

The Woodland Trust
Registered Company No. 1982873
Registered Charity in England No. 294344
Registered Charity in Scotland No. SC038885

Report and accounts

31 December 2019



The voice for woods and trees

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COMPANIES HOUSE

President

Clive Anderson

Trustees

Barbara, Baroness Young of Old Scone
Humphrey Battcock (retired 20 March 2020)
Sally Benthall
Fay Cooke
Michael Greenwood
William Hobhouse (appointed 15 November 2019)
Patrick Macdonald
Sarah Mukherjee (appointed 27 September 2019)
Paul Nevett
James Ogilvie
Mark Preston (appointed 27 September 2019)
Julia Smithies
Richard Sykes

The trustees are also directors and members of the company.

Chief Executive Officer

Darren Moorcroft (appointed 1 October 2019)

Board Affairs Committee

Patrick Macdonald (retired as Chair 20 March 2020)
Sally Benthall (appointed Chair 20 March 2020)
Richard Sykes
Sarah Mukherjee (appointed 20 March 2020)

Finance Committee

(also acting as an audit committee and investment committee)

Humphrey Battcock (retired as Chair 20 March 2020)
Fay Cooke (appointed Chair 20 March 2020)
Michael Greenwood (retired 20 March 2020)
William Hobhouse (appointed 20 March 2020)
Mark Preston (appointed 20 March 2020)
Julia Smithies

Remuneration Committee

Barbara, Baroness Young of Old Scone (Chair)
Humphrey Battcock (retired 20 March 2020)
James Ogilvie
Paul Nevett (appointed 20 March 2020)
Julia Smithies

The Woodland Trust was founded in 1972 by Kenneth Watkins, OBE; Henry George Hurrell, MBE; and Oliver Gabriel Rossetti.

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*.

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Post year end

In December 2019, news emerged from China that a new Coronavirus had developed and subsequently we have seen its spread across the world, impacting on the lives of every family and every nation. Its financial impact will be felt in 2020 and beyond. However, our strong performance in 2019 as detailed in these accounts, provides us confidence that our business continuity plans will ensure our vital role for people and nature continues.

The nationwide lockdown by UK Government, at the time of writing, in response to the crisis has heightened awareness of the importance of nature for people's health and well-being. When this crisis ends, the Woodland Trust's work standing up for woods and trees will become even more crucial in this regard alongside tackling climate change and nature loss.

Foreword



A message from our chairman: Barbara, Baroness Young of Old Scone

2019 was a watershed year for the UK environment, and an epic one for the Woodland Trust. Suddenly, instead of being a lone voice shouting up for woods and trees, it feels like the whole world is chiming in with us. The urgent need for action on both climate and biodiversity has propelled what we do to centre stage.

I'm proud of how the Trust stepped up to respond. The Big Climate Fightback was our biggest ever mass tree-planting campaign and saw over 260,000 people pledging and more than £1.0 million donated to our cause, not least through the wildly successful Channel 5 documentary we fronted with Chris Packham. It really brought home how the public is thirsting to get behind the Trust's vision for a UK rich in native woods and wildlife, and we need to seize the moment and swell that tide of goodwill in the years ahead, turning those hundreds of thousands into millions.

It was a year of political turmoil of course, with Brexit impending and a raft of key legislation in the works. Alongside our partners in the Greener UK alliance, we made important headway to persuade policymakers of the value of awarding 'public money for public goods'. Only by reforming our systems of financial subsidy – rewarding landowners for enhancing social well-being – will we effect the transformation our towns and countryside need: not just for our flora and fauna, but for folk too.

Now I urge governments in all four countries of the UK to put their money where their mouths are. Yes, that means grants for planting trees, but also new incentives to turn over land for natural regeneration, and to encourage the revival of our imperilled ancient woods. These are our most ecologically rich terrestrial sanctuaries, as well as being vast carbon stores, and in 2019 the Trust nursed 3,700 hectares of degraded ancient woodland on the road back to health. But without public investment, it is proving difficult to convince wood owners to turn verbal commitments into work on the ground.

Last year also saw us sharpen our focus on restoring UK habitat at landscape scale. There is no more thrilling example of our mission in action than the Northern Forest project, which will plant 50 million trees across the industrial north of England by 2043. 2019 was its first full year, and in tandem with our community forest partners in the region, we planted 168,000 trees and launched our £2.1 million Partnership Innovation Fund. Supported by Defra, the latter is developing novel ideas to leverage public and private money for environmental betterment.

As the new decade dawns, we need to see the Northern Forest model rolling out everywhere. Similar projects are already firing up in Wales, Cornwall and elsewhere, with the Woodland Trust providing guidance, funding – and UK and Ireland Sourced-and-Grown (UKISG-A) saplings, of course. And last summer, 130 local authorities nationwide responded positively to a Trust letter offering to support their own journeys toward net zero greenhouse gas emissions. We are working with many to make it happen.

So positivity abounds, but we have much work to do. Irreplaceable woodland habitat is still being recklessly destroyed for development, and as 2019 waned, the Trust's caseload of ancient woods under threat topped four figures for the first time. As the devastating consequences of the HS2 rail line will soon illustrate, we have yet to win the argument that a thriving UK economy and a healthy natural environment are not mutually exclusive – they should happily coexist.

The Woodland Trust has many of the answers to these ills, and we are demonstrating them up and down the land. I'm excited by the enthusiasm building behind us, and deeply grateful to the growing army of people who want to get on board. This is a time of great opportunity and spectacular change, and we must not let them down.

A handwritten signature in black ink that reads "Barbara Young". The script is fluid and cursive, with the first name and last name clearly distinguishable.

Barbara, Baroness Young of Old Scone
Chairman



A message from our chief executive officer: Darren Moorcroft

The moment that epitomised 2019 for me came on a misty morning at Mead, the location of the Woodland Trust's inaugural Young People's Forest in Derbyshire. The first of 250,000 new trees are taking root there, as we transform a former open-cast coal mine into a pulsating mix of woods, meadows and ponds, shaped by local youngsters, and busy with wildlife.

On that day in November, hundreds braved the mud to plant UKISG-A* saplings for the Trust's Big Climate Fightback event – an enormous nationwide effort uniting people of all ages, faiths and backgrounds. We got 10,000 trees in the ground, and the passion and determination I saw in that diverse group summed up a very special year, when people across the UK began to mobilise in

the face of the twin crises assailing us: climate change and the loss of wildlife.

Never before has the Woodland Trust's abiding mission been so prominent in the public and political consciousness. Last June, in the wake of campaigning efforts including the school climate strikes, the Government made a legal commitment to achieve net zero greenhouse gas emissions by 2050 – a target that is estimated could require 1.5 billion new trees. The debate is no longer about whether more woods are a good thing, but about how best to create them, and how to safeguard the precious habitat we already have.

With almost half a century of excellent work behind us, the Woodland Trust is supremely placed to deliver the solutions the nation is crying out for. Well-managed broadleaf woodland sequesters carbon, mitigates flooding, boosts public health, and offers new homes for our beleaguered native wildlife. Unsurprisingly then, the Trust has never been busier than in 2019. We planted 4.1 million trees – our highest number to-date – and every one of them was sourced and grown here in the British Isles. Almost 2.5 million of those are budding outside woods – on farms, along roadsides, in parks and gardens – as we extend our influence into new communities, urban and rural. A record 1.1 million trees were sent out free to schools and neighbourhood groups, introducing many thousands of people to the uniquely rewarding act of planting a sapling and watching it grow.

Boosted by new support from corporate partners, charitable trusts and individuals, all keen to do their bit for sustainability and the climate, the Trust's total income leapt to £56 million – a 25% rise year-on-year. We spent more than ever too, investing £53 million, not just in extending the UK's tree canopy, but in protecting and restoring some of the crown jewels of our countryside. The year saw us acquiring Ben Shildaig in the Highlands, a mountain wilderness where we'll be repairing rare Atlantic rainforest and ancient Caledonian pinewoods; and raising enough funds to purchase Ausewell Wood on Dartmoor in 2020 – a refuge for threatened species that has been closed off for decades and degraded by conifer plantations. We have been busy in Wales and Northern Ireland, too – new woods in the Neath Valley and the Mourne Mountains will blossom into the largest we've ever created in those countries, brightening the landscape with 250,000 trees.

Altogether, the Trust spent £4.3 million extending our estate in 2019, well over double our target. And nothing works better than enriching land that we own ourselves – for boosting biodiversity, for engaging visitors and volunteers, and for demonstrating to others the myriad benefits that the right tree in the right place can bring.

I became the Woodland Trust's chief executive in October, and I've been smiling ever since. Of course, there are challenges ahead, whether from the avoidable ravages of imported tree disease or the unstinting appetite for houses, roads and railways. But as a charity, it feels like our time has come, and we mean to capitalise on the opportunities the country's ecological awakening will bring. What really pleases me is that we are such an open and approachable organisation: every one of our 1,200 woods is free to visit; and our staff, members and volunteers are growing in number and are more valued and consulted than ever before. Together, we will meet the future head on, changing the very nature of the UK landscape for the better – for people and wildlife.

Darren Moorcroft
Chief Executive Officer

Our purpose

Our vision

A UK rich in native woods and trees, for people and wildlife

In 2016 we launched a 10-year strategic plan to provide the framework in which to achieve our vision and identify and deliver opportunities for working with partners in order to meet our objectives.

2019 and four years into the plan, we checked in to make sure we were still on track. The review looked back at the first three years and found that there were successes we wanted to build on, including our confidence and scale and our credibility and influence with governments across the UK. There were external shifts we wanted to take into account going forward, including areas such as the growth in tree diseases and shifting public opinion on climate change. In addition, our own thinking had developed over the three-year period, in areas such as the role of natural regeneration, the importance of membership and recognition of the digital maturity needed. This review has now formed our plans and financial strategy for the ongoing strategic period.

2016–2018 achievements:

- 8.8 million trees planted to lock up harmful carbon dioxide; provide cleaner air, among many other benefits; and create new habitats for wildlife and places for people to enjoy
- over 14,500 hectares of ancient woodland committed to restoration to reverse years of decline, protect the ancient woodland that is left and provide the conditions for threatened native species and unique ecosystems to thrive once more
- influenced the National Planning Policy Framework (NPPF) change in England, which now gives ancient woods and trees the same protection rights as heritage buildings
- kick-started the creation of a new Northern Forest of 50 million trees, on an ambitious journey to boost the health and well-being of people and wildlife all the way from Liverpool to Hull
- reached an incredible 250,000 individual members who will give us their voice, influence and time as volunteers as well as provide resources for our work for future generations.

2019 achievements:

- 4.1 million trees planted
- 3,716 hectares of ancient woodland committed to restoration
- a total of 289,000 members: an increase of more than 30,000 during the year
- five public campaigns launched for high level threat cases and 97 hectares of woodland saved under threat from bulldozers

2020–2025 ambitions:

- influence and deliver a more resilient landscape approach to trees and woods through protection, restoration, creation – through planting and natural regeneration – and demonstration, on our own estate, in urban areas and on others' land under our influence
- shift the relationship people have with trees and woods, and the wildlife within them, to one where they are more prepared to take action
- create the scale and capabilities that will enable us to follow our strategy and optimise resources for the benefit of woods and trees
- strengthen ancient woodland protection across the UK and help protect those woods and trees that people value most
- grow a mass movement of 1.5 million people who love trees and woods and take action for them – 500,000 as members of the Woodland Trust – giving their money, time or voice to our cause to help raise the estimated growth in unrestricted annual income we need to support trees and woods for the future
- secure key legislative, public policy and long-term funding commitments to protect, manage and expand the UK's native woods and trees, to preserve the wealth of biodiversity they contain and embed a nature-based approach to tackling climate change
- deploy volunteers more effectively and grow their contribution to our cause
- further increase the woods under our care to make our estate more resilient to external pressures and provide more engagement opportunities with visitors
- provide opportunity at scale for everyone to contribute to mitigating the effects of climate change through planting trees: locking up carbon for hundreds of years to come

Public benefit

The primary public benefit delivered by the Trust is the enhancement of vital native tree cover in the UK in ways that benefit wildlife and people, and the protection and restoration of ancient woodland and ancient and veteran trees. Native trees and woods can provide a wide range of public benefits – sequestering carbon and reducing heat effect which helps combat climate change; aiding natural flood-risk management; improving water quality; protecting soils and reducing erosion; giving shelter to livestock; and reducing air pollution – and are instrumental in maintaining public health and wellbeing, including mental health.

Some of our activities for the public benefit include:

- managing over 29,000 hectares of woodland which is accessible to the public, free of charge
- helping children and teenagers understand the importance of woods and trees through projects like our Forest of Youth at Mead in Derbyshire
- enabling people to buy young woodland, safe in the knowledge that we've done all we can to get the new trees off to the very best start possible through our 'Purchase, Plant and Pass on' programme
- engaging hundreds of people in planting trees through organised events, such as the Big Climate Fightback
- assisting communities, land owners and schools to create their own woodland, with advice and support through our community tree packs and MOREwoods schemes
- creating volunteering opportunities which enable people to gain experience in conservation areas which can then lead to a career in the environmental sector; or simply be at one with nature and the outdoors
- giving advice and assistance to people who find their valued and ancient local woodland at risk of destruction, and providing ways for people to call on their elected representatives to act for trees and woods
- creating thousands of hectares of woodland so that people can enjoy its benefits for years to come.

We can't achieve our vision without you and there are many ways you can help us make a real difference, such as: membership of the Trust, supporting our campaigns or appeals, corporate sponsorship or donation, volunteering, giving a grant, leaving a gift in your will, playing our raffle and buying from our online shop.

Find out more at woodlandtrust.org.uk.

Trees and landscapes

Our strategic aim

To influence and deliver a more resilient landscape approach to trees and woods

Our 2019 ambition and results

| | |
|---|--|
| Plant 175,000 trees within the Northern Forest through the deployment of Defra's* kick-start fund; and work with government, businesses and the conservation sector to develop and test at least two new innovative approaches to support sustainable woodland creation opportunities *the Government's Department for Environment, Food and Rural Affairs | Through the Defra Northern Forest Grant Agreement, 168,595 trees were planted during 2019. We launched the The Partnership Innovation Fund to provide funding to support large-scale woodland creation in the Northern Forest area – delivered through innovative models and mechanisms. |
| Identify the major threats to ancient woodland and campaign for at least 80% of the cases | We responded through the formal planning process to 94% of threat cases reported to us and launched public campaigns for five high-level threat cases. We also registered just under 100 ancient woods as 'saved' across 2019, with big wins for ancient woods that were due to be affected by the Nidd Gorge bypass in Harrogate, the M4 corridor around Newport, and Flamingo Land proposals in West Dunbartonshire. |
| Transition 2,310 hectares of landowners' ancient woodlands from 'commitment' to 'active restoration'; and identify new mechanisms to encourage active restoration, directed at priority landscapes where we can make the biggest impact | We committed 3,715 hectares of ancient woodland to restoration and moved 1,594 hectares into active restoration. |
| Plant 1,609,000 trees and hedges outside woods and in towns and cities, using existing and newly developed mechanisms | 2,454,000 trees planted both outside woods and in towns and cities. This target was achieved through schemes such as community tree packs, tree shop and planting schemes. |
| Create 2,190 hectares of woodland on Woodland Trust and others' land | We created 2,142 hectares of woodland through schemes such as MOREwoods, and planting on our own estate and on land owned by partners, farmers and crofters. |
| Increase our estate by 700 hectares through buying sites that are under threat or where we feel we can add value through restoration and woodland creation | We added 1,907 hectares of land to our estate, costing £4.4 million, by purchasing a mountain, a Scottish rainforest and a previously open-cast coal mine. 32.4 hectares was leased to us for 99 years by the Dunollie Estate. |
| Plant 4.5 million trees towards our aim of a tree for all by 2025 | We helped plant 4.1 million trees towards our tree for all target. |

Delivering real landscape change in our geographical focus areas through protection, restoration, creation and demonstration

Delivering at a landscape scale in our most special and important landscapes across the UK is becoming an increasing focus for us. By thinking and working at a landscape scale, we can see our estate, and the land owned by others as a whole, and work with partners in a more focused way to transform the land. This enables us to connect trees and woods to restored and better-managed habitats that can help our wildlife adapt to climate change more easily and create better places for people to enjoy, live and work in.

Creating exciting new landscapes

The Northern Forest

The concept of a Northern Forest was launched in early 2018 following £5.7 million of backing from Defra. It is the Trust's most ambitious woodland creation project ever. The vision is to reforest the industrial North of England – a region with only 7.6% tree cover – to create wildlife havens and corridors, and places for exercise and recreation; while mitigating air

pollution and locking up tonnes of carbon. We aim to plant 50 million trees across cities, towns and countryside by 2043, boosting the health and wellbeing of people and wildlife all the way from Liverpool to Hull.

The project is run in partnership with the North's quartet of community forest organisations – the Mersey Forest, City of Trees, HEYwoods and White Rose Forest – and 2019 was its first full year of delivery.

Part of the 168,595 trees planted this year included 3,000 at a primary school in Goole, where every pupil got a chance to plant a tree; another 3,000 planted beside a waterworks in Holmfirth to help soak up floodwater when the rain hits hard; and 1,600 to create woodland for a colony of endangered willow tits in urban Salford.

Another part of this huge project sees a woodland creation partnership in West Yorkshire with the National Trust and Yorkshire Water, among others. Together, we are working to unlock and deliver Natural Flood Management (NFM) schemes at a landscape scale. This is long overdue: clearly illustrated by repeated flooding episodes in the last decade across the Leeds City region. It is recognised that past land management practice in the uplands around Leeds has directly contributed to the likelihood of increased flood risk, but – in partnership with others at a landscape scale – NFM investment aims to undo this damage.

One such scheme is the Gorpley Reservoir woodland creation project, which could become part of a blueprint for taking similar schemes forward in the future. The objective is to deliver 67.3 hectares of woodland creation on land owned by Yorkshire Water through a 20-year lease taken on by the Woodland Trust. This will be done as part of a wider habitat improvement scheme on 104 hectares of land adjacent to Gorpley Reservoir, which will also include moorland restoration and natural flood management measures. Works on the ground will be overseen by the National Trust through a 20-year management agreement. Together, we are taking a holistic approach to an increasingly serious issue.

Faughan Valley project

Set against a declining picture for woodland in Northern Ireland, the Faughan Valley is a ray of hope, with its patchwork of ancient woods – home to more species than any other terrestrial habitat. But even here, ancient woods are mostly small, isolated and under threat from invasive species, climate change and tree disease.

With the help of a £0.5 million grant from the National Lottery Heritage Fund, over the next three years we aim to: restore the damaged ancient woods and remove invasive species; undertake riparian planting to buffer and extend the ancient woodland; and restore and plant over 8,000 metres of hedgerows. An exciting programme of activity, alongside a comprehensive volunteering and training programme, will be introduced to empower and involve communities: enabling them to develop heritage skills and play an active role in the valley's rural economy.

Protection from pests and diseases

Trees and woods are under unprecedented pressure from the constant bombardment of new pests and diseases. As the climate warms, pests will also become even more prevalent because tropical pest species will be able to survive more easily in the UK, particularly in southern England. Right now, in the UK, 19 pest and disease species are attacking our native trees, and six have reached epidemic levels. There are 1,060 pests and diseases currently recorded on Defra's Plant Health Registry. Tens of millions of trees in British woods are almost certain to succumb to ash dieback and at least 11 more diseases are nearing our borders. The impacts on our native flora and fauna could be unprecedented.

Observatree

We are key partners in Observatree – the tree health citizen science project. The project encourages tree health professionals and people actively involved with trees to act as citizen scientists and report potential sightings of anything worrying. More eyes on the ground means a greater chance of earlier detection, and from that perspective, it has been a fantastic year for the project, with volunteers generating a record 4,000 reports this year. Given that there are relatively few professional tree-health inspectors in the UK, Observatree provides much-needed, additional, tree health early-warning surveillance capability which could prove critical should a new pest arrive.

Ash dieback (*Hymenoscyphus fuxineus*)

Ash was once one of the most widespread tree species in Europe, but now, because of the deadly fungus, it is on the International Union for Conservation of Nature (IUCN) Red List.

The devastating effects of ash dieback are now being felt across our estate and beyond. We have produced a publicly available position statement and technical advice note describing the need for a proportional response, to prevent unnecessary wide-scale felling of ash. We are also supporting research that is identifying Chalara-tolerant ash trees that could be used as a seed source to produce more disease-tolerant trees in the future. And a partnership with Kew sees scientists taking DNA from 800 ash trees at Marden Park to try and identify potentially resistant strains.

Ramorum disease (*Phytophthora ramorum*)

Ramorum disease is an algae-like organism which can cause extensive damage and death to a large range of plant species, including larch. Unfortunately, it was found at our 353-hectare Wentwood site at Llanfair Discoed in Monmouthshire in 2012, where 150 hectares were under a canopy of Japanese larch. Our vision of gradually removing the conifers to allow the native flora and fauna to return was forcibly changed when we were served with a Statutory Plant Health Notice, legally obliging us to fell the timber. The felling is now nearing an end, and in late 2019 work started to re-stock almost 69 hectares of the clearfelled areas with broadleaved trees.

Larger eight-toothed European spruce bark beetle (*Ips typographus*)

The eight-toothed spruce bark beetle is a very small beetle, around 5mm long, cylindrical in shape, shiny and hairy, and dark brown when mature. This pest is particularly concerning for the timber industry because if numbers build up, the beetle can start to feed on, and kill, healthy spruce trees. And though it favours Norway spruce, it will also attack other exotic timber species. In 2019 we saw an outbreak of *Ips typographus* in one of our woods in Kent, but working with the Forestry Commission, we managed the outbreak through felling and burning, and it has now been eradicated.

Oak processionary moth (*Thaumetopoea processionea*)

First detected in London in 2005, the caterpillars of the oak processionary moth (OPM) can strip an oak tree bare and is an increasing issue on our estate – not only because of its threat to oak trees, but because it is a health hazard to people and animals as its hairs can cause a severe allergic reaction. Despite the known threat from the accidental importation of OPM on oak trees, trees continue to be imported into the UK and OPM intercepted. This year, there were over 70 new cases in non-Woodland Trust sites across England, Scotland and Wales.

We continue to be part of the Action Oak initiative: working with other partners to help mitigate the impact of the various pests and diseases attacking our oak trees.

UK and Irish Sourced-and-Grown Assurance (UKISG-A) scheme

We introduced the UK and Irish Sourced-and-Grown Assurance (UKISG-A) scheme in 2015 to minimise the risk of importing pests and diseases. There are now 26 forest nurseries with qualified UKISG-A status, together producing over 60 million plants, and more nurseries are in the pipeline for 2020. The nurseries' membership of the scheme guarantees their stock has been raised from seed sourced only from the UK and Ireland and grown on in the UK and Ireland for its entire lifespan.

Restoring habitat

Fingle Woods

The success of our all-action partnership with the National Trust to restore degraded ancient woodland at Fingle Woods demonstrates both what's at stake and the impact that can be achieved through restoration. In 2019 we commissioned a progress report on our work there, which has been supported by the Heritage Lottery Fund and the Esmée Fairbairn Foundation through their Land Fund. It showed wildlife moving back into the valley as scores of hectares of formerly shady, lifeless conifer plantation are thinned. We're on course to outstrip our five-year target to thin 214 hectares of woodland; while analysis shows dormice are expanding their range, red-listed tree pipits are nesting, the pearl-bordered fritillary butterfly is laying eggs, and the starry yellow flowers of the rare flax-leaved St John's-wort are increasingly brightening up the woodland floor.

New restoration projects

A raft of fresh projects and burgeoning partnerships are taking root nationwide as we accelerate our plans to restore habitat at landscape-scale, both on our own estate and beyond.

In Wales, we're a key partner in the £9 million EU LIFE-funded Celtic Rainforest Project, launched in the summer with Snowdonia National Park and the RSPB. The damp, jungly woods of the Welsh uplands have remained unchanged for centuries – festooned in rare lichens, ferns and fungi, and supporting extra-special bird and insect populations. The Trust's role is to thin-out plantation conifers so the ancient ecosystem can breathe afresh, and hunt down invasive species such as rhododendron, which poison the soil and smother native flora. We've surveyed around 100 hectares of woodland so far.

In England, we joined forces with Durham County Council to launch the £1 million Durham Woodland Revival project. This four-year drive will target a 10-mile band around the city to improve the health of more than 2,000 hectares of neglected woodland, plant a further 20 hectares, and empower local people to get hands-on to help in the woods on their doorsteps. That could involve creating new community orchards, wood allotments or forest schools across the region.

And north of the border, we've launched our new Lost Woods of Scotland project, which aims to track down the surviving Caledonian pine trees of the Highlands and record and protect them before they are lost. We are also planning to boost birch montane woodland in the Cairngorms and degraded woods in the Scottish Borders. In all, our partners Trees for Life, Borders Forest Trust and the Cairngorms National Park will help us restore 1,500 hectares of woodland, as well as create 4,500 hectares of new planting to buffer what survives.

Establishing a greater public and policy understanding and commitment to the vital role of UK woods and trees in sustainably adapting to and mitigating climate change

Government tree-planting figures

In the 2019 General Election every major political party backed the necessary increase in trees and woods in response to the climate crisis. The Woodland Trust is pushing for an increase in UK woodland cover from its current 13% of land area to 19% by 2050, in line with the Government's climate change adviser recommendations to meet "net zero". This represents about 1.5 million additional hectares of woodland, which will require the rates of creation to triple over the next few years.

The catastrophic collapse in both UK and global biodiversity reinforces the case for the majority of expansion to be native tree cover alongside the better protection and better management of existing woodlands. Over half of the 1,285 woodland species tracked by the UK's State of Nature report are in decline, in particular those which rely on structurally diverse native woodlands. One in 10 of the country's woodland species is in danger of extinction.

The Trust is advocating the role of protecting, restoring and significantly expanding native tree cover and woodland to tackle the climate and nature crises together. And we are making the case for policy to support expansion through natural regeneration alongside tree planting. Appropriately located tree cover can also reduce the risk of flooding; create thousands of new jobs; provide sustainable timber; and, of course, make people happier, and healthier.

We are advocating a range of policy, funding and legislation action at both national and local government level. This includes targets that focus on quality, not just quantity. This will help drive policy makers to invest in the structures, skills, regulation and advice required to expand tree cover in the right places and right ways to deliver a range of benefits, such as wildlife, public access and carbon capture and storage.

We will also continue with our own woodland creation schemes, partner with other organisations to increase tree planting, and promote tree planting on others' land through our school and community tree packs and MOREwoods and MOREhedges schemes.

The Trust has planted over 43 million trees since it started, but we are now escalating the numbers to get more trees in the ground faster, starting with The Big Climate Fightback on 30 November which you can read more about below. The Government also introduced a new environment bill in 2019 which included ambitious legislative measures to take direct action to address the biggest environmental priorities of the age, including a new tree strategy for England which we hope to see launched in early 2020.

Especially eye-catching commitments have come from Surrey County Council, North Norfolk Council and the Greater London Authority, all of which have committed to planting a tree for every resident in the coming years. Bristol City Council wants to double its canopy cover to 24% by 2046 and Cardiff City Council aims to boost tree cover from 19% to 25% by 2030. Meanwhile, Cornwall Council has formally partnered with the Trust on a £25-million plan to reforest the entire county: "scattering trees on our streets, in our hedgerows and in new woodlands and forested areas", as they put it. It will add up to around 2% of Cornwall's land mass – enough to soak up 1% of its carbon emissions as well as provide vital new sanctuaries for native wildlife.

The Big Climate Fightback

Climate change poses a significant risk to people and the natural world. We know trees are only part of the solution, but they are a big part and we have been pushing even harder this year to increase the number of trees planted – on our land and on other people's. To promote this widely, we had the idea of organising our biggest mass planting event ever. Called The Big Climate Fightback, its aim was to get one million people to join the fight against climate change by pledging to plant a tree or donate towards tree planting on the target date of Saturday 30 November 2019. The date was chosen to coincide with the second National Tree Charter Day which is the UK's only national day to celebrate and recognise our tree heritage, and is the Tree Charter's biggest legacy following its launch in November 2017.

The Big Climate Fightback event was a great success, in terms of trees planted, media coverage, increased tree sales and many more people recognising the importance of trees and woodlands in their lives and taking action against climate change. There were 275,000 pledges to plant a tree or donate towards tree planting for The Big Climate Fightback.

As well as hosting a number of tree-planting events across the UK on our estate, our network of Tree Charter branches organised more than 100 different planting events. #iwill also joined in the Big Climate Fightback with 11 separate events across England, supported by Groundwork UK, The Ernest Cook Trust, Canal & Rivers Trust and the National Federation of Young Farmers' Clubs.

In partnership with other landowners, oaks were planted in an ancient deer park at a National Trust property in Wales and a MOREwoods scheme we supported at RSPB Pulborough Brooks Nature Reserve in West Sussex. We also signed up our friends at the Leicestershire & Rutland Wildlife Trust who are creating a new woodland at Rutland Water.

And it's not often you will find one of our ambassadors up a tree, but these are the lengths that business journalist/TV presenter Adam Shaw, one of our amazing supporters, went to in order to promote the #BigClimateFightback. His son filmed him, and the quirky results were shared on his twitter feed @adamshawbiz. The more we share stories like this on social media, the bigger our voice grows to influence others to get more trees in the ground.

Channel 5 documentary reaps results

The Trust partnered with Channel 5's *Chris Packham: Plant a Tree to Save the World* to get the message out that the UK needs more trees. Chris Packham presented this special, one-off documentary in November on the crucial role that trees have to play in combating climate change. The programme covered four separate areas – the problem (why more trees are needed), the science of trees, the wonder of trees and the solution. During the programme, people were asked to visit our website to donate money to plant trees.

The aim was not only to raise awareness of the climate change crisis, but to attempt to raise enough money to plant 100,000 trees across Britain with the Woodland Trust. In the end it achieved more than double that figure, with donations from 16,790 individual donors raising over £0.5 million – enough to plant over 339,000 trees.

Maintaining our ancient woodland and ancient tree protection

Ancient woodland contains some of our most diverse natural environments and provides homes for a more varied range of wildlife than just about any other type of UK habitat. It would take millennia before new woodland planted today got anywhere near the biodiversity found in some of our ancient woodlands. As we always say about ancient woodland – once it's gone it's gone – so every fragment that's left is precious and important. We can't create more, but in areas of ancient woodland that have been damaged and where the wildlife may just be hanging on by a thread, it is possible with the right treatment to not only bring the wildlife species back, but ensure they continue to thrive in the future.

High Speed Two (HS2)

Right now, the single biggest threat to ancient woodland is the HS2 rail project. At least 108 ancient woodlands are under threat from the three phases of the scheme. Phase 1 has permission to go ahead, but in September this year it was announced that the whole scheme was to be reviewed by Douglas Oakervee. 2019 should have seen the start of the removal of the first ancient woodlands, but the Trust and our supporters successfully lobbied the Government to make sure that no ancient woodland was lost while the Oakervee review was taking place.

Over 44,000 members and supporters contacted the review panel to demand that ancient woodland be considered as part of the review. This is the highest number of responses we have ever had to a woods-under-threat campaign, showing that despite the length of time HS2 has been going on for, people still care enough to stand up for woods and trees. Unfortunately, the Government has given the green light for Phase 1 to go ahead, with no amendments to protect the ancient woodland.

No ancient woodland has been lost yet, and we are currently considering our position. We are due to give evidence before the Phase 2a Select Committee in the House of Lords in March and may still get some changes to save ancient woodland and ancient and veteran trees on that stretch of HS2. Phase 2b has yet to start its journey through Parliament and the Department for Transport has confirmed that this has now been delayed from its expected start of mid-2020.

When local people come together to defend their woods and wildlife

When arguing our case as in the examples below, we were able to cite changes to the National Planning Policy Framework that came into effect in England last summer following our decades of campaigning. See page 21 for more detail.

- **Plans for an M4 relief road south of Newport**, which threatened a number of ancient woodlands, were rejected by the Welsh Government after strong opposition was raised by residents and environmental organisations, including the Woodland Trust, who joined forces with Campaign Against the Levels Motorway (CALM) – a group of local residents and community councils opposed to the harmful plans.

- Thanks to the thousands of people who spoke up, North Yorkshire County Council ditched plans to build a relief road through the picturesque ancient woodland at **Nidd Gorge** near Harrogate, which would have cut up and fragmented wildlife habitats and damaged this precious landscape irreparably. The Trust had launched its campaign to fight the proposal in support of a local community campaign involving the Harrogate and Knaresborough Alliance for Less Traffic (HALT), Trust volunteers and the general public. Over 15,000 objections were received, of which around a third were sent by Woodland Trust supporters.
- Hard campaigning by the Woodland Trust and the Ancient Tree Forum (ATF) saved 20 significant ancient and veteran trees in Cheltenham from the chop. Following an initial application to build 100 new houses, we objected on the basis that associated wildlife would be disturbed by increased pollution from dust, light and noise. Though the scheme was revised several times, allowing the ancient trees to be retained, we were still concerned about the impact of the build on the trees and continued to hold our nerve until the application was refused by the council on the grounds that it would impact on the trees.

To our dismay, the developers then took the case to appeal as they claimed that the veteran trees didn't deserve their status. Naturally, we disagreed and were delighted when the appeal was rejected by the Planning Inspector. However, we will be keeping a watchful eye over the area just in case any further applications are submitted for this site.

But it's not always good news...

We were unable to stop planning permission being granted by South Gloucester Council for an exhibit purporting to showcase ancient woodland yet likely to damage the 7.5 acre ancient woodland site it was to be set in. As we only became aware of the application late in the planning process, there was no time to campaign against it, but we met with the developers, Bristol Zoo, to explain our concerns and furiously objected to the planning application.

Called Bear Wood, the £5 million scheme is a so-called 're-wilding exhibit' in which brown bears, lynx, wolves and wolverines have been introduced to an ancient woodland site at the edge of Bristol. Opened in July, the scheme – which was put forward by conservationists Wild Place Project – aims to re-create a time when large carnivores once roamed wild in Britain's woodland.

In addition to introducing large numbers of animals that have long been absent from our woodland ecosystems, the exhibit involved the construction of a large amount of hard infrastructure. The evidence of significant negative impacts on the local ancient woodland ecosystem and on local wildlife was overwhelming, but sadly ignored.

Ironically, had the planning application been considered under the revised National Planning Policy Framework, it would have been rejected for contravening planning laws designed to protect ancient woodland.

Working with others to secure meaningful public policy, funding and action to tackle biosecurity and landscape resilience

With a species extinction crisis looming, tree diseases sweeping the nation, and climate impacts biting as never before, the challenges facing UK trees and woods have never seemed more daunting. Winter 2018/2019 saw the effects of warming weather writ large, with an army of volunteers over 3,600 strong, logging their seasonal observations for the Woodland Trust's Nature's Calendar database (the largest citizen science project of its kind): recording butterflies at Christmas, tadpoles in January and blue tits nesting on New Year's Day.

The Trust is constantly seeking effective, credible solutions, and scientific research feeds directly into both our policy advocacy and practice, whether helping us to understand the consequences of climate change or supporting a campaign to save threatened ancient woods. Knowledge is the key to ensuring we can engage people and inspire support, and though funding scientific research is nothing new for us, 2019 saw a step-change in how we went about it.

A new conservation research prospectus

The Trust first launched a dedicated research programme in 2016, and it has supported work at universities and foundations nationwide. By 2019, our annual science budget had been increased and the year heralded a new approach with the launch of the Trust's first dedicated conservation research prospectus. The goal is to create a proactive programme of enquiry: probing the key questions that will shape the future of woodland conservation in the UK.

The prospectus is packed with 75 topics the Trust is keen to interrogate, from tracking down the nation's lost ancient trees and identifying which species have the greatest impact on urban air pollution, to which native trees to plant in the wake of the deadly ash dieback epidemic, and which ones could be in peril as climate change escalates.

We've already helped commission a suite of new PhDs that began last autumn, including individual studies at:

- **Leeds University** into how planting trees on farms can enhance soil quality, carbon sequestration and flood mitigation; providing vital evidence to fuel our drive to encourage agroforestry in the British countryside
- **Stirling University** on how best to revitalise montane woodland – a threatened mountain habitat that supports birds such as fieldfare and ring ouzel, as well as myriad rare insect species
- **The James Hutton Institute** in Aberdeen to probe how ash dieback might affect the nation's wildlife. Over 100 other species rely wholly or mainly on ash, and the research will employ cutting-edge radio technology to track beetles and moths as they move through the landscape to feed and breed.

Search 'prospectus' at woodlandtrust.org.uk for further details.

Launch of the Woodland Wildlife Toolkit

Launched in early 2019, the Woodland Wildlife Toolkit is a new website that pools data on thousands of nature sightings from woods nationwide. The goal is to paint the most detailed picture of our arboreal ecosystem ever, and create a user-friendly tool so that landowners and woodland managers can find out what's living in their woods and how best to safeguard the most vulnerable species.

The toolkit was ten years in the making: a collaborative effort by seven conservation bodies, including the Woodland Trust. It's the first time ancient woodland wildlife has been comprehensively mapped in this way, and the 70-strong cohort of species includes everything from beetles to bees and barbastelle bats to black hairstreak butterflies. All are important or in some way endangered: the willow tit, for example, has declined by 94% since 1970.

Once loaded with a location, the toolkit automatically generates a customised guide to improving the woodland habitat for the creatures living there, including advice on everything from controlling invasive species to managing deadwood on the forest floor. By the year end, the toolkit had been visited more than 30,000 times by almost 25,000 unique users. The Trust hopes to build on that success by lobbying for its inclusion in future policy programmes: landowners could be required to consult the toolkit before being granted a felling licence or woodland management grant, for example.

Full details available at: woodlandwildlifetoolkit.sylva.org.uk

A tree for all

We believe that everyone needs trees – for physical and mental health, for enjoyment and relaxation, and simply for clean air to breathe. Since our records began, we have helped plant 47.2 million of them, including 4.1 million in 2019.

Nothing forges a love of nature like planting a tree and watching it grow, especially for children, and that's why we want to give everybody the chance to dig in a sapling themselves. We offer tailored advice on how to plant trees and protect them, as well as subsidised trees for small landowners and hundreds of thousands of free saplings for schools and communities. Supported by our generous lead partners – Sainsbury's, players of People's Postcode Lottery, Yorkshire Tea, Selfridges and Defra – those schemes enjoyed a bumper year in 2019 as the nation woke up to the climate emergency and got in touch in their droves.

Planting with communities

Over one million trees were ordered through our free school and community packs, enabling hundreds of thousands of children and adults to green up their neighbourhoods. In all, 6,500 community groups and schools applied for the free packs, and many of those vibrant young trees took root on November 30, Tree Charter Day, as people UK-wide got behind our 'Big Climate Fightback' plantathon (see page 12).

Among the groups to benefit was the Spen Valley Civic Society from West Yorkshire, whose hard-working members have planted 420 trees at the Jo Cox Community Wood near Cleckheaton. This new nature haven was created to remember their much-loved local MP, who was tragically murdered in 2016. "If there's such a thing as reincarnation, I would come back as an oak tree", Jo once said.

MOREwoods and MOREhedges

MOREwoods are designed for larger-scale planting on people's own land – anything over half a hectare – and we fund successful applicants to the tune of 60% of the cost. By the end of 2019, applications had tripled year-on-year, enabling landowners to create 400 hectares of new woods in the 2019/20 season. One such planter was dairy farmer Anthony Gothard, whose 850-strong herd supplies milk to Woodland Trust partner, Sainsbury's. Anthony's new wood near Taunton was the 150th funded by Sainsbury's in 2019 through MOREwoods as part of the retailer's 150th anniversary celebrations.

Launched in 2018, MOREhedges is designed for landowners who want to create corridors for wildlife across the countryside. Adding hedgerows to the landscape also improves soil quality and reduces run-off, not to mention mitigating the impact of floods. Seventy five thousand metres of new hedging is planned for planting in the 2019/20 season – a big leap on the previous year.

Defra-funded Trees for Schools project

Launched in 2016, the Trust's £1.9 million partnership with Defra to give millions of children the chance to plant trees in school grounds and their communities has smashed its targets a year early. All 400,000 of the Defra-funded trees were snapped up by our target schools for planting by November, and 50,000 additional saplings are now being provided to 350 schools via the Trust's community tree packs scheme for planting in spring 2020. Defra continues to fund our team of project officers, who help schools to plan, plant and care for their trees. By the close of the project, 450,000 free saplings will have been delivered to 2,930 primary schools which had never planted trees with the Trust before, with 73% of the participating schools located in urban areas. This project has helped to connect pupils with the natural environment and taught the children about native UK trees and the wildlife they support.

Building a reputation for delivery in urban areas as well as rural, and for caring about individual trees as well as woods

With almost 85% of UK residents living in towns and cities, the Trust is accelerating its efforts to protect and increase canopy cover in urban spaces. Urban trees are an essential part of the UK's overall tree cover and are brilliant messengers for the benefits that trees provide.

Our work in engaging urban populations to plant and protect trees close to where they live and work saw some valuable successes in 2019. These included a partnership with Northampton Council to plant Trust-supplied trees in the Far Cotton district – the first road-side trees planted there in 50 years. It provides a blueprint for good things to come as the council moves toward a new structure and climate commitments.

We also teamed up with Swansea Tree Forum and other partners to plant trees in collaboration with the city council – a gesture of the council's stronger engagement with residents. The Forum, which brings together local community groups and decision makers, offers urban residents a model for action.

May saw a halt to the felling of Sheffield's street trees, but not before 5,500 had been cut down. However, out of this tragedy has risen the Street Tree Strategy Partnership, which will launch in April 2020. It will work to ensure that no council will ever be allowed to replicate Sheffield's mass felling of urban trees and the Woodland Trust continues to play an important role both in the public eye and behind the scenes in supporting communities who care about their street trees.

And if you turn to page 12 you can read how city and county councils around the UK have pledged to put trees at the heart of their response to the climate and nature crises.

Growing our estate while delivering for all parts of our cause

Owning land is still the most direct way the Trust can make an impact on the ecological health of the UK, and for engaging with people to help them understand and experience nature for recreation and wellbeing. We care for an estate of over 1,200 sites across the UK, currently covering approximately 29,000 hectares with a cost of £91.9 million – and all of it is FREE to visit. If all goes to plan, our estate will tip over the 30,000-hectare mark by 2022.

Ben Shieldaig: over 1,500 hectares in the West Highlands

We bought our very first mountain in 2019 with support from individuals, a national appeal, the generous players of People's Postcode Lottery and the Banister Charitable Trust.

Ben Shieldaig offers some of Scotland's most spectacular scenery and includes ancient Caledonian pinewood and an area of rare Atlantic rainforest. These woodlands are globally important and hugely significant to our culture and wildlife. They support some of the world's rarest and oldest plant species, many of which appeared long before the dinosaurs. Much of what is left of Scotland's rainforest and Caledonian pinewood is poorly understood and managed, inadequately protected, highly fragmented and generally in poor and declining condition.

Our aim is to see native woodland, montane scrub and open moorland habitats meshing naturally with each other from sea to sky. Over the next 20 years, we will use our expertise to manage the woodland in order to make it as resilient and healthy as possible so its wildlife can thrive and flourish across the wider landscape. It's a huge responsibility, but it will be worth the wait. We estimate it will take around £3.4 million to deliver our plans, so the Ben Shieldaig appeal will remain ongoing for a long time to come.

Brynau Farm: 75 hectares, Vale of Neath, Port Talbot

Brynau Farm comprises a mix of rolling hills, ancient woodland and stunning scenery yet is just a short stroll from the centre of Neath, with Port Talbot and Swansea a stone's throw away.

We're aiming to plant 105,000 native trees to create around 60 hectares of new woodland to buffer and protect the wood, link up with newly planted hedges, help purify the air, and fight the effects of climate change. The first 500 trees were planted by the local community, members and volunteers on 30 November as part of the Big Climate Fightback. The next round of planting will take place with schools in the second week of March 2020, with a planting event in the same month for the general public.

This could become our biggest ever woodland creation site in Wales and will form the largest PLANT! project to-date. PLANT! means 'child' in Welsh and is a Welsh Government project launched in 2007 with the intention of planting a tree for every child born or adopted in Wales.

Dunollie Wood: 32.4 hectares, Oban, Argyll and Bute

In February, the Woodland Trust took over the care of Dunollie Wood after it was leased to us for 99 years by the Dunollie Estate. The site is home to small areas of Atlantic oakwood, hazelwood and birch which support a spectacular range of plants, ferns, mosses, lichens and flowers. Birdlife in the area includes sea eagle, golden eagle and great spotted woodpecker; while summer migrants may include cuckoo, redstart and tree pipit. Pine marten, red squirrel, brown hare, hedgehog, bats and the common toad are also in residence. Otter can be seen from time to time along the nearby seashore.

Dunollie Wood is now part of a suite of Scottish rainforest sites directly managed by the Woodland Trust up and down the west coast from Argyll to Skye under our Saving Scotland's Rainforest programme. We are calling them our Scottish Rainforest Five. They are lush, native woods dependent on clean air and high rainfall and comprise: Uig Wood on Skye, Loch Arkaig Pine Forest in Lochaber, Ben Shieldaig in Torridon, Dunollie Wood in Oban and Crinan Wood in Argyll.

Much strategic focus has been put on our Saving Scotland's Rainforest programme, and these sites give us a firm foothold and act as beacons to support our outreach work with other landowners.

Land at Mead: 162.46 hectares, Smalley, near Heanor in Derbyshire

Previously an open-cast coal mine, the reclaimed land at Mead was bought after a successful appeal which funded the purchase price, thanks to the generosity of our supporters; the Pears Foundation; the Pears #iwill Fund; the Veolia Environmental Trust; Biffa Award; and Nationwide Building Society.

The site is adjacent to Shipley Country Park and the Derbyshire Wildlife Trust's Woodside Farm, making this a great opportunity to create 520 hectares of publicly accessible, wildlife-friendly land in one connected block. It is now set to be transformed into a haven for wildlife and people with the planting of 260,000 trees over three years.

The first tree-planting event took place at Mead as part of November's Big Climate Fightback: 13,000 planted by 300 customers of the Premier Paper Group in celebration of the £1 million raised for the Trust through the company's carbon capture scheme; and a further 10,000 by many other members of the public, young and old. When complete, there will be a thriving new woodland fringed with hedgerows and scattered with biodiverse ponds, open spaces and swathes of glorious species-rich grassland. But this pioneering £4.7 million project also has another huge ambition. Read all about it on 20.

Red Brae Wood: 10.53 hectares, Brackfield, County Londonderry

Red Brae Wood is a mix of ancient woodland and open ground and complements the complex network of sites which make up Brackfield Wood (the Faughan Valley First World War centenary site) and Faughan Mosaic. Red Brae Wood will buffer ancient woodland and link to the recently planted 'donkey' field – increasing landscape resilience.

With the inclusion of this site, publicly accessible land in Northern Ireland has increased to over 200 acres, creating a concentration of woodlands which make the Faughan Valley the destination for woodland walks in Northern Ireland.

Our plans for 2020

Continue to identify the major threats to ancient woodland and trees and escalate a minimum 80% of all ancient woodland cases to campaigning level

Transform 886 hectares of previously committed ancient woodland restoration plans into active restoration programmes, both on our own land and others' land under our influence

Plant 2,661,000 trees outside woods and in towns and cities using existing and newly developed mechanisms. This includes school and community tree packs, our native tree shop and through our partnerships within the Northern Forest project

Create 2,315 hectares of woodland on both our own estate and others' land under our direct influence, through planting trees and natural regeneration; and 715 hectares of woodland directly shaped by our influence, but not involving any direct planting input from us

Increase our estate by buying sites that are under threat or where we feel we can add value through restoration and woodland creation, as well as extensions to existing sites. We aim to acquire 1,000 more hectares over the period of 2020–2022

Building support

Our strategic aim

To shift the relationship people have with trees and woods to one where they are more prepared to take action

Our 2019 ambition

| | |
|---|---|
| Build our brand awareness to 74% through co-ordinated planning and activity and integrate it across the whole of our communications in order to increase awareness of our ambitions for woods and trees | We achieved a prompted awareness score of 73%. Overall, brand awareness is slightly down as we targeting focused communication with existing and potential supporters, members and volunteers. Much of our activity took place at the end of 2019 in line with our Big Climate Fightback campaign which generated significant media and social media coverage, and we anticipate this will be reflected in increased awareness in 2020. |
| Increase the number of financial supporters to 282,000 to help us raise income for our future financial sustainability | We now have 343,000 supporting us financially and helping us to secure the future of woods and trees through appeals and donations, regular membership, merchandise and playing our lottery. |
| Generate £47 million income so we can support trees and woods for the future | In total, through the generosity of supporters and partners, we raised £56.1 million in income. This is £9.1 million higher than predicted and continues to show the increased awareness of the importance of trees and growing support for their wellbeing. |

Young People's Forest at Mead

On page 17 we talked about the land at Mead we had acquired in Smalley, near Heanor in Derbyshire, which will be turned into a wonderful new woodland and a haven for wildlife. But this pioneering £4.7 million project also has another ambition. A key element of the project is to work with young people to create a forest to inspire and engage them on a massive scale. And we've named it Young People's Forest at Mead to reflect this ambition.

The site will be transformed into a giant outdoor classroom for children and young people aged 10–20 who will be involved right from the start in planting trees, learning about nature and designing, delivering and taking part in activities.

As the project progresses, a raft of exciting new initiatives will be developed in order to fulfil this ambition, including on-site practical and ecological-based pursuits and the formation of a young people's forum that will help to guide the activities. We want them to not only feel that this is their forest, but also that they have a stake in its future. By learning to love and care for the trees and wildlife, they will have gained valuable lessons which will stay with them for the rest of their lives.

Memberships

Being a member of the Woodland Trust is being part of a community of people united in a vision of a UK, rich in native woods and trees, for people and wildlife, and is one of the best ways to support our work. Through Broadleaf – our seasonal members-only publication – and a monthly e-newsletter, we keep our members up to date on all the fantastic work their donations help us achieve.

In 2019 we increased our members by more than 30,000 to 289,000.

Members' Voice

In 2018 we sent an invite to all our members, asking if they would like to opt-in to be part of a members' panel and give us their opinions on a variety of subjects. Almost 4,000 members signed up to what is now known as Members' Voice, and every two months they are emailed with a survey on a particular topic to gain their opinions, with the results shared with them the following month. We are using the results to help shape decisions around each topic, which range from car parking to climate change, and automotive partnerships to ash dieback.

For example, the results from our survey on climate change showed that:

- the majority of members agreed with all the elements tested from the Woodland Trust's climate change positioning statement
- almost all members believed the Woodland Trust had a role to play in mitigating the effects of climate change
- there is extreme concern among members that climate change will affect issues the Woodland Trust is standing up for.
- planting and protecting woodland and trees are the top actions which members believe will help mitigate the effects of climate change.

Increasing our policy influence

We know we cannot save the UK's native woods and trees on our own, so we always look to influence policy makers, supporters and partners who can further our cause. We lobby and work with decision-makers in London, Cardiff, Edinburgh, Belfast and in local councils to promote the value of woods and trees and to secure the legislative, public policy and funding decisions that will be vital for the long-term success of our mission. This has included ongoing advocacy with other environmental NGOs in the Greener UK coalition, to ensure that as we leave the EU, environmental protection and enhancement is at the heart of UK legislation, governance and public policy over the coming decades.

Turning National Planning Policy Framework protection into reality

One particularly notable achievement in influencing policy was our campaign to give England's most precious trees and woodland equal status with listed buildings, scheduled ancient monuments and World heritage sites. It took 20 years, but finally in 2018, the Westminster Government's National Planning Policy Framework (NPPF), which sets the policy for development across England, awarded England's ancient woodland and ancient and veteran trees the legal protection we had been seeking. As a result, 2019 saw the Trust working to raise awareness of this change in status, developing toolkits to assist planning officers and local authorities to understand what this change means. Although the number of cases of ancient woods under threat is still worryingly high, we are already seeing the impact of the Trust's work, with many potentially destructive construction proposals being thrown out.

Trees as part of net zero greenhouse gas emissions' target

The big breakthrough for our advocacy in 2019, however, came on the back of the Government's binding promise, announced in June, to reach net zero greenhouse gas emissions by 2050. The Trust immediately wrote to over 300 councils across the UK, urging them to put trees at the heart of their climate crisis response, and more than 130 responded positively: pledging to plant millions of saplings to combat carbon emissions. The Trust has met with many of these councils, offering advice on developing a tree strategy for their area and making sure new planting happens with new developments, with free or subsidised native UKISG-A certified trees, expert advice and access to grants, depending on their need.

Scottish Forestry Strategy

The Scottish Government's forestry strategy 2019–2029 was launched this year and will guide almost all policy and action around woods and trees for the next decade. During this time, we will hopefully see increased levels of new woodland planting and greater protection, restoration and management of woods. The Woodland Trust Scotland's 2018 campaign, which invited the Scottish public to share their views, ensured that the views of the Scottish people were heard by their Government and used to shape its national forestry strategy.

The Trust's emergency tree plan comes into force

The Trust has prepared its first ever emergency tree plan, an ambitious blueprint for how protection, restoration and significant expansion of our native woods and trees can not only help us tackle climate change, but also help connect up our fragmented woods and trees and tackle the nature crisis too. The Government's own Committee on Climate Change calls for 17–19%, but with tree cover currently estimated at only 13%, there's a long way to go. And with threats such as HS2 and ash dieback, we're constantly playing catch-up. Our masterplan will demand new grant schemes for wide-scale woodland creation to boost the annual total from 13,390 to 32,000 hectares, and incentivise people to turn over land to 'natural regeneration', where trees can take root under their own steam.

A higher level of general awareness and engagement in our cause

Improved visitor experience

We are continuing to identify and develop sites on our estate that will give visitors a better-informed experience and more opportunities to engage with woods and trees and fully benefit from the wonders of woodland. Three of our woods now have a Visitor Attraction Quality Accreditation from VisitEngland. They are:

Heartwood Forest: overall quality score of 84%

Though holding a VisitEngland quality accreditation since 2016, Heartwood Forest's previous score of 74% jumped to 84% in April due to a number of further improvements to the site. The new car park was described by the assessor as 'excellent in layout, quality of design and appearance'; while the Welcome Hub – installed in 2017 – combined with the general entrance and car park signage scheme, was said to 'create a very good first impression'.

Tring Park: overall quality score of 83%

The quality score awarded in 2018 is due to be re-assessed in 2020. The assessor had been especially pleased with the car park and entrance, giving them high scores for 'first impressions'. Plans for further improvements to the car park were submitted at the end of this year, with work expected to start in 2020.

Skipton Castle Woods: overall quality score of 88% (just 2% away from gold standard)

The assessor thought the interpretation and signage on site was some of the best designed and thought-out she had come across, and she was also impressed by the strong messaging around ancient woodland and the site's history.

Hainault Forest: chosen to be the Trust's next site in line for accreditation

This lush complex of woods and parkland is already one of East London's finest green spaces, a remnant of the vast medieval hunting grounds that once cloaked the region. Work is now underway to make this the next Woodland Trust site to achieve Visitor Attraction Quality Accreditation from Visit England.

Volunteering

Volunteers are at the heart of everything we do: giving us their energy, passion and talents across the UK. Currently, we have 2,600 dedicated and motivated volunteers covering 3,470 roles. These cut across a wide range of interests and areas of the Trust, from Observatree tree health surveyors, planning application threat detectors and woodland history researchers to tree planters, photographers and woodland-walk guides. So the Trust can make better use of the time and skills of volunteers who have already engaged with us, volunteers will often have the opportunity to take on several different roles.

Our trustees are also volunteers, and bring their experience from a variety of careers to help govern and guide the charity.

Whatever contribution our volunteers make, we are hugely thankful for the time, knowledge, energy and support they give to the Woodland Trust. They really do make a difference, and without them we could not achieve what we do. Our volunteers donated over 318,408 hours of their time in 2019 (2018: 274,568 hours), an increase of 15.8%, with an estimated value of £2.7 million (2018: £2.3 million) – a substantial contribution for which we are enormously grateful.

We've got a new website!

We needed to improve our website to ensure the content was truly compelling, inspiring and engaging to help people connect with our cause – and to make sure it was just as easy to use on a mobile or tablet as it was on a desktop.

So, in 2017 we carried out a survey with our members and supporters to get some detailed insight on what they actually wanted from our website. Their views became the driving force behind the creation and delivery of a brand new website, which we launched on 1 October 2019 after 18 months of focused work.

With its expanded content, easier navigation, thousands of stunning photographs and new technical innovations, we think the result is pretty amazing. We've made the importance of woods and trees come to life, especially with our new woodland walks' podcasts with Trust ambassador and business journalist/TV presenter, Adam Shaw. We hope the new website will inspire our web visitors to love and protect trees, woods and wildlife and support the work of the Woodland Trust. Try it out yourself at woodlandtrust.org.uk.

Our plans for 2020

Through co-ordinated planning and activity, build our brand awareness to 74% and integrate it across the whole of our communications in order to increase awareness of our ambitions for woods and trees

Have 304,000 members to help us reach the income targets needed to finance the long-term sustainability of woods and trees

Generate £61 million in income so we can support trees and woods for the future

Enabling

Our strategic aim

To create the scale and capabilities that enable our strategy and optimise resources for the benefit of woods and trees

Our staff

Paid staff are a vital ingredient of the Trust, working across a range of disciplines including woodland management, conservation, woodland advisory and training, policy and government affairs, marketing, fundraising, finance, media, business systems, research and human resources. We employ 545 staff members with the skills and commitment to run and develop the charity and we are clear about what is expected and how people should carry out their work.

In 2018 we achieved Investors in People accreditation, which is awarded to organisations that meet the Investors in People standard for people management. We use their framework as a mechanism to identify further areas for business improvement, especially in respect of our leadership and management practices. And we're doubly proud to have also been one of ten finalists in the Best Newcomer category in this year's Investment in People Awards.

We are committed to diversity and inclusion for all and aim to recruit, train, promote and reward people on the basis of ability and performance. This includes creating a working environment free from discrimination on the grounds of ethnicity, 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, diversity and inclusion, safeguarding and health and safety monitoring. In addition, we have a diversity working group which is focused on ensuring that our organisation and its work is open to all. In particular, the group aims to improve the diversity of our staff; our volunteers; our members and visitors; and our ambassadors and trustees.

A staff representation group comprising elected representatives meets regularly to provide a two-way communication channel between staff and management on topics ranging 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 our intranet.

Information technology

Security is important to us and we have worked hard to ensure our supporters' data is safe. In 2019 we started a programme of updating our technology to ensure that we have the right systems in place: not only to keep our risk exposure to an acceptable level, but also to ensure that we have the right technology to enable the Trust's future delivery of programmes and projects.

Volunteers

Our earlier piece on volunteers on page 22 looked at the work our volunteers do for us, but in order to optimise their experience and make the most of their time and skills, we need to ensure that we provide the structure and support they need to do their jobs safely and effectively. We therefore have a professional team which does just that and we're delighted to announce that the year started off with the Trust being awarded the 'Investing in Volunteers' national accreditation. This is the UK gold-quality standard in volunteering and not only shows how much we value our volunteers, but also helped us gain clarity on what we are doing well and develop a plan to improve our volunteering experience.

The plan we developed involved introducing a number of new initiatives and recruiting new volunteer development officers across the UK to help implement them. The initiatives included:

- a National Volunteer Panel to give volunteers a direct voice into the organisation at a strategic level
- woodland working-group training events throughout the country to train the leaders who will be running the working groups
- a guided-walk leader programme, delivering inspiring, volunteer-led walks at many of our sites where volunteers share local knowledge and passion for each unique site in their care.

New roles for volunteers were also introduced, including the Membership Development Officer (MDO) role in which volunteers join events alongside our third-party fundraisers to talk to the public about the importance of becoming a member of the Woodland Trust and supporting us financially for the future of woods and trees.

Fundraising

Our approach to ethical fundraising

The Woodland Trust is a member of the Institute of Fundraising, the Direct Marketing Association and the Fundraising Regulator. Alongside our high standards, we follow their codes of practice to ensure that our fundraising meets the highest standards, and supporters have the best possible experience.

Fundraising is carried out by our staff with help from the fundraising partners with whom we work. We use third party fundraisers to help us raise awareness of the Trust and encourage people to become members and support the long-term financial sustainability of woods and trees. In particular, we have worked with one face-to-face recruiting company for a number of years, with the relationship growing stronger over time. Their staff now regularly join the Trust on site for training and to get a better understanding of what the Trust's aims and vision are so that they can communicate this insight more clearly.

To protect and maintain the high standards that we and the public expect, we ensure that professional fundraisers receive appropriate training and adhere to our policies and practices, with particular attention paid to vulnerable people. And to check that these standards are being rigorously maintained, we regularly monitor the quality of outbound telephone marketing calls and conduct mystery shopping with our face-to-face fundraisers.

All Woodland Trust staff, as well as the staff of our fundraising partners, have received training on the implications of the new General Data Protection Regulations (GDPR) which came into force in 2018. We also fully comply with all current regulations and guidelines, underpinned by the four promises we make to our supporters, as outlined below.

Our work is only possible because of the generosity and enthusiasm of our supporters. We therefore go to great lengths to demonstrate how much they are valued and ensure that anyone who chooses to support us – whether by giving a donation, their voice, or their time – has a positive and rewarding experience.

To achieve this, we base all our activities and communications on the four key promises we make to our supporters:

Our promises

1. We will be honest and transparent

We promise to be honest and transparent about where your money goes and why we ask for donations. We will show you what a difference you are making.

2. We are respectful

We will not put undue pressure on you to make a gift, and if you do not wish to donate we will respect your decision. We will never assume you agree with an element of our cause if you have not already raised your hand to it, and we will never put undue pressure on you to volunteer your time or take part in a campaigning action.

3. We are accountable

We do all we can to ensure fundraisers, volunteers and third-party agencies working with us comply with all fundraising regulations, and this promise can be found in our privacy policy. Where we work with third-party agencies, we will ensure training is provided and will monitor their work. We will act quickly if they do not meet the high standards we set.

4. We will protect your data

Your data is safe with us. We take our obligations very seriously and we will never sell your data to third-party organisations. We will only contact you via methods we have received your consent to use. You can contact our Support Services Response Team any time you wish to change the way we contact you or to opt out of future communications. Alternatively, you can let us know via our online preference portal how you would like to hear from us.

Transparency and honesty

Our four promises, together with the procedures we have in place to deliver them, help us to earn the trust of our supporters as well as maintain our reputation as a charity which can be relied on for transparency and honesty. We provide easy ways for supporters to contact us and our support services response team is on hand to help answer any queries supporters may have.

We're proud of the exemplary service we provide, but if we do slip up, we have a stringent set of mechanisms to deal with any complaints as quickly, efficiently and fairly as possible. If supporters are unhappy with anything we've done, they can bring it to our attention using our complaints policy. If we make a mistake we will apologise and do all we can to put things right and if we cannot resolve their complaint, we will accept the authority of the Fundraising Regulator and the Charity Commission to make a final adjudication.

Supporter feedback

Feedback is a very important way of understanding how our activities are perceived by supporters, employees and the wider public. We received a total of 45,465 items of feedback during the year via e-mail, our website, written correspondence and telephone. Of these, 1,780 were complaints, of which 53% were resolved at the first point of contact and the remaining closed within agreed time limits. The Trust also received 42,152 comments, 582 compliments and 951 criticisms. This feedback was generated from an audience of over 60+ million who had the opportunity to see or receive information about us through marketing, social media and brand activities.

Financial review

Financial summary

Overall, we remain in a healthy financial position due to good financial management of our funds.

Because the effects of climate change have finally become a reality for many more people, and the role which woods and trees can play in mitigating that change increasingly recognised, our income has also increased. In total, we generated a combined income of £56.1 million from our generous supporters, £11.5 million above the previous year.

Revenue expenditure on our charitable aims was £53.3 million, £5.1 million more than the previous year. We also spent £4.3 million acquiring woods and land for woodland creation projects, buffering ancient woodland and enhancing the experience of those visiting our estate.

Our financial position remains secure, with total funds increasing by 6% due to the exceptional generosity of supporters to fund long-term projects, such as Ben Shildaig. At £12.6 million, our free reserves – which are set aside for any short-term financial risks – remain within the range prescribed by the trustees and represent just over four months' worth of budgeted expenditure.

Income

The biggest growth in income came from donations, which includes income from memberships and donations from individual supporters, companies and charitable trusts. There was also an increase in charitable activities, which includes grants and income we generate through woodland management.

| Income | 2019 (£m) | 2018 (£m) | Change (£m) | Ratio (%) |
|--|-----------|-----------|-------------|-----------|
| Donations | 15.7 | 7.7 | 8.0 | 28 |
| Legacies | 14.3 | 14.3 | - | 25 |
| Memberships | 10.3 | 9.1 | 1.2 | 18 |
| Trading | 6.5 | 6.9 | (0.4) | 12 |
| Charitable activities | 8.3 | 5.7 | 2.6 | 15 |
| Income from investments and other income | 1.0 | 0.9 | 0.1 | 2 |
| Total income | 56.1 | 44.6 | 11.5 | 100 |

Over 30,000 people joined the Trust as a member during 2019, helping us generate £1.2 million more income than in 2018. As well as new members, we also increased the amount of people who stayed with us due to better communication and opportunities to interact with us. This income is critical for the Trust, as it is unrestricted. This means we can use it towards paying for the upkeep of our estate, such as tree safety work and invasive plant removal; and for generally making the estate a great place for the public to visit and enjoy everything that woods and trees have to offer. We also use these funds to help our conservation policy and campaigning activity, marketing and communications and the support we need to make sure that the Trust is well run and governed.

Donations towards fundraising opportunities and appeals were £15.7 million, £8.0 million more than in 2018. These donations came from appeals for the Trust to secure the acquisition of sites such as the Ben Shildaig Estate and Ausewell Wood (which we hope to complete the purchase of in early 2020), and from our Big Climate Fightback campaign which brought increased support to plant trees to help mitigate the effects of climate change. We had two individual donations of £1.0 million which have provided a great opportunity to enhance our Tring Park destination site to make it a fantastic place for people to visit and engage with woodland and nature; as well as secure funds to help us plant trees during 2020.

Income from charitable activities increased by £2.6 million, mainly due to income generated by the sale of timber following the devastating clear-felling of diseased trees at Wentwood. By felling trees at the early stage of detecting disease we can still sell the timber and use the funds to help replant the site.

We would like to thank our many supporters who helped optimise the tax benefits available to us by completing a Gift Aid form, 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 £2.6 million (2018: £1.8 million) in Gift Aid in 2019, increasing the amount of work we were able to undertake.

Our corporate partners and charitable trusts continued their valued support by contributing £9.7 million of income. Corporate partners include Sainsbury's, Nationwide, Premier Paper, The Body Shop and many more. A full list can be found in the annual review at our website www.woodlandtrust.org.uk

Without the support of all these contributors we would not be able to provide the adequate protection and support needed by woods and trees across the UK. We would like to thank all our supporters for their generous contributions.

Expenditure

Of every pound we received in 2019, 82p went towards our charitable objectives. This amount fluctuates year-on-year, depending in particular on how much we spend on buying woods and land. In 2018 it was 80p of every pound.

We aim to spend no less than 75% of our annual income on our charitable activities. We feel this percentage enables us to deliver the best future service for our precious trees and woodlands.

| Expenditure | 2019 running costs (£m) | 2019 woods and land (£m) | 2019 total (£m) | 2018 total (£m) |
|--|-------------------------|--------------------------|-----------------|-----------------|
| Protecting ancient trees and woods | 10.4 | 0.6 | 11.0 | 10.1 |
| Restoration of native and ancient woodland | 16.6 | - | 16.6 | 15.1 |
| Creating new woodland | 15.9 | 3.7 | 19.6 | 15.1 |
| Generating funds | 10.4 | - | 10.4 | 9.6 |
| Total costs | 53.3 | 4.3 | 57.6 | 49.9 |

Spending on our charitable objectives

Protecting ancient woodland cost £11.0 million and includes the removal of invasive plant species, tree safety and ecological surveys and assessments. Overall, we spent £0.9 million more on protecting woodland than in the previous year, mainly due to us buying the Ben Shieldaig Estate, which includes an area of rare Atlantic rainforest.

Restoration of native and ancient woodland and other natural habitats cost £16.6 million and includes site clearance for natural regeneration, timber extraction, and access for visitors and maintenance. We spent £1.5 million more on restoration this year, partly due to laying the foundations to start the restoration of Loch Arkaig Pine Forest. This included upgrading the White Bridge over the River Arkaig and resurfacing the Glen Mallie track to accommodate transport of the timber which will be generated by the removal of non-native trees during 2020–2026. Sadly, we also continued to clear-fell *Phytophthora ramorum*-infected larch stands at Wentwood.

Creating thousands of hectares of new woodland across the UK cost £19.6 million. Included in these costs is tree planting on a national scale, preparing sites for planting and holding events that allow people to engage in planting activities. In all, we spent £4.5 million more than in the previous year which was due to us buying a relatively high £3.7 million worth of woods and land to create new woodland. Revenue costs increased by £0.8 million from the previous year due to the demand for trees for our community tree packs, native tree shop and MOREwoods scheme.

Included in our charitable objectives is the purchase of land to either create or restore woodland. To purchase woods and land at scale costs millions of pounds and there is a lot of competition from elsewhere to buy it for uses other than restoration or planting trees. This means that sometimes there is only a short period of time in which to raise the funds required.

To ensure we are successful when we find woods and land that fit our objectives, we use a number of different approaches:

- Wherever possible, we negotiate an option to buy the land within an agreed time frame needed to raise the funds.
- Sometimes we work with partners who will buy the site on our behalf and give us time to raise the funds to pay them back, as we did with Smithills Estate.
- We have £2.0 million which is used to purchase and plant land and then sell on the woodland with appropriate protection, after which we top up the fund with the sales proceeds and buy more land. This ensures we create more and more woodland with the same revolving fund. The two programmes which come under this scheme are: Purchase, Plant, and Pass on and Purchase, Restore and Pass on.

We will buy sites with our own funds through our Strategic Investment Fund. This fund has been designated by the trustees to use for opportunities such as the purchase of land and woods. Having this fund guarantees our payment for any land we wish to purchase.

Spending to generate funds

A total of £10.5 million was spent during 2019 to enable us to raise our fundraising income, invest for future growth and ensure that appropriate controls and governance were maintained and strengthened. For every £1 spent on fundraising, we raised £3.70 in return.

Included within fundraising costs is the cost of recruiting new donors, and the fulfilment of supporters' generous donations and membership subscriptions. Also included is the cost of the vital contribution we receive from teams such as finance, information technology and human resources – areas that provide the support and governance needed to ensure the charity is run in the most effective way possible.

Net income

We made a surplus this year before acquisitions of woods and land of £2.8 million.

Reserves

When planning and budgeting for activities, we consider the level of reserves held so we can strike a balance between continuing development and the need for prudent management of our working assets and commitments, as well as providing for contingencies. The reserves policy is reviewed and agreed annually by the trustees as part of the budget process. Over the next three years we have planned investment that will significantly reduce the amount of reserves we hold.

Overall, fund balances increased by £6.9 million to £153.3 million, with £91.9 million representing physical woodland and land held in perpetuity. This increase was due to some fantastic fundraising events that have generated income for some of our long-term goals such as the Ben Shieldaig Estate. We received a total income of £2.5 million during the year for Ben Shieldaig, which not only secured the acquisition itself but allowed us to put aside £1.3 million to start building the funds needed to develop and restore the site. In the final months of the year, Trailfinders donated £1.0 million to plant over 266,000 trees which we will start planting in early 2020, and we raised £1.4 million to help us purchase Ausewell Wood in 2020, which will strengthen the work we have been doing in Devon. And despite volatility within the economic climate, the money we have invested in long-term portfolios generated £4.0 million on their market value. Further details are set out in notes 11 and 17.

| Reserves | 2019 | 2018 |
|-------------------------|----------------|----------------|
| <u>Restricted funds</u> | | |
| Woods and land | £91.9 million | £88.6 million |
| Restricted funds | £21.0 million | £21.0 million |
| Total | £112.9 million | £109.6 million |
| <u>Endowments</u> | £9.6 million | £8.0 million |
| <u>General funds</u> | | |
| Designated funds | £10.0 million | £10.2 million |
| Fixed assets | £5.8 million | £6.1 million |
| Free reserves | £15.0 million | £12.4 million |
| Total | £30.8 million | £28.7 million |
| Total reserves | £153.3 million | £146.3 million |

Restricted funds

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 achieve our aims.

Permanent endowments

These represent funds given to us with gifts of woods and land under terms requiring that the funds are intended to be permanent, to provide income for future management of these woods and land. In certain circumstances, some of the original capital can be expended.

Unrestricted funds

The unrestricted funds are available in order to achieve our strategic objectives. They arise from unrestricted legacies, donations from fundraising activities and from any resultant surpluses generated from our day-to-day operations.

Designated funds include the strategic investment fund which was set up to develop the initiatives within the strategic plan. One of the key initiatives is to acquire woods and land in order to champion a UK rich in native woods and trees, for people and wildlife. Having this fund guarantees (underwrites) our payment for any land we wish to purchase.

Designated funds also include £5.6 million of the generous Burgan legacy of £9.1 million received in 2016. This legacy has been allocated towards the development of our concept of a Northern Forest; support for our Smithills Estate in Bolton; ancient woodland restoration; and as a springboard for our landscape-scale activity which will reduce this fund entirely by 2022.

Although our funds rose during 2019, we have set ourselves investment budgets for the next three years which will call on our core reserves and reduce the designated fund from £10.0 million down to £2.0 million. Our investment will include supporting – and challenging where necessary – all levels of government and beyond, to address the climate and nature emergency through trees and woods. We will continue to look after the woods and trees we already have and advocate new policies: building capacity and funding for woods and trees and inspiring local authorities to take action through writing their own emergency tree plans.

Free reserves, as defined by the Charity Commission, are unrestricted reserves that are freely available to spend on charitable purposes. The trustees have agreed the Trust's 2019 financial review (which extends to 2021), updated on an annual basis, as well as our principal financial risks, and have set free reserves within a target range of £10.0 million and £39.0 million. These represent three months and twelve months of annual budgeted expenditure, respectively. At £15.0 million, our free reserves represent just over four months' worth of budgeted expenditure.

Investment policy and performance

We operate an ethical investment policy when investing endowments and funds in long-term portfolios. The policy enables our third-party investment managers to identify and avoid companies that have any obvious conflicts of interest between the issues concerning us as defined in our ethical policy, and the objectives/activities of any company whose shares may be acquired for the purpose of investment. We would not expect to transact with organisations involved in the loss of ancient trees and woodland, for example.

Total investments are £34.0 million of which £5.0 million is held in short-term, liquid deposit funds; and £28.3 million as long-term funds, which are held with two professional investment managers. Short-term, liquid deposit funds are held in banks or building societies that are authorised to carry out business in the UK and, where rated, the ultimate owners have long-term ratings of at least A3/A-/A- by Moody's, Standard & Poor's or Fitch. Where unrated, they are agreed by the trustees.

Each long-term investment portfolio has an objective of optimising return, subject to an acceptable level of risk. Performance is monitored against tailored benchmarks as agreed with our investment managers. The benchmarks are Consumer Price Index (CPI) plus 3.5%, to ensure that long-term total return is above inflation; and the ARC steady-growth index, which is specifically designed for charity trustees and their advisers to assess performance against a realistic peer group. The total combined annual return for our investments was 19.2% against benchmarks 'CPI plus 3.5%' of 5.0% and the ARC steady growth index of 15.1%.

We made net gains on our investment portfolio of £4.2 million during the year (2018: net loss £1.5 million).

At the time of signing (15 April 2020), the long term investments have been re-valued at £24.7 million. This is after an unrealised market loss of £4.0 million directly linked to the impact on stocks following the outbreak of the coronavirus. The Trusts portfolios are invested for the long term and fluctuate year-on-year, the expectation being that portfolios will deliver a positive return in the longer term.

The environmental impact

of how we create a UK rich in native woods and trees

The Woodland Trust makes a major contribution to the reduction of atmospheric carbon through its work to create, protect and improve woodlands. We estimate that our estate currently locks up 9.5 million tonnes of carbon, with an estimated additional 170,000 tonnes sequestered in 2019. Although this more than exceeds the direct carbon emissions from our activities as a charity, we will continue to drive down the carbon emissions we create. We are pleased to be able to report that in 2019 we made further progress in improving our carbon, energy and transport performance. We complied with the Government's Energy Savings Opportunity Scheme and are delighted to have gained Green Dragon accreditation to Level 3. The Green Dragon Environmental Standard is awarded to organisations that can demonstrate effective environmental management and are taking action to understand, monitor and control their impacts on the environment.

Vehicle Use

We operate sites across the four nations of the UK, often in remote locations. These require physical presence and management and we have limited potential for substituting remote working methods. Nevertheless, although the estate has grown by 7%, which naturally increases our activity, we have maintained fleet emissions at a constant level of 571 tonnes CO₂e by selecting vehicles with low emissions and good fuel economy. We review this annually and benchmark ourselves against best practice in the conservation sector. We have also introduced car sharing schemes and a market mechanism for car-use reduction at our headquarters.

Energy

Energy reduction continues to be a priority for the Trust as we grow in size, and we have maintained approximately the same level of energy consumption at 118 tonnes CO₂e, 15.3 tonnes from gas consumption and 102.7 tonnes CO₂e from electricity. Wherever possible, we specify and use electricity from renewable sources.

Carbon intensity ratio

The intensity ratio of tonnes CO₂e from vehicle use and energy per staff full-time equivalent (FTE) has reduced from 1.50 in 2018 to 1.41 tonnes CO₂e per FTE in 2019 – see table below. The reduction is due to our increased use of renewable energy. In addition, the exceptionally cold winter in 2018 – the Beast from the East – led to increase in energy usage.

| | 2019 | 2018 |
|----------------------------------|--------------------------|--------------------------|
| | tonnes CO ₂ e | tonnes CO ₂ e |
| Vehicle use | 571 | 572 |
| Gas | 15 | 18 |
| Electricity | 104 | 114 |
| Total | 690 | 705 |
| | | |
| FTE | 491 | 469 |
| | | |
| Intensity ratio | 1.41 | 1.50 |
| tonnes CO ₂ e per FTE | | |

Waste

Active recycling is in place at our offices, including our HQ in Grantham. We recycle the majority of our waste at HQ and segregate eight different waste streams with the general waste (for example, paper hand towels, tissues, soiled food packaging) going to energy recovery. As a result, a very small residual amount goes to landfill. We are working to improve our waste performance even further.

Water

Water usage remains constant at 4,947m³ which produces 1.7 tonnes CO₂e from supply and a further 2.3 tonnes CO₂e from treatment. We will continue to explore mechanisms to reduce our level of water usage at HQ, regional offices, our site in Glen Finglas, Scotland and our six water troughs in various woods used mainly for cattle grazing.

Resource use

There is heightened awareness of the environmental impact of three particular resources which the Trust currently uses within its conservation activities: plastics, most notably in the form of tree shelters; peat, as a growing medium by some of our supplier nurseries; and pesticides, most notably glyphosate, as part of our creation and restoration management.

Plastic tree shelters

The Trust is one of the most significant tree-planting organisations in the UK. In order to protect the trees during their establishment and early growth phases (0–5 years), we often use industry-standard plastic tree shelters. However, we have committed to halt the use of plastic tree shelters by the end of 2025. This will be challenging, but we have instigated a number of trials at sites across the UK to identify alternatives which can withstand the variety of weather conditions we operate in.

Alternative guards made from biodegradable materials, such as plant starch polymers with UV stabilisers, currently appear to offer the best option, with projected longevity of four–six years, while cardboard/paper-based products have shown critical failure. In addition, we have committed to trialling planting with no guards, for example, using fencing and/or higher-density planting. At our Young People's Forest at Mead in Derbyshire, the entire site, including up to 270,000 trees, will be established plastic-free, with protection from 12–14km of new fencing. Recognising that there are circumstances where tree shelters are needed and trials of alternatives remain ongoing, when plastic is used we will utilise robust products in order to avoid their breakdown into smaller, more mobile (and hence more environmentally damaging) pieces, and recover these for re-use.

Peat

Peat is important for carbon storage and biodiversity. It remains a common growing medium among commercial nurseries. In 2019, the Trust purchased 3.51 million trees on contract, 1.5 million of which were grown peat-free as bare root stock. Of the remainder, one million were grown in growing media with less than 50% peat and one million in growing media with more than 50% peat. We are committed to peat removal from our core contracts when they are renewed in 2021, as well as promoting peat-reduction strategies to those nurseries we work with outside contract as part of the UK and Irish-Sourced-and-Grown standard we operate and promote.

Pesticides

Across our 29,000-hectare estate, the Trust uses very little pesticide. When we do, it is most notably glyphosate to aid establishment of new trees or to control non-native, invasive species such as Rhododendron – a species which significantly reduces the ecological value of the woodland. Annual use is low (500 litres diluted in 25,000–50,000 litres per year across the whole estate) and fluctuates depending on the condition of new land we acquire or where control has been identified as required due to external factors (eg, ingress into our sites). We therefore monitor our annual usage, reporting on its use per hectare of woodland created or woodland restored. In 2019, we saw a slight increase (3%) in use compared with 2018 (our all-time low year). This is made up of a 12% decrease in use on woodland creation sites and a 40% increase in use on mature woodland. This latter increase in mature woodland is accounted for largely by one site – Lang Craigs – which required significant rhododendron control as part of its long-term restoration.

Future plans 2020

In 2020 we will continue to drive improvements in how we deliver the positive environmental impacts we achieve through our work. Having attained Green Dragon Level 3 accreditation, we aim to progress to Level 4, training our staff to use our new environmental management system. We will also ensure we retain external Forest Stewardship Council® (FSC®) certification of our estate operations. We are the first large landowner to have received FSC® certification for a continuous period of over 20 years.

To help us achieve all this, we will be investing in the appointment of a dedicated head of sustainability, working across the Trust.

Governance

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, and raffles and the sale of goods by mail 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 19 on page 63.

The trustees 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 trustees consider how planned activities contribute to the aims and objectives they have set.

Professional advisers

A list of the Trust’s main professional advisers appears on page 66.

Haysmacintyre LLP has been reappointed as auditors through a resolution at the March 2020 board meeting.

Health and safety

The Board considers managing the health, safety and wellbeing of staff, volunteers, contractors 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), the Forest Industry Safety Accord (FISA) and the Conservation Safety Network. The VSCG writes the Health & Safety Executive Approved Code of Practice for managing visitor safety, and since December 2017, the Woodland Trust’s health, safety and environment manager has sat on its management board.

From 2019 the Woodland Trust has also been an active member of the England and Wales Fire and Rescue Service’s Wildfire Forum – a group which recognises the increasing threat posed by wildfires in the face of climate change and is taking steps, both in the UK and around the world, to tackle this threat.

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 and the standards set by the VSCG and therefore the Health and Safety Executive.

The Trust is also a member of the National Tree Safety Group which aims to develop industry-wide guidance on tree-safety management.

The Board is ultimately responsible for compliance with health and safety legislation. This is delegated to the chief executive on an operational level, and overseen by the director of corporate services. The appointed person for safety at the Trust (as defined by the Management of HSAW [Health and Safety at Work] Regulations 1999) is the health, safety and environment manager.

In 2020, the Trust will be focusing on making its safety management systems as resilient as possible, and we've created an internal health and safety topic group to spread our organisational safety knowledge. This group will be undertaking a programme of specialist training to support and complement our safety goals during 2020 and beyond.

Structure of the Board

The trustees of the company, who are the charity's directors and members, form the Woodland Trust's Board, which is the organisation's ultimate governing body. Trustees are required to retire after four years but may offer themselves up for re-appointment for one further period of four years. In response to the Coronavirus pandemic, the Board resolved that Patrick Macdonald and Mike Greenwood be appointed as trustees for a further term of one year with effect from 5 April 2020.

Trustees 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 chosen by the board affairs committee and ratified by the Board. Once appointed, each trustee is provided with an induction programme and training as appropriate. Trustees are regularly provided with internal and external information relevant to the Trust's governance, and make visits to our properties and woods. A performance review of each trustee is carried out every year.

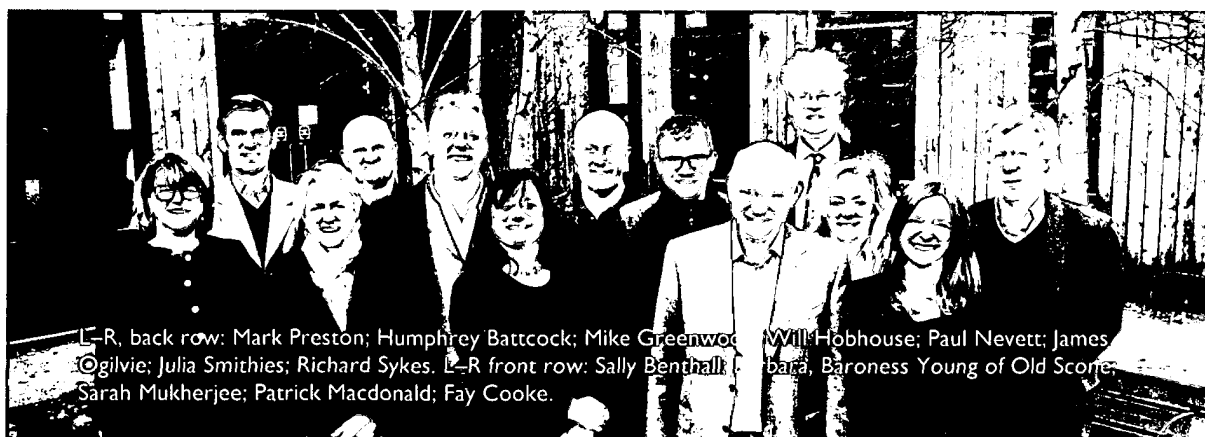


Photo credit Phil Formby/WTML

The trustees are:

Barbara, Baroness Young of Old Scone (skills: environmental; finance and business; media and communication; government affairs)

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 of Cranfield University, Chairman of the Royal Veterinary College and her voluntary positions include honorary president of the South Georgia Heritage Trust; and vice president of RSPB, Bird Life International and Flora and Fauna International.

Humphrey Battcock (skills: finance and business; governance; risk and legal)

Humphrey was a managing partner at Advent International. He also serves on the Cambridge Campaign Board, is a panel member of the Competition and Markets Authority and a trustee of the Institute for Research in Schools, Sadler's Wells and the Centre for Homelessness Impact.

Sally Benthall (skills: environmental, governance)

Sally worked for 30 years in environmental conservation, first for WWF-UK and then for the Galapagos Conservation Trust, which she helped to establish. She is part of the Campaign Council of Fitzwilliam College, Cambridge and a founding trustee of LandWorks, which provides a supported route back into the community for prisoners.

Fay Cooke (skills: environmental and finance)

Fay trained as a scientist, completing a PhD in cell biology before pursuing a career in finance. She qualified with Deloitte and has subsequently held a variety of roles in industry. She now leads the finance team at Yeo Valley, Britain's largest organic brand.

Michael Greenwood (skills: environmental; finance and business; media and communication)

Mike has long experience in programme making and commissioning for 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.

William Hobhouse (appointed 15 November 2019) (skills: finance and business, digital marketing, brand management and marketing, campaigning and people engagement)

Will has worked in retail and digital businesses all his working life, developing Tie Rack and Whittard of Chelsea as CEO; latterly Jack Wills, Le Pain Quotidien, Explore Learning, Teemill and King and McGaw as chairman. He has previously worked with the British Museum Company, Cancer Research UK, Royal Botanic Gardens Kew and Greenhouse Sports to further their aims and was a former trustee of the Woodland Trust from 2009 to 2013 and was reappointed in 2019.

Patrick Macdonald (skills: finance and business)

An engineer by training, Patrick is Chairman of Moneypenny, a call-answering service, and CCS, a managed print business. He is co-founder of the School for CEOs. Previously, he was Chief Executive of John Menzies plc and Chairman of Reconomy. He is a Fellow of the Royal Society of Arts and a Companion of the Chartered Management Institute.

Sarah Mukherjee (appointed 27 September 2019) (skills: environmental, media and communication, government affairs)

Sarah Mukherjee is CEO of the Crop Protection Association which represents all the major agricultural chemical companies in the UK. Previously, she was director of environment at the UK water industry's trade association, Water UK. She was also the BBC's environment correspondent for many years, presenting on national and international BBC radio and television news, and working across the world. Sarah is a member of the National Parks' review advisory panel.

Paul Nevett (skills: brand management and marketing; environmental)

Paul has experience nationally and internationally in brand management and marketing from his previous career with Unilever, and has a strong personal interest in trees, woods and birds.

James Ogilvie (skills: environmental)

A chartered forester, James' forestry career spans forty years – most recently leading social policy in Forestry Commission Scotland. A director of Borders Forest Trust and a Tree Aid business ambassador, James is fortunate to manage a small, award-winning woodland in Northumberland. His books include *Heritage Trees of Scotland*.

Julia Smithies (skills: tax; finance and business)

Julia is a chartered accountant and retired from PwC where she led various parts of the tax practice and held senior strategic and governance roles. Julia is also a member of the advisory board for the International Opera Awards.

Mark Preston (appointed 27 September 2019) (skills: finance and business, governance, risk and legal)

Mark Preston, FRICS, is the executive trustee of the Grosvenor Estate with overall responsibility for the Grosvenor family's business interests. He also holds the position of chief executive of Grosvenor Group to which he was appointed in 2008. He is a member of the (University of) Cambridge Land Economy Advisory Board; an honorary vice-president of the Cambridge University Land Society; and a trustee of both the Urban Land Institute (ULI) and the Westminster Foundation.

Richard Sykes (skills: finance and business; governance; risk and legal)

Richard is a chartered accountant and a retired partner of PwC where he led the governance, risk and compliance-facing initiatives. He is currently a non-executive director of Buro Happold as well as a board member of the England Hockey Board and Middlesex County Cricket Club and has been appointed as treasurer of Zoological Society of London (ZSL) with effect from 1 January 2020.

Committees, attendance and remuneration

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

Board affairs committee

This committee promotes good governance and effective working of the Board. In 2019, among other matters, the committee recruited new trustees to the Board and continued to work towards increasing the diversity of the board of trustees. The board affairs committee commissioned a working group to increase the diversity of the organisation. The resulting two-year action plan is regularly scrutinised by the board affairs committee.

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. In 2019, among other matters, the committee reviewed the progress of our Fingle Woods restoration programme and the Trust's technology strategy.

Remuneration committee

The remuneration committee has delegated power to approve annual salary reviews for the management team, approving the individual pay and conditions and reviewing the performance of the chief executive and senior management team. It also 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 trustees. In addition to the roles above, the committee reviewed the Trust's gender pay gap reporting and remuneration statement.

Annual meeting attendance

There were four board meetings in 2019: due to retirements and new appointments there was an average of 11 trustees attending all meetings during the period they served, with five trustees giving apologies for one meeting each. Overall, trustees serving on committees attended 85% of meetings held during the period in which the trustees served.

Trustees' emoluments

The trustees 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 trustees and officers from losses arising from any wrongful act by its trustees or officers; and to indemnify them against their legal liability arising from any claim against them. The premium for the policy was £6,000 (2018: £6,000).

Related party transactions

There were no related party transactions during 2019. During the year, trustees made combined donations of £1.0 million (2018: nil).

Trustees' annual risk statement

Why risk management is important to us

Proactive risk management contributed to the creation of our 10-year strategy and allows us to anticipate and respond to challenges in our complex operating environment. In 2019, our risk management approach supported us in:

- protecting trees and woods through our integrated approach to develop resilient landscapes
- motivating people to stand up for trees, care for them and increase their number in the wider landscape
- meeting our obligations to our supporters, donors and partners.

Robust risk management enables us to make informed decisions and take calculated risks for the benefit of woods and trees.

Principal risks and uncertainties in 2019

The principal risks are those which, without effective mitigation, would have a severe impact on our work, our reputation or our ability to achieve our ambitions. Due to the long-term nature of our work, the Woodland Trust faces a number of inherent principal risks which are constant year-on-year.

The board of trustees has considered the impacts of the principal risks on the organisation's effectiveness in achieving its strategic objectives and ambitions for woods and trees. The principal risks and their mitigations are summarised below. Examples can be found in the strategic review, pages 8 through to 31.

| Trees and landscapes Challenges | | |
|--|--|---------------------------------|
| To improve the capacity of trees, woods and associated habitats to cope with the impact of climate change and pests and diseases | Loss of ancient trees and ancient woodland where increasing fragmentation of the landscape and pollution pressures reduces the conservation value and viability of remnant woodland | Competition for land use |

Climate change

Climate change and the combinations of local climatic events are increasingly likely to have an impact on landscape resilience, including on woods and trees.

Key mitigation

- Our strategic work on resilient landscapes is designed to improve the capacity of trees, woods and associated habitats to cope with climate impacts.
- The approach we take on our own estate includes promoting the use of a wider range of native species, improving age and structural diversity in our own woods, and using active woodland management to allow more scope for generational turnover and natural adaptation.

- The Trust is part of a number of coalitions working to highlight to the wider public the likely impact of climate change.
- We work continuously to reduce our own energy use and green our activity.

Tree disease

Experience of ash dieback and other tree diseases has in past years highlighted the risks of inadvertently importing tree disease on planting stock. We need to be sure that both procurement and licensing activities do not drive unintended consequences, such as the importation of tree disease or non-native invasive species and pests.

Key mitigation

- Staff and volunteers monitor and react to disease spread on our own estate. Our estate also contributes to ongoing research into tree disease.
- Our own tree procurement policy is to use only UK and Ireland-sourced-and-grown plants.
- The Trust is an active member of sector collaborations to tackle tree disease on specific species, and a partner of the Observatree citizen science project.
- We fund research into the impacts of tree disease, particularly in the wider landscape.
- A 'trees outside woods' strategy, has been designed by the Trust to specifically tackle the landscape impact of ash dieback.
- We work to influence the behaviour of our corporate and licencing partners to limit the impact of imported plant material.

Loss of ancient trees

Loss of ancient trees and ancient and other valuable woodland causes fragmentation of the landscape which reduces the viability of remnant woodland areas, leading to loss of habitats for key species which cannot be compensated for by replanting.

Key mitigation

- Our raised profile through the High Speed 2 campaign and our other campaigns has increased public debate around ancient woodland protection.
- The Trust's campaign team works to highlight individual planning threats to ancient woodland and we operate a network of voluntary 'threat detectors' across the UK.
- We equip local communities with the tools to deal with other threats to trees and woods in their local area.
- We continue to influence government amendments to the National Planning Policy Framework, to make sure ancient woods and ancient and veteran trees have the highest possible protection in law from insensitive and unnecessary development.

Competition for land

We are facing increasing competition for land.

Key mitigation

- We proactively apply our land strategy to acquiring woods and land that fit our objectives.

| Building support Challenges | | |
|--|--|--|
| Responding to political challenges such as influencing the outcomes of Brexit for the environment and in particular the future replacement of the Common Agricultural Policy across the UK | Our members have voiced concern that the climate emergency affects the issues we stand up for and we lose our voice with corresponding impact on income | Declining public trust in charities combined with a shifting political environment, impacting on our fundraising. |

Responding to political challenges

The UK's decision to leave the EU, and the nature of that exit and any future trade relationships with EU or other countries, will have massive implications for the Trust's mission and how we deliver it. This is particularly true in relation to environmental protection, as well as legislation and policies to replace the Common Agricultural Policy.

Key mitigation

- We will continue to monitor and respond to political and economic trends as they evolve, working proactively and collaboratively to secure priority legislative and public policy goals, including boosting public and broader funding for native trees and woods across all the countries of the UK.
- We are partners of the Greener UK coalition, established with the aim of influencing the Brexit process to achieve an outcome that would bring maximum protection and long-term benefit to the environment.

Climate emergency

We welcome the increased understanding of the role woods and trees play in the mitigation of the impacts of climate change, and we need to ensure that the Woodland Trust maintains its voice and income.

Key mitigation

- We have developed the Big Climate Fightback and will be actively making the case for a pro-nature approach to tackling climate change through trees
- We have the ability to provide delivery options as well as generate support, influence others and hold governments to account
- We maintain good relationships with key funders and donors

Public trust

The public are crucial to our success and what we can achieve for woods and trees. Failure to uphold our reputation would lead to losing support. We must remain relevant to our diverse population.

Key mitigation**We will:**

- ensure our ethical policy and our values are reflected in everything we do
- uphold our supporter promise through reviewing and improving our fundraising approaches
- commit to diversity and inclusion
- listen to our supporters and volunteers through monitoring feedback and surveys.

| Enabling Challenges | | |
|---|--|--|
| Sustainable organisation (financial and operational) | Retaining talented people and decentralising decision-making to our regions and countries | Through compliance , safeguarding vulnerable people and managing confidential and sensitive information |

Sustainable organisation

Understanding how to communicate with our supporters and engage with the public in an ever-changing digital environment is challenging. The management and performance of technology, including digital, across the organisation does not deliver for the cause. Major change programmes fail to realise the benefits.

Key mitigation**We will:**

- Employ staff who understand the changing technology and digital environment
- Carry out a detailed review of our digital infrastructure, particularly looking at IT infrastructure, our use of data, digital marketing and influencing through social media
- Build resilience into our systems and take cyber security seriously.
- Support the change-management processes and employ project managers.
- Continue to drive improvements in how we deliver positive environmental impacts through our work.

Following the year end, the UK was impacted significantly by the worldwide coronavirus pandemic. The Trust has in place robust measures in relation to business continuity, and the trustees have considered the potential risks to the Trust's income projections as a result of this.

People

Our people are our greatest asset. Failure to attract, engage, develop and retain the best staff in an increasingly competitive labour market leads to reduced ability to deliver successful outcomes for woods and trees.

Key mitigation**We will:**

- be using the Investors in People framework as a mechanism to identify ongoing improvements to support our people.
- support our staff representation group to ensure two-way communication
- continue to decentralise decision making to our regions and countries through clear processes and enabled leadership

Compliance

Compliance covers events that could impact on reputation and operations, such as serious fraud, an information security breach, a cyberattack or a significant health and safety or safeguarding incident.

Key mitigation**We will ensure there is:**

- senior-level engagement in policy setting and monitoring
- an internal audit programme reporting to the finance committee (acting as an audit committee)

- comprehensive health and safety and safeguarding training and awareness programmes for staff and volunteers
- data and fundraising regulations governance

How we manage risk

The board of trustees 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. The trustees have extensive discussions at board meetings and continue to monitor risk with great care. A formal review of risk takes place annually. 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 strategic planning, evaluation and decision-making processes. Identified risks are embedded in the implementation of our strategic plans and our operational management practices. 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.

Policies

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 Trust has an excellent record for paying suppliers on time.

Safeguarding policy

The Woodland Trust takes very seriously its responsibilities to children, young people and vulnerable adults who engage with the Trust. It therefore operates a safeguarding policy which applies to all employees, including senior managers and the board of trustees, volunteers, agency staff, contractors or anyone working on behalf of the Woodland Trust.

This policy sets out how the Trust will manage recruitment for job roles that involve working with vulnerable groups, and how it will manage matters arising during employment where it is believed that vulnerable groups could be, or have been, placed at risk. The policy also explains the responsibilities of staff in relation to the safeguarding of vulnerable groups and the procedure that should be followed when reporting any concerns.

Employment and remuneration policy

The Woodland Trust has great ambitions for the delivery of its strategy and requires the recruitment of high-calibre people to represent our interests. We reward staff fairly for the jobs they do and for fostering a positive working environment, and we believe our salaries and employment terms and conditions reflect this.

Remuneration policy

People are employed by the Woodland Trust on the basis of the specific skills that they bring to their particular role. For the Trust to run successfully, a large range of skills and disciplines is required, and we need to pay appropriately to ensure that we can recruit people with the right skills.

We also need to retain skilled and expert staff in specific functions, in a competitive market where skills are readily transferable to other organisations across the commercial world as well as in the public sector, voluntary, and forestry/conservation sectors. The Trust firmly believes in trying to retain staff for the long term, developing them and benefiting from their growing knowledge. This is in preference to the disruption and expense of recruitment, especially as many staff have detailed knowledge that is unique to them in the organisation and could not be quickly replaced. Our salaries are set with this in mind.

Senior management pay

The senior management team members require a breadth and depth of expertise which involves drawing from the best senior level talent in a competitive market. They 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 six directors – are approved and reviewed annually by the Trust's remuneration committee.

The senior management team as at 31 December 2019 comprised:

| | |
|--|------------------|
| Chief executive officer | Darren Moorcroft |
| Director of conservation and external affairs | Abigail Bunker |
| Director of corporate services and company secretary | Helga Edwards |
| Director of brand and communications | Ruth Hyde |
| Director of fundraising and supporter development | Karl Mitchell |
| Director of estate and woodland outreach | ** |
| Director of operations | Norman Starks |

** Allistair Maltby will be joining the Trust as director of estate and woodland outreach on 4 May 2020.

Responsibilities of the trustees of the Woodland Trust

The trustees are responsible for preparing the report of the trustees and the financial statements in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice). These 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 trustees 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.

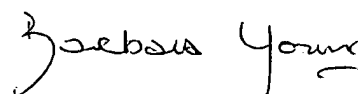
So far as each of the trustees is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware
- they 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 trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and which 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 trustees have taken account of the Charity Commission's general guidance on public benefit when setting the Trust's aims and objectives and planning our future activities. In particular, the trustees consider how planned activities contribute to the aims and objectives they have set.

The report of the trustees, which incorporates the requirements of the strategic report, was approved and authorised for issue by the trustees on 15 April 2020 and signed on their behalf by:



Barbara Baroness Young of Old Scone
Chairman
15 April 2020

Independent Auditor's Report to the trustees of the Woodland Trust

Opinion

We have audited the financial statements of The Woodland Trust for the year ended 31 December 2019 which comprise the Consolidated Statement of Financial Activities, the Group and Parent Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, *the Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2019 and of the group's and parent charitable company's net movement in funds, including the 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 40, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent Auditor's Report to the trustees of the Woodland Trust (continued)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report and the Foreword. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report (which incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the directors' report included in the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

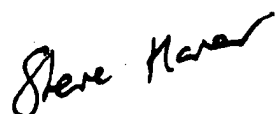
In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

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

Use of our report

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 Charity 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.



Steven Harper, Senior Statutory Auditor
for and on behalf of Haysmacintyre LLP, Statutory Auditors
16 April 2020

10 Queen Street Place
London
EC4R 1AG

Consolidated statement of financial activities

for the year ended 31 December 2019

| | | Unrestricted funds | | | Endowment | Total | Total |
|---|-----------|--------------------|------------------|------------------|--------------|-----------------|-----------------|
| | Note | General fund | Designated funds | Restricted funds | funds | 2019 | 2018 |
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Income and endowments from: | | | | | | | |
| Donations and legacies | 2 | 28,474 | - | 11,790 | - | 40,264 | 31,009 |
| Other trading activities | 2 | 6,527 | - | - | - | 6,527 | 6,932 |
| Investments | 8 | 644 | - | 220 | - | 864 | 845 |
| Charitable activities | 2 | 5,849 | - | 2,413 | - | 8,262 | 5,741 |
| Other income | 2 | 165 | - | - | - | 165 | 91 |
| Total income and endowments | | 41,659 | - | 14,423 | - | 56,082 | 44,618 |
| Expenditure from: | | | | | | | |
| Cost of raising funds | 5 | (10,250) | - | (62) | (63) | (10,375) | (9,637) |
| Charitable activities | | | | | | | |
| Protect woodland | 5 | (7,134) | (351) | (2,912) | - | (10,397) | (9,824) |
| Restore woodland | 5 | (11,508) | (560) | (4,562) | - | (16,630) | (15,113) |
| Create woodland | 5 | (10,013) | (536) | (5,372) | - | (15,921) | (13,653) |
| Charitable expenditure | | (28,655) | (1,447) | (12,846) | - | (42,948) | (38,590) |
| Total expenditure | | (38,905) | (1,447) | (12,908) | (63) | (53,323) | (48,227) |
| Net income/(expenditure) before investment gains/(losses) | | 2,754 | (1,447) | 1,515 | (63) | 2,759 | (3,609) |
| Net (losses)/gains on investment assets | 11 | 2,070 | - | 492 | 1,616 | 4,178 | (1,499) |
| Net income/(expenditure) | | 4,824 | (1,447) | 2,007 | 1,553 | 6,937 | (5,108) |
| Transfers between funds | 17 | (2,591) | 1,263 | 1,328 | - | - | - |
| Net movements in funds | | 2,233 | (184) | 3,335 | 1,553 | 6,937 | (5,108) |
| Fund balances brought forward at 1 January | | 18,504 | 10,213 | 109,583 | 8,020 | 146,320 | 151,428 |
| Fund balances carried forward at 31 December | 17 | 20,737 | 10,029 | 112,918 | 9,573 | 153,257 | 146,320 |

This statement of financial activities excludes £4,334k (2018: £1,772k) of woods and land acquired and capitalised as per note 9.

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 expenditure for the year before transfers of £1,969k and the net deficit for the year of £2,759k, as defined under the Companies Act, are realised losses on investments of £853k which are reflected within net gains on investment assets and expenditure within the endowment funds of £63k.

A comparative statement of financial activities is included in note 24.

Balance sheets

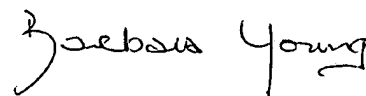
at 31 December 2019

| | Note | Group | | Charity | |
|-------------------------------------|------|----------------|----------------|----------------|----------------|
| | | 2019 | 2018 | 2019 | 2018 |
| | | £'000 | £'000 | £'000 | £'000 |
| Fixed assets | | | | | |
| Tangible assets: | | | | | |
| • woods and land | 9 | 91,858 | 88,626 | 91,858 | 88,626 |
| • other fixed assets | 10 | 5,783 | 6,053 | 5,783 | 6,053 |
| | | 97,641 | 94,679 | 97,641 | 94,679 |
| Investments | 11 | 33,977 | 30,760 | 33,977 | 30,760 |
| | | 131,618 | 125,439 | 131,618 | 125,439 |
| Current assets | | | | | |
| Land for planting and resale | 12 | 1,178 | 1,341 | 1,178 | 1,341 |
| Stocks | 13 | 328 | 277 | 236 | 199 |
| Debtors | 14 | 17,394 | 15,403 | 18,033 | 15,687 |
| Cash at bank and in-hand | | 10,252 | 11,410 | 9,418 | 10,897 |
| | | 29,152 | 28,431 | 28,865 | 28,124 |
| Creditors | | | | | |
| Amounts falling due within one year | 15 | (7,872) | (7,550) | (7,585) | (7,243) |
| Net current assets | | 21,280 | 20,881 | 21,280 | 20,881 |
| Long term debtors | | | | | |
| Amounts falling due after one year | 16 | 359 | - | 359 | - |
| Net assets | 18 | 153,257 | 146,320 | 153,257 | 146,320 |
| Financed by: | | | | | |
| Restricted funds | 17 | 112,918 | 109,583 | 112,918 | 109,583 |
| Permanent endowments | 17 | 9,573 | 8,020 | 9,573 | 8,020 |
| Unrestricted funds: | | | | | |
| • general fund | 17 | 20,737 | 18,504 | 20,737 | 18,504 |
| • designated funds | 17 | 10,029 | 10,213 | 10,029 | 10,213 |
| | | 153,257 | 146,320 | 153,257 | 146,320 |

The consolidated net movement in funds for the parent company is a surplus of £6,937k (2018: deficit of £5,108k).

Although our funds have risen during 2019, we have set ourselves investment budgets for the next three years which will call on our core reserves and reduce the designated fund from £10.0 million down to £2.0 million. Our investment will include supporting, and challenging where necessary, all levels of government and beyond, using trees and woods to address the climate and nature emergency. We will continue to look after the woods and trees we already have and will advocate new policies: building capacity and funding for woods and trees and inspiring local authorities to take action through writing their own emergency tree plans.

These accounts were approved and authorised for issue by the trustees on 15 April 2020 and signed on their behalf by:



Barbara, Baroness Young of Old Scone
Chairman

Company number: 1982873

The notes on pages 46–65 form part of these accounts.

Consolidated cash flow statement
for the year ended 31 December 2019

| | Note | 2019 £'000 | 2018 £'000 |
|--|------|---------------|---------------|
| Cash inflows from operating activities | | 1,364 | 419 |
| Investing activities | | | |
| Investment income | 8 | 864 | 845 |
| Purchase of woods and land | 9 | (4,194) | (1,717) |
| Purchase of fixed assets | 10 | (153) | (187) |
| Purchase of investments | 11 | (6,081) | (6,324) |
| Net liquid movement | 11 | 866 | 7,000 |
| Sale of land | | - | 194 |
| Sale of investments | 11 | 6,176 | 3,298 |
| Net cash flow from investing activities | | (2,522) | 3,109 |
| Change in cash and cash equivalents in the year | | | |
| Net movement in cash in the year | | (1,158) | 3,528 |
| Cash at 1 January | | 11,410 | 7,882 |
| Cash at 31 December | | 10,252 | 11,410 |

| | 2019 £'000 | 2018 £'000 |
|--|---------------|---------------|
| (a) Reconciliation of net income to net cash flow from operating activities | | |
| Net income/expenditure | 2,759 | (3,609) |
| Investment income | (864) | (845) |
| Donated woods and land | (140) | (55) |
| Depreciation: | | |
| • woods and land | 31 | 32 |
| • other fixed assets | 417 | 440 |
| Loss on disposal of: | | |
| • woods and land | 62 | 25 |
| • other fixed assets | 7 | - |
| Grant of leases | 1,008 | |
| Decrease in land stock | 163 | 109 |
| (Increase) in stock | (51) | (15) |
| (Increase)/decrease in debtors | (1,991) | 1,827 |
| Increase in creditors | 322 | 2,510 |
| (Increase) in long-term debtors | (359) | - |
| Net cash inflow from operating activities | 1,364 | 419 |

(b) Analysis of change in net funds

| | At 1 January 2019 | 2019 cashflows | At 31 December 2019 |
|----------------------------------|-------------------------|-------------------|---------------------------|
| | £'000 | £'000 | £'000 |
| Net movement in cash in the year | 11,410 | (1,158) | 10,252 |
| Cash at bank and in hand | 11,410 | (1,158) | 10,252 |

The notes on pages 46–65 form part of these accounts.

Notes to the accounts

for the year ended 31 December 2019

I. Accounting policies

- a) The Woodland Trust is a company limited by guarantee, registered in England and Wales and a charity registered with the Charity Commission and the Office of the Scottish Charity Regulator.
- b) **Basis of accounting and statement of compliance**
The financial statements have been prepared under the historical cost convention (as modified by the revaluation of listed investments to market value). The financial statements have been prepared in accordance with the Companies Act 2006, FRS102, the Financial Reporting Standard applicable in the UK and Ireland; and the Statement of Recommended Practice 'Accounting and Reporting by Charities' ("SORP 2015") as clarified by subsequent update bulletins. The Trust is a Public Benefit Entity as defined by FRS102.
- c) **Preparation of the accounts on a going-concern basis**
The trustees consider that there are no material uncertainties which would cast doubt on the Trust's ability to continue as a going concern.

The trustees consider that there are no material uncertainties which would cast doubt on the Trust's ability to continue as a going concern. The trustees have considered the impact of the Covid-19 pandemic which occurred after 31 December 2019, but before the accounts were approved. The trustees have considered the impact on the budgets and cash flow forecasts prepared and, following this review, remain satisfied that the Trust remains a going concern for a period of at least one year from the date these accounts were approved.

- d) **Basis of consolidation**
Consolidated financial statements have been prepared for the Woodland Trust and its wholly owned subsidiaries, Woodland Trust (Enterprises) Limited and Woodland Trust Farming Limited. The turnover and expenditure of the subsidiaries are included within the consolidated statement of financial activities. The assets and liabilities of the subsidiaries are included on a line-by-line basis in the consolidated balance sheet in accordance with FRS102 section 9 – consolidated and separate financial statements. Uniform accounting policies are adopted throughout the group and any profits or losses arising from intra-group transactions are eliminated in the consolidated statement of financial activities. 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.
- e) **Fund accounting**
- Restricted funds**
These funds include donations, legacies and grants which have been given to the Trust to be used in accordance with the wishes of the donor. 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 of 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.
- General funds**
These unrestricted 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 trustees, for specific purposes. The aim and use of each designated fund is set out in the notes to the accounts. We have set ourselves investment budgets for the next three years which will call on our core reserves and reduce the designated fund from £10.0 million down to £2.0 million.

f) Income and endowments

All income is recognised once the Trust has met the following criteria:

- Entitlement to the income
- Receipt is probable
- Income can be measured reliably.

Membership

Memberships are received as monthly subscriptions, an annual payment or a one-off life membership payment. Subscriptions are treated as donations and are accounted for when received.

Investments

Income from investment is recognised in the period in which it is earned, not in the period received.

Donated assets

Income in the form of non-cash assets has been included in the consolidated statement of financial activities at a reasonable estimate which the Trust would have been willing to pay on an open market.

Grants

Grants for woodland management are credited to the consolidated statement of financial activities in the year in which they are received in line with the requirements of SORP 2015, and deferred only when the grant body has imposed conditions which prevent recognition of the income.

Legacies

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 concerning the deceased's estate. Where the Trust is left part of the residue of an estate, the deceased's will, initial statements of assets and liabilities and draft estate accounts are used to calculate the estimated value of the bequest. This estimate is only recognised as income once the executors have proved the will (ie, obtained probate). Bequests of land for conservation purposes are recognised as income and as an asset.

Raffles and lottery

Where raffles are run by the Woodland Trust and the Trust is principal, the proceeds are reported gross of any prize monies and other expenditure.

Lottery income is lotteries held by People's Postcode Lottery (PPL). Woodland Trust Enterprises Limited has no ability to alter the price of tickets, determine the prizes or reduce the management fee. PPL is the acting principal for these draws. Net proceeds received are recognised within lottery income in the Statement of Financial Activities. The analysis of the proceeds is detailed in note 3.

Across 2019, 66% of the ticket revenue from the Woodland Trust raffle and 32% of the ticket revenue from People's Postcode Lottery draws went to good causes. The combined result is 33.4%

The contribution of volunteers

In accordance with SORP 2015, no amounts have been included in these financial statements to reflect the value of services provided free of charge to the Trust by volunteers.

Carbon donations

We actively solicit and receive donations to help the Trust plant trees and protect woodland across the UK, locking up carbon and offering companies and individuals the chance to mitigate their CO₂ emissions. Conditions attached to these donations relate to the need to ensure that the woodlands remain in being for periods of up to 100 years, hence requiring the Trust to incur annual running costs for maintenance of these sites.

g) 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:

Cost of raising funds

These are costs incurred in generating the income analysed in note 2 (page 50) to the accounts. These costs are analysed in notes 5 and 6 (pages 53-54) to the accounts and include membership costs, fundraising costs and investment management costs.

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 7 (page 55) 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.

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 raising funds and charitable activities on the basis of the direct expenditure incurred by each activity.

h) Depreciation

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

Fixed assets with a cost of more than £1,000 are capitalised and depreciated. Depreciation has been charged at 2% per annum for the building, 20% per annum for office equipment and 25% per annum for computers, plant and machinery and motor vehicles. Depreciation is charged only when assets are brought into operational use.

i) Woods and land

Woods and land donated to the Trust for on-going use in carrying out its activities are recognised as tangible fixed assets with the corresponding gain recognised as income from donations within the Consolidated Statement of Financial Activities. Each site is valued in line with open-market land values at the time of transfer to the Trust. Any legal or professional fees incurred in acquiring the asset are capitalised. The value of donated land is disclosed in note 9 (page 56) to the account. All woods and land purchased has been capitalised at cost.

From time to time the Trust receives donations to acquire woodland with the specific condition that the land is leased onwards to a named third party organisation. Provided the outcome is in alignment with the Trust's objectives, the Trust recognises the donation in the year in which it has been received and the purchase of the asset when there is a binding legal obligation. Once the lease has been completed, the Trust records a grant within expenditure to reflect the transfer of the woodland on a long lease. The woodland is valued within the Trust's assets at the value of the freehold interest retained (typically a nominal amount).

j) Investments

Investments in the subsidiary undertakings are stated at cost, less provision for impairment. All other investments are stated at fair value (ie, market value) at the year end. The movement in valuation of investments is shown in the Consolidated Statement of Financial Activities and comprises both realised and unrealised gains and losses.

As disclosed in the Trustees' Report on page 50, there has been an unrealised market loss post-year end directly linked to the impact on stocks following the outbreak of the coronavirus.

k) **Land for planting and resale**

Land for planting and resale is held at the cost of acquiring the land and its associated legal and professional fees.

l) **Stocks**

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

m) **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the charity's accounting policies, trustees are required to make judgements, estimates, and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period to which they relate.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are:

- Recognition of residuary legacy income where there is significant uncertainty over the valuation of specific assets or liabilities within the estate and therefore the measurement criteria required by SORP 2015 is not met.
- The annual depreciation and amortisation charge for assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually.
- Donated woods are valued using the average cost price of all woods purchased by the Trust in the UK in the last three years. Distinction is made for land purchased that would impair the valuation of future purchases, but no distinction is made for geographic area or nature of the site as the Trust considers this to have no material impact on the valuation.

Management applies judgement in the recognition of lottery income, which is explained further in note 3.

n) **Financial instruments**

The Trust has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise trade and other creditors. Other derivative-based assets included in the investment portfolio are held at their fair value.

o) **Operating leases**

Operating lease rentals are charged to the Consolidated Statement of Financial Activities on a straight-line basis over the life of the lease and to the activity to which the lease charge relates.

p) **Pensions**

The Trust operates defined contribution pension schemes. The cost of providing pensions is charged to the Consolidated Statement of Financial Activities, using the allocation method set out above in note g, the period in which contributions are made.

q) **Conduit transactions**

Where the Trust has received funds under conduit funding arrangements, they are not shown as income in the Statement of Financial Activities (SOFA). The asset received (for example, cash) and the obligation (liability) to pay this over to the third party is also not shown in the balance sheet. It is separately identified in the notes to the accounts, explaining the nature of the transaction and the relationship with the donor and ultimate recipient.

r) **Post-balance sheet events**

The worldwide outbreak of the COVID-19 virus represents a significant event since the end of the financial year. As set out in note 1c, the Trust has reviewed its cash flow forecasts and considered the impact on going concern, concluding that the going concern basis remains an appropriate basis of preparation for these financial statements given the likely cash flow impact of operations for 12 months from the date of signing this report. Please refer to note 1c for further detail on the Trust's going concern basis of preparation. COVID-19 is considered to be a non-adjusting post balance sheet event and therefore has not been taken into account in preparing the balance sheet as at 31 December 2019.

Notes to the accounts (continued)
for the year ended 31 December 2019

As disclosed in the Trustees' Report on page 30, there has been an unrealised market loss post-year end directly linked to the impact on stocks following the outbreak of the coronavirus.

2. **Income 2019**

| | Unrestricted General funds £'000 | Designated funds £'000 | Restricted funds £'000 | Total 2019 £'000 |
|---|---|------------------------------|------------------------------|------------------------|
| Donations and legacies | | | | |
| Legacies | 12,288 | - | 1,980 | 14,268 |
| Membership subscriptions | 10,336 | - | - | 10,336 |
| Fundraising and appeals | 3,359 | - | 4,555 | 7,914 |
| Company donations, charitable trusts and landfill tax | 2,491 | - | 5,115 | 7,606 |
| Donated woods and land | - | - | 140 | 140 |
| Total donations and legacies | 28,474 | - | 11,790 | 40,264 |
| Other trading activities | | | | |
| Sponsorship income | 2,103 | - | - | 2,103 |
| Lotteries | 2,889 | - | - | 2,889 |
| Raffles | 394 | - | - | 394 |
| Merchandise income | 1,141 | - | - | 1,141 |
| Total income from other trading activities | 6,527 | - | - | 6,527 |
| Income from charitable activities | | | | |
| Grants | 2,133 | - | 2,413 | 4,546 |
| Woodland management income | 3,716 | - | - | 3,716 |
| Total income from charitable activities | 5,849 | - | 2,413 | 8,262 |
| Other income | 165 | - | - | 165 |
| Investment income | 644 | - | 220 | 864 |
| Total income | 41,659 | - | 14,423 | 56,082 |

Included in fundraising and appeals is £nil (2018: £1k) gifts in kind.

Legacy notifications

In addition to the legacy income recorded above, the Trust had been advised of a number of legacies bequeathed to it where the conditions regarding income recognition were not fulfilled by the year end. The combined estimated value of these legacies, where it is possible to estimate their value, was at least £2.0 million (2018: £2.1 million).

Notes to the accounts (continued)
for the year ended 31 December 2019

| Income 2018 | Unrestricted | | | Total 2018 £'000 |
|---|----------------|----------------|----------------|------------------------|
| | General | Designated | Restricted | |
| | funds £'000 | funds £'000 | funds £'000 | |
| Donations and legacies | | | | |
| Legacies | 11,557 | 174 | 2,551 | 14,282 |
| Membership subscriptions | 9,099 | - | - | 9,099 |
| Fundraising and appeals | 2,224 | - | 2,094 | 4,318 |
| Company donations, charitable trusts and landfill tax | 1,229 | - | 2,031 | 3,260 |
| Donated woods and land | - | - | 50 | 50 |
| Total donations and legacies | 24,109 | 174 | 6,726 | 31,009 |
| Other trading activities | | | | |
| Sponsorship income | 2,664 | - | - | 2,664 |
| Lotteries | 2,865 | - | - | 2,865 |
| Raffle | 640 | - | - | 640 |
| Merchandise income | 763 | - | - | 763 |
| Total income from other trading activities | 6,932 | - | - | 6,932 |
| Income from charitable activities | | | | |
| Grants | 1,626 | - | 1,940 | 3,566 |
| Woodland management income | 2,175 | - | - | 2,175 |
| Total income from charitable activities | 3,801 | - | 1,940 | 5,741 |
| Other income | 91 | - | - | 91 |
| Investment income | 615 | - | 230 | 845 |
| Total income | 35,548 | 174 | 8,896 | 44,618 |

3. **Lottery income**

Lottery income is lotteries held by People's Postcode Lottery (PPL). Woodland Trust (Enterprises) Limited has no ability to alter the price of tickets, determine the prizes or reduce the management fee. PPL is the acting principal for these draws. Net proceeds received are recognised within lottery income in the Statement of Financial Activities.

| | 2019 £'000 | 2018 £'000 |
|---|---------------|---------------|
| People's Postcode Lottery ticket value | 9,028 | 8,953 |
| People's Postcode Lottery prize fund | (3,589) | (3,576) |
| People's Postcode Lottery management fee | (2,528) | (2,506) |
| Prize indemnity insurance | (22) | (6) |
| Net People's Postcode Lottery income | 2,889 | 2,865 |

Notes to the accounts (continued)
for the year ended 31 December 2019

4. **Grants**

| The following organisations provided grants: | 2019 £'000 | 2018 £'000 |
|--|---------------|---------------|
| Forestry Commission | 748 | 738 |
| The Pears #iwill Fund | 690 | 375 |
| Department for Environment, Food and Rural Affairs | 627 | 561 |
| Rural Payment Agencies | 579 | 153 |
| Heritage Lottery Fund | 560 | 708 |
| Scottish Forestry | 308 | - |
| Natural Resource Wales/Cyfoeth Naturiol Cymru | 234 | 28 |
| Scottish Government Rural Payments and Inspections Directorate | 152 | 262 |
| Environment Agency | 141 | 15 |
| Assynt Foundation | 131 | - |
| Greater London Authority | 96 | 127 |
| Point and Sandwick Trust | 88 | - |
| Northern Ireland Environment Agency | 70 | 43 |
| Endangered Landscapes Programme | 43 | - |
| Welsh Assembly Rural Payments/Llywodraeth Cymru | 35 | 115 |
| European Commission's LIFE programme | 12 | - |
| Natural England | 12 | 172 |
| The Pears Family Charitable Foundation | - | 185 |
| Snowdonia National Park Authority | - | 35 |
| The National Forest Company | - | 20 |
| Armed Forces Covenant Fund Trust | - | 20 |
| Other grant providers | 20 | 9 |
| | 4,546 | 3,566 |

Of those listed above, £2,413k (2018: £1,940k) are restricted grants. Grant income is project activity based and the level of income recognised relates to the activity taking place during the year, or the conditions set out by the donor.

Notes to the accounts (continued)
for the year ended 31 December 2019

| 5. Expenditure 2019 | Direct £'000 | Support £'000 | 2019 £'000 |
|---|-----------------|------------------|---------------|
| Costs of raising funds | | | |
| <i>Costs of donations and legacies</i> | | | |
| Membership | 5,904 | 897 | 6,801 |
| Fundraising and appeals | 683 | 104 | 787 |
| Company donations, charitable trusts and landfill tax | 780 | 119 | 899 |
| Legacies | 210 | 32 | 242 |
| | <u>7,577</u> | <u>1,152</u> | <u>8,729</u> |
| <i>Other trading activities</i> | | | |
| Sponsorship | 566 | 96 | 662 |
| Merchandise | 564 | 95 | 659 |
| Lotteries | 142 | 24 | 166 |
| | <u>1,272</u> | <u>215</u> | <u>1,487</u> |
| Investment management costs | 159 | - | 159 |
| Total cost of raising funds | 9,008 | 1,367 | 10,375 |
| Charitable activities | | | |
| Protect woodland | 9,092 | 1,305 | 10,397 |
| Restore woodland | 14,433 | 2,197 | 16,630 |
| Create woodland | 13,912 | 2,009 | 15,921 |
| Total charitable activities | 37,437 | 5,511 | 42,948 |
| Total expenditure | 46,445 | 6,878 | 53,323 |

This statement of expenditure excludes £4,334k (2018: £1,772k) of woods and land acquired and capitalised as per note 9 (page 56).

| Expenditure 2018 | Direct £'000 | Support £'000 | 2018 £'000 |
|---|-----------------|------------------|---------------|
| Costs of raising funds | | | |
| <i>Costs of donations and legacies</i> | | | |
| Membership | 5,400 | 732 | 6,132 |
| Fundraising and appeals | 682 | 93 | 775 |
| Company donations, charitable trusts and landfill tax | 786 | 107 | 893 |
| Legacies | 167 | 23 | 190 |
| | <u>7,035</u> | <u>955</u> | <u>7,990</u> |
| <i>Other trading activities</i> | | | |
| Sponsorship | 538 | 77 | 615 |
| Merchandise | 525 | 75 | 600 |
| Lotteries | 227 | 32 | 259 |
| | <u>1,290</u> | <u>184</u> | <u>1,474</u> |
| Investment management costs | 173 | - | 173 |
| Total cost of raising funds | 8,498 | 1,139 | 9,637 |
| Charitable activities | | | |
| Protect woodland | 8,595 | 1,229 | 9,824 |
| Restore woodland | 13,208 | 1,905 | 15,113 |
| Create woodland | 11,946 | 1,707 | 13,653 |
| Total charitable activities | 33,749 | 4,841 | 38,590 |
| Total expenditure | 42,247 | 5,980 | 48,227 |

Notes to the accounts (continued)
for the year ended 31 December 2019

6. Support costs 2019

| | Premises | Governance | Depreciation & loss on sales | Finance & IT | Human resources | Management & other | 2019 |
|-------------------------------|------------|------------|---------------------------------|--------------|--------------------|-----------------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Cost of raising funds | 113 | 49 | 95 | 834 | 176 | 100 | 1,367 |
| Charitable expenditure | | | | | | | |
| • Protect woodland | 107 | 47 | 97 | 792 | 167 | 95 | 1,305 |
| • Restore woodland | 179 | 78 | 172 | 1,328 | 281 | 159 | 2,197 |
| • Create woodland | 165 | 72 | 144 | 1,223 | 259 | 146 | 2,009 |
| | 451 | 197 | 413 | 3,343 | 707 | 400 | 5,511 |
| Total support costs | 564 | 246 | 508 | 4,177 | 883 | 500 | 6,878 |

The trustees/directors of the company, who comprise its Board, did not receive any remuneration during the period. Travelling and subsistence expenses incurred by 13 (2018: 12) trustees/directors on Board business amounted to £19k (2018: £16k) during the year.

Support costs 2018

| | Premises | Governance | Depreciation & loss on sales | Finance & IT | Human resources | Management & other | 2018 |
|-------------------------------|------------|------------|---------------------------------|--------------|--------------------|-----------------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Cost of raising funds | 121 | 27 | 94 | 552 | 179 | 166 | 1,139 |
| Charitable expenditure | | | | | | | |
| • Protect woodland | 148 | 40 | 102 | 592 | 182 | 165 | 1,229 |
| • Restore woodland | 230 | 67 | 168 | 906 | 279 | 255 | 1,905 |
| • Create woodland | 205 | 59 | 138 | 822 | 253 | 230 | 1,707 |
| | 583 | 166 | 408 | 2,320 | 714 | 650 | 4,841 |
| Total support costs | 704 | 193 | 502 | 2,872 | 893 | 816 | 5,980 |

7. Net income for the year before transfers, employees and volunteers

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

| | 2019 £'000 | 2018 £'000 |
|--|---------------|---------------|
| The surplus for the year after charging: | | |
| • Salaries and wages | 14,871 | 13,929 |
| • Social Security costs | 1,399 | 1,320 |
| • Other pension costs | 1,632 | 1,502 |
| | 17,902 | 16,751 |
| Depreciation | 447 | 472 |
| Auditor's fees and expenses: | | |
| • Audit work | 29 | 23 |
| • Other services | - | 1 |
| Rentals under operating leases: | | |
| • Land and buildings | 134 | 146 |
| • Other | 616 | 548 |
| Irrecoverable Value Added Tax | 1,173 | 1,063 |

Irrecoverable VAT is classified under the same heading as the expenditure or asset to which it relates.

Employees and volunteers

The average number of employees during the year was 491 (2018: 469). The average number of employees, analysed by function, was:

| | 2019 Total | 2018 Total |
|--|---------------|---------------|
| Charitable activities | 337 | 320 |
| Fundraising | 90 | 96 |
| Human resources, finance, information technology, legal and governance | 64 | 53 |
| | 491 | 469 |

The average number of employees is calculated using the full-time equivalent method. The actual number of employees is 545 (2018: 506); the difference being due to job shares and part-time positions held by employees. The average number of employees increased by 39 full-time employees during 2019 (2018: 24), this increase highlighting the investment we are making in this valuable resource to enable us achieve our strategic aims.

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 2019, volunteers contributed 318,407 hours with an ascribed value of £2.7 million (2018: 274,568 hours, value £2.3 million), which is not reflected in the financial statements.

In 2019, the Trust had a change in chief executive. The chief executives' earnings for 2019 is a cumulative amount of both full time employees serving in this post, and was £122,978 (2018: £131,801), including a pension contribution of £22,003 (2018: £19,542). The earnings of the key management personnel (including the CEO) for 2019 was £588,550 (2018: £582,797) relating to seven roles (2018: seven roles).

Notes to the accounts (continued)
for the year ended 31 December 2019

Employees' emoluments (basic pay, pensions and healthcare) for the staff earning more than £60,000 for the year fell into the following bands:

| £'s | No. of employees | |
|-----------------|------------------|------|
| | 2019 | 2018 |
| 130,000–139,999 | 0 | 1 |
| 90,000–99,999 | 1 | 0 |
| 80,000–89,999 | 4 | 3 |
| 70,000–79,999 | 2 | 2 |
| 60,000–69,999 | 2 | 2 |

| 8. Investment income | 2019 £'000 | 2018 £'000 |
|---|---------------|---------------|
| Income from investments was as follows: | | |
| Income from UK-listed investments | 524 | 551 |
| Income from UK cash investments | 93 | 109 |
| Bank interest receivable | 27 | 20 |
| Income from overseas-listed investments | 220 | 165 |
| | 864 | 845 |

9. Fixed assets – woods and land

The group and the charity:

| | Freehold £'000 | Purchased Long leasehold £'000 | Short leasehold £'000 | Freehold £'000 | Donated Long leasehold £'000 | Short leasehold £'000 | Total £'000 |
|------------------------------|-------------------|---|-----------------------------|-------------------|---------------------------------------|-----------------------------|----------------|
| Cost or donated value | | | | | | | |
| At 1 January 2019 | 76,814 | 873 | 183 | 6,217 | 4,090 | 985 | 89,162 |
| Additions for the year | 4,186 | - | 2 | - | 146 | - | 4,334 |
| Grant of leases | (1,008) | - | - | - | - | - | (1,008) |
| Disposals for the year | (18) | - | - | - | (44) | - | (62) |
| At 31 December 2019 | 79,974 | 873 | 185 | 6,217 | 4,192 | 985 | 92,426 |
| Depreciation | | | | | | | |
| At 1 January 2019 | - | - | 54 | - | - | 483 | 537 |
| Charge for the year | - | - | 3 | - | - | 28 | 31 |
| At 31 December 2019 | - | - | 57 | - | - | 511 | 568 |
| Net book value | | | | | | | |
| At 31 December 2019 | 79,974 | 873 | 128 | 6,217 | 4,192 | 474 | 91,858 |
| At 31 December 2018 | 76,814 | 873 | 129 | 6,217 | 4,090 | 502 | 88,625 |

In addition, the Trust currently leases 25 hectares (2018: 25 hectares) of woodland under short leaseholds at peppercorn rents. In the opinion of the directors, the value of these assets is immaterial.

During 2019, two woodlands were transferred to third parties on long leases through a grant of assets. Kings Wood in Bedfordshire was leased to the Forest of Marston Vale Trust to create a community forest with the aim of increasing tree cover in the area from 3% to 30%. Cefn Coch in Wales was leased to the Wales Wild Land Foundation to establish trees through natural regeneration and small scale planting. The policy on leased assets is set out in note 11 on page 48.

Notes to the accounts (continued)
for the year ended 31 December 2019

The additions are allocated across our charitable aims:

| | 2019 £'000 | 2018 £'000 |
|------------------|---------------|---------------|
| Protect woodland | 602 | 315 |
| Restore woodland | - | 31 |
| Create woodland | 3,732 | 1,426 |
| | 4,334 | 1,772 |

10. Other fixed assets

The group and the charity:

| | Buildings £'000 | Computer equipment & software £'000 | Office equipment & furniture £'000 | Plant & machinery £'000 | Total £'000 |
|-----------------------|--------------------|--|---|-------------------------------|----------------|
| Cost | | | | | |
| At 1 January 2019 | 6,542 | 3,846 | 430 | 555 | 11,373 |
| Additions | - | 72 | 11 | 70 | 153 |
| Disposals | - | - | - | (7) | (7) |
| At 31 December 2019 | 6,542 | 3,918 | 441 | 618 | 11,519 |
| Depreciation | | | | | |
| At 1 January 2019 | 1,067 | 3,472 | 377 | 404 | 5,320 |
| Charge for the year | 133 | 200 | 14 | 70 | 417 |
| Disposals | - | - | - | (1) | (1) |
| At 31 December 2019 | 1,200 | 3,672 | 391 | 473 | 5,736 |
| Net book value | | | | | |
| At 31 December 2019 | 5,342 | 246 | 50 | 145 | 5,783 |
| At 31 December 2018 | 5,475 | 374 | 53 | 151 | 6,053 |

11. Investments

The group and the charity:

| | 2019 £'000 | 2018 £'000 |
|------------------------------------|---------------|---------------|
| Investments at market value | | |
| Permanent endowments | 9,573 | 7,997 |
| Designated funds | 8,836 | 6,859 |
| Restricted funds | 14,970 | 15,305 |
| General funds | 598 | 599 |
| | 33,977 | 30,760 |

Investments consist of:

| | Cost | | Valuation | |
|----------------------------------|---------------|---------------|---------------|---------------|
| | 2019 £'000 | 2018 £'000 | 2019 £'000 | 2018 £'000 |
| Cash held as part of investments | 904 | 445 | 904 | 445 |
| UK-listed investments | 14,370 | 13,612 | 15,204 | 12,714 |
| Overseas-listed investments | 10,303 | 10,633 | 12,203 | 10,936 |
| Other UK short-term holdings | 5,590 | 6,587 | 5,666 | 6,665 |
| | 31,167 | 31,277 | 33,977 | 30,760 |

Notes to the accounts (continued)
for the year ended 31 December 2019

| | 2019 £'000 | 2018 £'000 |
|--|---------------|---------------|
| The movement on valuation of investments is as follows: | | |
| Market value at 1 January | 30,760 | 36,233 |
| Acquisitions | 6,081 | 6,324 |
| Sales proceeds | (866) | (7,000) |
| Net liquidity fund movement | (6,176) | (3,298) |
| Net investment gains/(losses) | 4,178 | (1,499) |
| Market value at 31 December | 33,977 | 30,760 |
| Comprising: | | |
| Cost at 31 December | 31,169 | 31,277 |
| Unrealised investment gains/(losses) at 31 December | 2,808 | (517) |
| Market value at 31 December | 33,977 | 30,760 |
| Realised investment gains/(losses) in the year | 853 | (223) |

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 19 (page 63).

12. **Land purchased for resale**

| | Group | | Charity | |
|---------------------------|---------------|---------------|---------------|---------------|
| | 2019 £'000 | 2018 £'000 | 2019 £'000 | 2018 £'000 |
| Land available for resale | 1,178 | 1,341 | 1,178 | 1,341 |

Land available for resale represents woodland purchased for planting and onward sale in due course under the Trust's Purchase, Plant and Pass on and Purchase, Restore and Pass on schemes. The schemes are intended to create new woodland at minimal net cost to the Woodland Trust and provide an opportunity for new owners to get involved in woodland management. During the year, £163k of land was sold.

13. **Stocks**

| | Group | | Charity | |
|-------------------------------|---------------|---------------|---------------|---------------|
| | 2019 £'000 | 2018 £'000 | 2019 £'000 | 2018 £'000 |
| Livestock and stores | 236 | 199 | 236 | 199 |
| Raw materials and consumables | 92 | 78 | - | - |
| | 328 | 277 | 236 | 199 |

14. **Debtors**

| | Group | | Charity | |
|--------------------------------|---------------|---------------|---------------|---------------|
| | 2019 £'000 | 2018 £'000 | 2019 £'000 | 2018 £'000 |
| Legacies receivable | 10,142 | 9,626 | 10,142 | 9,626 |
| Grants receivable | 2,747 | 1,893 | 2,377 | 1,688 |
| Trade debtors | 2,058 | 1,481 | 1,645 | 818 |
| Amounts owed from subsidiaries | - | - | 1,391 | 1,142 |
| Other debtors | 1,374 | 1,573 | 1,413 | 1,599 |
| Prepayments and accrued income | 1,073 | 830 | 1,065 | 814 |
| | 17,394 | 15,403 | 18,033 | 15,687 |

15. **Creditors: amounts falling due within one year**

| | Group | | Charity | |
|------------------------------|---------------|---------------|---------------|---------------|
| | 2019 £'000 | 2018 £'000 | 2019 £'000 | 2018 £'000 |
| Trade creditors | 6,090 | 5,916 | 5,874 | 5,710 |
| Taxation and Social Security | 394 | 370 | 394 | 365 |
| Accruals and deferred income | 1,388 | 1,264 | 1,317 | 1,168 |
| | 7,872 | 7,550 | 7,585 | 7,243 |

Notes to the accounts (continued)
for the year ended 31 December 2019

16. Long term debtor

| | Group | | Charity | |
|------------------------------------|------------|----------|------------|----------|
| | 2019 | 2018 | 2019 | 2018 |
| | £'000 | £'000 | £'000 | £'000 |
| Amounts falling due after one year | 359 | 0 | 359 | 0 |
| | 359 | 0 | 359 | 0 |

17. Movement of funds

| Restricted funds 2019 | Movement of funds | | | | Balance at 31 December 2019 |
|--------------------------|---------------------------|---------------|---------------------|--------------|-----------------------------|
| | Balance at 1 January 2019 | Gains/ income | Losses/ expenditure | Transfers | |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Woods and land | 88,626 | 3,042 | (1,102) | 1,292 | 91,858 |
| Woodland management fund | 2,690 | 1,381 | (746) | 57 | 3,382 |
| Restricted legacies | 10,792 | 2,841 | (4,163) | (592) | 8,878 |
| Future acquisitions | - | 1,203 | - | - | 1,203 |
| Various other funds | 7,475 | 6,641 | (7,090) | 571 | 7,597 |
| | 109,583 | 15,108 | (13,101) | 1,328 | 112,918 |

| Restricted funds 2018 | Movement of funds | | | | Balance at 31 December 2018 |
|--------------------------|---------------------------|---------------|---------------------|--------------|-----------------------------|
| | Balance at 1 January 2018 | Gains/ income | Losses/ expenditure | Transfers | |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Woods and land | 87,460 | 1,235 | (606) | 536 | 88,625 |
| Woodland management fund | 2,764 | 534 | (608) | - | 2,690 |
| Restricted legacies | 10,173 | 2,703 | (1,856) | (228) | 10,792 |
| Various other funds | 6,272 | 4,424 | (6,663) | 3,443 | 7,476 |
| | 106,669 | 8,896 | (9,733) | 3,751 | 109,583 |

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.

The woodland management fund consists of unspent income associated with specific sites.

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 fund for future acquisitions is a result of donations received during the current year to acquire woods and land already planned for acquisition in the following year.

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 2019 amounted to £665k (2018: £236k), and £860k (2018: £56k) and was expended, leaving a balance at 31 December 2019 of £nil (2018: £195k).

| Permanent endowments 2019 | Balance at 1 January 2019 | Movement of funds | | Balance at 31 December 2019 |
|---------------------------|---------------------------|-------------------|--|-----------------------------|
| | £'000 | Gains/income | | £'000 |
| | £'000 | £'000 | | £'000 |
| Glenrothes | 2,459 | 677 | | 3,136 |
| Livingston | 2,618 | 412 | | 3,030 |
| Warrington and Runcorn | 1,599 | 252 | | 1,851 |
| Preston and Chorley | 1,344 | 212 | | 1,556 |
| | 8,020 | 1,553 | | 9,573 |

Notes to the accounts (continued)
for the year ended 31 December 2019

| Permanent endowments 2018 | Balance at 1 January 2018 £'000 | Movement of funds Losses/ expenditure £'000 | Balance at 31 December 2018 £'000 |
|----------------------------------|--|---|---|
| Glenrothes | 2,711 | (252) | 2,459 |
| Livingston | 2,842 | (224) | 2,618 |
| Warrington and Runcorn | 1,736 | (137) | 1,599 |
| Preston and Chorley | 1,460 | (116) | 1,344 |
| | 8,749 | (729) | 8,020 |

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.

| Unrestricted funds 2019 | Balance at 1 January 2019 £'000 | Gains/ incoming resources £'000 | Losses/ resources expended £'000 | Transfers £'000 | Balance at 31 December 2019 £'000 |
|--------------------------------|--|--|---|--------------------|--|
| General fund | 18,504 | 43,729 | (38,905) | (2,591) | 20,737 |
| Designated funds | 10,213 | - | (1,447) | 1,263 | 10,029 |
| TOTAL | 28,717 | 43,279 | (40,352) | (1,328) | 30,766 |

Over the next three years we will be supporting, and challenging where necessary, all levels of government and beyond, to address the climate and nature emergency through trees and woods. We will continue to look after the woods and trees we have and will advocate new policies: building capacity and funding for woods and trees, and inspiring local authorities to take action through writing their own emergency tree plans. To do this we have set ourselves investment budgets for the next three years which will call on our core reserves. Over this period we anticipate the designated funds being reduced from £10.0 million down to £2.0 million by 2023.

The purpose and structure of the Trust's unrestricted funds are described in the financial review on pages 27-30. The general fund represents working capital and operating fixed assets and is analysed in note 18 (page 62). The transfers are explained overleaf.

| Unrestricted funds 2018 | Balance at 1 January 2018 £'000 | Gains/ incoming resources £'000 | Losses/ resources expended £'000 | Transfers £'000 | Balance at 31 December 2018 £'000 |
|--------------------------------|--|--|---|--------------------|--|
| General fund | 24,103 | 35,548 | (37,600) | (3,547) | 18,504 |
| Designated funds | 11,907 | 174 | (1,664) | (204) | 10,213 |
| TOTAL | 36,010 | 35,722 | (39,264) | (3,751) | 28,717 |

Notes to the accounts (continued)
for the year ended 31 December 2019

| Analysis of transfers between funds | Note | General fund | Designated funds | Woods & land | Woodland management | Restricted legacies | Other restricted funds |
|---|------|----------------|------------------|--------------|---------------------|---------------------|------------------------|
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Underwrite for acquisition of woods | 1 | (414) | - | 1,292 | - | (382) | (496) |
| Income for future operations and acquisitions | 2 | (914) | - | - | 57 | (210) | 1,067 |
| Sale of Purchase, Plant and Pass on (PPP) site(s) | 3 | (163) | 163 | - | - | - | - |
| Transfers from general fund | 4 | (1,100) | 1,100 | - | - | - | - |
| Total transfers 2019 | | (2,591) | 1,263 | 1,292 | 57 | (592) | 571 |

Notes for 2019

1. A transfer of £1,292k was made to woods and land to enable the Woodland Trust to acquire sites that match our charitable objectives, largely from general funds of £(414)k, use of restricted funds received in previous years of £(496)k, and £(382)k from restricted legacies in accordance with the wishes of the legator.
2. An amount of £1,067k has been transferred into restricted funds for future use in conjunction with projects, such as the Ben Shieldaig Estate, tree planting and Auswell Wood.
3. During the year, one PPP site was sold, enabling £163k to be designated to purchasing further sites.
4. £1,100k has been designated by trustees to fund activity that will be developed to tackle the UK's target of reaching net zero carbon emissions by 2050.

| 2018 Analysis of transfers between funds | Note | General fund | Designated funds | Woods & land | Woodland management | Restricted legacies | Other restricted funds |
|---|------|----------------|------------------|--------------|---------------------|---------------------|------------------------|
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Underwrite for acquisition of woods | 1 | (158) | (150) | 536 | - | (228) | - |
| Income for future operations and acquisitions | 2 | (3,443) | - | - | - | - | 3,443 |
| Transfers to general fund | 3 | 54 | (54) | - | - | - | - |
| Total transfers 2018 | | (3,547) | (204) | 536 | - | (228) | 3,443 |

Notes for 2018

1. A transfer of £536k was made to woods and land to enable the Woodland Trust to acquire sites that match our charitable objectives, largely from general funds of £(158)k, a drawdown from the strategic investment fund of £(150)k towards ancient woodland buffering, and £228k from restricted legacies in accordance with the wishes of the legator.
2. An amount of £3,443k has been transferred into restricted funds for future use in conjunction with projects, such as Langley Vale Wood or our 'welcome' site programme.
3. £54k has been transferred from designated funds to secure land for future acquisition.

Notes to the accounts (continued)
for the year ended 31 December 2019

18. **Analysis of group net assets between funds**

This note details the group position, which is the same as the charity position. The trustees consider that the resources available to the charity are suitable and adequate to meet the known present obligations of the charitable company and group.

Fund balances at 31 December 2019 are represented by:

| | Unrestricted funds | | Restricted funds | | Total funds |
|---------------------------------|--------------------|-----------------|------------------|----------------------|----------------|
| | General fund | Designated fund | Restricted fund | Permanent endowments | |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Tangible fixed assets | 5,783 | - | 91,858 | - | 97,641 |
| Investments | 598 | 8,836 | 14,970 | 9,573 | 33,977 |
| Cash at bank and in hand | 6,950 | 1,193 | 2,109 | - | 10,252 |
| Other current assets | 15,278 | - | 3,622 | - | 18,900 |
| Liabilities due within one year | (7,872) | - | - | - | (7,872) |
| Long term debtors | - | - | 359 | - | 359 |
| Total net assets | 20,737 | 10,029 | 112,918 | 9,573 | 153,257 |

Restricted tangible fixed assets consist of woods and land: £91,858k (2018: £88,626k).

Fund balances at 31 December 2018 are represented by:

| | Unrestricted funds | | Restricted funds | | Total funds |
|---------------------------------|--------------------|-----------------|------------------|----------------------|----------------|
| | General fund | Designated fund | Restricted fund | Permanent endowments | |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Tangible fixed assets | 6,053 | - | 88,626 | - | 94,679 |
| Investments | 599 | 6,859 | 15,305 | 7,997 | 30,760 |
| Cash at bank and in hand | 5,410 | 3,000 | 3,000 | - | 11,410 |
| Other current assets | 13,992 | 354 | 2,652 | 23 | 17,021 |
| Liabilities due within one year | (7,550) | - | - | - | (7,550) |
| Total net assets | 18,504 | 10,213 | 109,583 | 8,020 | 146,320 |

19. 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, raffles and merchandise sales. Within the cost of sales and administration expenses is £580k (2018: £580k) paid to the Woodland Trust. Both companies donate their taxable profits to the Woodland Trust under a deed of covenant. A summary of their trading accounts is shown below, and this includes payments made to the Woodland Trust. 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.

All active subsidiaries have the same registered address as the Woodland Trust.

| | Enterprises | | Farming | |
|---|-------------|---------|---------|-------|
| | 2019 | 2018 | 2019 | 2018 |
| | £'000 | £'000 | £'000 | £'000 |
| Profit and loss account | | | | |
| Turnover | 6,559 | 6,936 | 517 | 720 |
| Cost of sales | (1,503) | (1,236) | (317) | (331) |
| Gross profit | 5,056 | 5,700 | 200 | 389 |
| Licence payment to the Woodland Trust | (250) | (250) | - | - |
| Distribution costs | (19) | (65) | - | - |
| Administration expenses | (211) | (216) | (2) | (2) |
| Operating profit | 4,576 | 5,169 | 198 | 387 |
| Interest receivable | 4 | 3 | - | - |
| Net profit | 4,580 | 5,172 | 198 | 387 |
| Payment to the Woodland Trust | (4,580) | (5,172) | (198) | (387) |
| Accumulated reserves brought forward | - | - | - | - |
| Accumulated reserves carried forward | - | - | - | - |
| Balance sheet | | | | |
| Current assets | 1,634 | 997 | 727 | 481 |
| Current liabilities | (1,634) | (997) | (727) | (481) |
| Net assets | - | - | - | - |
| Capital and reserves | - | - | - | - |

20. Operating lease commitments

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

| | 2019 | 2018 |
|---------------------------|--------------|--------------|
| | £'000 | £'000 |
| Land and buildings | | |
| Leases which expire: | | |
| within one year | 122 | 121 |
| within two to five years | 146 | 249 |
| after five years | 1,807 | 1,641 |
| | 2,075 | 2,011 |
| Other | | |
| Leases which expire: | | |
| within one year | 574 | 302 |
| within two to five years | 909 | 452 |
| | 1,483 | 754 |

21. Capital commitments

Commitments for expenditure not provided for in these accounts in respect of assets under construction amount to £nil (2018: £1,337k).

22. Pension schemes

The Woodland Trust operates defined contribution schemes for all qualifying employees. The assets of the schemes are held in separate funds administered by independent pension providers. The total cost of pensions for the year incurred by the Woodland Trust was £1,641k (2018: £1,502k). Included in other creditors is £nil (2018: £nil) in respect of pension schemes.

23. Contingent liabilities

The trustees were not aware of any significant contingent liabilities at 31 December 2019 and 31 December 2018.

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

24. Conduit accounting

During the year the Trust agreed to administer funds of another entity as its agent. As its agent, the Trust is bound by an agency agreement and distributes the funds it holds as agent to specified third parties in line with the instructions given by the principal. The Trust has ensured that the terms of the agency agreement and the use of the funds are consistent with its own purposes.

| | 2019 £'000 | 2018 £'000 |
|-----------------------------------|---------------|---------------|
| Opening balance as at 1 January | 188 | - |
| Amounts received in the year | 358 | 188 |
| Amounts paid to third parties | (546) | - |
| Closing balance as at 31 December | - | 188 |

Notes to the accounts (continued)
for the year ended 31 December 2019

25. Prior year statement of financial activities

| | Unrestricted funds | | | Endowment funds | Total 2018 |
|---|--------------------|------------------|------------------|-----------------|-----------------|
| | General fund | Designated funds | Restricted funds | | |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Income and endowments from: | | | | | |
| Donations and legacies | 24,109 | 174 | 6,726 | - | 31,009 |
| Other trading activities | 6,932 | - | - | - | 6,932 |
| Income from investments | 615 | - | 230 | - | 845 |
| Income from charitable activities | 3,801 | - | 1,940 | - | 5,741 |
| Other income | 91 | - | - | - | 91 |
| Total income and endowments | 35,548 | 174 | 8,896 | - | 44,618 |
| Expenditure on: | | | | | |
| Cost of raising funds | (9,596) | - | (41) | - | (9,637) |
| Charitable activities | | | | | |
| Protect woodland | (7,476) | - | (2,348) | - | (9,824) |
| Restore woodland | (11,498) | - | (3,615) | - | (15,113) |
| Create woodland | (9,030) | (1,360) | (3,263) | - | (13,653) |
| Charitable expenditure | (28,004) | (1,360) | (9,226) | - | (38,590) |
| Total expenditure | (37,600) | (1,360) | (9,267) | - | (48,227) |
| Net income before investment gains | (2,052) | (1,186) | (371) | - | (3,609) |
| Net gains on investment assets | - | (304) | (466) | (729) | (1,499) |
| Net income/expenditure | (2,052) | (1,490) | (837) | (729) | (5,108) |
| Transfers between funds | (3,547) | (204) | 3,751 | - | - |
| Net movement in funds | (5,599) | (1,694) | 2,914 | (729) | (5,108) |
| Fund balances brought forward at 1 January | 24,103 | 11,907 | 106,669 | 8,749 | 151,428 |
| Fund balances carried forward at 31 December | 18,504 | 10,213 | 109,583 | 8,020 | 146,320 |

This statement of financial activities excludes £1,772k (2018: £5,560k) of woods and land acquired and capitalised as per note 9.

We want to see a UK rich in native woods and trees, for people and wildlife, but we can't achieve our vision without you. There are many ways you can help us make a real difference, including membership of the Trust, supporting our campaigns or appeals, volunteering, leaving a gift in your will, playing our raffle, and buying from our online shop. Find out more at woodlandtrust.org.uk. Thank you.

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