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International



THE WOODLAND TRUST

REPORT AND ACCOUNTS

31 DECEMBER 1997



Registered Company No. 1982873

Registered Charity No. 294344

PATRONS

The Right Honourable Lord Denning;
P F Garthwaite Esq, OBE; R Hammond Innes Esq, CBE;
The Earl of Lichfield; Dame Moura Lympany, DBE;
E M Nicholson, Esq, CB, CVO; The Lord Barber of Tewkesbury;
Sir James Stormonth Darling, CBE, MC;
Dr J Morton Boyd, CBE FRSE;
The Marchioness of Dufferin and Ava.

TRUSTEES

T H White, FRICS (Chairman);
C P Wright, MSc, ARICS, ALI; R H Trafford, MA;
T W Wright, BSc (For), PhD; A P Golding, FCA, ATII;
D V Gaultier, CBE, MA, BL; M F Barton, LLB;
P J Oliver FCA; A T Bigg BA.

The Trustees are also the
Directors of the Company.

PRINCIPAL OFFICERS

Chief Executive - Michael J Townsend, BSc (For), MCF
Financial Director and Company Secretary - Julian C Purvis, BSc, FCA
Woodland Operations Director - Norman J Starks, BSc (For), MCF
Marketing Director - Douglas P Seddon

The Woodland Trust is a non-profit making company limited by guarantee
and is a registered charity.

Founded in 1972 by Kenneth Watkins, OBE

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INTRODUCTION

Welcome to the Woodland Trust's latest Annual Report and Accounts which covers the Trust's activities for the year 1 January 1997 to 31 December 1997.

The Trust strives to ensure that its work meets the objectives originally set out in the Trust Deed and subsequently included in its Memorandum of Association, when it became a company limited by guarantee in 1986.

"The objectives of the Trust are to conserve, restore and re-establish trees and in particular broadleaved trees, plants and all forms of wildlife in the United Kingdom of Great Britain and Northern Ireland and thereby to secure and enhance the enjoyment by the public of the natural environment of those territories."

During the year, the Trust acquired 74 new properties covering 1,026 hectares (2,534 acres) and by the end of 1997 managed a total of 894 properties, giving people free access to 16,200 hectares (40,000 acres) across the United Kingdom. The Trust also planted over 200,000 trees to create nearly 120 hectares (300 acres) of new woodland as part of its continuing programme of woodland creation. The number of supporters stands at more than 150,000 of whom 60,250 give support through membership.

The Trust continues to be one of the United Kingdom's foremost conservation organisations and is the largest national charity concerned solely with the conservation of the United Kingdom's heritage of native trees and woodland and the public's enjoyment thereof.



THE WOODLAND TRUST
AUTUMN PARK, DYSART ROAD, GRANTHAM, LINCOLNSHIRE

CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 1997

This is the last Report I will be presenting as Chairman of the Trust and I am very pleased to report that the Trust has come through a challenging year with a creditable contribution to woodland conservation, a renewed focus and new leadership.

The Trust was 25 years old in October 1997 and continued its strong conservation performance during the year. A total of 74 separate sites were acquired covering a total of 1,026 hectares (2,534 acres), of which 302 hectares comprised ancient woodland, 326 hectares other native woodland and 398 hectares of land for planting. The Trust's *Woods on Your Doorstep* project in England and Wales funded by the Millennium Commission has now been running for a full eighteen months with 56 sites acquired by the Trust and scores more in the pipeline. While there is still a considerable amount of work to do to achieve our target of 200 woods, the Trust feels confident in its accelerating rate of progress. The sister *Woods on Your Doorstep* project in Northern Ireland now has a full complement of staff and the first acquisition was made in April 1998.

The Trust spent a total of £4.7 million on woodland management and tree planting, which continues to be spent via management and planting contracts, and £4.0 million on woodland acquisition. With a total of £8.7 million applied directly to our core purposes of woodland acquisition, management and creation representing 79% of all expenditure, 1997's performance is second only to 1996 in expenditure on protecting and restoring Britain's native woodland heritage.

The Trust's total income for the year was £11.3 million. Highly successful fund-raising initiatives such as our Silver Leaf Appeal which raised nearly £300,000 and growing success in raising money from the Landfill Tax Credit Scheme have meant that the Trust has consolidated its income well. Legacy income exceeded £1 million but the availability of Heritage Lottery Fund grants, affected in part by the setting up of the New Opportunities Fund and by a review of priorities, meant we received less than anticipated from this important sector.

In 1997 we also began a major exercise to review the Trust's priorities and to set out our aspirations for the coming years. These focus around wider advocacy of the importance of ancient woodland, enhancing woodland biodiversity, expanding woodland cover and increasing public appreciation of woodland, in addition to a programme of acquisition to protect nationally and locally important sites.

My successor as Chairman is Mr Peter Oliver and I wish him well as he takes on the challenge of guiding the Trust into the millennium and beyond. He, together with the Trust's new Chief Executive, Mike Townsend, who took over from John James half way through the year, have the confidence and support of a loyal staff as the Trust begins to tackle its expanded agenda.

It is with deep regret that I have to report the death of one of our Trustees, Derek Marks, on 4 February 1997. He was a stalwart supporter of the Trust for many years and he became a Trustee in 1988 on his retirement from his business. He was a great help and support to me personally as Chairman. I and the Trustees will greatly miss his skill and wise counsel.

Finally, I must take this opportunity to thank all staff for their unstinted help and for keeping the Trust and its success foremost in their work.

T H White
Chairman

6 May 1998

THE WOODLAND TRUST
AUTUMN PARK, DYSART ROAD, GRANTHAM, LINCOLNSHIRE

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 1997

The Directors have pleasure in presenting their report together with the audited accounts for the year ended 31 December 1997.

1. **Registration and Legal Structure**

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

It has two wholly owned subsidiary companies: Woodland Trust (Enterprises) Ltd No. 2296645 and Woodland Trust (Services) Ltd. No. 2308264.

2. **Registered Office**

Autumn Park, Dysart Road, Grantham, Lincs. NG31 6LL.

3. **Charitable Objects**

The Trust is required by charity and company law to act within the objectives of its Memorandum of Association. The principal objective has been reproduced on page 3.

The Trust aims to :

- Safeguard woods throughout the United Kingdom, especially ancient woods, and protect them for ever. It believes there should be no further loss of ancient woodland.
- Restore and improve the biodiversity of woods.
- Create new native woods for the future, both to offset some of the devastating losses suffered by Britain's woodland heritage and, where appropriate, to restore and enhance landscapes.
- Increase people's awareness and enjoyment of woodland.

4. **Investment Powers**

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

5. **Taxation**

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

THE WOODLAND TRUST
AUTUMN PARK, DYSART ROAD, GRANTHAM, LINCOLNSHIRE

REPORT OF THE DIRECTORS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 1997

6. Organisation

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

The Trust has three sub-committees involving the Trustees and the Executive Directors. They undertake work on behalf of the Council and submit reports for consideration by the Council of Management. The day to day management is delegated to the Chief Executive, the Executive Directors and their staff.

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

There were several notable achievements in 1997. Income from membership subscriptions, grants and trading activities improved, whilst income from fund-raising and, in contrast to the experience of some other charities, legacies held up well with a result similar to the record level achieved in 1996

Income in 1997 was only slightly less than the previous year once the exceptional receipt of £2.5m in endowments is excluded. Nevertheless the Trust spent £4.0m on woodland and land, and expenditure on woodland operations increased to £4.7m which reflects the requirements of a larger portfolio of woods and substantial costs on several large woodland creation schemes. Woodland creation projects naturally require substantial expenditure during the first few years of their development.

The net movement of £3.9m on unrestricted and restricted funds was used to acquire £4.0m of woodland and land. Two of the large woodland creation projects, one in the National Forest and the other in Kent, were acquired with the aid of overdraft facilities from Lloyds Bank plc. These overdrafts will be repaid during 1998 as various grants are received for the projects. The balances on these projects, together with the Trust's current investment in the Woods on Your Doorstep (Northern Ireland) project, are shown as a deficit of restricted funds in note 15 of the accounts.

Financial Position and Reserves

At 31 December 1997 the Trust had total fund balances of £38.1m. This included £27.7m representing the cost of woodland and land purchased, together with the value of woodland and land donated since the Trust's inception, and £7.6m of permanent endowments. The unrestricted funds of £2.8m are represented by other fixed assets, the Contingency Fund and working capital.

The Contingency Fund provides a fund which can enable the Trust to respond quickly to woodland purchase opportunities as well as providing some protection against unforeseen sudden shortfalls in income or essential unplanned expenditure. The Contingency Fund had a value of £1.3m at 31 December 1997 and in order to match the increasing scale of the Trust's activities the Trust aims to increase this to around £3m over the next five years.

THE WOODLAND TRUST
AUTUMN PARK, DYSART ROAD, GRANTHAM, LINCOLNSHIRE

REPORT OF THE DIRECTORS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 1997

8. Directors

The Directors of the Company throughout the year were:

T H White (Chairman)
A P Golding
D V Gaultier
M F Barton

C P Wright
R H Trafford
T W Wright
P J Oliver

Mr A T Bigg was appointed a Director 3 June 1997.

It is with great regret that we have to report the death of Mr Derek Marks, on 4 February 1997. His contribution and experience will be greatly missed.

9. Statement of Trustees' Responsibilities

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

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

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

The Trust purchases indemnity insurance to protect it from loss arising from any wrongful act of its directors or officers and to indemnify them against their legal liability arising from any claim against them. The premium for the policy was £ 2,321 (1996 £ 3,591).

10. Share Capital

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

11. Auditors

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

By Order of the Board



JULIAN C PURVIS
Secretary
6 May 1998

Deloitte & Touche



Chartered Accountants

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THE WOODLAND TRUST
AUTUMN PARK, DYSART ROAD, GRANTHAM, LINCOLNSHIRE

AUDITORS' REPORT TO THE MEMBERS
OF
THE WOODLAND TRUST

We have audited the financial statements on pages 9 to 27 which have been prepared under the accounting policies set out on pages 13 to 15.

Respective Responsibilities of Directors and Auditors

As described on page 7 the trustees, who are also the directors of The Woodland Trust for the purposes of company law, are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you.

Basis of Opinion

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

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the affairs of the charitable company and group as at 31 December 1997 and of the incoming resources and application of resources, including its income and expenditure, of the charitable group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

3 June 1998

Deloitte & Touche
Registered Auditors

St Johns House
East Street
Leicester

**Deloitte Touche
Tohmatsu
International**

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

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

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



INVESTOR IN PEOPLE



THE WOODLAND TRUST
AUTUMN PARK, DYSART ROAD, GRANTHAM, LINCOLNSHIRE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 1997

		<u>Unrestricted</u>	<u>Restricted</u>	<u>Permanent</u>	<u>Total</u>	<u>Total</u>
		<u>Funds</u>	<u>Funds</u>	<u>Endowment</u>	<u>1997</u>	<u>1996</u>
	<u>Note</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Incoming Resources						
Membership Subscriptions		1,453	-	-	1,453	1,360
Fundraising		1,211	979	-	2,190	2,392
Legacies Receivable		1,090	22	-	1,112	1,266
Total Fund-raising Income		3,754	1,001	-	4,755	5,018
Grants Receivable	2	1,179	3,224	-	4,403	4,077
Permanent Endowments		-	-	-	-	2,474
Investment Income	7	161	199	-	360	315
Woodland Management Income		827	3	-	830	782
Donated Woodland and Land		-	483	-	483	972
Sundry Income		143	45	-	188	340
Net Income of Trading Subsidiaries	17	253	33	-	286	202
Total Incoming Resources		6,317	4,988	-	11,305	14,180
Resources Expended						
Direct Charitable Expenditure:						
Woodland Operations		2,965	1,710	-	4,675	3,527
Education and Information Costs		421	-	-	421	412
Support Costs	3	918	-	-	918	807
		4,304	1,710	-	6,014	4,746
Other Expenditure:						
Fundraising and Publicity		1,096	-	-	1,096	1,190
Management and Administration of the charity	4	540	-	-	540	404
		1,636	-	-	1,636	1,594
Total Resources Expended		5,940	1,710	-	7,650	6,340
Net Incoming Resources	5	377	3,278	-	3,655	7,840
Net Gains on Investment Assets	10	209	-	927	1,136	321
Net Movements in Funds		586	3,278	927	4,791	8,161
Fund Balances Brought Forward at 1 January 1997		2,183	24,453	6,624	33,260	25,099
Fund Balances Carried Forward at 31 December 1997	15	2,769	27,731	7,551	38,051	33,260

THE WOODLAND TRUST
AUTUMN PARK, DYSART ROAD, GRANTHAM, LINCOLNSHIRE
CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1997

	<u>Note</u>	<u>1997</u> <u>£'000</u>	<u>1996</u> <u>£'000</u>
Gross Income of Continuing Operations		11,019	11,504
Non-Charitable Trading Activities: Net Income	17	286	202
Total Income of Continuing Operations		<u>11,305</u>	<u>11,706</u>
Total Operating Expenditure of Continuing Operations		(7,604)	(6,340)
Operating Surplus of Income over Expenditure		<u>3,701</u>	<u>5,366</u>
Interest Payable		(46)	-
Net Income For The Year Before Transfers and Investment Asset Disposals	5	<u>3,655</u>	<u>5,366</u>
Gain on disposal of Fixed Asset Investments	10	104	175
Net Income for the Year		<u>3,759</u>	<u>5,541</u>

Total income comprises £6,317,000 for unrestricted funds and £4,988,000 for restricted funds. A detailed analysis of income by source is provided in the Statement of Financial Activities.

Turnover of non-charitable trading activities amounted to £3,286,000 (1996:£382,000). Trading activities of Woodland Trust (Enterprises) Limited increased by £20,000 to £402,000 as a result of increases in lottery income but the main change was due to the first year of operation of Woodland Trust (Services) Limited which provides staff to the Woodland Trust. A detailed analysis of the trading results is shown in note 17.

Detailed analyses of the expenditure are provided in the Statement of Financial Activities and notes 3 - 4.


Net income, (before investment asset disposals for the year), of £3,655,000, comprises £377,000 net income of unrestricted funds plus £3,278,000 net income of restricted funds, as shown in the Statement of Financial Activities.

The Summary Income and Expenditure Account is derived from the Statement of Financial Activities on page 9, which together with the notes to the accounts on pages 13 to 27, provides full information on the movements during the year on all the funds of the group.

THE WOODLAND TRUST
AUTUMN PARK, DYSART ROAD, GRANTHAM, LINCOLNSHIRE
BALANCE SHEET AT 31 DECEMBER 1997

		<u>Group</u>		<u>Charity</u>	
	<u>Note</u>	<u>1997</u> <u>£'000</u>	<u>1996</u> <u>£'000</u>	<u>1997</u> <u>£'000</u>	<u>1996</u> <u>£'000</u>
Fixed Assets					
Tangible Assets					
Woodland and Land	8	27,678	23,702	27,678	23,702
Other Fixed Assets	9	496	473	496	473
		<u>28,174</u>	<u>24,175</u>	<u>28,174</u>	<u>24,175</u>
Investments	10	8,871	7,883	8,871	7,883
		<u>37,045</u>	<u>32,058</u>	<u>37,045</u>	<u>32,058</u>
Current Assets					
Stocks	11	315	334	304	325
Debtors	12	3,036	2,239	3,009	2,202
Cash at Bank and In Hand	22(b)	322	823	266	807
		<u>3,673</u>	<u>3,396</u>	<u>3,579</u>	<u>3,334</u>
Creditors					
Amounts falling due within one year	13	(2,413)	(1,936)	(2,315)	(1,870)
Net Current Assets		<u>1,260</u>	<u>1,460</u>	<u>1,264</u>	<u>1,464</u>
Total Assets Less Current Liabilities		38,305	33,518	38,309	33,522
Creditors:					
Amounts falling due after more than one year	14	(254)	(258)	(254)	(258)
Net Assets	16	<u>38,051</u>	<u>33,260</u>	<u>38,055</u>	<u>33,264</u>
Financed by:					
Unrestricted funds					
Capital Fund	15	2,773	2,187	2,773	2,187
Non-charitable Trading Fund	15	(4)	(4)	-	-
Restricted Funds	15	27,731	24,453	27,731	24,453
Permanent Endowments	15	7,551	6,624	7,551	6,624
		<u>38,051</u>	<u>33,260</u>	<u>38,055</u>	<u>33,264</u>

These accounts were approved by the Directors on 6 May 1998.



 T H White
 Chairman

THE WOODLAND TRUST
AUTUMN PARK, DYSART ROAD, GRANTHAM, LINCOLNSHIRE
CONSOLIDATED CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 1997

	<u>Note</u>	<u>£'000</u>	<u>1997</u> <u>£'000</u>	<u>£'000</u>	<u>1996</u> <u>£'000</u>
<u>Reconciliation of Net Incoming Resources to Net Cash</u>					
<u>Inflow from Operating Activities</u>					
Net Incoming Resources			3,655		7,840
Depreciation		173		143	
Profit on disposal of Woodland & Land		(49)		(136)	
Loss on disposal of Fixed Assets		8		5	
Investment Income		(360)		(315)	
Decrease/(Increase) in Stock		19		(295)	
Increase in Debtors		(797)		(917)	
Increase in Creditors		99		245	
Donated Woodland and Land		(483)		(949)	
			(1,390)		(2,219)
Net Cash Inflow from Operating Activities			<u>2,265</u>		<u>5,621</u>

CASH FLOW STATEMENT

Net Cash Inflow from Operating Activities		2,265	5,621
Returns on Investments & Servicing of Finance	22(a)	360	315
Capital Expenditure & Financial Investment	22(a)	(3,500)	(6,131)
Decrease in Cash	22(b)	<u>(875)</u>	<u>(195)</u>

Reconciliation of Net Cashflow to movement in
Net (Debt)/Funds

Decrease in Cash in year	22(b)	(875)	(195)
Net Funds at 1 January	22(b)	468	663
Net (Debt)/Funds at 31 December		<u>(407)</u>	<u>468</u>



THE WOODLAND TRUST
AUTUMN PARK, DYSART ROAD, GRANTHAM, LINCOLNSHIRE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1997

1. **ACCOUNTING POLICIES**

The accounting policies adopted are described below:

a) Basis of Accounting

- (i) Except as described in note b(iv), the financial statements have been prepared in accordance with applicable accounting standards and in accordance with the Statement of Recommended Practice (SORP) - Accounting by Charities.

b) Income

- (i) Membership subscriptions and donations paid by deed of covenant are received net of basic rate income tax; the Trust reclaiming the income tax from the Inland Revenue. An estimate of the income tax reclaimable at the period end is included in these accounts.

- (ii) Deferred Income:

Income from life membership is spread equally over ten years.

Deposited covenants credit is taken annually for the appropriate fraction of the total number of years that the covenant is in existence; the remaining sums are carried forward to be used in future years.

- (iii) Legacy income is stated on a receivable basis reflecting the Trust's entitlement to such income during the year.
- (iv) Grants for woodland management are credited to the Statement of Financial Activities and the Income and Expenditure Account in the year in which they are receivable. This treatment is not in accordance with the relevant Statement of Standard Accounting Practice requiring grant income to be matched with the expenditure for which it relates in any financial year.

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

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

THE WOODLAND TRUST
AUTUMN PARK, DYSART ROAD, GRANTHAM, LINCOLNSHIRE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1997

1. **ACCOUNTING POLICIES (CONTINUED)**

c) Expenditure

- (i) The Statement of Financial Activities shows expenditure analysed according to the requirements of the Statement of Recommended Practice. *Direct Charitable Expenditure* represents expenses directly attributable to the charitable aims of the Trust and those general overheads required for their performance. *Other Expenditure* encompasses the remaining expenditure of the charity, being the unattributed general overhead, fundraising and publicity costs and the general management of the Trust.
- (ii) *Woodland Operations* consists of all expenditure relating to the establishment, care and maintenance of the Trust's woods.
- (iii) *Education and Information Costs* include the costs of the Trust's in house publications to members and supporters, the provision of a telephone based enquiry service, the provision of information for local fundraising and a public relations service.
- (iv) *Support Costs* of charitable activities comprise costs incurred directly in support of expenditure on the objects of the charity. These are considered to be 85% of the costs relating to the provision of premises, personnel, information technology and accounts.
- (v) *Fundraising and Publicity* includes the costs of all major appeals, contacts with supporters soliciting donations and other general publicity costs expended as part of fundraising efforts.
- (vi) *Management and Administration of the Charity* consists of the remainder of the central service costs, (15%), the Chief Executive, Financial Director, Development Director and their support staff.

d) Depreciation

- (i) Depreciation has been charged at the following rates charging a full year's depreciation in the year of purchase and none in the year of disposal.

Computer equipment	25% per annum on cost
Office equipment - fixtures	10% per annum on cost
Office equipment - other	20% per annum on cost
Motor vehicles	25% per annum on cost
Livestock Quota	Not depreciated

e) Assets

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

The value of donated land and woodland is based on a rolling three year average price per hectare of woodland and land purchased by the Trust during the latest financial years.

The value of donated land is disclosed in note 8 to the accounts.

THE WOODLAND TRUST
AUTUMN PARK, DYSART ROAD, GRANTHAM, LINCOLNSHIRE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 1997

1. **ACCOUNTING POLICIES (CONTINUED)**

f) Investments

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

g) Stocks

- (i) Stocks are stated at the lower of cost and net realisable value, where cost comprises purchase price. Livestock is valued in accordance with Business Economic Note 19, (BEN 19), which requires valuation at the lower of cost or net realisable value, where cost includes purchase price or cost of breeding and the additional direct costs of production, including direct wages, feed and forage, vets fees and medication.

h) Restricted Funds

- (i) Restricted funds are those where a use has been specified by the donor, usually the purchase of woodland or land and includes grants from statutory bodies.

i) Permanent Endowments

- (i) Permanent endowments are restricted funds where the intention is that the capital value is protected and maintained with the income being used to manage specific sites.

j) Other

- (i) Operating lease rentals are charged to the income and expenditure account on equal annual amounts over the lease term.
- (ii) The Trust operates defined contribution pension schemes. The cost of providing pensions is charged to the income and expenditure account in the period in which contributions are made.

2. **GRANTS RECEIVABLE**

	<u>Year ended</u> <u>31 December 1997</u> <u>£'000</u>	<u>Year ended</u> <u>31 December 1996</u> <u>£'000</u>
Heritage Lottery Fund	1,386	1,721
Millennium Commission	1,121	252
Forestry Authority	681	811
Countryside Commission, England	284	251
Local Authorities	224	173
Other	163	63
Millennium Forest for Scotland	160	-
National Forest Tender Scheme	152	719
MAFF	68	-
Dunbartonshire Enterprise	60	-
Staff Grants, Various Sources	58	54
Scottish Natural Heritage	46	33
	<u>4,403</u>	<u>4,077</u>

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3. **SUPPORT COSTS**

Support Costs are those administration expenses that are required in order to facilitate the direct charitable aims of the Trust. These have been estimated at 85% of the gross costs for the central service departments. The central service departments include Premises, Personnel, Information Technology and Accounts.

	<u>Year ended</u> <u>31 December 1997</u> <u>£'000</u>	<u>Year ended</u> <u>31 December 1996</u> <u>£'000</u>
Salaries and Wages	376	314
Social Security Costs	32	28
Pension Costs	9	12
Recruitment	37	53
Legal Expenses	10	11
Insurance	33	28
Premises Costs	133	135
Travel and Subsistence	9	9
Stationery and Printing	9	24
Depreciation	130	113
Other Costs	140	80
	<u>918</u>	<u>807</u>

4. **MANAGEMENT AND ADMINISTRATION OF THE CHARITY**

	<u>Year ended</u> <u>31 December 1997</u> <u>£'000</u>	<u>Year ended</u> <u>31 December 1996</u> <u>£'000</u>
Salaries and Wages	239	231
Social Security Costs	22	24
Pension Costs	9	8
Premises Costs	23	24
Travel and Subsistence	24	31
Depreciation	23	20
Other Costs	200	66
	<u>540</u>	<u>404</u>

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

The surplus for the year is after charging:

	<u>Year ended</u> <u>31 December 1997</u> <u>£'000</u>	<u>Year ended</u> <u>31 December 1996</u> <u>£'000</u>
Wages and Salaries	2,276	1,957
Social Security Costs	207	192
Other Pension Costs	53	54
	<u>2,536</u>	<u>2,203</u>
Depreciation	173	143
Fees Payable to the Auditors: for the Audit	9	11
for Taxation advice	1	1
Other Financial Services: Consultancy	12	10
Hire of Equipment	-	1
Rental Under Operating Leases	389	340

Employees and Volunteers

The average number of employees during the year was 153 (1996:141).

The Trust relies on volunteers to help with the following activities- fund-raising, wardening of Trust woods, photography and promotion of the Trust's work. Approximately 1,400 volunteers assist with these activities.

6. **DIRECTORS' AND EMPLOYEES' EMOLUMENTS**

The Directors of the company, who comprise its Council of Management, did not receive any remuneration during the period. Travelling expenses incurred by Mr M F Barton, Mr A T Bigg, Mr D V Gaultier, Mr A P Golding, Mr P J Oliver, Mr R H Trafford, Mr T H White, Mr C P Wright and Dr T W Wright on Council business were reimbursed and amounted to £5,609 (1996: £3,490) during the year.

Mr A T Bigg was Chairman of one of the Trust's suppliers, Brann, for part of the year prior to him becoming a Director of the Woodland Trust. During the year Brann were paid £144,499 for services provided during the year, of which £79,148 relates to professional services and £65,351 was in respect of disbursements.

Mr R H Trafford is a consultant with Stones and Mr M F Barton is a consultant with Barton Goddard. These firms are amongst the solicitors used to undertake the Trust's legal work. Mr A P Golding is a partner with Francis Clark, Chartered Accountants, which undertook some consultancy work for the Trust and Woodland Trust (Services) Limited during the year. The fees paid to them during the year were:

	<u>£</u>
Stones, Solicitors	15,890
Barton Goddard, Solicitors	29,850
Francis Clark, Chartered Accountants	13,749

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

<u>£'s</u>	<u>No. of Employees</u>
50,000-59,999	1
40,000-49,999	1

In addition a payment of £120,000 was made to Mr J D James in lieu of a contract of service to 1999.

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7. **INVESTMENT INCOME**

Income from investments was as follows:

	<u>Year ended</u> <u>31 December 1997</u> <u>£'000</u>	<u>Year ended</u> <u>31 December 1996</u> <u>£'000</u>
Income From Listed Investments	230	114
Income From Overseas Listed Investments	8	3
Income From Other Authorised Investments	122	198
	<u>360</u>	<u>315</u>

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

The Group and the Charity:

	<u>Total</u> <u>£'000</u>	<u>Woodland and Land Purchased (Freehold)</u> <u>£'000</u>	<u>Woodland and Land Purchased (Long Leasehold)</u> <u>£'000</u>	<u>Woodland and Land Donated (Freehold)</u> <u>£'000</u>	<u>Woodland and Land Donated (Long Leasehold)</u> <u>£'000</u>
Cost or Donated Value at 1 January 1997	23,702	19,000	245	3,826	631
Additions for the Period	3,987	3,142	315	148	382
Disposals in the Period	(11)	(7)	-	(4)	-
Cost or Donated Value at 31 December 1997	<u>27,678</u>	<u>22,135</u>	<u>560</u>	<u>3,970</u>	<u>1,013</u>

The additions to donated woodland and land include legal fees of £47,301, (1996: £110,241).

Disposals of £4,000 of donated freehold land during the year represent adjustments to the boundaries of three sites at Glenrothes. These disposals complied with the terms of the agreement with the Glenrothes Development Corporation.

The Trust also leases 50 acres (1996: 97 acres) of woodland under short leaseholds at peppercorn rents. In the opinion of the Directors it is impracticable to assign a value to these leases.

Within woodland and land donated (freehold) is £845,690 (1996: £850,500) representing land given to the Trust by Glenrothes Development Corporation. This land is subject to a floating charge dated 22 September 1994, registered 30 September 1994, for securing all monies due to the Corporation. (At 31 December 1997 and 31 December 1996 there were no sums due to the Corporation).

Similarly, within woodland and land donated (freehold) is £497,952 representing land given to the Trust by Livingston Development Corporation. This land is subject to a floating charge dated 20 March 1996, registered 4 April 1996, for securing all monies due to the Corporation. (At 31 December 1997 and 31 December 1996 there were no sums due to the Corporation).

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

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



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9. OTHER FIXED ASSETS

The Group and the Charity:

	<u>Total</u> <u>£'000</u>	<u>Computer</u> <u>Equipment</u> <u>£'000</u>	<u>Office</u> <u>Equipment</u> <u>£'000</u>	<u>Motor</u> <u>Vehicles</u> <u>£'000</u>	<u>Livestock</u> <u>Quota</u> <u>£'000</u>
<u>Cost or Donated Value</u>					
At 1 January 1997	824	435	251	33	105
Additions	210	146	54	10	-
Disposals	(53)	(25)	(25)	(3)	-
At 31 December 1997	<u>981</u>	<u>556</u>	<u>280</u>	<u>40</u>	<u>105</u>
<u>Depreciation</u>					
At 1 January 1997	351	213	116	22	-
Provision for the year	173	121	46	6	-
Disposals	(39)	(16)	(20)	(3)	-
At 31 December 1997	<u>485</u>	<u>318</u>	<u>142</u>	<u>25</u>	<u>-</u>
<u>Net Book Value</u>					
At 31 December 1997	<u>496</u>	<u>238</u>	<u>138</u>	<u>15</u>	<u>105</u>
At 31 December 1996	<u>473</u>	<u>222</u>	<u>135</u>	<u>11</u>	<u>105</u>

The Net Book Value at 31 December 1997 represents Fixed Assets used for:

	<u>Total</u> <u>£'000</u>	<u>Computer</u> <u>Equipment</u> <u>£'000</u>	<u>Office</u> <u>Equipment</u> <u>£'000</u>	<u>Motor</u> <u>Vehicles</u> <u>£'000</u>	<u>Livestock</u> <u>Quota</u> <u>£'000</u>
Direct Charitable Purposes:					
Woodland Operations	130	-	10	15	105
Education and Information	1	-	1	-	-
Support Activities	<u>310</u>	<u>202</u>	<u>108</u>	<u>-</u>	<u>-</u>
	<u>441</u>	<u>202</u>	<u>119</u>	<u>15</u>	<u>105</u>
Other Purposes:					
Fundraising and Publicity	6	4	2	-	-
Management and Administration of the Charity	<u>49</u>	<u>32</u>	<u>17</u>	<u>-</u>	<u>-</u>
	<u>496</u>	<u>238</u>	<u>138</u>	<u>15</u>	<u>105</u>

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NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 1997

10. **INVESTMENTS**

The Group and the Charity:

	<u>31 December 1997</u>	<u>31 December 1996</u>
	<u>£'000</u>	<u>£'000</u>
Investments at Market Value:		
Permanent Endowments	7,526	6,594
Contingency Fund	1,345	1,289
	<u>8,871</u>	<u>7,883</u>

Investments consist of:-

	<u>1997</u>	<u>Cost</u>	<u>1996</u>	<u>Valuation</u>	<u>1996</u>
	<u>£'000</u>		<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Cash held as part of investments	385		341	385	341
Listed Investments	3,499		3,750	4,483	4,640
Overseas Listed Investments	1,020		1,095	949	984
Other Authorised Investments	2,032		1,802	3,054	1,918
	<u>6,936</u>		<u>6,988</u>	<u>8,871</u>	<u>7,883</u>

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

The Woodland Trust owns the entire issued share capital (100 ordinary shares of £1) in each of its two subsidiaries, Woodland Trust (Enterprises) Limited and Woodland Trust (Services) Limited, both of which are incorporated in England. Details of their trading activities are set out in note 17 to the accounts.

The movement on valuation of investments is as follows

	<u>1997</u>	<u>1996</u>
	<u>£'000</u>	<u>£'000</u>
Market value as at 1 January 1997	7,883	4,948
Acquisitions	937	3,295
Sales Proceeds	(1,085)	(681)
Net Investment Gains	1,136	321
Market value as at 31 December 1997	<u>8,871</u>	<u>7,883</u>
Cost as at 31 December 1997	<u>(6,936)</u>	<u>(6,988)</u>
Unrealised Investment gain as at 31 December 1997	<u>1,935</u>	<u>895</u>
Investment Gains calculated on a historic cost basis	<u>104</u>	<u>175</u>

Within other authorised investments is £100,000 representing a farmhouse and outbuildings given to the Trust by Glenrothes Development Corporation. This investment is subject to a floating charge dated 22 September 1994, registered 30 September 1994 for securing all monies due to the Corporation. As at 31 December 1997 and 31 December 1996 there were no sums due to the Corporation.

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NOTES TO THE ACCOUNTS (CONTINUED)
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11. STOCK

	<u>Group</u>		<u>Charity</u>	
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Raw Materials and Consumables	59	61	48	52
Glen Finglas Livestock	256	273	256	273
	<u>315</u>	<u>334</u>	<u>304</u>	<u>325</u>

12. DEBTORS

	<u>Group</u>		<u>Charity</u>	
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Trade Debtors	288	234	266	227
Amounts owed by subsidiary companies	-	-	48	5
Other Debtors	962	905	909	892
Grants Receivable: due within one year	1,540	547	1540	547
:due after one year	-	360	-	360
Prepayments and Accrued Income	246	193	246	171
	<u>3,036</u>	<u>2,239</u>	<u>3,009</u>	<u>2,202</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>Group</u>		<u>Charity</u>	
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Payment received on account of future projects	347	281	347	281
Bank overdrafts	729	355	729	355
Trade Creditors	977	1,075	959	1,011
VAT	-	1	-	-
Taxation and social security	118	63	54	63
Other Creditors	26	10	10	10
Accruals and deferred income	216	151	216	150
	<u>2,413</u>	<u>1,936</u>	<u>2,315</u>	<u>1,870</u>

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14. **CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

The Group and the Charity:

	<u>1997</u> <u>£'000</u>	<u>1996</u> <u>£'000</u>
Accruals and Deferred Income		
Life Membership Provision	225	239
Deposited Covenant Provision	29	19
	<u>254</u>	<u>258</u>

15. **MOVEMENT ON FUNDS**

This note details the Group position. The Charity differs only in that there is a £4000 increase in unrestricted funds, (relating to the accumulated loss consolidated from Woodland Trust (Services) Ltd).

	<u>Total</u> <u>Funds</u> <u>£'000</u>	<u>Unrestricted</u> <u>Funds</u> <u>£'000</u>	<u>Restricted</u> <u>Funds</u> <u>£'000</u>	<u>Permanent</u> <u>Endowments</u> <u>£'000</u>
Balance as at 1 January 1997	33,260	2,183	24,453	6,624
Net Movement in Funds in year	4,791	586	3,278	927
At 31 December 1997	<u>38,051</u>	<u>2,769</u>	<u>27,731</u>	<u>7,551</u>
Included in the above are Revaluation Reserves				
At 1 January 1997	895	334	-	561
Movement in the Year	1,040	117	-	923
At 31 December 1997	<u>1,935</u>	<u>451</u>	<u>-</u>	<u>1,484</u>

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NOTES TO THE ACCOUNTS (CONTINUED)
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15. **MOVEMENT ON FUNDS (CONTINUED)**

Unrestricted Funds

	<u>Balance</u> <u>as at</u> <u>1 January 1997</u> <u>£'000</u>	<u>Movement in Funds:</u> <u>Incoming</u> <u>Resources</u> <u>£'000</u>	<u>Gains/(Expenses)</u> <u>and Transfers</u> <u>£'000</u>	<u>Balance as at</u> <u>31 December</u> <u>1997</u> <u>£'000</u>
General Fund	2,187	6,270	(5,684)	2,773
Non-charitable trading funds	(4)	-	-	(4)
	<u>2,183</u>	<u>6,270</u>	<u>(5,684)</u>	<u>2,769</u>

Restricted Funds

	<u>Balance as at</u> <u>1 January</u> <u>1997</u> <u>£'000</u>	<u>Incoming</u> <u>Resources</u> <u>£'000</u>	<u>Movement in Funds:</u> <u>Gains/</u> <u>(Expenses)</u> <u>£'000</u>	<u>Transfers</u> <u>£'000</u>	<u>Balance as at</u> <u>31 December</u> <u>1997</u> <u>£'000</u>
Woodland and Land	23,702	1,603	(11)	2,384	27,678
D.D. Miles	43	-	(33)	-	10
Glen Finglas	234	-	(234)	-	-
Woods on Your Doorstep (E & W)	151	2,281	(555)	(1,445)	432
Woods on Your Doorstep (NI)	-	194	(294)	(29)	(129)
Other	323	-	(352)	29	-
Park Farm	-	13	(90)	-	(77)
Hucking Estate	-	897	(141)	(939)	(183)
	<u>24,453</u>	<u>4,988</u>	<u>(1,710)</u>	<u>-</u>	<u>27,731</u>

Restricted funds are sums of money whose application has been specified by the donor, or by its very nature, may not be applied to the general expenses of the charity.

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

D.D. Miles is a restricted legacy, which was bequeathed for the erection of seats in Trust woods.

Park Farm, Hucking Estate and Woods on Your Doorstep (NI) represent a deficit of restricted income in the year, to which future income will be applied.

The Glen Finglas and Other items represent surplus income brought forward against which costs were applied in the year.

Woods on Your Doorstep (E & W) represents a surplus of restricted income in the year, which will be applied to future costs.



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NOTES TO THE ACCOUNTS (CONTINUED)
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15. **MOVEMENT ON FUNDS (CONTINUED)**

Permanent Endowments

	<u>Balance as at</u> <u>1 January</u> <u>1997</u> <u>£'000</u>	<u>Movement in Funds:</u>		<u>Balance as at</u> <u>31 December</u> <u>1997</u> <u>£'000</u>
		<u>Incoming</u> <u>Resources</u> <u>£'000</u>	<u>Gains/(Losses)</u> <u>and Transfers</u> <u>£'000</u>	
Warrington & Runcorn	1,227	218	0	1,445
Glenrothes	2,891	853	(484)	3,260
Livingston	1,681	491	(264)	1,908
Preston & Chorley	825	257	(144)	938
	<u>6,624</u>	<u>1,819</u>	<u>(892)</u>	<u>7,551</u>

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

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

This note details the Group position. The Charity differs only in that there is a £4,000 increase in unrestricted funds, relating to the accumulated loss consolidated from Woodland Trust (Services) Ltd.

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.

	<u>Total</u> <u>Funds</u> <u>£'000</u>	<u>Unrestricted</u> <u>Funds</u> <u>£'000</u>	<u>Restricted</u> <u>Funds</u> <u>£'000</u>	<u>Permanent</u> <u>Endowments</u> <u>£'000</u>
Fund Balances at 31 December 1997 are represented by:				
Tangible Fixed Assets	28,174	496	27,678	-
Investments	8,871	1,320	-	7,551
Current Assets	3,673	2,981	692	-
Current Liabilities	(2,413)	(1,774)	(639)	-
Liabilities due over more than one year	(254)	(254)	-	-
Total Net Assets	<u>38,051</u>	<u>2,769</u>	<u>27,731</u>	<u>7,551</u>

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NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 1997

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

The Trust has two wholly owned trading subsidiaries which are incorporated in the UK. Woodland Trust (Enterprises) Limited was established to undertake mail order, sponsorship and promotional activities. Woodland Trust (Services) Limited, (formerly Woodland Trust (Properties) Limited), provides staff services to the Woodland Trust and allows the operation of a Profit Related Pay scheme. Both companies donate their taxable profits to the Woodland Trust. A summary of their trading accounts is shown below. Audited accounts have been filed with the Registrar of Companies.

Profit and Loss Account

	<u>Woodland Trust</u> <u>(Enterprises) Ltd.</u> <u>£'000</u>	<u>Woodland Trust</u> <u>(Services) Ltd.</u> <u>£'000</u>	<u>Total</u> <u>£'000</u>	<u>1996</u> <u>£'000</u>
Turnover	402	2,884	3,286	382
Cost of Sales	(101)	(2,861)	(2,962)	(128)
Gross Profit	<u>301</u>	<u>23</u>	<u>324</u>	<u>254</u>
Licence Payment to the Woodland Trust	(40)	-	(40)	(25)
Distribution Costs	(19)	-	(19)	(28)
Administration Expenses	(29)	(1)	(30)	(31)
Other Operating Income	51	-	51	32
Net Profit	<u>264</u>	<u>22</u>	<u>286</u>	<u>202</u>
Profit Covenanted to the Woodland Trust	(264)	(22)	(286)	(205)
Accumulated Profit and Loss Brought Forward	-	(4)	(4)	(1)
Accumulated Profit and Loss Carried Forward	<u>-</u>	<u>(4)</u>	<u>(4)</u>	<u>(4)</u>

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NOTES TO THE ACCOUNTS (CONTINUED)
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18. **OPERATING LEASE COMMITMENTS**

At 31 December 1997, the Woodland Trust, both the Group and the Charity is committed to making the following payments during the next year in respect of operating leases.

	<u>Land and Buildings</u> <u>£'000</u>	<u>Other</u> <u>£'000</u>
Leases Which Expire:		
Within One Year	-	43
Within Two to Five Years	-	164
After Five Years	104	-
	<u>104</u>	<u>207</u>

19. **CAPITAL COMMITMENTS**

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

	<u>1997</u> <u>£'000</u>	<u>1996</u> <u>£'000</u>
Contracts Placed	86	2
Authorised by the Directors but Not Contracted For	1,157	798
	<u>1,243</u>	<u>800</u>

20. **PENSION SCHEMES**

The 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 Trust was £53,359 (1996 : £54,217). Included in other creditors is nil (1996 : nil) in respect of pension schemes.

21. **CONTINGENT LIABILITIES**

The Directors were not aware of any significant contingent liabilities at 31 December 1997 and 31 December 1996.

The Trust has given indemnities to Executors under the standard terms for legacies received. The Directors believe the chance of significant claims arising as a result of these to be negligible.

THE WOODLAND TRUST
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NOTES TO THE ACCOUNTS (CONTINUED)
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22. NOTES TO THE CASH FLOW STATEMENT

	<u>1997</u> <u>£'000</u>	<u>1996</u> <u>£'000</u>
(a) Gross Cash Flows		
Returns on Investments & Servicing of Finance		
Investment Income	<u>360</u>	<u>315</u>
Capital Expenditure & Financial Investment		
Purchase of Woodland and Land	(3,504)	(3,333)
Purchase of Fixed Assets	(210)	(411)
Purchase of Investments	(937)	(3,295)
Sale of Land	60	227
Sale of Fixed Assets	6	-
Sale of Investments	1,085	681
	<u>(3,500)</u>	<u>(6,131)</u>

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

	<u>At 1 Jan</u> <u>1997</u> <u>£'000</u>	<u>Cashflows</u> <u>£'000</u>	<u>At 31 Dec</u> <u>1997</u> <u>£'000</u>	<u>At 1 Jan</u> <u>1996</u> <u>£'000</u>	<u>Cashflows</u> <u>£'000</u>	<u>At 31 Dec</u> <u>1996</u> <u>£'000</u>
Cash in Hand, at Bank	823	(501)	322	663	160	823
Bank Overdrafts	(355)	(374)	(729)	-	(355)	(355)
TOTAL	<u>468</u>	<u>(875)</u>	<u>(407)</u>	<u>663</u>	<u>(195)</u>	<u>468</u>

PROFESSIONAL ADVISORS

AUDITORS

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Royal Bank of Scotland plc, Edinburgh
Bank of Ireland, Newtonards

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Willis Corroon Midlands Ltd, Leicester

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