(Expenses)</u> <u>£'000</u>	<u>Transfers</u> <u>£'000</u>	
Woodland Management Fund	780	0	(30)	174	924
Contingency Fund	2,738	0	(679)	505	2,564
	<u>3,518</u>	<u>0</u>	<u>(709)</u>	<u>679</u>	<u>3,488</u>

**THE WOODLAND TRUST**

**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2000**

16. **MOVEMENT ON FUNDS (CONTINUED)**

**Restricted Funds**

	Balance at 1 January 2000 £'000	Movement in Funds:			Balance at 31 December 2000 £'000
		Incoming Resources £'000	Gains/ (Expenses) £'000	Transfers £'000	
Woodland and Land	35,986	600	(12)	2,031	38,605
Woods on Your Doorstep (England & Wales)	1,625	3,605	(1,710)	(1,105)	2,415
Woods on Your Doorstep (Northern Ireland)	634	2,912	(1,059)	(908)	1,579
Restricted Legacies	533	499	(77)	(44)	911
Various Other Restricted Activities	141	1,518	(1,586)	-	73
	<u>38,919</u>	<u>9,134</u>	<u>(4,444)</u>	<u>(26)</u>	<u>43,583</u>

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

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

Various other restricted activities include several hundred individual grants and donations for specific purposes, which will be applied to future costs.

Included in the above is Landfill Tax Income of £761k. The balance as at 31<sup>st</sup> December of £211k (1999: £17k) has been carried forward towards future costs.

**Permanent Endowments**

	Balance at 1 January 2000 £'000	Movement in Funds:		Balance at 31 December 2000 £'000
		Incoming Resources £'000	Gains/(Losses) /(Expenses) £'000	
Glenrothes	3,950	-	(143)	3,807
Livingston	2,315	60	(130)	2,245
Warrington & Runcorn	901	-	-	901
Preston & Chorley	820	-	-	820
	<u>7,986</u>	<u>60</u>	<u>(273)</u>	<u>7,773</u>

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

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

**THE WOODLAND TRUST**

**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2000**

17. **ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS**

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

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

Fund balances at 31 December 2000 are represented by:

	<u>UNRESTRICTED FUNDS</u>			<u>RESTRICTED FUNDS</u>	
	<u>Total</u>	<u>General</u>	<u>Designate</u>	<u>Restricted</u>	<u>Permanen</u>
	<u>Funds</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>	<u>Endowment</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'00</u>	<u>£'000</u>	<u>£'000</u>
Tangible Fixed Assets	39,028	414	-	38,614	-
Investments	10,656	-	2,883	-	7,773
Cash at Bank and In Hand	4,186	283	605	3,298	-
Other Current Assets	6,688	4,937	-	1,751	-
Bank Overdraft	(24)	(24)	-	-	-
Other Current Liabilities	(3,278)	(3,275)	-	(3)	-
Liabilities due over more than one year	(622)	(545)	-	(77)	-
Total Net Assets	<u>56,634</u>	<u>1,790</u>	<u>3,488</u>	<u>43,583</u>	<u>7,773</u>

**THE WOODLAND TRUST**

**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2000**

18. **NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARIES**

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

**Profit and Loss Account**

	<u>2000</u> <u>£'000</u>	<u>1999</u> <u>£'000</u>
Turnover	1,170	4,935
Cost of Sales	(167)	(3,519)
Gross Profit	<u>1,003</u>	<u>1,416</u>
Licence Payment to the Woodland Trust	(40)	(40)
Distribution Costs	(53)	(42)
Administration Expenses	(33)	(28)
Other Operating Income	1	56
Operating Profit	<u>878</u>	<u>1,362</u>
Interest Payable	(1)	-
Interest Receivable	4	1
Net Profit	<u>881</u>	<u>1,363</u>
Profit Covenanted to the Woodland Trust	(881)	(1,363)
Accumulated Loss Brought Forward	-	(2)
Accumulated Loss Carried Forward	<u>-</u>	<u>(2)</u>

Woodland Trust (Services) Limited ceased trading on 31<sup>st</sup> December 1999. The 1999 comparative figures include turnover of £3,353,000 and cost of sales of £(3,344,000) from this company.

**THE WOODLAND TRUST**

**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2000**

**19. OPERATING LEASE COMMITMENTS**

At 31 December 2000, the Woodland Trust, both the Group and the Charity are committed to making the following payments during the next year in respect of operating leases.

	<u>2000</u> <u>£'000</u>	<u>1999</u> <u>£'000</u>
<b>Land and Buildings</b>		
Leases which expire:		
Within one year	-	-
Within two to five years	104	-
After five years	-	104
	<u>104</u>	<u>104</u>
<b>Other</b>		
Leases which expire:		
Within one year	20	20
Within two to five years	160	69
After five years	-	-
	<u>180</u>	<u>89</u>

**20. CAPITAL COMMITMENTS**

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

	<u>2000</u> <u>£'000</u>	<u>1999</u> <u>£'000</u>
Contracts Placed	140	9
Authorised by the Directors but not contracted for	477	914
	<u>617</u>	<u>923</u>

**21. 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 £136,853 (1999: £107,454). Included in other creditors is £nil (1999: £nil) in respect of pension schemes.

**22. CONTINGENT LIABILITIES**

The Directors were not aware of any significant contingent liabilities at 31 December 2000 and 31 December 1999.

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 2000**

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

	<u>2000</u> <u>£'000</u>	<u>1999</u> <u>£'000</u>
(a) Gross Cash Flows		
<b>Returns on Investments &amp; Servicing of Finance</b>		
Investment Income	<u>324</u>	<u>351</u>
<b>Capital Expenditure &amp; Financial Investment</b>		
Purchase of Woodland and Land	(1,760)	(3,504)
Purchase of Fixed Assets	(230)	(239)
Purchase of Investments	(336)	(10)
Sale of Land	66	8
Sale of Fixed Assets	22	5
Sale of Investments	41	41
	<u>(2,197)</u>	<u>(3,699)</u>

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

	<u>At 1 Jan</u> <u>2000</u> <u>£'000</u>	<u>2000</u> <u>Cashflows</u> <u>£'000</u>	<u>At 31 Dec</u> <u>2000</u> <u>£'000</u>	<u>At 1 Jan</u> <u>1999</u> <u>£'000</u>	<u>1999</u> <u>Cashflows</u> <u>£'000</u>
Cash in Hand, at Bank	2,508	1,678	4,186	2,059	449
Bank Overdrafts	(80)	56	(24)	(488)	408
<b>TOTAL</b>	<u>2,428</u>	<u>1,734</u>	<u>4,162</u>	<u>1,571</u>	<u>857</u>

The cash balance as at 31<sup>st</sup> December 2000 consists of restricted and unrestricted funds as shown below:

	<u>2000</u> <u>£'000</u>	<u>1999</u> <u>£'000</u>
<b>General Funds:</b>		
General Fund	258	502
<b>Designated Funds:</b>		
Woodland Management Fund	270	375
Contingency Fund	336	309
<b>Restricted Funds:</b>		
Woods on Your Doorstep (England & Wales)	1,980	560
Woods on Your Doorstep (Northern Ireland)	814	285
Restricted legacies	504	397
	<u>4,162</u>	<u>2,428</u>



**PROFESSIONAL ADVISORS**

**AUDITORS**

Deloitte & Touche, Chartered Accountants, Nottingham

**BANKERS**

Lloyds TSB plc, Grantham and Plymouth  
Royal Bank of Scotland plc, Callender  
Bank of Ireland, Bangor

**INSURANCE BROKERS**

Willis Ltd, Leicester  
Williams & Williams, Leicester

**INVESTMENT ADVISORS**

Chiswell Associates Ltd, London  
Chase Fleming Private Wealth Management Ltd, London

**SOLICITORS**

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