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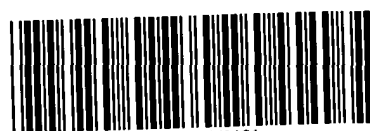
THE WOODLAND TRUST

REPORT AND ACCOUNTS

31 DECEMBER 2015



MONDAY



A09 *A54PVHN6* #163
11/04/2016
COMPANIES HOUSE

President

Clive Anderson

Directors

Nicola Nicholls, LVO, (Chair)
Humphrey Battcock
Jonathan Drori, CBE
Michael Greenwood
Anne Lambert, CMG
Patrick Macdonald
Elliott Mannis
Jeremy Marshall
Timothy Rollinson, CBE
Richard Sykes
Barbara, Baroness Young of Old Scone

The directors are also the trustees of the charity.

Chief Executive Officer

Beccy Speight

Board Affairs Committee

Elliott Mannis (Chair)
Patrick Macdonald
Jeremy Marshall

Finance Committee

(also acting as an audit committee and investment committee)

Richard Sykes (Chair)
Humphrey Battcock
Michael Greenwood
Anne Lambert

Remuneration Committee

Nicola Nicholls (Chair)
Jonathan Drori
Timothy Rollinson

The Woodland Trust was founded in 1972 by Kenneth Watkins, OBE, Henry George Hurrell, MBE, Oliver Gabriel Rossetti (the 'original trustees'); and Stanley Edgcumbe. It is a registered charity, numbers: 294344 and SC038885 and is constituted as a non-profit making company limited by guarantee, registered number 1982873.

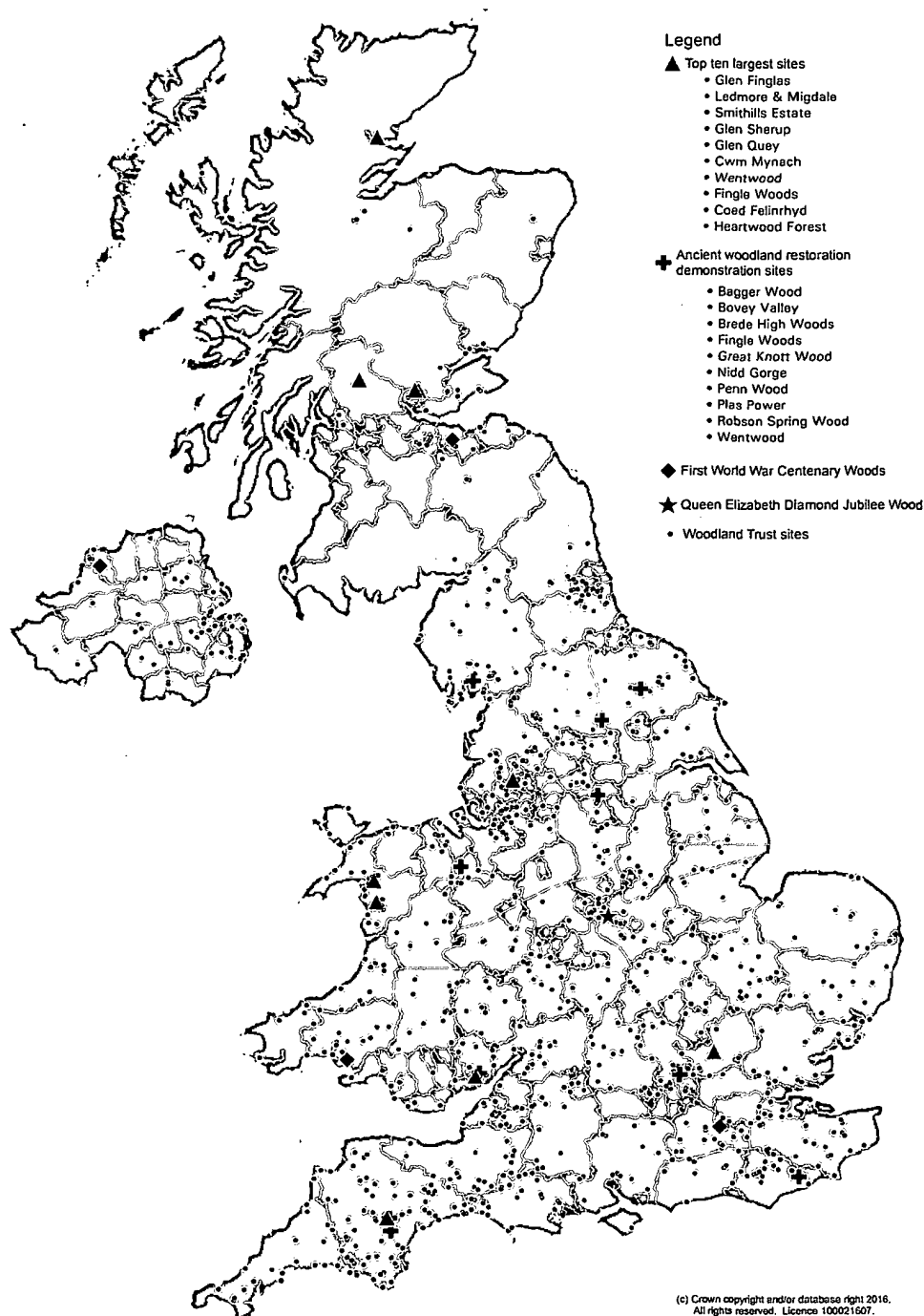
Registered office: Kempton Way, Grantham, Lincolnshire NG31 6LL.

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

The Woodland Trust logo is a registered trademark.

The Woodland Trust's estate

Our estate has been built up over 40 years. It has evolved from our early priority of saving small woodlands in the south-west of England from clearance, to: taking on urban woodlands as part of developers' gifts; acquiring urban green space and woods as part of the new town developments; creating new woods as part of community forests; creation of our 250 new millennium community woods; through to larger-scale restoration and creation projects.



Over the years we have identified woods under threat and fought to save them, campaigning alongside local communities or raising funds to buy them ourselves. The Trust has also acquired land ripe with potential and created beautiful new woodland close to people's homes or restored old woodland to its former glory.

We now own or lease more than 1,000 wildlife-rich native woods across the UK, covering 24,700 hectares in total. Many are ancient woods and Sites of Special Scientific Interest. All our woods are open to the public and free to enjoy.

The state of woods and trees in the UK

Just 13% of the UK is covered with trees, which is low compared to the average European country with a 37% covering. Since the 1930s, more than half the ancient woodland in the UK has been destroyed. This rich, complex habitat dates back to medieval times and once swept in vast swathes across our countryside; today it covers just 2% of the UK. We stand to lose even more as airports, roads and railways expand, houses are built and diseases and pests attack.

60% of our animal and plant species have declined in the past 50 years. Many are now endangered and some face extinction. Today, the work of the Woodland Trust is more vital than ever.

The Woodland Trust is working across all areas of the UK

England

The first wood acquired by the Trust was in the Avon Valley in Devon. The Trust has a wide spread of sites across the country from Northumberland to Cornwall, Hereford to Essex. They include rural and urban sites, ancient and newly created woods.

Scotland

Nearly a fifth of Scotland's land is covered by trees, but less than a third of that is native woodland. The Woodland Trust cares for and manages 80 woods in Scotland covering 8,500 hectares, stretching from Stranraer in the South up to Sutherland in the North.

The largest property is Glen Finglas which lies in the heart of Scotland's first national park – Loch Lomond and the Trossachs. The site covers over 4,800 hectares. It is steeped in history, at one time forming part of the royal hunting forest. It attracts thousands of visitors each year who come to marvel at the panoramic mountainous landscapes and enjoy the wild space.

Wales

Wales is one of the countries in Europe with the least woodland. However, the Welsh Government has adopted an ambitious target of creating 100,000 hectares of additional woodland over a 20 year period. The Woodland Trust is keen to help deliver this goal. Currently the Trust owns over 100 sites across the length and breadth of Wales.

Northern Ireland

Historically, woods have had a poor deal in Ireland, with woodland clearance beginning as far back as the Neolithic period around 6,000 years ago.

The Trust works in partnership with individuals and groups throughout Northern Ireland, from farmers and landowners to schools and community groups, helping landowners create flourishing new woodland and giving children a chance to get involved with nature.

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CHAIR'S REPORT

For the year ended 31 December 2015

It's been another tremendously rewarding year for the Trust – and our future plans look more exciting than ever.

One of my stand-out memories from 2015 is visiting the Smithills Estate, a wild expanse of countryside in Greater Manchester. Thanks to a phenomenal £1.5 million public appeal, it has become the Trust's largest site in England; a mix of woods, moors and farmland rolling down from the heather uplands to the fringes of the city. The landscape has been neglected, and what's so exciting is the ambition of the project. It is an opportunity to restore and connect a wide range of habitats for both wildlife and people — by working with tenants, setting up social enterprises, and enabling some quite disadvantaged communities to reconnect with nature on their doorstep.

Working in partnership to bring landscape-scale change was a big theme for the Trust in 2015, and looking back over my five years as chair, I've seen our influence spreading ever wider. We began as a charity mostly planting trees on our own land. Today we're forging connections with an ever-expanding web of legislators, landowners, community groups and other non-government organisations (NGOs) to advance the cause of woods and trees and the myriad benefits they bring.

For this we've a debt of thanks to partners like Sainsbury's, whose continued backing helped us plant the millionth tree in our flagship First World War Centenary Woods project in 2015. It is also a testament to the work of our marvellous group of Ambassadors – 20 prominent opinion-formers who give their time to speak up for the Trust whenever and wherever they can. And this collaborative approach saw another chapter open last year, with the launch of our new network of farming advocates. Agriculture occupies 70% of the UK, and with ash dieback and other pests and diseases threatening to devastate tree cover in open countryside, I'm delighted we have these forward-thinking farmers on board to help us spread the word.

Our financial performance in 2015 once again exceeded expectations. The Smithills project has been partly funded by our biggest-ever single private gift – £500,000 from a couple who read about the site in our members' magazine Broadleaf – and that contributed to a remarkable 25% leap in overall income from public donations, to £5.2 million. We also benefited more than ever before from gifts kindly left to us in wills. They amounted to a record £14.2 million, and especially notable were the legacies that helped us save Llennyrch, a rare remnant of temperate rainforest in southern Snowdonia.

Places like Smithills Estate and Llennyrch will become vital components in our plan to showcase the positive impact of planting trees on farmland. And in 2015 we also rolled out a dozen demonstration sites for ancient woodland restoration and pledged £1.8 million to 40 new target regions across the UK, from Exmoor to Argyll. Indeed, our mission to return ancient woods damaged by 20th-century conifer plantations to vibrant broadleaf really accelerated last year, as we recruited 250 landowners and 3,500 hectares of lost or degraded woodland to the project. That's almost 30% ahead of target, and we'll be doing so much more.

We have also seen some big successes on the campaigns front. Our lobbying saved 45 ancient woods from loss or damage in 2015 – notably nine hectares of ancient woodland in the Chilterns, reprieved by amendments to the proposed High Speed 2 (HS2) rail line. Over 30 hectares is still threatened by that project, however, so we've plenty more work to do. We were instrumental too in setting up a new All Party Parliamentary Group for ancient woodland, which will fight for the protection of the UK's richest terrestrial habitat at Westminster. It's another example of the Trust's burgeoning influence.

Finally, in a year when some charities were exposed for poor practice, I'm proud to be able to renew our pledge to our members and supporters, guaranteeing that we do not and never will use their data irresponsibly, never cold call them or sell their contact details to other organisations.

After an enormously rewarding decade as Trustee and Chair, I leave the Trust this summer in better heart than I've ever seen it. We have more people supporting us than ever, and our wonderful band of volunteers has swollen to record levels. Our bold new 10-year strategy will take us on to even better things, steered by a terrific chief executive, a fine group of trustees and now a fantastic incoming chair; Barbara, Baroness Young of Old Scone. I'd like to thank them all for their outstanding commitment to our cause



Nicola Nicholls

Chair

22 March 2016

REPORT OF THE DIRECTORS

For the year ended 31 December 2015

HIGHLIGHTS FOR 2015

The following is a snapshot of some of the other great things we achieved in 2015, with the help of our wonderful supporters and partners:

We rallied an army by welcoming 600 new volunteer recruits in 2015, making the Woodland Trust's band of volunteers bigger than ever at 2,500, offering a variety of skills from photographers, to campaigners, threat detectors, volunteer speakers, site monitoring and practical task groups to name just a few. They include the 200-strong Observatree team who we have trained to patrol their local woods on the lookout for tree disease. In total our volunteers donated over 260,000 hours of their time, valued at an estimated £2.2 million. In July we celebrated volunteers' week and hosted our own volunteer of the year award scheme.

Over 12,000 people helped us record at least one sign of changing season for Nature's Calendar. Our records date back to 1736, making it the longest written biological record of its kind. It has become a powerful tool in assessing the impact of climate change and is highly regarded by research scientists.

Forestry Commission England and the Department for Environment, Food and Rural Affairs (Defra) announced the discovery of the oriental chestnut gall wasp in a chestnut wood in Kent. This could become a serious pest of sweet chestnut woodlands. Forestry Commission and Defra asked if the Woodland Trust's joint Observatree volunteers could assist with some wider survey work, which we agreed to do. The excellent result was that one of our Trust Observatree volunteers correctly identified the same pest at a new outbreak site near St Albans. Both Defra and FC have been very appreciative of this and reported the success of the Observatree system to Government Ministers.

Our campaign to create a new Charter for Trees, Woods and People, inspired by the original Charter of the Forest in 1217 is gaining momentum. We have signed up 52 influential partner groups so far.

The UK branch of the International Union for the Conservation of Nature (IUCN) completed its 'Putting Nature on the Map' project, designed to better identify additional areas of importance for nature conservation that could meet the IUCN definition of 'Protected Areas'. The project is intended to ensure that high value conservation sites that are owned and managed by appropriate NGOs could be recognised and listed by IUCN. After a process of submission and analysis of parts of the Woodland Trust estate, the UK branch of IUCN was satisfied that areas of ancient woodland listed on inventories held by statutory bodies and owned by the Trust would pass the IUCN criteria test. Consequently, the Woodland Trust now has recognised IUCN Protected Status on 436 of our sites.

Every tree the Trust planted during 2015 came from UK-grown seeds and stock, a vital step forward in our on-going fight against ash dieback (also known as Chalara dieback of ash).

We planted 2.2 million trees and helped to create over 1,800 hectares of woodland. Our work with 250 landowners saw 3,500 hectares of lost or degraded woodland committed to restoration.

Our promise to you

We are committed to fundraising and communicating in an honest and transparent way. We pride ourselves in being respectful and responsible with your data and how we treat you. We don't sell your data, cold-call or put undue pressure on anyone. We do aim to ensure our supporters have a positive and rewarding experience and understand the positive impact their support has on trees and woods. If you want to know more visit woodlandtrust.org.uk/promise.

Report of the directors (continued)

For the year ended 31 December 2015

STRATEGIC REPORT

Objectives and achievements

The Woodland Trust's vision is a UK rich in native woods and trees, for people and wildlife.

To achieve this vision, in 2015 we focused on three target outcomes:

- The prevention of any further loss of the UK's most precious habitat by **protecting** ancient woodland.
- The **restoration** of native and ancient woodland and other natural habitats that have suffered from neglect, poor management or over planting in the past with non-native conifers.
- The **planting** of millions of native trees on a national scale. It is essential to restore and create the wooded landscapes that will begin to repair the UK's countryside and provide resilience to future threats.

In order to deliver these targets our strategy featured five key external-facing initiatives which are: resilient landscapes; First World War centenary woods; demonstration; woodland charter and woodland culture. These are explained further below.

Resilient landscapes

What is this strategic initiative?

Our overarching approach to conservation is guided by our ambitious **resilient landscapes** programme. This integrated approach combines the protection and restoration of ancient woodland with more targeted woodland creation to deliver better connected wooded landscapes. These landscapes are more capable of coping with the impacts of climate change, pests and diseases, intensive land use and development. This approach recognises the range of benefits that trees and woods can deliver for society and individual landowners, such as improved air quality, flood prevention, maintaining water quality and increasing biodiversity.

Why do it?

The UK has just 13% woodland cover, far less than almost any other European country. There is considerable scope for trees and woods to deliver more benefits for wildlife and people.

However, rapid environmental changes are putting pressure on the UK's trees, woods and forests. There are threats from increasing numbers of new pests and diseases and invasive species; pollution; overgrazing; changes in land use and more intensive management; lack of predators for deer and grey squirrel; and physical loss of natural woodland assets, driven by short-term economic gain rather than a more sustainable approach to growth.

Climate change is leading to increasing global temperatures, with shifting weather patterns and more extreme events such as droughts, floods and storms. This affects the natural range of species which may respond in different ways, affecting the relationships between them.

Over centuries, many natural habitats have been cleared to make way for farming and development. Now, wildlife-rich areas, including ancient woods, are often small, few and far between and isolated from one another by wildlife-hostile spaces, such as intensively managed land. This fragmentation makes it more difficult for species to move in response to environmental change, with smaller areas of habitat supporting fewer species and containing less genetic diversity as a result.

Securing the future of the UK's woodland requires the combined approach of protecting the irreplaceable, restoring what is damaged and degraded, and adding new and diverse woods to our depleted landscapes in order to buffer, extend and link our fragmented habitats to build more resilient landscapes. These actions are mutually interdependent and supportive and also help woods to link into nature's bigger picture.

What did we say we would do?

We said we would develop a new mapping technique to better assess the resilience of the trees and woods in different areas of the UK. We wanted to understand which are most vulnerable to the impacts of climate change, pests and diseases, and fragmentation from development or land management changes. We identified several pilot areas in England and Wales where we would test and apply this new tree canopy analysis during 2015, with wider use planned for 2016. We also wanted to formulate and define the next phase in our response to tree disease.

Report of the directors (continued)

For the year ended 31 December 2015

We aimed to restore 2,000 hectares of ancient woodland during 2015 as part of a new major Heritage Lottery Funded programme, working with numerous private landowners. By helping them to establish positive management and restorative techniques to transform existing woodland and its associated natural habitats, we would ensure the important remnant features were protected. In addition, we said we would look to acquire an ancient woodland site in need of restoration.

We said we would launch our crofting project in the Highlands of Scotland to support crofters in the successful creation and management of woodlands on crofts and common grazing land, with the aim of creating 500 hectares of woodland over a five-year period.

To build resilience in the landscape, we said we would continue to plant and create 1,500 hectares of woodland on our own land and influence more landowners to plant trees. We would roll out innovative tree planting projects with more farm packs and hedgerow planting as a practical response to ash dieback disease.

We would continue to campaign for no further loss of ancient woodland.

What did we do?

We have pressed ahead with our work to analyse the new National Tree Map data. The datasets help us to identify the location of almost every tree in the countryside and, in particular, to identify the location and number of trees outside of woods in the wider landscape. There are millions of trees in hedgerows, on roadsides, on farms and scattered right across the land, that are both vital habitats for wildlife and key features of our much loved landscapes. For the first time, we are able to start quantifying these trees and make reliable estimates of the impact of the loss of many of them to tree disease and other threats. For example, our pilot work in Suffolk, where the impact of ash dieback is being keenly felt, shows that around 50% of the total extent of tree canopy is made up of trees outside of woods. These many thousands of trees are currently completely omitted from the official government forestry statistics. The trees are already poorly protected against loss or removal and are unlikely to be replaced if lost to tree diseases. We are now pressing government departments to recognise the importance of these trees in their environmental management schemes and responses to tree disease.

During 2015, we delivered 2,585 hectares of planted ancient woodland into active restoration. We have established six new restoration project areas throughout the UK, held 20 landowner events, provided one-to-one advice for over 250 landowners and assessed over 7,500 hectares of planted ancient woodland. We acquired Llennyrch, a site hidden in the hills of Snowdonia with 40 hectares of rare Atlantic oakwood, surrounded by 161 hectares of farmland. Our priority is to protect and improve the land and the wildlife that lives in these rare conditions.

We launched our crofting project to create new native woodlands in Scotland and, in 2015, advised 34 crofts which resulted in 100 hectares of new woodland creation applications, with planting ready to start in 2016.

We continued to plant on our own estate on sites such as Heartwood in Hertfordshire, but also through our partners on sites that were not ours, creating over 1,800 hectares of new native woodland - ahead of our 1,500-hectare target. One of our new partnerships is the Clough project, based in the Pennines, where we have already created over 100 hectares of new woodlands in upland valleys and next to water streams. During 2015, over 2.2 million trees were planted in a variety of areas with our involvement. And although the majority created new native woodland, many were planted in hedgerows and within towns and cities where planting is often more difficult to achieve.

Planting new trees grown abroad brings the risk of importing plant disease into the UK. Whilst we have always stipulated UK sourced for our own tree supply, we are now growing four million trees under specific contracts in the UK with partner nurseries. All our trees planted in 2015 were UK-sourced and grown under these contracts.

We continued to work closely with Forest Research, supporting programmes to grow trial plots of ash to help identify disease-tolerant trees, as well as supporting survey work to assess the extent of acute oak decline, and helping with pheromone trapping to identify the spread of oak processionary moth. We continued to play a major role in the Observatree pest and disease monitoring and surveillance project, managing a UK-wide network of 200 expert volunteers working to support tree health scientists.

Report of the directors (continued)

For the year ended 31 December 2015

Our campaigning for better protection for ancient woodland has continued to grow, supported by an expanding network of expert volunteer 'threat detectors', recruited to help us monitor planning applications and challenge inappropriate development proposals which may damage or destroy ancient woodland. However, our records now show that more than 500 ancient woods across the UK are threatened by some form of development, the highest number we have ever recorded.

In our efforts to press for a more effective assessment of the impact of the High Speed 2 (HS2) Rail Project we submitted our own detailed evidence submissions pointing out additional risks and losses to ancient woodland along the route. We also worked closely with other environmental bodies and community groups to press HS2 to modify their proposals and adopt stronger mitigation and compensatory actions.

What impact did we make?

We have been successful in getting the importance of trees that grow outside woods, in the wider countryside, recognised by key government agencies when considering the impact and responses to tree disease and other threats. We have championed the use of the National Tree Map and the evidence it can contribute to important research projects. This has resulted in the data being adopted and used as part of key forest research projects looking at biodiversity, and being considered by the Defra in their work on responding to tree disease.

Landowners have committed over 3,500 hectares of planted ancient woodland into the restoration programme. This will help to secure the long-term biodiversity and conservation value of those sites and also contribute to more viable habitat networks in surrounding areas.

All our own planting has linked or buffered existing habitats, making them more resilient to future pressures, such as climate change. Our creation work in the uplands has contributed to the shift in emphasis needed in the management of these delicate habitats. The new woods use land in a different way and will create shelter for livestock, help manage water flows in catchments and change their landscape and biodiversity. By using only UK sourced trees, we have supported UK nurseries and have led a renewed push to stop the unintended import of damaging pests and diseases.

We have retained and further jointly trained a cohort of 200 expert Observatree volunteers right across the UK. This means that the small number of professional tree health scientists are supported by a network of skilled volunteers who can help to deliver up-to-date information and undertake crucial support work to ensure reports of problems are followed up. This year, the Forestry Commission and Defra asked the Observatree volunteers to help with a wider survey for a new pest - oriental chestnut gall wasp - that had been found in Kent. The Forestry Commission and Defra were delighted that one of our volunteers found and correctly identified a further outbreak near St Albans, leading to the pest being successfully eradicated at that site.

Our planting programme has engaged thousands of communities and individuals. For some, especially in urban areas, this is an introduction to trees, while for others, such as farmers, it is about building an understanding of how trees can play a positive role in their business as well as contribute to the environment.

We have worked directly with many local authorities to improve the wording and guidance in their planning documents to avoid development harmful to ancient woods. In many cases, where harmful applications have come forward, we have then worked closely with local communities to press planning authorities, seek changes to proposals, point out the risks and, in some cases, formally object to and fight proposals right through the planning system.

Our work with parliamentarians concerned with the issues we have raised has resulted in the setting up of a new all-party parliamentary group on ancient woodland that will help highlight the problems to Westminster. Also, at national level we have sustained our high level objections to the major losses of ancient woodland resulting from the HS2 Railway project, responding directly to HS2 Ltd and petitioning and submitting evidence to the Parliamentary Hybrid Bill Committee. We appeared before the committee in early 2016 but 30 hectares of ancient woodland are still at risk - the most from any planning proposal. Our evidence has established that at least 14 more ancient woods are at risk along the route than HS2 had originally identified, and our work alongside others in challenging the impact of the project in the Chilterns resulted in an agreed tunnelling extension that has saved at least three areas of ancient woodland, adding up to 9.2 hectares.

Report of the directors (continued)

For the year ended 31 December 2015

First World War centenary woods

What is this strategic initiative?

This innovative four year project, launched in 2014, will see the creation of four centenary woods, one in each of the UK countries, covering more than 300 hectares, in memory of all those who served during the First World War. We also aim to plant millions of trees through community tree packs and enable landowners to create their own centenary woods.

Each wood will have commemorative features, created to allow for reflection, and there will be an opportunity for individuals and groups to dedicate both groves and individual trees.

Why do it?

This initiative engages with hundreds of thousands of people to leave a lasting memorial of woodland to everyone involved in the First World War. It also creates new woodland at scale in places where it can buffer existing ancient woodland to build more resilient landscapes and does so in locations that are accessible to millions of people.

What did we say we would do?

In 2015 we said we would finalise our plans for Langley Vale Wood, our centenary wood site in England. We would submit an application in February 2015 for full planning permission for a car park containing 150 permanent spaces, plus overflow. We would begin to develop a visitor hub on-site to welcome visitors from 2017.

We also said we would have a project theme of 'ancestry', and would invite people to dedicate trees to recognise an ancestor who played a part in the First World War, working with our partners such as Findmypast to enable people to discover their personal connections with the conflict. We would explore our landscape ancestry and start to tell the story of the UK's woodland before, during and after the war, building up to the anniversary in 2016 of the formation of the Forestry Corps.

At the end of 2014, we acquired the last centenary wood at Coed Ffos Las in Wales. This 48-hectare site will eventually be planted with 90,000 trees. Our focus in 2015 was to work with local people and partners to develop a fitting tribute and a lasting legacy to those in Wales who had been affected by the war.

We said that by the end of 2015 we would have planted 50,000 trees in Scotland's centenary wood, Dreghorn Woods, including 216 to create a special memorial overlooking the city of Edinburgh, in memory of those who lost their lives in the Quintinshill rail disaster as troops left Scotland for Gallipoli.

We also said our centenary wood for Northern Ireland, Brackfield Wood, would start to take shape and planting would be underway, including the creation of a special arboretum of 40 standard trees.

What did we do?

At Langley Vale Wood, our centenary site in England, an Environmental Impact Assessment (EIA) is currently being conducted and this has slowed our progress. We have been working with the Forestry Commission over the last 12 months to ascertain whether our woodland creation plans must follow this process. The Forestry Commission confirmed a need to conduct this assessment due to the presence of arable plants and ground nesting birds identified through our ecological surveying of the site. We have completed the first stage of the process, known as scoping, to agree what is to be included in the EIA. We have planted 10,000 trees out of the 20,000 we plan to plant. We have commissioned and designed a remembrance piece and, in December, launched a Royal Institute of British Architects' competition for the design of the visitor hub, which more than 200 design teams have registered to enter.

The ancestry project was delivered through the 'Make Thank You Last Forever' campaign which was advertised across specialist titles and underground stations and featured on ITV breakfast television. Towards the end of 2015, we engaged more people through titles and events, including the Women's Institute Centennial fair. The Woodland Trust delivered a successful events programme, including tree planting events with schools and local communities and the royal naming of Langley Vale Wood.

Report of the directors (continued)

For the year ended 31 December 2015

At Coed Ffos Las, the centenary wood in Wales, we have planted 15,500 trees and created real momentum with key conservation and military partners. With these partners we have agreed a design for a permanent tribute in the wood.

In Scotland, we officially opened the site in May with HRH The Princess Royal, and unveiled our special memorial, called 'Rest and Reflect'. However, Dreghorn Woods is owned by the Ministry of Defence and is an active training ground and unexploded devices have been found in parts of the site. The ordnance clearance has taken longer than expected, which has impacted on our tree planting programme. Nevertheless, we have already planted over 10,000 trees, including a grove in memory of the Quintinshill rail disaster.

In Northern Ireland we have planted 15,000 trees and have laid the hard surface paths. The arboretum is now planned and will be planted in 2016.

What impact did we make?

The project is reminding people of the cultural role of trees in remembrance. This has enabled us to open new doors with communities we have either not worked with for some time or who are completely new to us, for example the Royal Naval Association, who are working with us to create an exclusive wood within Langley Vale Wood to mark the 100th anniversary of the Battle of Jutland. The project will involve the planting of a tree in the name of each of the 6,097 officers and men whose lives were lost in the battle.

The high level of engagement from communities local to Langley Vale, especially the local biodiversity groups that are part of the Environmental Impact Assessment scoping, has meant that we have formed new partnerships and discovered new people who can help deliver our plans. We have also increased our credibility in the region as a result of working collaboratively with these groups. The diverse habitats we are uncovering at Langley Vale, and our plans to manage these alongside woodland in partnership with others, demonstrates our commitment to strengthening the resilience of our landscapes.

Our theme of ancestry did not make the impact we had hoped for and we have discovered that the general public feel removed from remembering their individual ancestors in this way, despite collective remembrance being seen as important in our culture.

In Wales, the project has helped us strengthen existing partnerships such as with the Plant! scheme where the Welsh Government undertakes to plant a tree for every child born in Wales. It has also helped extend our influence and awareness of our cause in new areas. For example, we were invited to attend the Royal Welsh Show alongside the 160th Infantry Brigade and Headquarters Wales.

The need to complete additional ordnance clearance in Scotland meant we were not able to engage the community in tree planting on the scale we had originally anticipated in 2015. We have therefore focused instead on working with communities to plant on their own land to create their own centenary woods. Eight landowners in Scotland have come forward to date. We still expect to complete planting by 2018, the original completion date for the project.

Our work in Northern Ireland has helped unlock greater influence for raising the necessary funds for successful delivery of Brackfield Wood. The Duke of Abercorn has kindly given us his support and has now agreed to become an Ambassador for the Trust.

Demonstration

What is this strategic initiative?

We aim to build a convincing demonstration programme using both our estate and others' land to help grow a wider understanding of the ways in which ancient woodland can be both protected and restored and new woodland successfully created.

Restoring woodlands and creating new ones are long-term, big decisions for landowners that impact their land for decades. This initiative seeks to demonstrate on the ground what the costs and benefits of this kind of activity can be, through the careful selection and use of sites both on and off our own estate where restoration or creation has already taken place.

Report of the directors (continued)

For the year ended 31 December 2015

Why do it?

This initiative is designed to provide compelling evidence to educate and inspire landowners, key influencers and opinion formers of the value of protecting, restoring and planting native trees. It also aims to share approaches and methodologies and raise the profile of the work involved. Ultimately, we believe this approach will lead to more of this activity taking place on land beyond our own estate.

What did we say we would do?

We said we would acquire the 690-hectare Smithills Estate, a beautiful but neglected upland landscape near Greater Manchester, and transform it into a haven for people and wildlife. The Smithills Estate will be our largest site in England and it will join 20 other demonstration sites across the UK, building understanding of the value of native trees.

What did we do?

We acquired the Smithills Estate as planned and have already opened up a local office, recruited a ranger, completed an initial baseline habitat survey and are now developing our long-term plans for the estate in association with all our stakeholders, including the tenants.

As part of our ancient woodland restoration programme, we produced five new case studies and three videos, and hosted 14 events for landowners and professional audiences on and off the estate.

Our programme to encourage farmers to create woodlands has resulted in 15 farm demonstration sites where we have agreed with the owners to showcase the benefits of trees on farms. During 2015, we created four new case studies looking at the benefits of trees on farms and held five events promoting our ideas for farmers. We have developed joint partnerships with the Soil Association, Harper Adams and Bangor University, all researching various aspects of trees on farms. In addition, five influential farmers have agreed to become advocates to challenge us on our ideas and promote the benefits of trees peer-to-peer.

Trees in the right place have a positive role to play in the management of water and flooding. We now have 20 partnership tree planting projects which are designed to show the benefits that trees bring to water management, and we have created three case studies and a video. One of those case studies is on Fingle Woods in Devon which, at 419 hectares, is one of the biggest restoration woods currently managed in partnership by the Woodland Trust and the National Trust.

What impact did we make?

Although it is too early to quantify the impact at Smithills Estate from a demonstration perspective, we have been completing baseline assessments for habitat surveys and woodland and access assessments. We have engaged with the long-term tenants and residents on the estate to begin to understand the social and economic baselines. These baseline assessments will form the basis for measuring our impact in future years.

Our ancient woodland restoration programme contributed to engaging with more than 200 landowners and assessing over 5,000 hectares of woodland of which 3,500 hectares have been committed to restoration. The impact of the case study for Fingle Woods was to demonstrate that by applying for a Forestry Commission wood fuel woodland improvement grant to change the access to the site, we reduced the haulage cost by £2-3 per tonne and harvested 2,600 tonnes per annum compared to the previous average of 585 tonnes per annum.

Our creation demonstration work built evidence and contacts that helped us to create the case for tree planting. We contributed to the creation of 1,500 hectares of new planting and brought a narrative directly to landowners that we expect will bring more creation in the future.

Woodland Charter

What is this strategic initiative?

We want to create a compelling new **Woodland Charter**, inspired by the original 1217 Charter of the Forest, which will articulate clearly the relationship between modern society and trees and woods.

Why do it?

When the UK Government proposed the disposal of some of the Public Forest Estate in 2010, over half a million people and hundreds of communities rose up and objected. The extent to which woods and trees matter to people today became very clear, and the Forestry Panel convened by the Government made clear recommendations for future direction.

Report of the directors (continued)

For the year ended 31 December 2015

The last time there was a comprehensive statement of people's rights and responsibilities in relation to our forests in England was in 1217 when the Charter of the Forest - part of the Magna Carta - set out the rights of free men in England to enter Royal Forest areas and use them for essential activities such as grazing for livestock and wood fuel.

The rights enshrined in that charter still live on in historic forest areas such as the New Forest and the Forest of Dean, but in the main such rights no longer exist. Woodland cover has also been eroded over the centuries, with the UK now one of the least-wooded parts of Europe; so much so that people no longer have the same direct connection with woods and trees they once had.

We need a new charter, relevant to the needs and lifestyles of people today, and focused on forests in the modern sense of the word. Our trees, woods and forests provide many services to modern society, including timber and fuel, clean air and water, and places to play and refresh our souls. We want to articulate this modern-day relationship and build recognition for it within society.

What did we say we would do?

We said that during 2015 and 2016 we would start to realise our plans to build a social movement for the new charter, working with selected partners. The original charter would continue to be our inspiration.

What did we do?

In 2015, we put the key foundations of the charter in place. Most importantly, our work focused on building genuine and inclusive relationships with the broadest possible range of participants. This has meant setting up and delivering inclusive processes to help define the project and build and steer it into the future.

What impact did we make?

We have built a consensus around the concept of a Charter for Trees, Woods and People which has successfully engaged 52 participating organisations. This will build a campaign which will help secure the future of trees and woods by celebrating their value to people. The partnership has secured the participation of organisations and representatives from business, communities, conservation bodies, environmental groups, access bodies, woodland owners, rural and urban interests and land management professionals.

We have agreed and prepared for a major mass public engagement programme which will launch in early 2016. This will ultimately build the new charter which will culminate in November 2017, marking 800 years since Henry III signed the original Charter of the Forest.

Woodland culture

What is this strategic initiative?

We want to create a vibrant **woodland culture** in society, building and deepening the relationship between people, woods and trees on the ground and in day-to-day living. We would like this to be the manifestation of the new charter's articulation of the relationship between woods and trees and modern society. In particular, we want to focus on the way schools use woods and trees for learning, the community management of woodland and the use of our tree packs.

Why do it?

We want to enable people to use woods and trees more actively in their day-to-day lives, strengthening the relationship between people and woods and trees.

What did we say we would do?

We said we would plant 150 hectares of community woods, continue the distribution of community tree packs, work with specific schools and explore the possibilities of woodland social enterprises.

The Schools into Woods initiative would start full roll out in 2015 and we would aim to have 20 schools linking to their local wood and using them as an outdoor classroom by the year's end – helping to inspire a new generation to value woods and trees.

We would continue to contribute to a new form of management for Raincliffe Wood, near Scarborough, and we would take a more locally focused approach to building a new community woodland network in England.

Report of the directors (continued)

For the year ended 31 December 2015

What did we do?

During 2015 we developed a Community Woodland project which is aimed at supporting communities looking to own, lease or manage woodlands in their own areas. The project pilot will launch in the north of England in 2016 and the Community Woodland Network hub has been developed which not only provides an information resource for communities but also an opportunity for groups to share best practice. This can be viewed at communitywoodland.org

We worked in partnership to launch Making Local Woods Work. Led by the Plunkett Foundation, this pilot project, funded by the BIG Lottery Fund, will deliver support for 50 social enterprises operating in woodland.

We delivered just under 800,000 trees to over 8,000 community groups and schools in 2015. The majority of those trees went towards the creation of over 400 hectares of new native woodland, ahead of our 150-hectare target. The remainder were planted in other places, such as hedgerows.

The Schools into Woods programme, which is aimed at encouraging schools close to woodland to use them for outdoor learning, was launched by Secretary of State for Education, Nicky Morgan, in February 2015, and was rolled out across the UK. We had a target of 20 schools, and 15 have signed up to the programme with approximately 400 children participating so far.

Our work with schools was also taken up by the Government, and towards the end of 2015 a pilot project was launched to expand our popular tree pack programme and encourage the take-up of packs by state-funded primary schools in particular, championed through our own communication channels, Defra and the Department of Education. These packs will be delivered to additional schools in spring 2016.

The Woodland Trust supported Raincliffe Wood Community Enterprise (RWCE) to take on the management of Raincliffe Wood via a Community Asset Transfer from Scarborough Council, and the learning from this experience will be used to help support other communities in future. The group now has a licence to manage the woodland and we have completed the planned restoration harvesting on behalf of the group, funded by the landfill operator, Wren.

This work formed part of an agreed management plan with RWCE and Scarborough Council, but there was some local challenge on the felling of trees in order to return the woods to predominantly native broadleaf cover. We have invested significant staff time in building understanding among the general public and demonstrating the change the wood will go through. We have also learned about the dynamic nature of community woodland facilitation and development (particularly in relation to enterprise).

What impact did we make?

The preparation and consultation of the Community Woodland Project and Making Local Woods Work have helped build the profile of the Trust as a credible partner. It has opened opportunities to feed into the social changes occurring in the sector, and have a voice. This more collaborative platform of which we are part will now help us deliver our ambitions more effectively and more widely.

The Community Woodland project inspired the Nationwide Building Society to support the Woodland Trust financially and we will engage their staff in planting 60,000 trees as well as volunteering to support community woodland projects across the UK. This partnership will help us reach millions of people and spread awareness of our cause. There have also been internal impacts. For the first time we will become an official grant-giving organisation, and although the scale is minimal, it will give us greater flexibility to deliver support.

While the impact of engaging a relatively small number of schools in a deep way through the Schools Into Woods work has been very positive in terms of inspiring children to value woods and trees, the project has proved to be challenging. This is due to the resources required to develop the relationship that is necessary to enable staff to deliver activity in an outdoor setting, coupled with the other demands on the teachers' time. As a consequence, we will be reviewing this activity in 2016 and considering alternative means of engaging schools with woods and trees. This will include working with more than 750 schools receiving over 1,150 tree packs to plant in spring 2016, as part of the Defra supported initiative.

Report of the directors (continued)

For the year ended 31 December 2015

Working with RWCE, although unique in scale and opportunity, has helped prepare us for our Community Woodland project and understand how far we can act as a catalyst for a community's ambition. We have developed some fantastic resources to help educate the general public on the process of woodland restoration that can be used far more widely in future.

Organisational effectiveness

Underpinning the above external-facing initiatives is a programme to improve the way we work and secure the support and income required to make delivery of our cause possible. Our **organisational effectiveness** initiative is designed to ensure that we can efficiently generate the level of support – in terms of awareness, income, land and influence – required to deliver our challenging conservation outcomes.

LOOKING FORWARD – OUR ASPIRATIONS FOR 2016 AND BEYOND

The Woodland Trust believes that **'Life's better with trees'** and our ambition over the next ten years is to **'strengthen the role of trees and woods in our landscapes and communities and rekindle our love of them'**. To achieve this, we need a bigger voice, a bigger estate, more partnerships, an ability to influence more, to perform better as one team and more security of income. These plans are ambitious but our vision remains the same – a UK rich in native woods and trees, for people and wildlife.

Starting in 2016, we will begin delivery of our 10 year strategy against which our next three-year business plan was prepared.

We need resilient wooded landscapes that are rich in nature's diversity and complexity, more able to bounce back from the worst that climate change, pests and diseases, and other pressures, can throw at them. We also need places which are beautiful, inspiring, accessible, productive and relevant to communities – people must value and engage with woods to help protect them too. Our 2016 business plan reaffirms our commitment to the previous priorities to create, protect and restore woodland.

Create

A major expansion of our influencing work will focus on trees, hedgerows and small woods in the wider landscape, building on our growing knowledge and desire to tackle the impacts of tree disease and promote trees and woods as part of sustainable and economically viable farming systems. By 2018, the importance of trees outside woods will be recognised in key policy and regulations, with planting rates and locations reflecting improved landowner engagement. Woodland creation rates will be maintained at a high level of 2,000 hectares per annum on Trust sites and related projects.

Protect

There will be a significant ramping up of our work to protect ancient woodland and ancient trees, coupled with the development of new mechanisms by which other woods valued by communities can also be better protected or safeguarded for the future. By 2018, we will have complete geographical coverage across the UK of our Threat Detector Network, be engaged in 80% of ancient woodland threat cases, and have completed a plan to extend our work with communities to include other valued woods.

Restore

We will provide increased support and encouragement for sustainable woodland management across all types of ownership, delivering an increase in appropriate diversity in ancient and native woods, and taking account of key threats such as deer. By the end of 2016, 3,000 hectares of planted ancient woods will be under restoration, and work will have been completed to take these approaches forward as part of wider support for sustainable woodland management of important woods in all focus areas.

Focus areas

We need to better prioritise our effort to make best use of our resources and to maximise impact. During 2016, using the mapping analysis from the recently acquired national tree map data, we will identify ten geographical focus areas to guide key elements of our activity. The focus areas will be those where we are best able to show delivery of resilient landscapes and grow our resonance with the public, both on our estate and through working with other landowners, partners and communities. By the end of 2016, the development of the focus areas approach and the resilience toolkit for use by our site managers will be complete.

Report of the directors (continued)

For the year ended 31 December 2015

A bigger estate

We want an increase in the woodland we manage ourselves in order to make it more resilient to external pressures, protect it and provide more engagement opportunities with visitors. We expect the estate to grow by an average of 700 hectares per annum over the next ten years, although due to the uncertainty surrounding availability of land, we will work to a three-year target of 2,000 hectares.

We will improve the visitor experience at our woods, focusing our efforts on our 250 best sites and laying the groundwork for 10 showpiece 'destination sites'. These will be supported by volunteers and provide a unique, natural woodland experience, not one that is contrived. The first three will be Heartwood Forest and Tring Park, both in Hertfordshire, and Skipton Castle Woods in north Yorkshire; and by 2017 we aim to have one site independently accredited as a quality visitor attraction.

A bigger voice

We will rouse the nation by rallying a million voices behind our ambitious new Charter for Trees, Woods and People, rekindling people's passion for the natural world and advancing the cause of trees and our relationship with them. We have already gathered 52 influential organisations to back the cause, and we plan to form scores of 'charter branches' in cities, towns and villages nationwide, to plant, protect and celebrate trees and woods in their own neighbourhoods. The work will culminate in 2017, the 800th anniversary of the historic Charter of the Forest.

People and resources

To achieve our plans we need staff and volunteers, money and resources. In wanting to become a more powerful voice for woods and trees, we need more resources. We will grow our supporter and volunteer numbers, and our internal systems will be fit for purpose.

FINANCIAL REVIEW

Total expenditure for the year, including acquisitions, was £35.7 million. We acquired three sites costing £2.9 million: Smithills Estate; Llennyrch, an Atlantic oakwood in the Snowdonia National Park; and Coed y Foel, a block of sessile oak woodland in Wales. £7.6 million was invested in fundraising initiatives, with Family and Nature Detectives membership undergoing a complete £1.2 million facelift and recruitment drive. Members were presented with bigger, bolder and brighter activities, special events and enticing challenges for exploring nature. £25.2 million was spent on our charitable aims to create, restore and protect valuable woodland. We couldn't do this without the generous income we receive from our supporters, which is vital to our work. This year, total income of £37.5 million was raised, with legacy income generating £14.2 million - an increase of £1.1 million on the previous year.

Income

Total income of £37.5 million was slightly lower than in 2014, but exceeded budget expectations. Further details can be found in note 2.

- Donations and legacies contributed £28.4 million, slightly higher than in 2014. Last year we reported a record year for legacy income at £13.1 million, exceeded this year by an increase of 8% to £14.2 million. Income from fundraising and appeals increased by 26% from £4.1 million to £5.2 million.
- Membership subscriptions remained static, but we invested in developing our offer to supporters in 2015 which should help drive future growth.
- We received our largest single donation to date, other than legacies, of £0.5 million towards our programme at Smithills Estate, where we aim to transform the estate into a haven for people and wildlife.
- We continued to work closely with our sponsorship partners, generating income of £2.8 million, 6% up on last year's £2.6 million.
- Grant income continued to decline. At £2.6 million it was 23% lower than 2014's £3.4 million. Grant income is project activity-based and the level of income recognised relates to the activity taking place during the year to meet the grant providers' conditions.

We would like to give our heartfelt thanks to 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 making tax-effective bequests. We recovered over £1.8 million in Gift Aid in 2015 (2014: £1.8 million), increasing the amount of work we were able to undertake.

Report of the directors (continued)

For the year ended 31 December 2015

Expenditure

The following summary shows expenditure relating to our three key aims, together with the cost of governance and raising income.

	2015			2014 Restated		
	Revenue Expenditure	Capital Expenditure	Total Expenditure	Revenue Expenditure	Capital Expenditure	Total Expenditure
	£k	£k	£k	£k	£k	£k
Protect woodland	6,388	2,328	8,716	5,618	1,656	7,274
Restore woodland	9,417	7	9,424	8,720	759	9,479
Create woodland	9,429	545	9,974	9,436	4,047	13,483
Charitable expenditure	25,234	2,880	28,114	23,774	6,462	30,236
Cost of generating funds	7,577	-	7,577	5,543	-	5,543
Total expenditure	32,811	2,880	35,691	29,317	6,462	35,779

At £35.7 million, total expenditure, including the purchase of woods and land, is consistent with 2014.

There was an increase of 14% on revenue expenditure for protecting woodland. This increase is due to remedial work on our estate to protect our sites and the increased activity from our ancient woodland restoration programme.

We have maintained the high level of revenue expenditure on woodland creation as we continue to create a wooded landscape by planting on our own and others' land through a number of different mechanisms, including our community tree packs.

The cost of fundraising increased by 37%, from £5.5 million to £7.6 million. As planned we invested in a number of areas to increase our range of fundraising innovations to diversify and broaden our appeal to supporters. Our Family and Nature Detective memberships were re-launched with bigger and bolder activities for children and adults alike. We went digital with our raffle, allowing more people to take part, and we launched Guardian of the Woods, an easy 'regular giving' option to support local woods and wildlife.

Capital expenditure fell by 55%, due to the exceptional level of acquisitions in 2014 of the four First World War centenary sites and Fingle Wood, totalling £6.5 million. In 2015 we acquired Smithills Estate a beautiful but neglected upland landscape.

We also acquired 41 hectares of land as an extension to our site at Coed y Foel, a substantial wooded valley, nearly doubling the size of our finest block of sessile oak woodland in Wales. This will provide buffering for the existing woodland and create a more resilient wooded landscape in the valley.

Thanks to the help of our members and supporters, we secured the future of Llennyrch, 40 hectares of incredibly scarce temperate rainforest surrounded by 161 hectares of spectacular Welsh farmland. Our focus now is to protect and improve the land and the wildlife living in these rare conditions.

We exceeded our target to spend 75% on charitable activities. In 2015 79% was spent (2014: 84%). The charitable expenditure percentage fluctuates year on year depending on the level of expenditure for acquisition of woods and land.

The Trust is unable to recover all the VAT paid on its purchases of goods and services. We make great effort to minimise the impact of this, but our irrecoverable VAT increased to £0.8m in 2015 (2014: £0.6m).

Net income

Net income from operations was £4.7 million. £2.9 million was spent on capital acquisitions of woods and land, leaving a surplus of £1.8 million.

Funds

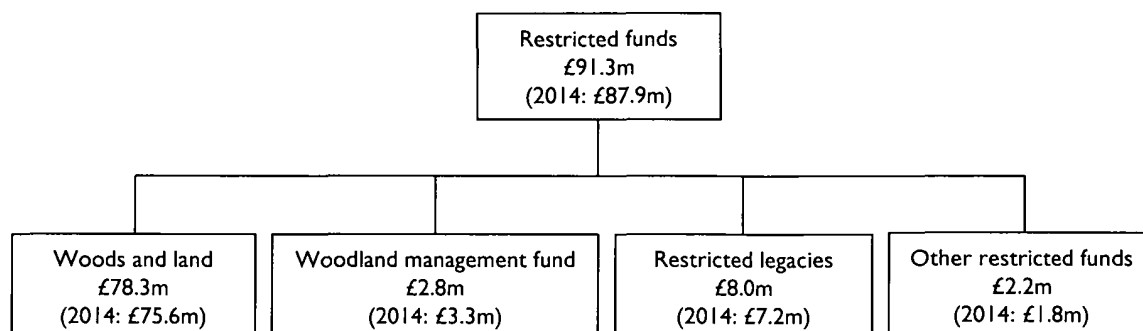
Overall, fund balances increased by £4.6 million to £137.2 million, comprising £91.3 million of restricted funds, £9.3 million of permanently endowed funds and £36.6 million of unrestricted funds. The main reason for the increase in the overall fund balance is the reduced expenditure on acquisition of land and an increase in restricted legacies waiting to be allocated against charitable activities. Further details are set out in note 16.

Report of the directors (continued)

For the year ended 31 December 2015

Restricted funds

Total restricted funds stand at £91.3 million, of which £78.3 million is physical woodland and land held in perpetuity and £13.0 million is restricted for use as defined by donors. Restricted funds are derived from legacies, donations and grants with specific conditions attached, which we aim to comply with as effectively as possible, so these funds can be used to maintain and develop our estate. These restricted funds comprise assets such as woodlands as well as liquid funds.

**Permanent endowment**

The permanent endowment represents funds given to the Trust with gifts of woods and land, under terms requiring the funds to be invested permanently to provide income for the future management of these woods and land. These funds stand at £9.3 million.

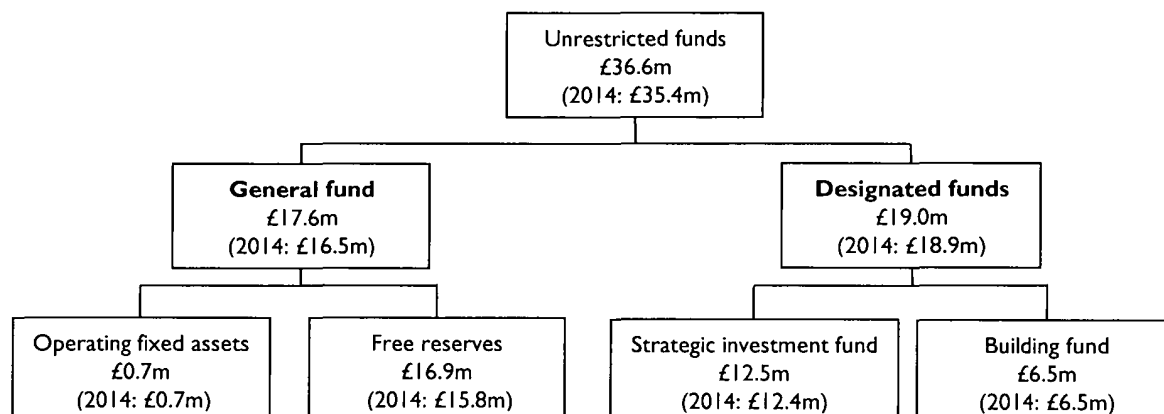
Unrestricted funds

The unrestricted funds are available for use by the Woodland Trust to achieve its strategic objectives. These funds arise from unrestricted legacies, donations from fundraising activities and from the resultant surpluses generated from our day-to-day operations. Included in unrestricted funds are designated funds of £19.0 million, representing the building fund and the strategic investment fund.

The building fund was created in 2010 and includes the value of our head office building plus a sinking fund for its eventual replacement or refurbishment.

The strategic investment fund is a designated fund, set up to enable the initiatives within the strategic plan to be developed. A key initiative of the Woodland Trust is to acquire woods and land in order to champion a UK rich in native woods and trees, for people and wildlife. Without the funding capacity from the strategic investment fund, such acquisitions would not be possible. Once acquisitions have been made, the strategic investment fund is replenished over time to allow for further long-term planning.

Over the next three years, we will be investing in a range of planned developments to bring our exciting ten year strategy to life, which will reduce the strategic investment fund from £12.5m to £2.5m. This will enable us to deliver our increased level of commitment to create, protect and restore woodland.



Report of the directors (continued)

For the year ended 31 December 2015

Free reserves

The Trust's free reserves, as defined by the Charity Commission, are £16.9 million and represent unrestricted funds excluding funds that have been designated. The Trust's financial reserves policy is reviewed annually and is a product of the Trust's strategic planning, budgeting and risk management process. The policy of the directors is that the Trust's free reserves should be sufficient to cover operational expenditure commitments in the short-term. The most important function of the free reserves is to ensure that sufficient unrestricted cash is available to cover peaks and troughs in cash flow and to provide a contingency against unforeseen changes in our finances. The free reserves target range has been set between £6 million and £24 million, representing three months and twelve months of budgeted expenditure respectively.

Investments – powers, policy and performance

Total investments amount to £39.8 million, of which our long-term funds total £17.8 million, and are held with two professional investment managers. Each investment portfolio has an objective of optimising total return, subject to an acceptable level of risk. Performance is monitored against a tailored benchmark as agreed with our investment managers.

Investment manager	Amount managed	Return	Benchmark
Sarasin & Partners	£8.1 million	3.4%	2.8%
Cazenove Capital Management	£9.7 million	1.8%	2.7%

The Trust's investment portfolios, like those of many leading pension funds and charities, are comprised entirely of large managed funds with ethical policies, with no shares directly held in individual companies. During 2016, we will explore transferring to managed funds. Investments are reviewed constantly and return is benchmarked and monitored over the long-term of the portfolios.

Where the Trust's investment managers undertake direct investment they have been asked to 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 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 companies whose activities are in direct conflict with our stated objectives lies with the Trust.

In addition, the Trust has short-term liquidity deposit funds which represent general, designated and restricted funds. These short-term liquidity deposit funds amount to £22.0 million.

Deposit Counterparty	Amount managed	Return	Benchmark
Cater Allen	£5.0 million	0.75%	0.5%
Nationwide Building Society	£5.0 million	0.6%	0.5%
Close Brothers	£5.0 million	1.4%	0.5%
Clydesdale Bank	£4.0 million	0.9%	0.5%
Leeds Building Society	£3.0 million	0.8%	0.5%

Risk management

The directors are responsible for governance and risk management. They have extended discussions at Board meetings and continue to monitor risk assiduously. A formal review of risk takes place annually. The Board of Directors has reviewed the key risks for the Trust and is satisfied that the major risks have been identified and processes for addressing them have been implemented. It is recognised that any control system can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The Woodland Trust views the management of risk as an integral element of its evaluation and decision making processes. Identified risks are embedded in our strategic and operational management processes. The scheme of delegation, which is reviewed annually by the Board, sets out the delegated authority of the finance committee, the board affairs committee, the remuneration committee and the principal officers. The day-to-day management is delegated to the chief executive and the senior management team.

Report of the directors (continued)

For the year ended 31 December 2015

Major risks	Management of the risk
Climate change and the combinations of local climatic events are increasingly likely to have an impact on overall landscape resilience, including on woods and trees. This acts to compound the negative impact of a series of other stressors including habitat fragmentation, pollution, development, water abstraction and intensity of land use, and shifts in invasive and non-native species.	<ul style="list-style-type: none"> • Our work on resilient landscapes is designed to improve the capacity of trees, woods and associated habitats to cope with climate impacts. • Promoting the use of a wider range of native species, improving age and structural diversity in woods, and using active woodland management to allow more scope for generational turnover and natural adaptation, are all being developed as part of our approach.
Experience of ash dieback and other tree diseases has highlighted the risks of inadvertently importing tree disease on planting stock. The tree supply chain is complex, and is only a small part of a much bigger pool of potential disease pathways via imports. We need to be sure that both procurement and licensing activities do not drive unintended consequences, such as the import of tree disease or non-native invasive species.	<ul style="list-style-type: none"> • Staff and volunteers monitor disease spread and react where possible. The Observatree partnership assists with the detection and monitoring of pests and diseases. • Tree procurement policy is to use only UK-sourced and grown material. • We have initiated a pilot project to promote tree planting in the wider countryside in the five counties most impacted by ash dieback to-date.
Loss of ancient trees and ancient and other valuable woodland, including change at a landscape scale, where fragmentation of the landscape reduces the viability of remnant woodland areas. The loss of individual ancient trees cannot be compensated by replanting, leading to a loss of habitat for key species.	<ul style="list-style-type: none"> • Increase in profile through High Speed 2 and other campaigns such as Enough is Enough has secured increase in public debate for concerns around ancient woodland protection. • On-going senior level dialogue with ministers and senior officials about the importance of ancient woodland. • The public knows that we will respond to the most serious threat cases and provide communities with tools to respond.
Increased competition for land , and the future of the public forest estate owned by the Forestry Commission, remains uncertain.	<ul style="list-style-type: none"> • The Charter's ambition is to place trees at the centre of national decision making, and back at the heart of our lives and communities.
Events that could impact on reputation and operations. This could include a serious fraud, an information security breach, a cyber-attack or a significant health and safety incident.	<ul style="list-style-type: none"> • Senior level engagement in policy setting and monitoring. • Comprehensive training and awareness programmes for all staff and volunteers. • Dedicated specialist resource in information security and health and safety.
Talented people may not be attracted, developed and retained in an increasingly competitive labour market.	<ul style="list-style-type: none"> • Talent management and succession planning programmes. • Regular reviews of resourcing processes. • Regular benchmarking of compensation and benefits. • Employee engagement survey and follow-up actions.

Report of the directors (continued)For the year ended 31 December 2015

ADMINISTRATION OF THE WOODLAND TRUST**Health and Safety**

The Board considers managing the health, safety and wellbeing of staff, volunteers, suppliers and visitors to our sites as a key priority. Our conservation and woodland management objectives are consistent with a robust approach to health and safety

We try to avoid restrictions on access that might undermine people's enjoyment of woodland and our own aim of inspiring them to value this precious natural resource. We therefore take a pragmatic stance and expect visitors to take some responsibility – and reasonable measures – to ensure their own safety. To enable this, the Trust is an active member of the Visitor Safety in the Countryside Group (VSCG) and the Conservation Safety Network. These relationships enable us to embed industry-wide good practice within our own safety management systems, and have confidence that we are attaining parity with peer organisations, the standards set by the VSCG being recognised by the Health and Safety Executive as an Approved Code of Practice. The Trust is also a member of the National Tree Safety Group, the aim of which is to develop industry-wide guidance on tree safety management. The Woodland Trust will host and lead the bi-annual Conservation Safety Network meeting for the first time in 2016.

The Board is ultimately responsible for compliance with health and safety legislation. An external audit was carried out during 2014 with Trustee oversight and presented to the Board in early 2015. While there is always scope to improve processes, there were no major failings to report. The day-to-day responsibility is delegated to the chief executive officer who is responsible for compliance, relevant policy development and performance. Following the 2014 audit, the Trust has recruited a chartered safety practitioner as its appointed person for safety, satisfying the requirements of the Management of Health and Safety at Work Regulations (1999).

During 2016, all the audit requirements will be met and a revised Health and Safety Management System (HSMS) will be put in place, building on the already robust standards that exist today. As part of this process, a new strategy will also be developed to steer safety management until 2018. This strategy will be supported by a detailed plan of work that embraces the concept of HSG65, (the Health and Safety Executive recommended management approach to safety).

During the course of the year, there were no significant accidents or incidents involving members of staff, volunteers, contractors or visitors to our offices or sites. All staff have completed training sessions outlining health and safety responsibilities of the organisation and of individual employees, as expressed in the Health and Safety at Work Act 1974. Following a training review, new courses for specific safety topics have been developed and will be rolled out during the coming year to expand and support staff safety competence.

Environmental performance

Due to our core objectives, much of what the Trust does has a positive impact on the environment, with every million trees planted helping to absorb around 200,000 tonnes of CO₂. Our negative environmental impact, therefore, is largely the result of the energy used in our offices and employee travel. The Woodland Trust must comply with the Energy Saving Opportunity Scheme (ESOS) which is a mandatory energy assessment scheme administered by the Environment Agency. The assessment indicated that our scope one and two emissions amounted to 663 tonnes, equivalent to 2.0 tonnes per employee. This compares favourably with the external assessment which took place during 2014 where our scope one and two emissions amounted to 687 tonnes, equivalent to 2.3 tonnes per employee. The ESOS report provides further recommendations to help us continue to reduce our carbon emissions.

Supplier payment policy

For all trade creditors, it is the Trust's policy to agree the terms of payment at the start of business with that supplier, and ensure that suppliers are aware of the terms of payment and pay in accordance with their contractual and other legal obligations. The Woodland Trust has an excellent record of paying suppliers on time.

Report of the directors (continued)

For the year ended 31 December 2015

Volunteers

In 2015, our volunteers donated over 260,000 hours of work (2014: 233,000 hours), with an estimated value of £2.2 million (2014: £2.0 million) – a substantial contribution for which we are enormously grateful. Volunteers provide a wide variety of business and practical skills that enable us to maximise our resources. There are many ways to get involved with the Trust's work, with current opportunities listed on our website.

Workplace culture

The Woodland Trust has an open culture. We are clear about what is expected and how we anticipate people should carry out their work. We articulate this through our 'how we need to be' approach and the setting of clear work objectives. This includes encouraging all colleagues to be the best they can be at work, remembering that we are all here to achieve the most we can for the charitable aims of the Trust.

The Trust is committed to equal opportunities for all and aims to recruit, train, promote and reward people on the basis of ability and performance. We are committed to creating a working environment free from discrimination on the grounds of colour, race, religious or political beliefs, trade union membership, nationality, ethnic origin, disability, gender, sexual orientation, gender reassignment, age or marital status. Policies and procedures are in place for whistle blowing, equal opportunities, health and safety monitoring and the protection of vulnerable people.

The Trust has a Staff Representative Group comprising elected representatives. Regular meetings ensure a two-way communication channel between staff and management on topics from strategy to pay and conditions. We also have a comprehensive communication cascade process using team briefings and Trust-wide daily and monthly updates via the new intranet, Jostle.

Remuneration policy

The Woodland Trust has great ambitions for the next ten years and we need to recruit high-calibre people to represent its interests. We also believe in rewarding staff fairly for the jobs they do and fostering a positive working environment, and we set our salaries and employee terms and conditions to reflect this.

The Trust needs to recruit and retain skilled and expert staff in specific functions such as conservation, IT and finance in a competitive market where skills are readily transferable to other organisations, both in the commercial world as well as in the public, voluntary and forestry/conservation sectors. The Trust is committed to retaining key staff for the long-term, developing them and benefiting from their growing knowledge, especially as many staff have detailed knowledge that is valuable to the organisation. Our remuneration is set with this in mind.

Senior management pay

The senior management team members need to be able to command the respect of their peers in the conservation and charity sector through their experience, knowledge and professional and personal credibility. At the same time, we seek to keep senior management salary costs at a proportionate ratio to other salaries in the organisation. Salaries for the senior management team – the chief executive and five directors – are set and reviewed annually by the Trust's remuneration committee.

We benchmark our senior management team salaries around the median of similar charities' pay levels. We believe this comparison with national charities reflects the nature of the skills that we need to recruit and retain.

Report of the directors (continued)

For the year ended 31 December 2015

GOVERNANCE OF THE WOODLAND TRUST

Structure

The Woodland Trust is a charity registered with the Charity Commission in England and Wales, No 294344. It is a company limited by guarantee, No 1982873, and does not have a share capital. It has the consent of the Registrar of Companies to be exempt from the requirement to use the word "Limited" in its name.

The Woodland Trust is registered as a cross-border charity with the Office of the Scottish Charity Regulator (No SC038885).

The Trust's governing document is its Memorandum and Articles of Association and these can be accessed via our website (woodlandtrust.org.uk).

The Trust has three wholly-owned trading subsidiaries: Woodland Trust (Enterprises) Limited (Company No 2296645); Woodland Trust Farming Limited (Company No 6360791); and Glen Finglas Farming Limited (Company No SC408716), which is dormant.

The principal activities of Woodland Trust (Enterprises) Limited are sponsorship and commercial promotions in support of the Woodland Trust, lotteries and the sale of goods by mail order and internet orders. Woodland Trust Farming Limited undertakes farming on some sites owned by the Woodland Trust. All profits are donated to the Trust. A summary of our trading subsidiaries' results appears in note 18 on page 41.

Professional advisers

A list of the Trust's main professional advisers appears on page 44.

haysmacintyre have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the March 2016 Board meeting.

Structure of the Board

The directors of the company, who are the charity's trustees, form the Woodland Trust's Board, which is the organisation's ultimate governing body. The size of the Board will normally comprise 10-12 directors. Directors are required to retire after four years and may offer themselves up for re-appointment for one further period of four years. A performance review is carried out after year one and year four. The normal term of office for the chair is four years. The maximum term of office for a director shall, in the case of the chair, be extended until the end of his or her term of office as chair. The Board agreed to extend the appointment of Nicola Nicholls as a trustee/director and her election as chair to 2016. The extension to the normal term of the chair provided strategic continuity to the organisation through a change of chief executive. We are delighted to announce that Barbara, Baroness Young of Old Scone was appointed a director on 11 January 2016 as chair designate and will become chair on 9 June 2016.

Directors are recruited to provide the skills and experience required to govern the Trust. To ensure we attract suitably skilled candidates, vacancies are advertised as appropriate and short-listed applicants undergo a selection process. Recommendations for appointment are made by a selection panel appointed by the chair and ratified by the Board.

Once appointed, each director is provided with an induction programme and training as appropriate. Directors are regularly provided with internal and external information relevant to the Trust's governance and make visits to our properties and woods.

Report of the directors (continued)

For the year ended 31 December 2015

The directors are:

Nicola Nicholls, LVO, (Chair)	Nicola has worked in private equity for 18 years with city firm Charterhouse Capital Partners, and was chair of office furniture recycler, Green Works, a member of the advisory board of Cambridge's Judge Business School and a director of privately owned BPP University. She is currently a director of international consulting engineers Buro Happold and leading a governance review for the Law Society.
Humphrey Battcock	Humphrey is a Managing Partner at Advent International, one of the world's largest and most global private equity firms. He has worked in private equity for 30 years, during which time he has served on the boards of 23 companies in a variety of industries. He also serves on the Cambridge Campaign Board and is a trustee of the Institute for Research in Schools and lectures at Oxford Business School.
Jonathan Drori, CBE	A former BBC executive producer of science television, Jon was also editorial director of BBC Online and chairman of the UK Parliament's Advisory Council on Public Engagement. He is a visiting industrial professor at Bristol University, specialising in misconceptions in science.
Michael Greenwood	Mike has long experience in programme making and commissioning in BBC Radio and TV and as an independent producer. He has worked with many organisations to increase their impact via digital media. He teaches, writes and has an interest in the cultural history of woodland.
Anne Lambert, CMG	Anne is currently an inquiry chair at the Competition and Market Authority. She worked for 30 years in government, specialising in regulation and Europe. She spent 10 years as a UK diplomat in Brussels, working on, among other things, climate change and the environment.
Patrick Macdonald	An engineer by training, Patrick is chairman of Reconomy, a privately owned recycling business. He is co-founder of the School for CEOs. Previously, he was chief executive of John Menzies plc. He is a fellow of the Royal Society of Arts and a companion of the Chartered Management Institute.
Elliott Mannis	Elliott is the chief executive of London Bridge Capital Infrastructure, an independent corporate finance advisory firm. He was formerly CEO at DI Oils and group finance director for AWG, having previously worked at Aegis Group and Price Waterhouse.
Jeremy Marshall*	Jeremy is CEO of C Hoare and Co, the UK's oldest private bank. Previously he spent over 20 years with Credit Suisse in Switzerland, US and UK holding a wide variety of roles in senior management and strategic planning. *Jeremy is currently taking a leave of absence from the Board.
Timothy Rollinson, CBE	Tim was director general of the Forestry Commission. After training as an ecologist he spent his career in forestry and woodland management. He commissioned a major study on forestry and climate change and has a special interest in restoring forest cover around the world.
Richard Sykes	Richard has spent his career with PriceWaterhouseCoopers, now leading their governance, risk and compliance client-facing initiatives. Richard is a fellow of the Institute of Chartered Accountants and a director of Buro Happold.
Barbara, Baroness Young of Old Scone	Barbara, is a Member of the House of Lords with special interests, among others, in the environment, agriculture, natural resources and climate change. She is Chancellor at Cranfield University and her voluntary positions include President of Bedfordshire, Cambridgeshire and Northamptonshire Wildlife Trust; Honorary President of the South Georgia Heritage Trust; Patron of Lantra; and Vice President of RSPB, Bird Life International and Flora and Fauna International.

The Board meets quarterly to consider strategic business issues. It has three sub-committees which meet as and when particular business demands require:

- Board affairs committee
- Finance committee
- Remuneration committee

Report of the directors (continued)

For the year ended 31 December 2015

The board affairs committee

This committee promotes good governance and effective working of the Board.

The finance committee

This committee assists the Board in its duty to supervise the Trust's financial affairs. It also acts as an audit committee and an investment committee.

The remuneration committee

The remuneration committee has delegated power to approve annual salary reviews for the management team. The remuneration committee determines the individual pay and conditions, as well as reviewing the performance of the chief executive and the senior management team. It determines the process for reviewing the pay and conditions of all other staff and receives the Staff Representation Group's annual report on behalf of the directors.

Responsibilities of the directors of the Woodland Trust

The directors are responsible for preparing the report of the directors and the financial statements in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice), 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
- observe the methods and principles in the Charities Statement of Recommended Practice
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charitable company will continue in business

So far as each of the directors is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

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 2006. 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.

The directors have taken account of the Charity Commission's general guidance on public benefit when setting our aims and objectives and in planning our future activities. In particular, the directors consider how planned activities contribute to the aims and objectives they have set.

Board effectiveness review

The Woodland Trust takes governance very seriously, and during 2015 Compass Partnership conducted an external review of board effectiveness at the request of the Board. From the data and their experience of conducting reviews across a wide range of charity governance, Compass Partnership concluded that the Woodland Trust is well governed. This was particularly noticeable for the principles of integrity, control and understanding the role of trustees. They also found that our governance has continued to improve since the previous reviews which took place in 2008 and 2011. The areas of governance which could be developed further and which we are working on are the diversity of the board, exploring stakeholder views, and strategic partnerships. An action plan has been developed which will be implemented during 2016.

Report of the directors (continued)For the year ended 31 December 2015

Directors' emoluments

The directors of the company, who comprise its Board, did not receive any remuneration during the period.

The Woodland Trust purchases indemnity insurance to protect it and its directors and officers 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 £5,000 (2014: £4,200).

Senior management team

The senior management team at 31 December 2015 comprised:

Chief Executive Officer	Beccy Speight
Director of Conservation and External Affairs	Austin Brady
Director of Corporate Services and Company Secretary	Helga Edwards
Director of Brand and Communications	Ruth Hyde
Director of Fundraising	Karl Mitchell
UK Operations Director	Norman Starks

Related party transactions

During 2014 the Woodland Trust received an interest-free loan from a director of the Woodland Trust. For further details please see note 14, page 37.

Future developments

Future developments are in the Strategic Report, pages 3-11.

The Report of the Directors approved and authorised for issue by the directors on 22 March 2016 and signed on their behalf by:



Nicola Nicholls
Chair
22 March 2016

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 2015 which comprise the Consolidated Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Responsibilities of the Directors statement set out on page 21, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2015 and of the group's incoming resources and application of resources, including the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charity Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company (and group) has (have) not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the (consolidated) charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Samantha Coutinho (Senior statutory auditor)
for and on behalf of haysmacintyre, Statutory Auditors
22 March 2016

26 Red Lion Square
London
WC1R 4AG

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2015

		UNRESTRICTED FUNDS		RESTRICTED FUNDS			Restated
	Note	General Fund £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2015 £'000	Total 2014 £'000
INCOME AND ENDOWMENTS from:							
Donations and legacies	2	21,943	-	6,494	-	28,437	28,143
Other trading activities	2	3,972	-	-	-	3,972	3,893
Investment income	7	471	95	171	13	750	673
Income from charitable activities	2	2,951	-	1,333	-	4,284	5,124
Other income	2	59	-	-	-	59	306
Total income and endowments		29,396	95	7,998	13	37,502	38,139
EXPENDITURE from:							
Cost of raising funds	4	(7,522)	(40)	(12)	(3)	(7,577)	(5,543)
Charitable activities							
Protect woodland	4	(5,231)	(58)	(1,099)	-	(6,388)	(5,618)
Restore woodland	4	(7,758)	(37)	(1,622)	-	(9,417)	(8,720)
Create woodland	4	(7,460)	(155)	(1,814)	-	(9,429)	(9,436)
Charitable expenditure		(20,449)	(250)	(4,535)	-	(25,234)	(23,774)
Total expenditure		(27,971)	(290)	(4,547)	(3)	(32,811)	(29,317)
Net gains on investment assets	10	-	6	(31)	(13)	(38)	245
Net income/expenditure		1,425	(189)	3,420	(3)	4,653	9,067
Transfers between funds	16	(347)	301	46	-	-	-
Net movements in funds		1,078	112	3,466	(3)	4,653	9,067
Fund balances brought forward at 1 January		16,512	18,913	87,872	9,318	132,615	123,548
Fund balances carried forward at 31 December	17	17,590	19,025	91,338	9,315	137,268	132,615

This statement of resources expended excludes £2,880k (2014: £6,462k) of woods and land acquired and capitalised as per note 8.

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

All income and expenditure is derived from continuing activities.

No separate income and expenditure account as required under the Companies Act 2006 has been presented, as the only difference between the net incoming resources for the year before transfers (£4,691k) and the net income for the year (£4,432k), as defined under the Companies Act, are realised gains on investments of £249k which are reflected within net gains on investment assets, income from investments of £13k and expenditure within the endowment funds of £(3)k.

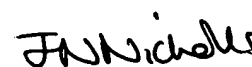
The notes on pages 27 to 43 form part of these accounts.

BALANCE SHEETS

AT 31 DECEMBER 2015

	Note	Group		Charity	
		2015	2014	2015	2014
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets:					
• Woods and land	8	78,269	75,579	78,269	75,579
• Other fixed assets	9	6,591	6,742	6,591	6,742
		84,860	82,321	84,860	82,321
Investments	10	39,787	35,682	39,787	35,682
		124,647	118,003	124,647	118,003
Current assets					
Land for planting and resale	11	685	584	685	584
Stocks	12	197	194	158	147
Debtors	13	12,691	13,182	13,337	13,877
Cash at bank and in-hand		2,588	4,847	1,943	4,035
		16,161	18,807	16,123	18,643
Creditors					
Amounts falling due within one year	14	(3,500)	(3,755)	(3,462)	(3,591)
Net current assets		12,661	15,052	12,661	15,052
Total assets less current liabilities		137,308	133,055	137,308	133,055
Creditors					
Amounts falling due after more than one year	15	(40)	(440)	(40)	(440)
Net assets	17	137,268	132,615	137,268	132,615
Financed by:					
Restricted funds	16	91,338	87,872	91,338	87,872
Permanent endowments	16	9,315	9,318	9,315	9,318
Unrestricted funds:					
• General fund	16	17,590	16,512	17,590	16,512
• Designated funds	16	19,025	18,913	19,025	18,913
		137,268	132,615	137,268	132,615

These accounts were approved and authorised for issue by the directors on 22 March 2016 and signed on their behalf by:



Nicola Nicholls
Chair

The notes on pages 27 to 43 form part of these accounts.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2015

	2015 £'000	2014 £'000
Operating activities	4,137	6,993
Investing activities		
Investment income	750	673
Purchase of woods and land	(2,641)	(6,285)
Purchase of fixed assets	(398)	(190)
Purchase of investments (see note 10)	(7,129)	(14,291)
Sale of land	36	330
Sale of investments (see note 10)	2,986	12,589
Net cash flow from investing activities	(6,396)	(7,174)
Financing activities		
Increase in long-term loans	-	400
Reconciliation of net cash flow to movement in net funds		
Net movement in cash in the year	(2,259)	219
Net funds at 1 January	4,847	4,628
Net funds at 31 December	2,588	4,847

	2015 £'000	2014 £'000
a) Reconciliation of net incoming resources to net cash inflow from operations		
Net incoming resources from operations	4,691	8,822
Investment income	(750)	(673)
Donated woods and land	(239)	(177)
Depreciation:		
• Woods and land	32	32
• Other fixed assets	549	862
Loss on disposal of woods and land	122	207
(Increase)/decrease in land stock	(101)	44
(Increase) in stock	(3)	(39)
Decrease/(increase) in debtors	491	(2,998)
(Decrease)/increase in creditors	(655)	913
Net cash inflow from operating activities	4,137	6,993

b) **Analysis of changes in net funds**

	At 1 January 2015 £'000	Cash Flows 2015 £'000	At 31 December 2015 £'000
Cash and cash equivalents	4,847	(2,259)	2,588

The notes on pages 27 to 43 form part of these accounts.

NOTES TO THE ACCOUNTS

For the year ended 31 December 2015

I. ACCOUNTING POLICIES**a) Basis of accounting and statement of compliance**

The financial statements have been prepared under the historical cost convention, with the exception of listed investments which are included at their market value at the balance sheet date. The financial statements have been prepared in accordance with the Companies Act 2006. The Trust is a public benefit entity as defined by FRS102, the financial reporting standard applicable in the UK and Ireland. The financial statement complies with FRS102 and the Statement of Recommended Practice Accounting and reporting by charities.

Following the transition to FRS102 for the first time in 2015, all of the accounting policies have been aligned with the new accounting standard and where these have resulted in a material change to the amounts, classification or presentation within the financial statements as at the date of transition, then a transitional adjustment has been made. The principal accounting policies and estimation techniques are as follows:

b) Transition to FRS102

This is the first year the Woodland Trust has presented its results under FRS102 and SORP2015. The last financial statements under previous UK GAAP were for the year ended 31 December 2014. The date of transition to FRS102 was 1 January 2014. There are no changes to the previously reported reserves as at 31 December 2014.

c) 2014 Restatements

The 2014 accounts have been restated for the changes from the adoption of FRS102 and SORP 2015. They represent the reclassification of income and expenditure on the face of the accounts only and have no impact on the reserves as at 31 December 2014.

d) Preparation of the accounts on a going concern basis

The trustees are of the view that there are no material uncertainties regarding the Woodland Trust's ability to continue as a going concern and therefore the assessment of the trustees is that the charity is a going concern.

e) Basis of consolidation

Group accounts have been prepared for the Woodland Trust and its wholly owned subsidiaries, Woodland Trust (Enterprises) Limited and Woodland Trust Farming Limited. 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 section 408 of the Companies Act 2006. Glen Finglas Farming Limited is excluded from the consolidated accounts as it is not material to the group.

f) Fund accounting*Unrestricted funds*

These funds can be used for any of the Trust'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 woods and land purchased and donated have 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.

Notes to the accounts (continued)

For the year ended 31 December 2015

ACCOUNTING POLICIES (continued)**g) Income and endowments**

Following the transition to FRS102, income is now recognised when receipt is probable, rather than virtually certain. There has been no actual adjustment as a result of the change.

Life and annual membership subscriptions are treated as donations and are included in full in the year in which 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.

Income in the form of donated assets has 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 2015 indicates that, for charities, this treatment is the most appropriate interpretation of the relevant Statement of Standard Accounting Practice.

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 (i.e. obtained probate). Bequests of land for conservation purposes are recognised as income and as an asset. Management applies judgement in recognition of residuary legacy income where they consider there to be significant uncertainty over the valuation of specific assets or liabilities within the estate. In such cases, the value of the legacy will be reduced on initial recognition.

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

h) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party for goods or services, and where it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following headings:

Expenditure on raising funds

These are costs incurred in generating the income analysed in note 2 (page 30) to the accounts. These costs are analysed in notes 4 and 5 (pages 32 and 33) to the accounts.

Resources expended on charitable activities

Expenditure is allocated as follows:

- **Protection of native woodland** – direct expenditure includes woodland management, research and lobbying to improve the degree of protection for ancient woods and ancient trees
- **Restoration of woodland** – direct expenditure includes the restoration of all damaged ancient woodland and the re-creation of native wooded landscapes
- **Creation of new native woodland** – direct expenditure includes the cost of planting trees, maintaining new woodland, financial support and the supply of trees to other landowners

Note 6 (pages 33 and 34) to the accounts includes an analysis of staff numbers across charitable activities, fundraising activities, governance and support.

The cost of those staff directly focused on the Trust's charitable activities has been allocated across the three aims listed above in the same ratio as the expenditure on each strategic aim prior to their allocation.

Notes to the accounts (continued)
For the year ended 31 December 2015

ACCOUNTING POLICIES (continued)

Support costs

These include the provision of offices, staff recruitment and development, information technology, governance and our finance function.

Support costs are allocated to costs of generating funds, charitable activities and governance on the basis of the direct expenditure incurred by each activity.

i) **Depreciation**

Depreciation is not provided on freehold and long leasehold woods 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 over the period of the lease.

Fixed assets include the design and construction costs for the Grantham office. Depreciation is charged from the date of occupancy at 2% per annum on cost.

Fixed assets with a cost of more than £1,000 are capitalised and depreciated. Depreciation is charged from the date of purchase to the date of disposal. Depreciation has been charged at 20% per annum on cost for office equipment and 25% per annum on cost for computers, plant and machinery and motor vehicles. Depreciation is charged only when assets are brought into operational use.

j) **Woods and land**

The value of donated land is disclosed in note 8 (page 35) to the accounts. Each site is valued in line with open market land values at the time of transfer to the Trust.

All woods and land purchased have been capitalised at cost.

k) **Investments**

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

l) **Land for planting and resale**

Land for planting and resale is held at the lower of cost and net realisable value. Amounts recognised represent the net cost to the Trust of acquiring the land and its subsequent planting as woodland prior to sale.

m) **Stocks**

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

n) **Other**

Operating lease rentals are charged to expenditure in equal annual amounts over the lease term.

The Trust operates defined contribution pension schemes. The cost of providing pensions is charged to expenditure 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 2015 this amounted to £785k (2014: £639k).

Recognition of liabilities is on an accruals basis.

Legacy debtors are recognised and initially measured as detailed within note 1(g) above. Regular reviews of legacy debtors are performed which includes reviewing correspondence and valuations from executors.

Notes to the accounts (continued)

For the year ended 31 December 2015

2. INCOMING RESOURCES

	Unrestricted General Funds £'000	Restricted Funds £'000	Total 2015 £'000	Total 2014 £'000
INCOME AND ENDOWMENTS				
Donations and legacies				
Legacies	11,305	2,904	14,209	13,124
Membership subscriptions	7,585	-	7,585	7,512
Fundraising and appeals	2,337	2,888	5,225	4,131
Company donations, charitable trusts and landfill tax	716	464	1,180	3,199
Donated woods and land	-	238	238	177
Total donations and legacies	21,943	6,494	28,437	28,143
Other trading activities				
Sponsorship income	2,767	-	2,767	2,603
Lotteries	583	-	583	711
Merchandise income	622	-	622	579
Total income from other trading activities	3,972	-	3,972	3,893
INCOME FROM CHARITABLE ACTIVITIES				
Grants	1,297	1,333	2,630	3,422
Woodland management income	1,654	-	1,654	1,702
Total income from charitable activities	2,951	1,333	4,284	5,124
OTHER INCOME				
Other income	59	-	59	306
	59	-	59	306

Included in fundraising and appeals is £22k (2014: £22k) gifts in kind.

Included in fundraising and appeals is £400k (2014: £300k) support received from the players of People's Postcode Lottery.

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 these legacies, where it is possible to estimate their value, was at least £1.8m (2014: £2.4m).

Notes to the accounts (continued)

For the year ended 31 December 2015

3. GRANTS

The following organisations provided grants:

	2015 £'000	2014 £'000
Forestry Commission	1,036	1,309
Heritage Lottery Fund	817	912
Scottish Government Rural Payments and Inspections Directorate	258	474
Natural Resources Wales/Cyfoeth Naturiol Cymru	80	49
Northern Ireland Environment Agency	78	117
Welsh Government/Llywodraeth Cymru	59	26
DEFRA	58	59
Local authorities	36	55
Belfast Hills Partnership	33	-
Rural Payment Agencies	26	-
Natural England	20	136
RSPB	19	-
Wales Council for Voluntary Action Cyngor Gwelthredu Gwirfoddol Cymru	19	22
National Forest Company	18	-
Department of Agriculture and Rural Development (Northern Ireland)	15	5
Loughs Agency	9	-
Environment Agency	8	4
Love Loch Lomond	7	-
Royal Botanic Gardens, Kew	5	-
European Commission's LIFE+ programme	5	109
Other grant providers	24	145
	2,630	3,422

Of those listed above, £1,333k (2014: £1,597k) are restricted grants.

Grant income is project activity based and the level of income recognised relates to the activity taking place during the year.

Notes to the accounts (continued)
For the year ended 31 December 2015

4. TOTAL RESOURCES EXPENDED

	Direct £'000	Support £'000	2015 £'000	Restated 2014 £'000
Costs of raising funds				
<i>Costs of donations and legacies</i>				
Membership	3,683	575	4,258	2,716
Fundraising and appeals	678	106	784	745
Company donations, charitable trusts and landfill tax	911	142	1,053	887
Legacies	214	33	247	191
	5,486	856	6,342	4,539
<i>Other trading activities</i>				
Sponsorship	368	58	426	375
Merchandise	466	73	539	374
Lotteries	207	33	240	229
	1,041	164	1,205	978
<i>Investment management costs</i>	30	-	30	26
Costs of raising funds	6,557	1,020	7,577	5,543
Charitable activities				
Protect woodland	5,484	904	6,388	5,618
Restore woodland	8,073	1,344	9,417	8,720
Create woodland	8,092	1,337	9,429	9,436
	21,649	3,585	25,234	23,774
Total resources expended	28,206	4,605	32,811	29,317

This statement of resources expended excludes £2,880k (2014: £6,462k) of woods and land acquired and capitalised as per note 8 (page 35).

Notes to the accounts (continued)

For the year ended 31 December 2015

5. SUPPORT COSTS

	Premises £'000	Governance £'000	Depreciation & Loss on sales £'000	Finance & IT £'000	Human Resources £'000	Management & Other £'000	2015 £'000	Restated 2014 £'000
Generating income resources	155	-	125	523	108	109	1,020	847
Charitable expenditure								
• Protect woodland	132	27	114	445	92	94	904	833
• Restore woodland	195	41	178	656	136	138	1,344	1,418
• Create woodland	196	40	164	660	136	141	1,337	1,498
	523	108	456	1,761	364	373	3,585	3,749
Total support costs	678	108	581	2,284	472	482	4,605	4,596

	2015 £'000	Restated 2014 £'000
Support costs include the following expenditure on governance:		
Staff costs	73	88
Auditors' fees and expenses	21	24
Other professional services	5	-
Directors'/trustees' expenses	9	7
	108	119

The directors of the company, who comprise its Board, did not receive any remuneration during the period.

Travelling and subsistence expenses incurred by 10 (2014: 11) directors on Board business amounted to £9k (2014: £7k) during the year.

6. NET INCOME FOR THE YEAR BEFORE TRANSFERS

Included in the Statement of Financial Activities are these amounts which require separate disclosure.

	2015 £'000	2014 £'000
The surplus for the year is after charging:		
• Salaries and wages	9,845	8,594
• Social Security costs	931	814
• Other pension costs	608	504
	11,834	9,912
Depreciation	581	894
Auditors' fees and expenses:		
• Audit work	21	20
• Other services	-	4
Rentals under operating leases:		
• Land and buildings	81	65
• Other	412	409
Irrecoverable Value Added Tax	785	639

Notes to the accounts (continued)

For the year ended 31 December 2015

Employees and volunteers

The average number of employees during the year was 334 (2014: 302). The average number of employees, analysed by function, was:

	2015 Total	2014 Total
Charitable activities	224	201
Fundraising	61	55
Human resources, finance, information technology and legal	49	46
	334	302

The average number of employees is calculated using the full-time equivalent method, the actual number of employees is 361 (2014: 339) the difference is due to job shares and part-time positions held by employees. The average number of employees increased by 32 during 2015, this increase highlights the investment we are making into valuable resource, to enable us to achieve our strategic plan.

We rely on volunteers to help with a wide range of activities including tree planting, care and management of our woods, promotion of our work, research, employee mentoring and administration. In addition, we rely on volunteers to collect data on the Ancient Tree Hunt and also on climate change through our phenology project.

We use the Volunteer Investment and Value Audit process to estimate the contribution of our volunteers. In 2015, volunteers contributed 260,000 hours with an ascribed value of £2.2m (2014: 233,000 hours, value £2.0m), which is not reflected in the financial statements.

The chief executive's earnings for 2015 were £119,165 (2014: £72,681 partial year), with a pension contribution of £9,984 (2014: £7,995 partial year). The earnings of the key management personnel (including the CEO) for 2015 was £473,862 (2014: £433,368) relating to six roles.

Employees' emoluments for the staff earning more than £60,000 for the year fell into the following bands:

£'s	No. of Employees	
	2015	2014
110,000-119,999	1	-
70,000-79,999	2	2
60,000-69,999	3	2

In 2015, the six (2014: four) employees earning in excess of £60k participated in the Woodland Trust's defined contribution pension scheme. Contributions of £51k (2014: £30k) were made during the year for these employees by the company.

7. INVESTMENT INCOME

	2015 £'000	Restated 2014 £'000
Income from investments was as follows:		
Income from UK listed investments	459	469
Income from UK cash investments	204	138
Bank interest receivable	24	29
Income from overseas listed investments	63	37
	750	673

Notes to the accounts (continued)

For the year ended 31 December 2015

8. FIXED ASSETS – WOODS AND LAND

The group and the charity:

	Purchased			Donated			
	Freehold	Long Leasehold	Short Leasehold	Freehold	Long Leasehold	Short Leasehold	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or donated value							
At 1 January 2015	63,844	873	183	5,903	4,209	983	75,995
Additions for the year	2,641	-	-	238	-	1	2,880
Disposals for the year	(35)	-	-	(21)	(102)	-	(158)
At 31 December 2015	66,450	873	183	6,120	4,107	984	78,717
Depreciation							
At 1 January 2015	-	-	40	-	-	376	416
Charge for the year	-	-	4	-	-	28	32
At 31 December 2015	-	-	44	-	-	404	448
Net book value							
At 31 December 2015	66,450	873	139	6,120	4,107	580	78,269
At 31 December 2014	63,844	873	143	5,903	4,209	607	75,579

In addition, the Trust currently leases 25 hectares (2014: 17 hectares) of woodland under short leaseholds at peppercorn rents. In the opinion of the directors, the value of these assets is immaterial.

The additions are allocated across our charitable aims:

	2015	2014
	£'000	£'000
Protect woodland	2,328	1,656
Restore woodland	7	759
Create woodland	545	4,047
	2,880	6,462

Notes to the accounts (continued)

For the year ended 31 December 2015

9. OTHER FIXED ASSETS

<i>The group and the charity:</i>	Buildings	Computer Equipment & Software	Office Equipment & Furniture	Plant & Machinery	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 January 2015	6,542	3,448	363	320	10,673
Additions	-	339	-	59	398
Disposals	-	-	-	(23)	(23)
At 31 December 2015	6,542	3,787	363	356	11,048
Depreciation					
At 1 January 2015	543	2,840	320	228	3,931
Charge for the year	131	313	43	62	549
Disposals	-	-	-	(23)	(23)
At 31 December 2015	674	3,153	363	267	4,457
Net book value					
At 31 December 2015	5,868	634	-	89	6,591
At 31 December 2014	5,999	608	43	92	6,742

10. INVESTMENTS

<i>The group and the charity:</i>	2015 £'000	2014 £'000
Investments at market value		
Permanent endowments	9,315	9,318
Designated funds	13,157	12,914
Restricted funds	11,615	11,498
General funds	5,700	1,952
	39,787	35,682

	Cost		Valuation	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Investments consist of:				
Cash held as part of investments	135	122	135	122
UK listed investments	10,905	10,905	12,855	13,088
Overseas listed investments	3,079	2,807	3,488	3,277
Other UK authorised investments	23,234	19,127	23,309	19,195
	37,353	32,961	39,787	35,682

	2015 £'000	2014 £'000
The movement on valuation of investments is as follows:		
Market value at 1 January	35,682	33,735
Acquisitions	7,129	14,291
Sales proceeds	(2,986)	(12,589)
Net investment gains	(38)	245
Market value at 31 December	39,787	35,682

Comprising:		
Cost at 31 December	37,353	32,961
Unrealised investment gains at 31 December	2,434	2,721
Market value at 31 December	39,787	35,682
Realised investment gains in the year	249	188

Notes to the accounts (continued)

For the year ended 31 December 2015

Investment advisers are appointed to assist with the management of the Trust's investment portfolios. As at 31 December 2015, £8.1m was held in a common investment fund and £9.7m was held in a diversified portfolio composed entirely of pooled funds. Included in 'other UK authorised investments' is £22.0m (2014: £18.0m) invested in short-term liquidity deposits.

The Woodland Trust owns the entire issued share capital (100 ordinary shares of £1) in each of its three subsidiary companies: Woodland Trust (Enterprises) Limited, Woodland Trust Farming Limited, which are incorporated in England; and Glen Finglas Farming Limited, which is incorporated in Scotland. Glen Finglas Farming Limited is dormant. Details of the trading activities of the two active subsidiaries are set out in note 18 (page 41) to the accounts.

11. LAND PURCHASED FOR RESALE

	Group		Charity	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Land available for resale	685	584	685	584

Land available for resale represents woodland purchased for planting and onward sale in due course under the Trust's Purchase, Plant and Pass On scheme. This scheme is intended to create new woodland at minimal net cost to the Woodland Trust and to provide an opportunity for new owners to get involved in woodland management. During the year £478k land was purchased and £377k land was sold.

12. STOCKS

	Group		Charity	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Livestock and stores	159	147	158	147
Raw materials and consumables	38	47	-	-
	197	194	158	147

13. DEBTORS

	Group		Charity	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Legacies receivable	8,112	9,069	8,112	9,069
Grants receivable	1,779	1,756	1,330	1,416
Trade debtors	1,448	1,038	361	284
Amounts owed from subsidiaries	-	-	2,170	1,753
Other debtors	736	498	860	541
Prepayments and accrued income	616	821	504	814
	12,691	13,182	13,337	13,877

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Trade creditors	2,690	3,271	2,638	3,189
Taxation and Social Security	270	235	270	235
Amounts owed to subsidiaries	-	-	95	65
Other creditors	400	-	400	-
Accruals and deferred income	140	249	59	102
	3,500	3,755	3,462	3,591

During 2014 the Woodland Trust (the borrower) entered into a loan agreement with Humphrey Battcock (the lender), a director and trustee of the Woodland Trust. The lender provided an unsecured loan of £400,000 for the purpose of furthering the borrower's purpose, to be repaid on or before the 30 September 2016. The loan bears no interest over the period of the agreement. As at 31 December 2015, the amount remaining on the balance sheet is £400,000 (2014: £400,000). No amounts have been repaid or written off.

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

The group and the charity

	2015	2014
	£'000	£'000
Other creditors	40	440

Notes to the accounts (continued)

For the year ended 31 December 2015

16. MOVEMENT ON FUNDS

Restricted funds	Movement of funds				Balance at 31 December 2015 £'000
	Balance at 1 January 2015 £'000	Gains/ incoming resources £'000	Losses/ resources expended £'000	Transfers £'000	
Woods and land	75,579	1,590	(190)	1,290	78,269
Woodland management fund	3,296	673	(1,163)	-	2,806
Restricted legacies	7,194	2,988	(558)	(1,614)	8,010
Various other funds	1,803	2,747	(2,667)	370	2,253
	87,872	7,998	(4,578)	46	91,338

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

Restricted legacies represent those where the testator has restricted use for specific purposes or in specific locations. The Trust actively seeks 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.

The woodland management fund consists of unspent income associated with specific sites. The woodland management fund includes unrealised gains of £0.3m (2014: unrealised gains of £0.3m).

Various other restricted funds include many individual grants and donations for specific purposes, which will be applied to future costs. The landfill tax received in 2015 amounted to £361k (2014: £1,010k) and £397k (2014: £976k) and was expended, leaving a balance at 31 December 2015 of £14k (2014: £50k) which will be applied to future costs.

Permanent endowments	Movement in funds				Balance at 31 December 2015 £'000
	Balance at 1 January 2015 £'000	Gains/ incoming resources £'000	Losses/ resources expended £'000	Transfers £'000	
Glenrothes	4,140	6	(2)	-	4,144
Livingston	2,451	4	(1)	-	2,454
Warrington and Runcorn	1,497	3	-	-	1,500
Preston and Chorley	1,230	-	(13)	-	1,217
	9,318	13	(16)	-	9,315

The permanent endowments represent funds given to the Trust with gifts of woods and land in the locations noted above, under terms requiring the funds to be invested permanently to provide income for the future management of these woods and land. These funds include unrealised gains of £1.8m (2014: unrealised gains of £1.8m).

Notes to the accounts (continued)

For the year ended 31 December 2015

Unrestricted funds	Movement of funds				Balance at 31 December 2015 £'000
	Balance at 1 January 2015 £'000	Gains/ incoming resources £'000	Losses/ resources expended £'000	Transfers £'000	
General fund	16,512	29,396	(27,971)	(347)	17,590
Designated funds					
Strategic investment fund	12,359	93	(158)	177	12,471
Building fund	6,554	8	(132)	124	6,554
	18,913	101	(290)	301	19,025

The strategic investment fund is a designated fund to provide initial funding to enable the initiatives within the strategic plan to be developed. Without this funding capability, such projects would not be possible.

The purpose and structure of the Trust's unrestricted funds is described in the Financial Review on page 14. The general fund represents working capital and operating fixed assets and is analysed in note 17 (page 40). The transfers are explained below.

Analysis of transfers between funds		Note	General fund	Strategic investment fund	Building fund	Woods & land	Restricted legacies	Other restricted funds
			£'000	£'000	£'000	£'000	£'000	£'000
Transfer to strategic investment fund	1		168	(558)	-	390		
Building fund	2		(124)	-	124	-	-	-
Legacies for woodland acquisition	3		124	220	-	900	(1,614)	370
Repayment of underwrite	4		(515)	515	-	-	-	-
Total transfers			(347)	177	124	1,290	(1,614)	370

Notes

1. £390k of woodland acquisitions was underwritten from the strategic investment fund to enable the Woodland Trust to acquire sites that match our charitable objectives. £168k was also underwritten from the strategic investment fund for a *Purchase, Plant and Pass-on* site.
2. A net amount of £124k, equivalent to the depreciation charge on the head office at Grantham of £131k, less investment income earned on the current fund balances (£7k), has been transferred to the building fund to provide for its repair, improvement or eventual replacement.
3. An amount of £1,614k was transferred from restricted legacies, of which £900k was transferred to the wood and land fund in accordance with legators' wishes, to help us purchase woodland sites. An amount of £370k was transferred to the other restricted fund for the maintenance of acquired sites and a further £220k was designated by directors for transfer to the strategic investment fund. The remaining £124k was transferred to the general fund to fund core activity on our sites.
4. An amount of £515k has been designated by the directors to repay an underwrite from previous years' from the strategic investment fund for woodland acquisitions.

The total incoming resources of the charity were £32,986k (2014: £33,642k) and its net outgoing resources were £28,295k (2014: £24,820k).

Notes to the accounts (continued)

For the year ended 31 December 2015

17. 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 2015 are represented by:

	Unrestricted Funds		Restricted Funds		Total Funds £'000
	General Fund £'000	Designated Fund £'000	Restricted Fund £'000	Permanent Endowments £'000	
Tangible fixed assets	723	5,868	78,269	-	84,860
Investments	5,700	13,157	11,615	9,315	39,787
Cash at bank and in hand	2,588	-	-	-	2,588
Other current assets	12,119	-	1,454	-	13,573
Liabilities due within one year	(3,500)	-	-	-	(3,500)
Liabilities due after more than one year	(40)	-	-	-	(40)
Total net assets	17,590	19,025	91,338	9,315	137,268

Restricted tangible fixed assets consisting of woods and land: £78,269k (2014: £75,579k).

Notes to the accounts (continued)

For the year ended 31 December 2015

18. NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARIES

The Woodland Trust has two wholly owned trading subsidiaries which are incorporated in England. Woodland Trust Farming Limited (registered company no. 6360791) undertakes farming on some Woodland Trust sites prior to woodland being created. Woodland Trust (Enterprises) Limited (registered company no. 2296645) was established to undertake sponsorships, commercial activities, lotteries and merchandise sales. Within the cost of sales and administration expenses are £360k and £119k (2014: £360k and £111k) paid to the Woodland Trust. Both companies donate their taxable profits to the Woodland Trust. A summary of their trading accounts is shown below. Audited accounts have been filed with the Registrar of Companies. Glen Finglas Farming Limited (registered company no. SC408716) was incorporated in Scotland on 5 October 2011 and is a wholly-owned dormant subsidiary.

	Enterprises		Farming	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Profit and loss account				
Turnover	3,956	3,852	559	760
Cost of sales	(715)	(618)	(219)	(205)
Gross profit	3,241	3,234	340	555
Licence payment to the Woodland Trust	(200)	(200)	-	-
Distribution costs	(48)	(58)	-	-
Administration expenses	(182)	(143)	(1)	(1)
Operating profit	2,811	2,833	339	554
Interest receivable	1	1	-	-
Net profit	2,812	2,834	339	554
Payment to the Woodland Trust	(2,812)	(2,834)	(339)	(554)
Accumulated reserves brought forward	-	-	-	-
Accumulated reserves carried forward	-	-	-	-
Balance sheet				
Current assets	1,766	1,628	621	400
Current liabilities	(1,766)	(1,628)	(621)	(400)
Net assets	-	-	-	-
Capital and reserves	-	-	-	-

19. OPERATING LEASE COMMITMENTS

At 31 December, the Woodland Trust, both the group and the charity, is committed to making the following payments during the next year in respect of operating leases:

	2015	2014
	£'000	£'000
Land and buildings		
Leases which expire:		
Within one year	27	10
Within two to five years	15	26
After five years	29	29
	71	65
Other		
Leases which expire:		
Within one year	14	8
Within two to five years	318	277
	332	285

Notes to the accounts (continued)For the year ended 31 December 2015

20. CAPITAL COMMITMENTS

Commitments for expenditure not provided for in these accounts in respect of assets under construction amount to £nil (2014: £nil).

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 £608k (2014: £504k). Included in other creditors is £nil (2014: £nil) in respect of pension schemes.

22. CONTINGENT LIABILITIES

The directors were not aware of any significant contingent liabilities at 31 December 2015 and 31 December 2014.

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

Notes to the accounts (continued)

For the year ended 31 December 2015

23. STATEMENT OF FINANCIAL ACTIVITIES

	Note	UNRESTRICTED FUNDS					RESTRICTED FUNDS			Total	Restated Total
		General Fund 2015 £'000	Restated General Fund 2014 £'000	Designated Funds 2015 £'000	Restated Designated Funds 2014 £'000	Restricted Funds 2015 £'000	Restated Restricted Funds 2014 £'000	Endowment Funds 2015 £'000	Restated Endowment Funds 2014 £'000		
INCOME AND ENDOWMENTS from											
Donations and legacies	2	21,943	23,262	-	-	6,494	4,881	-	-	28,437	28,143
Other trading activities	2	3,972	3,893	-	-	-	-	-	-	3,972	3,893
Income from Investments	7	471	493	95	91	171	57	13	32	750	673
Income from charitable activities	2	2,951	3,527	-	-	1,333	1,597	-	-	4,284	5,124
Other income	2	59	199	-	-	-	107	-	-	59	306
Total income and endowments		29,396	31,374	95	91	7,998	6,642	13	32	37,502	38,139
EXPENDITURE on											
Cost of raising funds	4	(7,522)	(5,490)	(40)	(33)	(12)	(8)	(3)	(12)	(7,577)	(5,543)
Charitable activities											
Protect woodland	4	(5,231)	(4,821)	(58)	(73)	(1,099)	(724)	-	-	(6,388)	(5,618)
Restore woodland	4	(7,758)	(7,461)	(37)	(104)	(1,622)	(1,155)	-	-	(9,417)	(8,720)
Create woodland	4	(7,460)	(7,266)	(155)	(154)	(1,814)	(2,016)	-	-	(9,429)	(9,436)
Charitable expenditure		(20,449)	(19,548)	(250)	(331)	(4,535)	(3,895)	-	-	(25,234)	(23,774)
Total expenditure		(27,971)	(25,038)	(290)	(364)	(4,547)	(3,903)	(3)	(12)	(32,811)	(29,317)
Net gains on investment assets	10	-	-	6	4	(31)	19	(13)	222	(38)	245
Net income/expenditure		1,425	6,336	(189)	(269)	3,420	2,758	(3)	242	4,653	9,067
Transfers between funds	16	(347)	(2,540)	301	(52)	46	2,592	-	-	-	-
Net movement in funds		1,078	3,796	112	(321)	3,466	5,350	(3)	242	4,653	9,067
Fund balances brought forward at 1 January		16,512	12,716	18,913	19,234	87,872	82,522	9,318	9,076	132,615	123,548
Fund balances carried forward at 31 December	17	17,590	16,512	19,025	18,913	91,338	87,872	9,315	9,318	137,268	132,615

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