

The voice for woods and trees

Report and accounts

1 January 2020–31 May 2021



WOODLAND
TRUST

President

Clive Anderson

Trustees

Barbara, Baroness Young of Old Scone
Humphrey Battcock (retired 20 March 2020)
Sally Benthall
Andrew Bryant (appointed 18 September 2020)
Fay Cooke
Michael Greenwood (re-appointed 5 April 2020 and retired 18 March 2021)
William Hobhouse (retired 13 September 2021)
Stephen Horley (appointed 18 September 2020)
Patrick Macdonald (re-appointed 5 April 2020 and retired 18 March 2021)
Sarah Mukherjee
Paul Nevett
James Ogilvie
Mark Preston
Julia Smithies
Richard Sykes (retired 25 November 2021)
Chrisostomos Zissis (appointed 12 June 2020)

The trustees are also directors and members of the company.

Chief Executive Officer

Darren Moorcroft

Board Affairs Committee

Patrick Macdonald (retired as Chair 20 March 2020)
Sally Benthall (appointed Chair 20 March 2020)
Stephen Horley (appointed 11 December 2020)
Richard Sykes (retired 25 November 2021)
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, retired 13 September 2021)
Mark Preston (appointed 20 March 2020)
Julia Smithies
Chrisostomos Zissis (appointed 11 December 2020)

Remuneration Committee

Barbara, Baroness Young of Old Scone (Chair)
Humphrey Battcock (retired 20 March 2020)
Andrew Bryant (appointed 11 December 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*.

The Woodland Trust logo is a registered trademark.

Cover Image: Richard Becker/WTML

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The accounting reference date has been changed from 31 December to 31 May, principally so the financial year aligns with the forestry planting season. As a result, the accounts presented in this report relate to a 17-month period, whereas the prior year comparative is a 12-month period.



Foreword

A message from our chairman:

Barbara, Baroness Young of Old Scone

Despite the terrible ravages of COVID-19, the last 18 months have seen many more people fall in love with nature, and policy makers and business leaders wake up to its incalculable benefits. With climate change rocketing up the agenda, the

moment has come for trees, woods and the Woodland Trust. We mean to make the most of this opportunity, ensuring that commitments made by governments across all four UK nations translate into the best kind of woodland habitat for social good – which means new native woods that sequester carbon, stem flooding, clean our air and succour our embattled native wildlife. This will create vivacious, nature-rich places where people can relax and play.

The Trust's standing as an organisation that presses for change based on sound science is strong; our determination to ensure the protection and extension of Britain's treescapes remains resolute. Back in January 2020, our Emergency Tree Plan called for UK governments to go even further than their stated aspirations for woodland creation, seeking a rise in overall tree cover from 13% to 19% to help meet the nation's carbon net zero goal. And as the dash for trees continues, with ever more companies, councils, schools and individuals keen to plant, we also need to see a public sector commitment to choose saplings that are sourced and grown in these islands – a crucial bulwark against imported pests and diseases. Last March we published our seminal stocktake on the State of the UK's Woods and Trees, which revealed that only 7% of our native woodland is in good condition, and much of its wildlife is in decline. That report also drives home the value of our existing forests for the climate – ancient woodland stores 36% more carbon than woods on average, and will absorb even more over the next 100 years.

As the year unfolded, our work as part of the Greener UK coalition secured a change to the new Environment Bill, inserting a mandatory target to slow the decline in nature. We successfully lodged an amendment to legislation on HS2, requiring its backers to report annually on the devastation wrought on ancient woodland by the scheme. And we helped ensure a rethink of the Government's proposed relaxation of English planning laws, after 20,000 Trust supporters joined a campaign calling for enhanced protection for Britain's oldest woods and trees.

We don't just talk the talk, however. Over the last two years we've set a new gold standard for conservation practice, drawing on decades of Trust experience to create handbooks on both native woodland creation and ancient woodland restoration, and developing demonstration sites and training modules to share that wisdom with the wider sector. We've invested in a major update of the UK's Ancient Woodland Inventory, so that no surviving remnant of Britain's most biodiverse terrestrial habitat is overlooked and unguarded. And we've revived another 900 hectares of degraded ancient woodland, and secured £3.8 million from Defra's Green Recovery Challenge Fund to restore as much again, in partnership with the National Trust.

I would also like to throw a spotlight on the invaluable work we're doing in all four corners of the UK. In Northern Ireland we snapped up our largest sanctuary yet – the mountainside wilderness at Mourne Park, whose venerable oakwoods can now welcome the public for the first time in 500 years. We cut the ribbon on our biggest ever woodland creation site in Wales, at Brynau Farm near Neath, where schoolchildren and volunteers will help us plant 150,000 trees. And we helped launch the Saving Scotland's Rainforest partnership, which sets out to rescue 300 square kilometres of one of the nation's rarest ecosystems, home to a unique universe of lichens, liverworts, fungi and ferns.

As we enter our second half-century, the Woodland Trust is still learning. We are redoubling our efforts to ensure equality and diversity of opportunity, both in our own workforce and in the communities who visit the special places we tend. And as the 17-month period covered by this report concluded, we made a commitment to dispense with single-use plastic tree shelters on our estate – while funding cutting-edge research on alternative solutions. It is a critical milestone on the road to embedding sustainability in all the work we do.

Can I send a huge thank you to the supporters who've stood by us over this challenging period, whether that's major corporate funders such as Sainsbury's, Lloyds Banking Group and People's Postcode Lottery, or the thousands of nature lovers who contributed to enable us to buy Ben Shieldaig, our spectacular new slice of the Scottish Highlands. And heartfelt thanks also to the Woodland Trust's staff who, under really difficult circumstances, have forged on, adapted and delivered for woods and trees.



Barbara, Baroness Young of Old Scone
Chairman



A message from our chief executive officer: Darren Moorcroft

When 2020 dawned, the Woodland Trust was riding a tidal wave of optimism. We had just enjoyed our most impactful year yet, and a few months into my tenure as chief executive, I found myself at 10 Downing Street, counselling ministers on how they might meet their 'carbon net zero' election commitment to create 30,000

hectares of woods: combating climate change and stemming the disastrous decline in UK biodiversity. Right across society, trees were trending.

Then came COVID-19, precipitating a period of turbulence unlike anything the Trust has experienced in our 50-year history. The crisis threw the need for a healthier environment into even sharper focus, along with the importance of access to quality green space for everyone's wellbeing. But challenging months followed, when our staff were sent home (some furloughed), our events programme was frozen, our 3,000 volunteers were forced to down tools. On top of all this, the charity suffered a ransomware attack in December, crippling our computer systems and hobbling our ability to communicate with our brilliant supporters.

I am proud of the way the Trust responded. When the pandemic struck we took a decision to keep our 1,000-plus woods open to all, offering a lifeline to those struggling physically and mentally, and we fought hard to keep our cause alive in the hearts of people and the minds of political leaders. In the report that follows, you can read about what we achieved – exceptionally, it spans a 17-month period to spring 2021, since we have opted to switch our financial year-end from December 31 to May 31, to reflect the UK tree-planting season.

Despite the setbacks, the generosity of our funders and supporters meant we emerged this summer just as strong as before, having maintained our membership at around 340,000, exceeded our income targets (£87 million over 17 months, compared with the £56 million we raised in the 2019 calendar year), and invested more than £75 million to enhance the vital landscapes that succour people, wildlife and the planet. We have reaffirmed our abiding mission to protect, create and restore resilient native habitat at landscape scale, and embedded an even stronger focus on establishing the right tree in the right place.

Our highlights were many. We cemented our efforts to forge partnerships with local authorities by launching the Emergency Tree Fund, a £2.9 million grant scheme that directs financial support in nature and the climate toward available land for planting. It will pump-prime 11 major projects to add tree cover to towns and countryside across the UK, including three capital cities – Edinburgh, Cardiff and Belfast – and all with a strong community focus.

We also took ownership of another £6 million-worth of woods, old and new, including rare tracts of Atlantic rainforest habitat on Dartmoor, home to special species like pied flycatchers, purple hairstreaks and peregrine falcons. Especially close to my heart is our project at Hainault, where we've acquired land so that trees can self-seed naturally, extending the surviving hornbeam forest known to medieval kings. Hainault is right on the doorstep of East London, and in time we hope to welcome people of all ages, faiths and backgrounds to the Trust's first ever visitor centre in the south of England.

Perhaps our most remarkable milestone last year, however, was the record-breaking 1.15 million free native saplings sent to schools and neighbourhood groups to plant – every one of them sourced and grown in the UK and Ireland. That tally is a testament not just to the unstinting efforts of Woodland Trust colleagues and our tree-nursery partners, but to the enduring appetite of the British public to face down the difficulties of 2020–21 and find hope in the simple act of planting a tree.

All this gives me enormous optimism, and we embark on our 50th year armed with a bold new 10-year strategy which will ensure the future of woods and trees is brighter than ever. The Trust intends to be in the vanguard of tackling both the climate emergency and nature crisis, so over the next decade we pledge to help establish millions more trees and shape an environment where it becomes socially unacceptable to destroy ancient woodland.

Ambitious, yes, but also achievable – the time has never been more ripe for trees, and with our tremendous team and our loyal members, volunteers and funders rallying behind us, I am convinced we will deliver even more for society than the Trust has done before.



Darren Moorcroft,
Chief Executive Officer

Our purpose

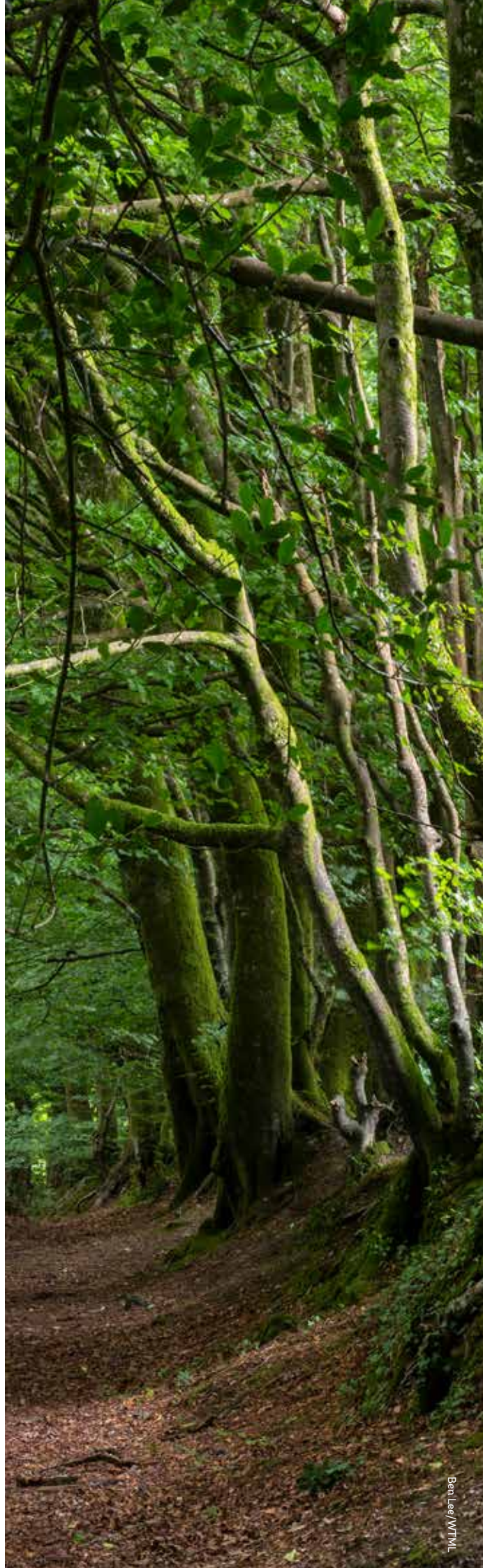
Our vision

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.

2021 and six years into the plan, the world has changed. Globally, we are facing two intertwined existential threats: climate change and nature loss. The decade to 2030 is pivotal in reversing the damage. We must act urgently, playing our part and enabling others to do so as well. Here at home, we see these threats reflected in our improved understanding of the current state of UK woods and trees:

- Woodland cover is gradually increasing, but woodland wildlife is decreasing. The UK's woodland cover has more than doubled in the last 100 years, but much of this is non-native trees. Existing native woodlands are isolated and in inadequate ecological condition, and declines in woodland wildlife continue.
- Woods and trees are vital for a healthy, happy society. They lock up carbon to fight climate change, improve our health and wellbeing, reduce pollution and flooding, and support people, wildlife and livestock.
- Woods and trees are subject to a barrage of coinciding threats. These



range from direct woodland loss due to development, to more insidious influences from climate change, pests and diseases, invasive plants, poor management, mammal browsing and air pollutants.

- Not nearly enough is being done. The first *State of the UK's Woods and Trees* report provides a loud and clear warning sign that more needs to be done to protect and expand our native woods and trees. We urgently need to scale up the many inspiring initiatives to create native woods, put more individual trees back in the landscape, and restore damaged woods.

Creation, protection and restoration – underpinned by improved evidence and increased investment by society – will be crucial over the next decade as we tackle these significant threats and stand up for native woods and trees. During 2021, we are refreshing our strategy to include the time period up to 2030. It will capture our vision of the future, our role as the UK's leading organisation for native woods and trees, and our goals which will inform our priorities for the coming years.

2016–2021 achievements:

- 15.3 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 19,000 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 wellbeing of people and wildlife all the way from Liverpool to Hull.
- Reached an incredible 380,000 people supporting us financially, helping us to secure the future of woods and trees through appeals and donations, regular membership, merchandise and playing our lottery – who will give us their voice, influence and time as volunteers, as well as provide resources for our work for future generations.



Philip Formby/WTM

2021–2025 ambitions:

- Influence and deliver a more resilient landscape approach to trees and woods through protection, restoration, creation (by 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 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.
- Increase native tree-canopy cover and extend the benefits of existing woods and trees by reconnecting fragmented habitats, buffering existing woodland and enabling our urban and rural landscapes to adapt to the impacts of climate change.

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. People’s need to connect with nature and the outdoors came to the fore during the pandemic, with hundreds of thousands seeking solace in gardens, parks, woods and coastline. In the Woodland Trust woods alone, we saw a huge increase in footfall, with many people visiting their local wood for the first time.

Some of our activities for the public benefit include:

- managing more than 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 Young People’s Forest 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





Richard Foulkes/WTML

- assisting communities, landowners 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
- planting millions of trees to capture CO₂ from the atmosphere as they grow, locking it away to reduce the impacts of climate change – contributing to the UK Government’s net zero target; supporting businesses with their climate action and biodiversity strategies; and helping landowners create their own woodland for climate benefits

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](https://www.woodlandtrust.org.uk).



Trees and landscapes

Our strategic aim

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

Our 2020/21 ambitions and results

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

From January 2020 to May 2021, we responded to 131 cases of 'Woods and Trees Under Threat' and hundreds of requests from the public for advice – responding to 86% (January to December 2020, 94%) of cases we were aware of. We saved veteran oak trees in a critical planning case in Cheltenham, where we successfully defended the trees at a planning inquiry. Our campaigning helped to put a halt to the two Hereford bypass schemes and the M4/A48 road scheme in the Vale of Glamorgan – all of which would have destroyed ancient woodland habitats and ancient/veteran trees. More than 10,000 supporters responded to our campaign to protect ancient woods and trees in new national planning policy in England, and we await the publication of a Planning Bill later in 2021.

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

Ancient woodland restoration delivery was approximately 1,000 hectares. In 2021 we began delivery of the Green Recovery project for ancient woods and trees, a Defra-funded project in England which will see the restoration of approximately 300 hectares of ancient woodland on private land, 400 hectares on the Woodland Trust estate, and 200 hectares on the estate of our delivery partners – the National Trust – by February 2022.

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.

We planted 2,366,000 trees, both outside woods and in towns and cities, through schemes such as community tree packs, our native tree shop and planting schemes; and created 1,659 hectares of woodland through schemes such as MOREwoods and by planting on our own estate and on land owned by partners, farmers and crofters. While we salute the determination of our would-be planters and partners, and the resilience of our staff, the various COVID-19 restrictions in place throughout much of 2020 affected our delivery. Difficulty in meeting landowners on site, and the presumption against community activities, meant anticipated numbers could not be achieved within the period.

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.

We added 531 hectares of land to our estate, costing £6.0 million. Acquisitions included 138 hectares of dense woodland and damp temperate rainforest in Devon, 156 hectares of ancient woodland in County Down, and a 2.8-hectare glen adjoining our 710-hectare Ledmore & Migdale wood in Sutherland.



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, which will not only help our wildlife adapt to climate change more easily, but will also create better places for people to enjoy, live and work.

Exciting new landscapes

The Northern Forest reaches 3.5 million trees

The Northern Forest 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.

The first trees of the forest were planted in March 2018, and by the end of March 2021, the core partners – the Woodland Trust and the four northern community forests (Mersey Forest, Manchester City of Trees, White Forest and Heywoods) – had collectively passed their original milestone and planted 3.5 million trees, with 325,000 of those funded by the Northern Forest Defra Grant Agreement. This is a fantastic achievement in just over three planting seasons. But we've still got some way to go to achieve our ambition of at least 50 million new trees over 25 years across the north of England, between Liverpool and Hull.

Planting one million trees in the Brecon Beacons area

Bryn Arw, part of the Brecon Beacons National Park, is set to become the first ever large-scale native woodland creation project on common land in Wales. It will transform the eastern slope, which was bracken and bramble dominated and unsuitable for sheep grazing due to lack of grass and difficult access.

This ambitious community initiative, named Stump up for Trees, aims to plant one million trees in and around Brecon Beacons National Park by 2025 in response to the climate and nature crises. The initiative is led by local farmer and vet Keith Powell and local author and TV presenter Rob Penn, who have registered Stump up for Trees as a charity. They are highly motivated and inspirational individuals who are well placed to rally the support of local landowners, volunteers and donors, but also reached out to the Trust for further support.

Coed Cadw, the Woodland Trust in Wales, became involved as a partner in 2020 and will be providing a range of support, including specialist advice, financial support for bracken control, botanical and wildlife surveys, and 34,000 UK and Ireland Sourced-and-Grown (UKISG) local provenance trees.

Our work in the Brecon Beacons builds on a long-standing link with the Park Authority and partners working in the Usk Valley – a hotspot for lesser horseshoe bats – to create a more treed landscape in this beautiful, but tree-poor area of south Mid Wales.



Robert Penn

Large-scale woodland creation projects in Scotland for carbon sequestration

The Woodland Trust has supported many woodland projects over the years, but two ambitious woodland creation projects in Scotland, separated by almost 322km, have three things in common: they are large scale, have strong community partnerships, and also a significant carbon agreement.

Langholm Moor

Langholm, or 'Muckle Toon' as it is known colloquially, sits on the banks of the River Tweed, 13km north of the Scottish Border in England. In 2019, its community-led group – the Langholm Initiative – was given the opportunity to purchase 2,104 hectares of moorland at Langholm from Buccleuch Estates.

As the Initiative set about raising the £3.8 million needed, the Trust saw an opportunity to work with them to create around 250 hectares of new woodland on the site. This not only had the potential of generating and sequestering around 90,000 tonnes CO₂e, but could also raise significant income for both the Langholm Initiative and the Trust.

An agreement to share the carbon revenue between the two organisations was signed in January 2020, with the Trust agreeing to contribute £200,000 to provide the final monies needed to purchase the site, which will be a huge socio-environmental and biodiversity gain for the community.



David Lintern

Ledbeg

In 2019, the Trust entered into a ground-breaking 100-year lease with the Assynt Foundation on 359 hectares of their land at Ledbeg, 16km north of Ullapool on the west coast of Scotland. We have since planted more than 200,000 trees: creating 164 hectares of new native woodland and securing the carbon generated over the lifetime of the lease, which is predicted to be around 50,000 tonnes CO₂e.

The new woodland has been creatively planned and designed to bring people and wildlife closer together, as well as enabling the local community to share and enjoy the socio-economic and environmental vision for the area provided by the Assynt Foundation, which was created with that aim.

One million new trees supported by Northern Ireland Water

In March 2020, Northern Ireland's Department of Agriculture, Environment and Rural Affairs (DAERA) launched its Forests for our Future programme which pledges to plant 18 million trees (9,000 hectares) by 2030 to help tackle climate change and increase the country's woodland cover.

As part of this challenge, Northern Ireland Water (NI Water) – the country's second largest landowner – pledged to plant one million trees on their land, with the help of Woodland Trust Northern Ireland who had worked with NI Water for 10 years: planting trees on their land to offset the carbon emissions from the water company's electricity consumption.

The first phase was carried out between November 2020 and March 2021, with around 40,000 trees planted at NI Water's sites at Dunore in County Antrim and Fofanny in County Down.

Emergency Tree Fund

The June 2019 amendment of the Climate Change Act by the UK Parliament prompted many local authorities to declare climate emergencies and set ambitious tree planting and woodland creation targets. Since then, the COVID-19 shutdown has further emphasised the value of trees and woods for health, wellbeing and nature, as well as carbon capture. Many of those local authorities are, however, finding it very difficult to turn their ambitions into reality.

We, therefore, launched The Emergency Tree Fund (ETF) in August 2020 as a pilot to help overcome the barriers faced by these authorities, as well as stimulate activity and provide exemplars, innovation and inspiration to other authorities to follow suit.

The fund has enabled us to work with a key audience that has access to land, connections with people and ambition, but which tends to lack resource, expertise and confidence to act. Woodland Trust staff and consultants will carry out due diligence to ensure that:

- quality woodland creation and tree planting is carried out and maintained
- communities are involved and mechanisms are in place to encourage communities to act on their own initiative
- tree planting and maintenance costs as well as tree-nursery development are also covered.

In total, 11 authorities across the UK will receive financial support up until 2023, totalling £2.86 million.



A tree for all

In 2020, the Trust enabled the planting of more than 1.85 million UK and Ireland Sourced-and-Grown (UKISG) trees on third-party-owned land. These included around 1.15 million free trees for schools and communities. We are incredibly proud of this initiative which involved more than 6,000 schools and community groups and engaged 100,000 people in tree planting.

However, while pursuing our 'a tree for all' mission, we have a key balancing factor to consider: is it the right tree in the right place for the right reason? Planting trees in the wrong place, or planting unsuitable trees, can be as much a problem as no trees at all. We therefore check every single application to ensure that the planting site is suitable and the right species of native tree is selected, even if that means planting opportunities have to be declined.



Woodland Trust tree packs are generously funded by lead partners Sainsbury's, Lloyds Bank, OVO Energy, DFS Furniture, players of People's Postcode Lottery, Joules, Bank of Scotland and Sofology.

Growing our estate while delivering for all parts of our cause

Despite the pandemic and numerous lockdowns, the Trust was still busy making the most of opportunities as they arose, and over the course of the last 17 months we extended our estate with eight important acquisitions.



Ausewell Wood, Devon, 138.4 hectares

This wild mix of dense woodland, damp temperate rainforest, heath and dramatic rocky outcrops, boulders and screes lies along the famous River Dart and is home to a host of unusual species that thrive in these conditions.

The acquisition of Ausewell Wood provides a fantastic opportunity for a conservation-driven restoration project on a large, planted ancient woodland site. Working in partnership with the National Trust and the Dartmoor National Authority, we will ensure that these wonderful habitats, and the wildlife that depends on them, will flourish once again.



Havering extension, Romford, Essex, 24.09 hectares

Havering lies adjacent to Hainault Forest Country Park and is an attractive mix of broadleaved woodland and grassland, abundant with wildlife. This new acquisition represents an exciting opportunity to connect, buffer and expand the existing Hainault/Havering site through woodland creation, and will form part of a wider suite of engagement across the forest as a whole, with over one million people living within a five-mile radius.

Hucking extension, nr. Maidstone, Kent, 24.7 hectares



Philip Forrtby/WTML

The purchase of this mix of arable and ancient woodland as an extension to the Hucking Estate near Maidstone will improve landscape resilience within the North Downs Area of Outstanding Natural Beauty. It will buffer and extend ancient woodland, connect with the original Hucking estate, and deliver conservation gain and connectivity in the wider landscape.

Butterdean Wood extension, Gladsmuir, Haddington, East Lothian, 8.7 hectares

Butterdean Wood is an attractive mixed woodland of conifer and a variety of broadleaves, including ash and birch, with two waymarked trails and a number of wildlife-themed sculptures. This acquisition will be used to create new native woodland, with some of the planting integrated with Lloyds Banking Group's volunteer days. The extension will also provide opportunities to engage on site with local schools and communities.



John MacPherson/WTML



Fairy Glen, Spinningdale, Bonar Bridge, Sutherland, 2.8 hectares

This beautiful glen has a charming burn tumbling through mature riparian oak woodland that drips with mosses and ferns, and adjoins our 710ha (1,755 acre) Ledmore & Migdale wood – one of the largest sites owned by the Trust. The purchase of Fairy Glen will further enhance the

fantastic walks, vast array of wildlife, tranquillity, and rich and diverse habitat available to explore in the area. Read about the re-introduction of red squirrels in Ledmore & Migdale on page 30.

Glasswater Wood extension, Crossgar, County Down, 3.35 hectares

To celebrate the millennium, the Trust launched a project called Woods on Your Doorstep (WOYD) to create new woodlands across the UK within walking distance of cities, towns and villages. Glasswater Wood was one of our most successful WOYDs, and this acquisition will extend the wood.

The extension includes a small remnant (1.7 hectares) of the Great Wood of Dufferin, which ran from Downpatrick to Bangor. The land is currently used for livestock shelter and is, therefore, in poor condition, but with the support of the strong community interest, we will safeguard this woodland and restore it for future generations.





New site in the Belfast Hills, 98 hectares

This new acquisition lies nine miles from Belfast city centre, which can be seen from the site's elevated position of 1,200 feet. Linking to the council's Cavehill Country Park, it is also close to the National Trust's Divis Mountain and our own sites at Throne, Carnmoney and Monkstown. Together, this cluster of key sites attracts in excess of 650,000 visitors per annum.

Around a third of the site along the lower slopes is species-rich grassland, with remnant ancient woodland features on the higher ground, including the rare Irish whitebeam. Native woodland creation of 50 hectares (100,000 trees) on the bulk of the site will buffer, protect and enhance these threatened features, and Halifax will be supporting the creation of an area of woodland here through funding and colleague volunteering. Access links with Cavehill Country Park and Belfast Zoo will also be created.



Mourne Park, Killeel, County Down, 156 hectares



The Trust has taken ownership and management of this slice of the Mourne Park estate which has been in private ownership for over 500 years. The acquisition will enable the Trust to protect and restore the ancient woodland, re-establish new habitats for wildlife and open the woodland to people for free.

Ambitions for the site include establishing a formal partnership with the Forest Service to work jointly at Mourne Park for access and conservation. Inclusion of the Forest Service and our own Aughrim Hill site would make the Mourne Park experience 128.5% bigger than the whole Woodland Trust Northern Ireland estate (430 hectares).

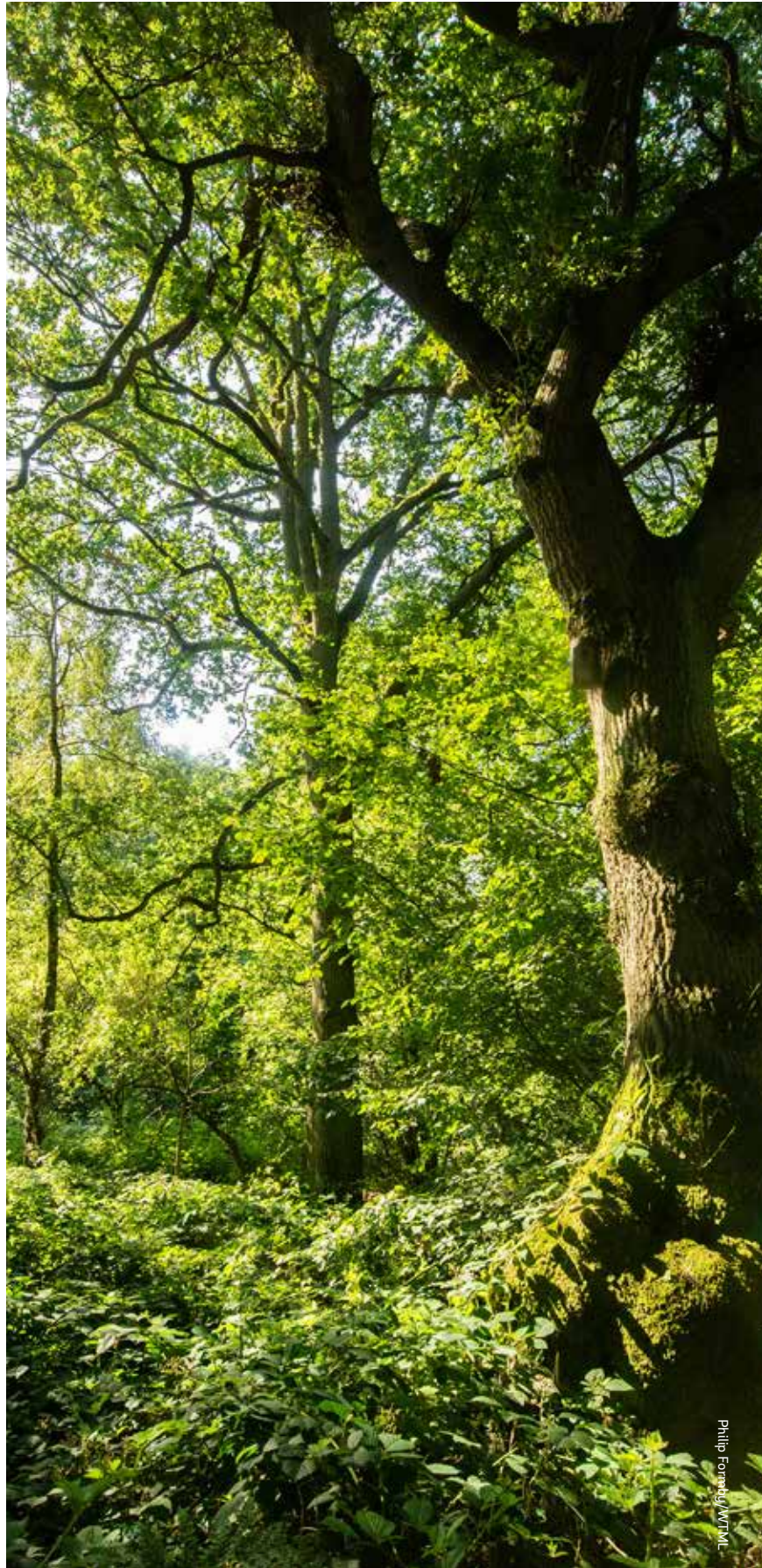
Thank you to all the funders who have supported one or more of these acquisitions. They include Esmée Fairbairn Foundation, Garfield Weston Foundation, Banister Charitable Trust, Viridor Credits, Greater London Authority, Biffa Award, Nationwide Building Society, Lloyds Banking Group, Northern Ireland Environment Agency (NIEA), Department of Agriculture, Environment and Rural Affairs (DAERA), together with generous individual donations and extraordinary gifts in wills.

Restoration and protection

Green Recovery Challenge Fund award 2021/2022

The Woodland Trust, in partnership with the National Trust, has been awarded £3.8 million from the Green Recovery Challenge Fund (GRCF). Launched in 2020 to kick-start environmental renewal, the GRCF is a short-term fund targeting environmental charities whose England-based projects are ready for delivery. The focus is on nature restoration, nature-based solutions and connecting people with nature, while creating and retaining jobs.

This government funding from the Department for Environment, Food & Rural Affairs (Defra) will support delivery of a £4.6 million, 15-month programme of activity, to make a tangible difference to the condition of ancient woods and veteran trees on land owned by the Woodland Trust, the National Trust and private landowners.



Philip Forestry/MTML

Saving Scotland's Rainforest project

Remnants of Scotland's temperate rainforest are scattered in small fragments over the west coast of Scotland, from north Sutherland to south Argyll, including most of the Inner Hebrides. Consistent levels of rainfall and relatively mild, year-round temperatures provide just the right conditions for the lush growth of mosses, liverworts, lichens, fungi and ferns, including some of the world's rarest. It's the diversity of these species that makes Scotland's rainforest internationally important, yet very few people know that Scotland has a rainforest or that it's extremely rare and under threat.



These threats are large scale and wide ranging, and include: over grazing; high infestation of invasive, non-native species *Rhododendron ponticum*; and the historical planting of exotic conifer plantations. And to add to its woes, the rainforest is also under threat from ash dieback, nitrogen deposition and the impacts of climate change.

A voluntary partnership of like-minded organisations called 'Alliance for Scotland's Rainforest', set up by the Woodland Trust, launched the 'Saving Scotland's Rainforest' project in early 2020 and has already achieved some success in tackling some of the issues faced by the rainforest. Progress includes a £2.5 million EU LIFE funding bid for the large-scale eradication of



rhododendron and increasingly being recognised by policy makers – with Scotland’s rainforest being one of the key habitats featuring in a Plant Strategy concept which will feed into the next phase of the Scottish Biodiversity Strategy. It was also referenced in three party manifestos in the run up to the Scottish elections.

There’s no doubt that the scale of ecological restoration required to save Scotland’s rainforest is huge. It is a slow, complex and costly ambition, which will take decades to fulfil, but as we have shown in the last year or so, much can be achieved when organisations with similar objectives commit to working together.

Flood prevention pilot scheme on the Smithills Estate

The Smithills Estate near Greater Manchester is being used as a pilot study site to test pioneering solutions to combat flooding. The estate is ideal for this research as it rises 456 metres above the town of Bolton, where homes could become at risk during a large, rare flood event. The study is all about discovering the effectiveness of flood prevention measures upland and the best way to slow the flow of flood waters so that during a rain event, the watercourses in the River Irwell catchment do not become overwhelmed.

More than 40 flood prevention measures across the estate have been piloted, including leaky dams (living log jams) in strategic locations in the uplands; wetlands and scrapes (shallow excavations that hold floodwater within the landscape); dams made of peat or seedless rush bales from nearby farms; rewinding streams and natural basins. The results could influence flooding decisions UK wide.

The study is a partnership between the Woodland Trust, Mersey Forest and the Environment Agency, with Liverpool University involved in the research and data gathering, and it has come about as a result of a successful bid from Defra.



Observatree

Observatree is a multi-partner citizen-science project led by Forest Research, which delivers an effective early warning system on pests and diseases imported into the UK. Initially running from 2013 to September 2021, a new five-year contract has been signed by the Trust to ensure the right protection is in place to prevent the devastating consequences of invasive species and pathogens on our native woods and trees. Without any clear biosecurity policy at a UK level, Observatree is currently a key defence against the spread of invasive pests and diseases which not only have the potential to wipe out millions of trees and the ecosystems they support, but can also impact on human and animal health.

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

The Trust 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 33 forest nurseries with qualified UKISG-A status, together producing over 60 million plants. 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.



Our ambition to scale up the number of participating nurseries has been interrupted by two main external factors: the impact of COVID-19 throughout the period and the emergence of Plant Healthy – an industry-led, Government-backed plant health standard. We are currently exploring ways of ensuring UKISG-A remains attractive, and working with Plant Healthy to try and minimise administration and audit time for participating nurseries. Plant Healthy is a positive step forward in risk assessment and biosecurity, but still facilitates the import of plants under a risk assessment template and, therefore, falls short of Woodland Trust expectations.

Return of the reds

Trees for Life and Woodland Trust Scotland partnered up to return red squirrels to Woodland Trust Scotland's Ledmore & Migdale wood in Sutherland in the latest phase of Trees for Life's successful red squirrel reintroduction project across the Scottish Highlands. The woods are carefully chosen to ensure they provide habitats where red squirrels can thrive and spread, safe from threats posed by non-native grey squirrels which are not present in this part of Scotland.

During October and November 2019, 20 red squirrels from thriving populations in Inverness-shire and Moray were relocated to Ledmore & Migdale where the species is thought to have been absent for around 20 years. We don't know why they died out but it could be due to disease, a temporary lack of food or severe weather.

Because reds travel between trees and avoid crossing large open spaces, they can't return on their own to now-isolated woodlands. We need to help them by linking up woodlands wherever possible to allow for natural movement, or translocating them as we have done at Ledmore & Migdale.

It is difficult to say how many red squirrels there are in the wood now as it's such a large site, but we can definitely say that the animals are well established and increasing in number, indicating that the translocation has been a great success.



Use of plastic tree shelters on our estate

Plastic tree shelters have been an issue which has vexed us for many years and we've been keeping a watchful eye out for alternative solutions to tree protection. We already ensure that all existing shelters are removed from Woodland Trust land at the end of their useful life, and in 2019 we established what has become one of the largest and longest trials of plastic-free tree shelters in the UK, on one of our sites in the South West – Avoncliff Wood in Wiltshire. The early results from this, along with other work done throughout our estate to identify operationally effective and sustainable approaches to tree protection, enabled us to make the bold commitment to end the use of new plastic tree tubes on our estate by the end of 2021.

To achieve our ambitious targets, we will need to use a range of approaches, including a larger size of planting stock; increased stocking density; direct seeding; positive management for natural regeneration; enhanced wildlife control, including monitoring; increased use of fencing; and alternative biodegradable-type tree shelters. There is no 'one-size fits all' prescription.

There has been a lot of innovation in the design of non-plastic tree shelters over recent years, with designs ranging from plant-based biodegradable materials to cardboard-based products. Tree shelters need to be operationally effective for 5–7 years on average, so we must ensure that new designs meet this requirement as well as offering a truly sustainable alternative. In addition to the trials on our own estate, we are also forging relationships with leading research bodies to understand the sustainability impacts of different methods of protection. This has involved working with Plastic Waste Innovation Hub at University College London to undertake life-cycle analysis of tree protection methods in a ground-breaking study, as well as working with the Government's Forest Research arm of the Forestry Commission. We are also members of the Forestry Plastics Group which helps us to work with a range of organisations across conservation and commercial forestry sectors to identify robust and effective solutions to sustainable tree protection.

When we are certain of the methods of tree protection that are both truly sustainable and operationally effective, we will start to roll these out in our planting activities outside of our estate. By doing this we aim to have no plastic tree guards in use across any Woodland Trust activities by 2030.



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



WOODLAND
TRUST
Go wild
Plant trees

Our 2020/21 ambitions and results

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.

We achieved a prompted awareness score of 77%. Our brand awareness increased during the period due to our targeting of existing and potential supporters, members and volunteers with focused information at the end of 2019, in line with The Big Climate Fightback campaign, which generated significant media and social media coverage.

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

Over a challenging period, we reached 340,000 memberships, helping us to secure the future of woods and trees through appeals and donations, regular membership, merchandise and playing our lottery.

Generate £61 million in income so we can support trees and woods for the future. This was revised to £80.4 million following the decision to change the year-end closing date to 31 May 2021.

In total, through the generosity of supporters and partners, we raised £87.5 million in income for the 17 months to 31 May 2021. This is £6.9 million higher than predicted and continues to demonstrate the increased awareness of the importance of trees and the growing support for their wellbeing.

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

Influencing government policy

Mass lobby

Undeterred by the national lockdown, the Trust played a big part in the first ever online environmental mass lobby of Parliament, involving a plethora of environmental and wildlife organisations. The idea was simple: connect MPs with their constituents via Zoom to talk about environmental issues that matter to them. And do this all on the same day at the same time so that MPs would all hear the same message.

It turned out to be a full day of very engaging debates and discussions, including an MP debate compered by Trust President Clive Anderson, with David Oakes, one of our ambassadors, appearing as a special guest.

Around 200 MP meetings took place on the day and 740 people tuned in at peak times during the debate, with more via the Facebook stream. It proved to be a great way to raise environmental issues and demonstrate that tackling the climate and nature crises must be a priority for every MP.

England Trees Action Plan (formerly the England Tree Strategy)

In 2020, the Government published a consultation on its new England Tree Strategy – the first governmental plan for trees in England for almost a decade. It was a key opportunity for the Trust to deliver its aims for woods and trees and we ran a campaign encouraging supporters to respond. Several thousand did so, including more than a thousand personalised responses which we also sent to the Government in a printed book which was shared with members of the Environment Bill committee. We subsequently received feedback that this was an effective way to share the views of our supporters and influence the development of the strategy.



In May 2021, the Government went on to publish its strategy, renamed the England Trees Action Plan. It contained a number of welcome advances that the Trust has been calling for, including funding for better and more connected new trees and woodland creation; help to enable woods to naturally regenerate and expand; and agroforestry in support of farmers wishing to integrate trees into their farms. It also promises a refresh of the Government's policy on ancient woods and ancient and veteran trees, and clearer protection for long-established woodland.

Although the England Trees Action Plan contains many welcome and much-needed new commitments, it has no timescales and is not legally binding. The Trust and our supporters will, therefore, continue to press the case for it to be accompanied by ambitious plans for implementation.

The Environment Bill

The Woodland Trust has been a key part of long-running efforts to secure new environmental legislation in the form of the Environment Bill. This new legislation will influence how European laws for environmental protections are continued following Brexit, and how the Government achieves the ambitions for the environment in England as set out in its 25-year plan for nature. The Bill mainly covers England, but there are implications for all parts of the UK.

The Trust has worked within the Greener UK coalition alongside many other charities and environmental groups to ensure that advocacy on the Bill is joined up and Government gets a clear message on priorities from the environmental sector. The Bill contains a number of important clauses relating to trees and woods, such as the introduction of a duty to consult on the felling of street trees, in response to the large-scale felling of healthy street trees in Sheffield – a case in which the Trust played a key role in the fight to stop the felling.

In 2021, we campaigned to secure an amendment to the Bill to introduce a legally binding target for Government to address species loss, with a deadline of 2030. This target for collective action is similar to the way net zero provides a shared target for reducing carbon emissions. Following a petition demanding this amendment, aimed at the Government, in May 2021 the Environment Secretary, George Eustice, announced that a legally binding amendment would be added to the Bill.

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

Ancient woods and trees under threat

Every year the Woodland Trust responds to hundreds of cases of ancient woods and trees under threat. Despite improvements to the protection of ancient woods in national planning policy, the threats continue, and in 2020–21 we responded to 396 threat cases, submitting advice and recommendations and opposing damaging development.

Fighting individual cases of damaging development is hugely important, but the Trust also seeks to influence the plans for new road and rail projects to try and avoid the loss of any ancient woodland. Recent successes include plans for a proposed motorway service area within ancient Smithy Wood near

Sheffield being quashed in January 2020 after several years of campaigning; while in October, a preferred route was chosen for the A27 which didn't affect ancient woodland. And in 2021, we've already seen the cancelling of the M4/A48 link road in South Wales and the Hereford bypasses which would have destroyed ancient woodlands.

In all cases, the Trust submitted detailed responses to plans and raised concerns where ancient woods and ancient and veteran trees would be destroyed or damaged. Our job is to ensure that ancient woodland loss is avoided and that local communities don't lose these irreplaceable places.

In 2020, the Government published plans for a shake-up of the planning system in England which could threaten hard-won protection for ancient woods and trees. We asked our supporters to respond and raise the alarm and around 20,000 of them did so, firstly to the Government consultation and secondly via a postcard campaign aimed at the minister responsible for planning. We will continue to closely scrutinise the process.

HS2 legislation

HS2 remains the biggest single threat to ancient woods in the country and we are continually engaged in trying to minimise its impact through ministerial meetings, public campaigning, raising in Parliament, and meetings directly with HS2 Ltd.

2020/2021 saw the passing of the Phase 2a Bill covering the West Midlands–Crewe leg of the project and we developed an amendment to the Bill, tabled by our Chair, Baroness Young with cross-party support, requiring that reporting should take place on the impact of the project on ancient woodland. It has been agreed that reporting will take the form of a publicly accessible online platform, known as the 'ancient woodland reporting tool', which has been developed by HS2 Ltd, and is expected to be available by the end of 2021.



The Government accepted this amendment and our arguments – and brought forward its own amendment – agreeing that this should not just cover the future workings of the project, but also be retrospective, carried out annually, and report on work done to date. When the amendment was subsequently presented to the Commons, it was backed by all sides of the House.

At the time of writing, we are in discussions with ministers about the kind of impacts that the report should cover, including both direct and indirect impacts: how much ancient woodland it was said would be impacted and how much was actually impacted, the extent of the surveys carried out, and any breaches of ‘assurances’ – and ‘compensation’ measures developed. Overall, we are calling for them to be as rigorous as possible, with the reports laid before Parliament for real scrutiny and debate.

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

Urban trees

The Trust continually receives enquiries from the public about urban trees under threat and we provide assistance and advice where we can to ensure that healthy, mature, urban trees are protected. Notable cases in 2020–21 included the Queenswood Oaks in South West London where a subsidence claim threatens some mature oak trees; and some mature plane trees in the centre of Swansea which were saved from being felled through the Trust’s intervention.

During 2020/21 the Trust has been involved in the Sheffield Street Tree Strategy Partnership to develop a new city-wide plan for urban trees. The partnership, which also includes the council, highways contractors and local residents, works to secure a safe future for the city’s urban trees in the wake of large-scale and unlawful felling of more



than 5,000 trees, ending in 2019. The resultant strategy is an example of the kind of strategic plan for trees that every local authority should have.

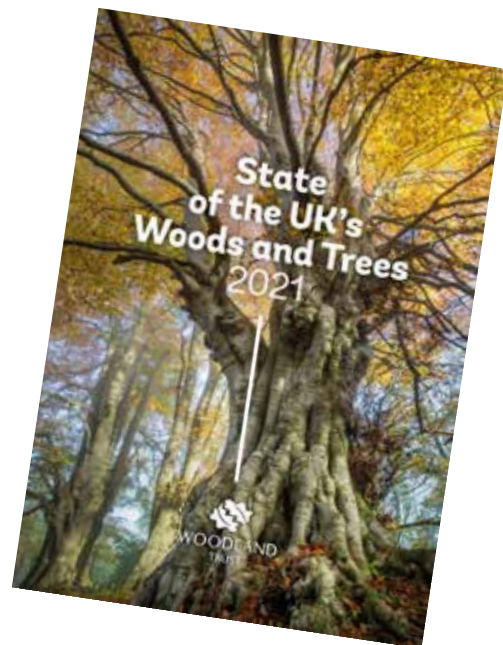
But we can't save every tree



The Happy Man Tree – a street tree in Hackney which was felled in 2020 to make way for development – had been voted England's Tree of the Year in our 2020 competition. The felling was carried out despite a campaign by local residents, supported by the Trust, which helped raise the profile of the tree and its plight.

State of the UK's Woods and Trees 2021 report

State of the UK's Woods and Trees 2021 is the first report of its kind to lay out the facts and trends on the current state of the UK's native woods and trees. A good understanding of their current state will enable us all to recognise their vital role in tackling climate change, improving our wellbeing, and recovering nature. This is the first report of its kind to bring all this information from disparate data sources into one place, as well as interpret what it means and what needs to be done.



The resulting document is a key piece of evidence for advocacy around critical issues such as protection, restoration and creation of trees and woodland; trends in woodland wildlife; public access and enjoyment of woodland; key ecosystem services; and the adequacy of public sector governance and monitoring of the state of our woods and trees.

The report will not only be used to inform our own conservation action, but also to fund science and evidence through our research programme to fill important gaps in our understanding, as well as continuing to deliver new data and trends over time. It has also enabled conversations with other organisations in the sector who will use it as the evidence base for developing or influencing plans, strategies and policies around tree and woodland conservation and management. For detailed information about the report, visit [woodlandtrust.org.uk/state-of-uk-woods-and-trees](https://www.woodlandtrust.org.uk/state-of-uk-woods-and-trees).

Emergency Tree Plan

To have a chance of hitting net zero carbon emissions by 2050, the Committee on Climate Change has stated that the UK needs 1.5 million hectares of additional woodland. It's a massive task, but it's also a huge opportunity to create a better UK for people and wildlife. And we've got a plan to make it happen. Launched in January 2020, our Emergency Tree Plan (ETP) will help drive governments across the UK to take urgent action to tackle the nature and climate crises with trees.

Our ETP sets out how the UK can tackle its biodiversity crisis and the global climate crisis, including expanding tree cover and protecting and restoring woodland on an unprecedented scale. Since the plan's launch, we have been working with local authorities to develop stronger policies and local emergency tree plans. Highlights of other actions we have taken and encouraged others to take are given below.

Scotland

The ETP target of 18,000 hectares of woodland creation per year was adopted to start from 2024/25.



Wales

In collaboration with the Welsh Government, we've supported the planting of a new National Forest for Wales, and in March 2020 we hosted the forest's launch at Brynau in Neath, our largest ever woodland creation site in Wales.

Northern Ireland

Our partnership with Loughs Agency has helped local landowners create amazing new wet woodland along the River Faughan; and a £4 million scheme was launched by Defra to encourage landowners to plant their own native woodlands.

England

The England Trees Action Plan – a new tree strategy for England that works for climate and nature – was launched by the Government and is driving a £640 million Government funding pot to expand tree cover across England; while a £3.8 million boost from Defra's Green Recovery Challenge Fund will help restore and protect some of the UK's most precious ancient woods and trees (see full story on page 40). To find out more, visit:

[woodlandtrust.org.uk/emergency](https://www.woodlandtrust.org.uk/emergency).



WTML

Impacts of the pandemic

The Big Climate Fightback

The Big Climate Fightback campaign was first established in 2019 with great success, and in 2020 it created the ideal platform to launch the Trust's new, bold ambition to plant 50 million trees over the next five years. Campaign activity included TV, radio and magazine advertising – with costs partly offset by a generous contribution of £115,000 from players of People's Postcode Lottery – use of social media; extensive press coverage, a mention on Sky News and an interview on Sky Radio; with celebrities and social influencers also playing their part.

However, activity for the 2020 campaign was very much influenced and limited by the COVID-19 pandemic, with the focus for 2020/21 based on a range of actions that people could do at home. These included planting a tree, applying for a free tree pack, joining our country-specific campaign to lobby MPs and politicians, or donating to our cause.

Overall, the 2020 campaign achieved £32,150 in donations, 8,663 planting actions (buying or planting a tree obtained via the Woodland Trust), a PR reach of 57 million impressions across 863 media and print articles, and an increase in brand awareness. Thank you to everyone who was involved.



WTML

Young People's Forest at Mead

Towards the end of 2019, we were delighted to have 740 young people take part in our planting events, with others from the local community and our corporate contacts who came and got stuck in too. The Big Climate Fightback event on 30 November 2019 was also very successful, with close to 1,000 people attending on that day.

How things had changed as the end of the 2019/20 planting season approached, with our final community planting events scheduled for March 2020 cancelled and contractors brought in to complete phase one of the planting.

From the summer onwards, plans for the 2020/2021 tree-planting season were developed to deliver planting days for schools, groups of young people, the local community and corporate partners, following Government guidelines regarding numbers and distancing. But in the end, changes in restrictions and uncertainty around when they would be lifted forced us to abandon our plan. As the planting is done under a grant, the trees still needed to go into the ground, so contractors were hired to plant 90,000 trees throughout the season.

Fortunately, the local community are still very keen to be involved and we regularly receive requests for schools and families to come and take part in planting when the season starts again.

Volunteering at Mead was also considerably curtailed during the pandemic. Though our young volunteers were able to get in some practical sessions in early 2020, these quickly moved to Zoom and were of a completely different nature to the activities they had signed up for. To their credit, they continued to attend the Zoom sessions, but it was a great relief when we were able to welcome them and their parents back to Mead on 24 April 2021 for walks and talks, with a resumption of practical work on 17 May.



Family activities during lockdown



As the pandemic gathered momentum we realised that families in particular were likely to need support to keep them occupied during this very difficult time. As we already had a wealth of fun and educational activities on tap, produced for Nature Detectives as part of our family membership offer, we felt this was an opportunity to support struggling families by sharing these activities with them.

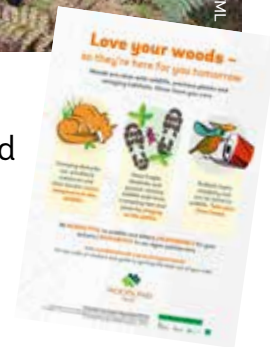
So, before we went into lockdown, we rapidly created blog content focused on activities around trees and wildlife. The first blog was published on 20 March 2020, and over the 14 months that followed, a total of 18 were produced, with the range of activities increasing as restrictions eased. During this period, we received more than 600,000 visits to our family blog content, generating 138% more traffic to this section of our website compared to the year before, which helped to raise our profile with the general public and kept families connected to nature.

The family activities were also used as the basis for our Joules Instagram stories which were picked up by the national press. Our three-year partnership with Joules regularly sees us featured in their communications, and allowing us to take over their Instagram account for two days – in May 2020 and again in July – was yet another way they helped us reach new supporters.

Our estate during the pandemic – the highs and lows

Our estate remained open to visitors throughout the pandemic, ensuring people – especially those local to our sites – had access to green space and nature, though for safety reasons we did temporarily close some of our car parks.

We saw an increase in numbers and range of visitors at many of our sites as people explored their local area and environment, often for the first time, and this was particularly true for our urban sites and those close to towns and villages. Feedback from many was how important it was to their wellbeing that they were able to connect with nature. The support of contractors and our volunteers was often key to being able to keep our sites open and safe and we owe them a big thank you for all the help and support they gave.



Unfortunately, with increased access we also faced a variety of issues at many of our sites, ranging from an escalation in the damage to paths, wildlife disturbance and fires, to petty vandalism, litter and fly tipping. Some were a genuine result of visitors not used to less formal, natural open spaces and not appreciating the value and sensitivity of wildlife, especially in our ancient woodlands.

Once our volunteers were able to resume their duties, we entered a phase of recovery and catch up, with works aimed at nature recovery, restoration (required due to the higher visitor access), and resumption of important works.

We would like to thank Sainsbury's and players of People's Postcode Lottery for supporting our activities on the estate.

In order to adapt to the circumstances created by the pandemic, we changed how we engaged with our citizen scientists during the spring 2020 lockdown, giving them a series of desk-based data review tasks to improve the quality and accuracy of the data we gather for the Ancient Tree Inventory (ATI).

Despite the pandemic, we ended up with 40% more trees verified, 35% more trees recorded by citizen scientists and over 30% more ATI website accounts

created than in 2019! Without the pandemic, we may have never tried out these new ways of engaging our verifiers.

Overall, this period provided an important opportunity for us to carry out data analysis for the ATI, complete an important research project that may help steer future recording, and achieve a successful Green Recovery Fund bid (see page 40), which will help us to develop some essential tools for ATI training.

Ambassadors – a huge support as always

Our ambassadors act as high-level volunteers who work in partnership with Woodland Trust staff to promote the organisation’s work and aims. They foster support for our cause, particularly among people of wealth, influence and authority.

During the pandemic, our ambassadors worked tirelessly across a wide range of activities, from featuring in or facilitating podcasts, taking part in virtual events and giving us access to their Instagram followers, to sharing the *State of the UK’s Woods and Trees 2021* report and promoting The Big Climate Fightback campaign.

A highlight of that campaign was a short video montage produced entirely from individual video clips featuring 15 ambassadors and celebrities. Each delivered lines from a script urging people to support The Big Climate Fightback by planting trees – our most powerful weapon against climate change. This was the most culturally diverse and inclusive item we have produced to date, with people of different ages, ethnicities, backgrounds and beliefs, all working for our cause.

As they are volunteers, our ambassadors receive no reimbursement for their time, which equates to a substantial gift in kind. Never has their support been more needed, more valued and more gratefully received.



Membership recruitment during the pandemic

The Trust's membership recruitment is largely achieved through two key channels: face-to-face recruitment at public events and on our estate; and by direct recruitment, whether in response to a TV advert, or via a membership ask sent through the post or supplied in a newspaper or magazine. Both channels were impacted in different ways by the pandemic.

Direct membership recruitment:

With advice from our media agency and our own thoughts and feelings about the impact of the pandemic, we focused our messaging on the enjoyment and wellbeing that people could find in nature to get them through the crisis. This approach led to the (delayed) spring campaign being an unprecedented success – with membership recruitment 60% higher than we anticipated. Our autumn campaign was equally well received.



Face-to-face membership recruitment:

In the period January 2020 to May 2021, we ramped up our wood visits fivefold to 1,362 to compensate for the thousands of event days that had to be cancelled. Talking to the public gave our recruiters first-hand insight on the importance people placed on visiting our woods – a connection that made these visitors more receptive to membership of the Trust.



The result:

In 2020 we gained almost **25,000** new memberships, bringing the total by May 31 2021 to **340,000**.

This is an excellent result considering all the difficulties that had to be overcome due to the pandemic.

Volunteering

At the start of 2020, we had approximately 3,000 volunteers performing 3,600 volunteer roles for the Trust. Then the pandemic hit, and in accordance with Government guidelines, volunteering outside the home was put on hold during the different lockdowns. We realised it was incredibly important to keep engaging with our volunteers during this time, so the volunteer team worked out a strategy on how to do this effectively.

Online learning modules and Zoom meetings quickly replaced our face-to-face training and events programmes, while Zoom social get-togethers were organised to maintain team spirit and cohesion. Volunteers were also encouraged to log onto Whittle (their own intranet site) for updates around COVID-19 and to read all the good news stories posted by the regional volunteer teams.

We also continued with the usual engagement touchpoints during the period, such as volunteers' week and the end-of-year thank you, including a message from our CEO Darren Moorcroft; and emails were regularly sent out to update volunteers on the changing restrictions.

Our volunteering team also responded quickly to the needs of our estate team by creating the new role of relief warden which, in a matter of weeks, rolled out across the UK to support those sites with increased demands and footfall.

During the 17-month period to 31 May 2021, volunteers contributed 148,003 hours with an ascribed value of £1.1 million (2019: 318,407 hours, value £2.7 million), which is not reflected in the financial statements.

By the end of May 2021, all volunteers had taken up their roles again, with added measures around social distancing and keeping safe.

We are hugely thankful for the time, knowledge, energy and support our volunteers give to the Woodland Trust. They really do make a difference, and without them we could not achieve what we do.





Loch Arkaig ospreys – connecting people with nature

During lockdown in 2020, a live nest camera, financially supported by players of People's Postcode Lottery, streamed footage of breeding ospreys from Loch Arkaig Pine Forest in Lochaber. They were an online sensation and helped to satisfy those craving contact with nature during the pandemic. When we were all stuck indoors, the camera provided a much-needed wild slice of forest life for viewers around the globe.

“This has kept us sane during our lockdown in Dubai and reminded us that there is a world outside of our apartment.... What a wonderful webcam and looking forward to visiting this beautiful area in the future when life gets back to normal. Woodland Trust keep up the great work.”

“Thank you all so very much for giving me such an interesting, delightful and unexpected insight into the domestic life of these magnificent birds...Self-isolating has been made so much more bearable.”

Virtual events

Because of the positive feedback received about the 'osprey-cam' and the restrictions on hosting outdoor events, we decided to bring more wildlife and woodland to our supporters via a series of virtual events, using rapidly adopted webinar technology.

Thirty-eight events in all were held on a variety of subjects, with more than 2,500 attendees, and 100% of respondents to the feedback surveys rated their experience as either **excellent** or **good**.

“It gave huge pleasure to my 87 year-old mother, and that’s so valuable in these difficult times for her.”

“It was just so good to be part of the ‘walk,’ and to see and learn so much.”

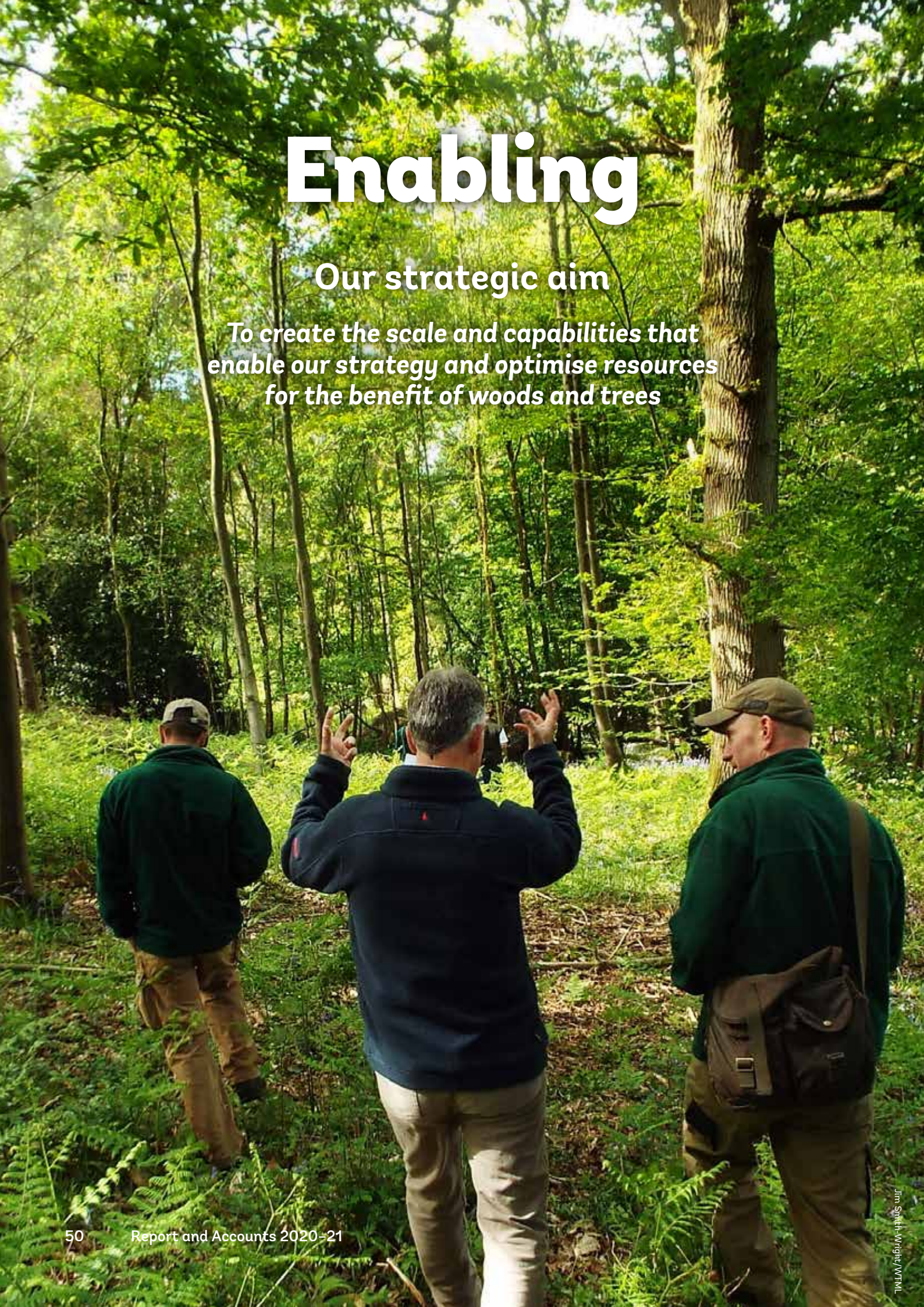
Thanks to the popularity of the Arkaig osprey pair, more than 500 Woodland Trust supporters attended six osprey-themed webinars which not only engaged more supporters in our work, but also generated over £95,000 in donations for our essential ancient woodland restoration work at Loch Arkaig Pine Forest.



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 542 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, which are reviewed every three years.

The Staff Representation Group (SRG) 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.



How the Trust was run during lockdown

On 19 March 2020, a trial for 300 of our office-based staff was carried out to help us understand the issues involved if the Trust was forced to close its offices due to COVID-19. Because of fast-paced developments, the reality was that no one, apart from a skeleton crew to deal with post, returned to their office base after that trial and instead had to work at home across the UK, using their own equipment.

From 6 April 2020, as activity slowed, about one third of our staff were furloughed. We had to adopt new communication methods for those on furlough as well as for staff still working. The regular update from our CEO, who was only five months into his role when COVID-19 hit, became a reassuring addition to our internal communications. The Trust continued to pay 100% of salary for all furloughed staff through the furlough period.

Our head office was then made COVID-secure for those who could not do their job at home.

The SRG helped to manage concerns and questions from colleagues and held more frequent meetings to ensure support. Those colleagues continuing to work were offered an additional holiday, and the annual pay review was deferred as the impact of COVID-19 was monitored.



A managers' toolkit was developed to help them support their teams remotely, and a wellbeing and benefits portal was created to provide advice for staff on how to look after their physical and mental health.

The agility of staff to learn new ways of working while ensuring that key processes were maintained – with the appropriate internal controls – carried on with relatively little drama. We will continue to encourage flexible working regarding location and working hours as the restrictions are lifted.

Our commitment to diversity and inclusion

At the Woodland Trust, we believe everyone deserves to have their lives enriched by trees and woods. As evidence shows, greater diversity and inclusion within our own workforce will make us stronger now and into the future.

In January 2021, we recruited a head of diversity and inclusion, reporting directly to our CEO, to build on our existing commitment and to drive the long-term systemic change we need from the top. This is in addition to a diversity and inclusion champion on our board of trustees.

We have since identified some of the key priorities for action and begun work on these.

As the environment sector is the second least ethnically diverse in the UK, one priority is to join forces with others to create a roadmap for change on ethnic diversity. This is in progress and due to launch in early 2022. We have made public commitments through the Diverse Sustainability initiative and



on our own website (under 'How we are run'). This includes a promise to tackle potential sources of bias in our processes. An example is being part of the '#ShowtheSalary' campaign – always displaying salaries on the roles we advertise – as lack of salary transparency fuels gender, ethnic and other pay gaps. Another is our trial of anonymised applications in our research grants call, which we will extend to our employee recruitment during 2022.

The Trust has robust internal policies on diversity and inclusion, safeguarding, health and safety and our recently refreshed whistle-blowing policy. We are building on these to ensure we are a safe and welcoming space for all our staff, irrespective of background, and are doing this through regular communications, support and training for our workforce. This includes support from our new membership organisation – Inclusive Employers – which we joined in July 2021. More details can be found at woodlandtrust.org.uk/about-us/diversity-and-inclusion.

Information technology

Security is important to us, and we have worked hard to ensure our supporters' data is safe.

In December 2020, the Woodland Trust was the target of a sophisticated cyber attack which impacted many of our systems and our ability to operate many of our services. We immediately hired a team of forensic IT experts to undertake an investigation and notified the relevant authorities, including the Information Commissioner's Office (ICO), the Charity Commission and the police in line with our GDPR obligations. We also alerted our supporters, suppliers and partners about the incident as it impacted on our ability to communicate with them and, for a short period, make and reconcile payments.

We have been working hard, alongside a number of third-party experts, including forensic IT specialists, to restore our systems and in doing so, use the incident to 'build back better'. We take our cyber security and privacy obligations extremely seriously and are sorry for any concern and inconvenience this cyber attack may have caused. We are grateful for the patience and understanding of all our supporters and partners throughout this period.

During 2021, we are continuing our 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.

2021/22 ambitions

The next decade is pivotal in reversing the damage that climate change and nature loss is having globally. We are reviewing our strategy in 2021 to ensure we are playing our part and enabling others to do so as well. Our strategy for 2030 will describe our vision of the future, our role as the UK's leading organisation for native woods and trees, and our goals which will inform our priorities for the coming years.

We still believe that creation, protection and restoration will be crucial over the next decade as we stand up for native woods and trees. We also want to explicitly acknowledge the role people play, both as supporters and beneficiaries of our work.

Our strategy goals:



PROTECT

all ancient woods and ancient trees to stop the loss of irreplaceable habitat and carbon stores, and to preserve our natural heritage.



RESTORE

the ecological condition of existing native woods and trees, to increase resilience and create the conditions for nature and people to thrive.



CREATE

quality native woods and trees to benefit nature, climate and people into the future.



INSPIRE

people and organisations to participate in and act for our cause and inspire new and existing supporters to take further action with the Trust through deepening our relationship with them.



ENABLE

everyone to make their contribution to our cause through the provision of tools, evidence, and opportunities to protect, restore, create, donate, purchase, campaign and volunteer.

Underpinning our strategy will be building the culture, operating model, digital technologies, and the capability and capacity of our people, to deliver the greatest impact for our cause as our scale and ambition grow.

We will be launching the refreshed strategy in the first quarter of 2022.

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 to 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 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 General Data Protection Regulations (GDPR) which came into force in 2018. We also fully comply with all current regulations and guidelines, underpinned by the promise we make to our supporters, as outlined on the following page.

Our supporter promise



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.



We will protect your data. We take our obligations to look after your data very seriously and we will never sell your data to third-party organisations. We will contact you via methods you have given permission for us to use and if you wish to change the way we contact you or opt out of future communications, you can either contact our **support service response team** at any time or go to the permissions portal at: woodlandtrust.yourpreferencecentre.com.



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 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. 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.



We keep in touch. We will always provide easy ways for you to contact us, and our **support service response team** is on hand to help and answer any queries you may have. If you are unhappy with anything we've done, you can contact us 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 your complaint, we accept the authority of the Fundraising Regulator and the Charity Commission to make a final adjudication.



Supporter feedback. Feedback has always been a very important way of understanding how our activities are perceived by supporters, employees and the wider public. Due to the cyber attack in December 2020 impacting our systems, we have faced challenges in providing feedback data in the way we have reported in the past, but we continue to act in an ethical way and meet our supporter promise.

Financial review

Financial summary

During 2020, the trustees agreed to change the year-end financial reporting date from December to May. This decision was made in order to align our financial data with the seasonal tree-planting calendar which runs from November to April. Due to the change in date, this annual Report and Accounts covers the 17-month period from 1 January 2020 to 31 May 2021.

When we became aware that the UK could be facing a national lockdown due to the COVID-19 pandemic, we immediately started to evaluate the impact it would have on our activity and possible fundraising restrictions. We rallied together to work through different scenarios of how long we could be in lockdown and the possibilities of a downturn in income as a result. Some of our planned activity and expenditure was naturally impacted by the lack of face-to-face opportunities, but we also made some strategic decisions on what we could achieve while the UK was in lockdown, postponing activity where unavoidable.

However, as people took the opportunity to explore their natural spaces more, we saw a growing awareness across the whole of the UK of climate change and nature loss. Rather than see our income shrink, the generosity of our funders and supporters old and new held fast, leaving us in a financially strong position to stand up for native woods and trees for the future.

We generated a combined income of £87.5 million from our generous supporters, and expenditure was £70.1 million of which £57.3 million was on our charitable activity. We also spent £6.0 million acquiring woods and land for woodland creation projects, buffering ancient woodland, and enhancing the experience of those visiting our estate.

Total funds increased by 13% at the end of the period due to the exceptional generosity of supporters to fund long-term projects, which has resulted in total funds of £173.8 million, of which £135.4 million is restricted to specific projects. At £19.9 million, our free reserves remain within the range prescribed by the trustees and represent just over four months' worth of budgeted expenditure.

Income

The biggest source of income came from donations, which includes income from individual supporters, companies and charitable trusts. Charitable activities include grants and income we generate through woodland management.

| Income | 2020/21 17 months* (£m) | 2020/21 % of income | 2019 12 months (£m) | 2019 % of income |
|---------------------------------------------------------|-------------------------------|------------------------|---------------------------|---------------------|
| Donations | 23.5 | 27 | 15.7 | 28 |
| Legacies | 21.8 | 25 | 14.3 | 25 |
| Memberships | 16.6 | 19 | 10.3 | 18 |
| Charitable activities | 13.0 | 15 | 8.3 | 15 |
| Trading | 11.3 | 13 | 6.5 | 12 |
| Income from investments and other income | 1.3 | 1 | 1.0 | 2 |
| Total income | 87.5 | 100 | 56.1 | 100 |

The COVID-19 pandemic restrictions resulted in all face-to-face membership recruitment ceasing during 2020/21 for eight months. Despite that, we still had new members join our cause through other 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, for activities 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 well-governed.

*The accounting reference date has been changed from 31 December to 31 May, principally so the financial year aligns with the forestry planting season. As a result, the 2020/21 accounts presented relate to a 17-month period, whereas the prior year comparative is a 12-month period.

2020 also saw an enhanced reality for many more people of the effects of climate change and the role which woods and trees can play in mitigating that change. Donations towards fundraising opportunities and appeals came in all shapes and sizes. Our Pepper Wood appeal launched during 2020 raised over £0.4 million towards the £1.5 million target needed to secure the 48.6-hectare extension in Worcestershire, and we received one individual donation of over £1.8 million for our extensive acquisition programme. We hope to complete several purchases in late 2021.

A quarter of all our funding comes from gifts kindly left in wills, and we are very grateful for each and every one. Nearly one in four of all the millions of trees we plant and a third of all the woods in our care and the wildlife habitats we create are directly funded by gifts in wills.

Income from charitable activities was £13.0 million – 15% of total income. This income is generated by the sale of timber, some of which follows the devastating clearfelling of diseased trees. 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 £4.0 million (2019: £2.6 million) in Gift Aid in this 17-month period, increasing the amount of work we were able to undertake.

Our corporate partners and charitable trusts continued their valued support by contributing £12.3 million of income. Corporate partners include Sainsbury's, Lloyds Banking Group, Nationwide Building Society, Premier Paper, The Body Shop and many more. A full list can be found in the annual review on our website [woodlandtrust.org.uk/about-us/annual-review](https://www.woodlandtrust.org.uk/about-us/annual-review).

Without the support of all these contributors, we would not be able to provide the 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 2020/21, 83p 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 2019 it was 82p 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 | 2020/21 17-month running costs* (£m) | 2020/21 17-month woods and land* (£m) | 2020/21 17-month total* (£m) | 2019 12-month total (£m) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|------------------------------------------------|------------------------------------|--------------------------------|
| Creating new woodland 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. | 27.8 | 2.8 | 30.6 | 24.1 |
| Restoration of native and ancient woodland Site clearance for natural regeneration, timber extraction, access for visitors, and maintenance is included in these costs. | 15.8 | 1.5 | 17.3 | 12.1 |
| Protecting ancient trees and woods Includes the removal of invasive plant species, tree safety and ecological surveys and assessments. | 13.7 | 1.7 | 15.4 | 11.0 |
| Generating funds | 12.8 | — | 12.8 | 10.4 |
| Total costs | 70.1 | 6.0 | 76.1 | 57.6 |

*The accounting reference date has been changed from 31 December to 31 May, principally so the financial year aligns with the forestry planting season. As a result, the 2020/21 accounts presented relate to a 17-month period, whereas the prior year comparative is a 12-month period.

| Expenditure (%) | 2020/21 17-month total* (£m) | 2020/21 % of expenditure | 2019 12-month total (£m) | 2019 % of income |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|-----------------------------------------|-----------------------------------------|-----------------------------|
| Creating new woodland 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. | 30.6 | 40.2 | 24.1 | 41.8 |
| Restoration of native and ancient woodland Site clearance for natural regeneration, timber extraction, and access for visitors and maintenance is included in these costs. | 17.3 | 22.7 | 12.1 | 21.0 |
| Protecting ancient trees and woods Includes the removal of invasive plant species, tree safety and ecological surveys and assessments. | 15.4 | 20.3 | 11.0 | 19.1 |
| Generating funds | 12.8 | 16.8 | 10.4 | 18.1 |
| Total costs | 76.1 | 100.0 | 57.6 | 100.0 |

*The accounting reference date has been changed from 31 December to 31 May, principally so the financial year aligns with the forestry planting season. As a result, the 2020/21 accounts presented relate to a 17-month period, whereas the prior year comparative is a 12-month period.

Spending on our charitable objectives

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. In June 2020, we purchased Ausewell Wood from Esmée Fairbairn Foundation for £1.0 million, which allowed us a two-year window to raise funds for the acquisition.
- 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.

Spending to generate funds

A total of £12.8 million was spent during 2020/21 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 £1.00 spent on fundraising, we raised £4.80 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 period before acquisitions of woods and land of £17.3 million (2019: £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.

| Reserves | as at 31 May 2021* | as at 31 December 2019 |
|-------------------------|--------------------|------------------------|
| Total reserves | £173.8 million | £153.3 million |
| General funds | | |
| Designated funds | £13.0 million | £10.0 million |
| Free reserves | £19.9 million | £15.0 million |
| Total | £32.9 million | £25.0 million |
| Restricted funds | £27.1 million | £21.0 million |
| Assets | | |
| Fixed assets | £5.5 million | £5.8 million |
| Woods and land | £97.5 million | £91.9 million |
| Total | £103 million | £97.7 million |
| Endowments | £10.8 million | £9.6 million |
| Total reserves | £173.8 million | £153.3 million |

*The accounting reference date has been changed from 31 December to 31 May, principally so the financial year aligns with the forestry planting season. As a result, the 2020/21 accounts presented relate to a 17-month period, whereas the prior year comparative is a 12-month period.

Overall, fund balances increased by £20.5 million to £173.8 million, with £97.5 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 woodland creation through our partnership with Lloyds Banking Group. We received a total income of £3.0 million during the period for acquisitions planned during 2021/22. The players of the People's Postcode Lottery raised £4.5 million during the period, of which £1.9 million will be spent during 2021/22 to support the delivery of creation and restoration works on our estate and in partnership with other landowners within our priority treescape areas, focused on Dyfi to Dwyryd in Wales, Saving Scotland's Rainforest, Devon, and Sherwood.

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. The trustees have agreed to designate £5.0 million of unrestricted funds from this period's £17.4 million surplus to support a bold new 10-year strategy which will ensure the future of UK woods and trees is brighter than ever. 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 £3.0 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 during 2022.

Although funds rose during 2020/21, we have set ourselves investment budgets for the next three years which will call on our core reserves and reduce the designated fund significantly. Our investment will include:

- protecting all ancient woods and ancient trees to stop the loss of irreplaceable habitat and carbon stores, and to preserve natural heritage.
- restoring the ecological condition of existing woods and trees, to increase resilience and create the conditions for nature and people to thrive.
- creating quality native woods and trees to benefit nature, climate and people in the future.
- inspiring people and organisations to participate and act for the cause, and enabling everyone to make their contribution to our cause.

To achieve our ambition, we will need to transform into a high-performing organisation that is greater than the sum of its parts and deliver the greatest impact for our causes as our scale and ambition grows.

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 2020 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 £13.1 million and £52.5 million. These represent three months and twelve months of annual budgeted expenditure, respectively. At £19.8 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 £46.2 million of which £13.9 million is held in short-term deposit funds; and £32.3 million as long-term funds, which are held with two professional investment managers. Short-term 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

or A- by Moody's, Standard & Poor's or Fitch. Where unrated, they are agreed by the trustees. At the end of May 2021, the only unrated counterparty was Sainsbury's Bank which held 29% of our short-term funds.

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 13.5% against benchmarks 'CPI plus 3.5%' of 5.0% and the ARC steady growth index of 8.8%.

Despite a drop in unrealised market value of £4.0 million in early 2020, directly linked to the impact on stocks following the outbreak of the coronavirus, we made net gains on our investment portfolio of £3.3 million during the 17-month period (2019: net gains £4.2 million). The Trust's 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 is committed to sustainable management of our activities where we actively seek to reduce the environmental impacts of our operations. We have continued the roll out of our environmental management system to help us do this and are delighted to have retained Green Dragon accreditation to Level 3 certification. 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.

The unusual circumstances that we faced during this period mean that direct comparisons of our environmental impacts year on year are not possible. For example, our vehicle usage was significantly reduced due to lockdown restrictions, and the move to home working meant that we have consumed less electricity and water in our offices. The effects of long-term changes to working patterns will take some time to show in our performance figures.

At the start of 2021, we recruited a head of sustainability which is a new role to the Trust – demonstrating our continued commitment to understanding, measuring, monitoring and controlling our environmental impact.

In line with government guidance, the following environmental report has been prepared for the 12-month period 1 June 2020 to 31 May 2021. This will correspond with our financial year going forward and allow for easier comparison of the financial performance with other aspects of our performance.

Carbon emissions

We estimate that our estate currently locks up 9.5 million tonnes of carbon. 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.

Vehicle use

We operate sites across the four nations of the UK, often in remote locations. The restrictions on travelling in 2020–21 have meant that we have seen a

significant reduction in the distance travelled and the associated carbon emissions, although we have still needed a physical presence on our estate. Our total vehicle emissions in 2020–21 were 104 tonnes CO₂e, which is approximately a fifth of our average annual emissions. We undertake an annual review of our fleet vehicles to ensure that we are selecting vehicles with low emissions and good fuel economy. In 2021 we introduced electric vehicles to our fleet on a trial basis with a view to rolling these out as widely as possible among our fleet users.

Energy

The unusual operating circumstances during 2020–21 had an impact on our energy consumption. We continue to specify and purchase electricity from renewable sources and we saw a reduction in our electricity from 104 tonnes CO₂e in 2019 to 73.5 tonnes CO₂e – largely due to the reduction in office occupation and move to home working. The true figure for our energy consumption is likely to be higher, but we don’t currently have a reliable mechanism to appropriately and accurately apportion the electricity consumed by home workers during working hours. We continued to implement the findings from our Energy Savings Opportunity Scheme assessment, notably those focused upon efficiency savings in our central IT provision.

Although we saw a reduction in electricity consumption, we actually saw an increase in gas consumption from 15.3 tonnes CO₂e last year to 24.1 tonnes CO₂e in the 12 months from 1 June 2020 to 31 May 2021. This is due to the need to keep external doors and windows open in the office to provide a COVID-safe work environment, and the associated increase in heating requirements. Our total emissions associated with energy consumption between June 2020 and May 2021 was 97.6 tonnes CO₂e.

| Emissions source | June 2020–May 2021 tonnes CO ₂ e | 2019 tonnes CO ₂ e |
|-----------------------------------------------------|------------------------------------------------|----------------------------------|
| Vehicle use | 104.3 | 571 |
| Gas | 24.1 | 15 |
| Electricity | 73.5 | 104 |
| Total | 201.9 | 690 |
| FTE | 493 | 491 |
| Intensity ratio tonnes CO ₂ e per FTE | 0.41 | 1.41 |

Carbon intensity ratio

The intensity ratio of tonnes CO₂e from vehicle use and energy per staff full-time equivalent (FTE) was 0.41 tonnes CO₂e per FTE, representing a one tonne CO₂e/FTE reduction on the previous year – see table above.

Our carbon emissions were calculated in accordance with the GHG (Greenhouse Gas) Protocol and in alignment with the Streamlined Energy and Carbon Reporting Guidance 2019, utilising the UK Government Conversion factors 2020.

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. In 2020–21 we achieved a 100% diversion from landfill rate from our office locations. We are working on improving the data collection on waste generation resulting from activities outside of the office environment, with a view to reporting on these in future years.

Water

Water consumption reduced significantly in 2020–21 – again, largely due to the reduction in office occupation and move to home working. Over the 12-month period June 2020–May 2021, we consumed 1,402 m³ down from 4,947 m³ in 2019. We will continue to explore mechanisms to reduce our level of water usage at HQ, regional offices and on our estate, including looking at opportunities to improve data quality via remote data loggers in difficult-to-reach locations.

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, especially glyphosate, as part of our creation and restoration management.

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 (typically 0–5 years), we often use industry-standard plastic tree shelters. However, we have announced our commitment to stop using new

single-use, virgin-plastic tree shelters across our UK-wide estate from 2021. We are also committed to removing all existing shelters from Woodland Trust land at the end of their useful life, and our aim is to have no plastic tree guards in use across any Woodland Trust activity by 2030. This will be challenging, and we know that there is no 'one size fits all' solution to sustainable tree protection – with effective solutions varying according to herbivore browsing pressure and prevailing weather conditions. In 2020, we continued to increase the scale and number of trials of sustainable methods of tree protection across the UK, including at Avoncliff Wood where we have one of the most comprehensive trials in the UK of plastic-free tree tubes and shelters. For more detail on our move away from plastic tree shelters, see the article on page 31.

Peat is important for carbon storage and biodiversity and remains a common growing medium among commercial nurseries. For the 2021–22 season, the Trust purchased 5.6 million trees on contract, 98% of which were grown peat-free (2019: 43%). Of the remaining 2%, 24,130 were grown in growing media with less than 50% peat and 83,235 in growing media with more than 50% peat. We are committed to peat removal from our core contracts as well as promoting peat-reduction strategies to those nurseries we work with outside contract as part of the UK and Ireland Sourced-and-Grown Assurance (UKISG-A) standard we operate and promote.

Pesticides

Across our estate, the Trust uses very little pesticide, having adopted a best practice plus approach to usage – going beyond what is recognised as best practice for the sector. This involves undertaking a full environmental and social risk assessment prior to usage and identifying appropriate methods of non-chemical vegetation control where possible. When pesticides are used, it is undertaken in a very targeted and limited manner 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. We implement additional measures to those that are considered best practice for the sector, such as adopting larger buffer zones between a spray area and public rights of way, and closure of areas to the public during any spraying operations.

By continuing to use these methods, our annual usage has remained low, with annual fluctuations depending on the condition of new land we acquire or where control is required due to external factors (e.g. ingress into our sites). In 2020 we used just over 570 litres of pesticide, and although this represents a

slight increase (1%) on the previous year's usage, it is important to recognise that this is one of our lowest levels of usage throughout the last decade and approximately 75% lower than annual levels of pesticide we used at the start of the decade. Overall, the usage of pesticide last year was 39% higher in our woodland creation activities and 24% lower in our mature woodland management.

Future plans

Our newly appointed head of sustainability will develop a coherent and comprehensive framework that ensures we can identify and reduce our material sustainability impacts across the full environmental and social spectrum, embedding sustainability in everything that we do, and continually and transparently reporting upon our progress.

We will continue to drive improvements in how we deliver the positive environmental impacts we achieve through our work. We will continually improve the management of the environmental impacts of our activities, and we aim to progress to Level 4 of the Green Dragon Environmental Management System Standard. This involves taking a systematic approach to environmental protection and 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.

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 this can be accessed via our website:

woodlandtrust.org.uk/about-us/how-we-are-run.

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. During 2020, two new trading subsidiaries were incorporated – Woodland Trust Resilient Habitats Lottery Limited (company no. 12519624) and Woodland Trust Climate Action Lottery Limited (company no. 12519635). Before trading commenced, both companies were voluntarily struck off following a change in the Gambling Commission's licence thresholds, which meant that the subsidiaries were no longer required by the Trust.

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 121.

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 127.

Haysmacintyre LLP has been reappointed as auditors through a resolution at the November 2021 board meeting.

Health and safety

The Board holds the health, safety and wellbeing of staff, volunteers, contractors, and visitors as a key priority. Our organisational management objectives strive to maintain the best possible standards of health and safety.

We try to avoid restricting visitor access to our woods as this 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 Group (VSG), the Forest Industry Safety Accord (FISA) and the Conservation Safety Network. The VSG writes the Health and Safety Executive Approved Code of Practice for managing visitor safety, and since December 2017, the Woodland Trust's head of health and safety has sat on its management board.

Following the guidance set by these groups, the Woodland Trust aims to manage its sites with targeted safety interventions (such as signage) only where our risk assessment tells us it's necessary.

Since 2019, the Woodland Trust has been actively engaged in managing the risks posed to its estate and the wider environment by wildfires. The risk of wildfire is increasing steadily in the UK, especially as the interface between urban habitation and wild spaces expands. The Trust has created its own team of specially trained and equipped staff to work with fire and rescue services in the combat of wildfires as they arise. During 2020 and 2021, the Trust also took extensive steps within our management systems and guidance to ensure wildfire resilience across our estate and activities.

Another risk we have to consider is that of ash dieback on the estate. Finding the balance between retaining diseased ash trees for as long as possible (which is our aim) and health and safety considerations is reflected in our ash dieback assessment process. We zone the woods in terms of the level of potential risk to the visiting public and to people and property on adjacent land, and within high and medium risk zones, assess the frequency of ash and the stage of infection.

We then plan various scenarios to deal with the risk posed to the public and property, and where public safety issues dictate, felling of those affected trees is carried out.

As with the rest of the world, 2020 was an incredibly challenging year for the Woodland Trust as the risk of the pandemic emerged. We had to quickly adapt

every aspect of our business to continue our charitable aims and work while keeping our staff, volunteers and contractors safe. By working with our peers and partners, we used risk assessments to design safe ways of working that enabled us to keep going. At the time of writing, the Trust is now emerging from restrictions having managed the risk of the virus throughout. We will continue to monitor the threats we face and ensure we meet them with robust controls.

Our 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 head of health and safety.

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.



(From left to right: Back row – Paul Nevett, Darren Moorcroft (the Trust’s CEO), James Ogilvie, Andy Bryant, Mark Preston, Richard Sykes. Front row – Fay Cooke, Sarah Mukherjee MBE, Barbara Young, Julia Smithies, Steve Horley, Chris Zissis, Sally Benthall)

The trustees are:

Barbara, Baroness Young of Old Scone

(key skills: people and organisational design, policy and advocacy)

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 and 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.

Sally Benthall

(key skills: conservation and ecology)

Sally has worked for over 30 years in environmental conservation, first for WWF-UK and then for the Galapagos Conservation Trust, which she helped to establish. She is a founding trustee of LandWorks, an independent charity which provides a supported route back into employment and the community for those in prison or at risk of going to prison. She also manages a farm in Devon, with a focus on regenerative agriculture.

Andrew Bryant

(appointed 18 September 2020) (key skills: marketing, media and communications)

Andy is managing director of Red Bee, a London-based, globally acclaimed creative agency specialising in communications, advertising and design. Andy has over 30 years of experience in advertising, marketing, broadcasting and strategic consultancy, both in the UK and Australia. He is an honorary professor in film and media at the University of Nottingham as well as an independent member of council at the University of Sussex.

Fay Cooke

(key skills: business 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.

William Hobhouse

(retired 13 September 2021) (key skills: business and finance)

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. He was a former trustee of the Woodland Trust from 2009 to 2013, and reappointed in 2019.

Stephen Horley

(appointed 18 September 2020) (key skills: business and finance, IT and digital)

Steve has worked in technology for 20 years, growing a number of 'Telecoms and the Internet of Things' businesses from start-ups into well-known brands. He is now an active investor in the renewable energy sector: as an adviser to Japan-based TEPCO Ventures and Energy & Environment Investments Inc; as a non-executive director on the UK board of HomeServe PLC; and as an investor in electric vehicle charge-point maker, EO and charging and battery-software pioneer, Moixa. Brought up in the Surrey Hills, Steve has a life-long love of trees and woodland.

Sarah Mukherjee MBE

(key skills: marketing, media and communications, policy and advocacy, stakeholder engagement)

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

(key skills: business and finance, marketing, media and communications)

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

(key skills: policy and advocacy, landowners and forestry, conservation and ecology)

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

(key skills: business and finance, governance, regulatory risk and legal)

Julia is a chartered accountant and retired from PricewaterhouseCoopers (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

(key skills: business and finance)

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

(retired 25 November 2021) (key skills: business and finance, governance, regulatory 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 was appointed treasurer of Zoological Society of London (ZSL) with effect from 1 January 2020.

Chrisostomos Zissis

(appointed 12 June 2020) (key skills: IT and digital)

Chris is a chief information officer and chief technology officer with extensive experience across technology, data, digital and transformation. He has a solid track record of global to local delivery at scale in professional services, financial services, capital markets and real estate services across the globe, and takes a keen interest in sustainability – particularly the role that technology can help play in achieving this. Chris currently holds the position of global head of technology and chief technology officer at Nuveen Real Estate and Real Assets.

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. During the pandemic and cyber incident, the trustees met more frequently to cover the Trust's financial sustainability and risk.

Board affairs committee

This committee promotes good governance and effective working of the Board. During the 17-month period to 31 May 2021, 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. During the 17-month period to 31 May 2021, among other matters, the committee met more frequently to review the Trust's financial stability during the COVID-19 pandemic and set triggers to action mitigation procedures in the event of a downturn; and monitored the Trust's sustainability and risk during the cyber incident.

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 seven board meetings during the 17-month period to 31 May 2021. Due to retirements and new appointments, there was an average of 11 trustees attending all meetings during the period they served, with three trustees giving apologies for one meeting each. Overall, trustees serving on committees attended 88% 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 £6,384 for the period 1 Jan 2020 to 31 Dec 2020 and £8,288 for 01 Jan 2021 to 31 Dec 2021 (2019: £6,000).

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. During the 17-month period to 31 May 2021, 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 during the 17-month period to 31 May 2021

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 13 through to 49.

Delivering for the cause

Challenge: to improve the capacity of trees, woods and associated habitats to cope with the impact of 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 direct delivery on our own estate and with other landowners, and our lobbying and advocacy work, will reduce the negative pressures already on woodland and promote the use of a wider range of native species, improving age and structural diversity in woods. Using active woodland management will allow more scope for generational turnover and natural adaptation to develop.

Challenge: responding to political challenges

The UK's decision to leave the EU, and the nature of that exit and any future trade relationships with the EU or other countries, will have significant 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.

Challenge: to improve the capacity of trees, woods and associated habitats to cope with the impact of pests and diseases

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.

Having an estate where tree diseases and pests persist, and an outreach operation which will encounter these on third-party land, there is a risk of our activities becoming the vector for a pest or disease.

Key mitigation

We play an increasingly active role via established stakeholder and policy groups with government and key agencies and increase our influence and lobbying activity to press for improvements in biosecurity protocols and regulations. Our staff continue to monitor tree health and potential disease risk and detect and react, where possible, to new threats. On our estate we respond to Statutory Plant Health Notices which, in the case of *Phytophthora*, leads to the need for sudden, large-scale felling operations. In the case of ash dieback, we have an increased and continued programme of safety felling. We have protocols for staff who move between sites which should be observed to maintain biosecurity.

The Woodland Trust's stance on biosecurity is clear, with a communications plan in place. We also have a clear tree-procurement policy to use only UK and Ireland Sourced-and-Grown material as avoiding imports reduces disease risk. Our involvement in the Observatree partnership is recognised as assisting detection and monitoring of pests and diseases more widely. We have opened a dialogue to encourage corporate partners to consider plant health risks that might be associated with their business activities. We also fund research into the impacts of tree disease and a 'trees outside woods' strategy has been designed to tackle the landscape impact of ash dieback.

Challenge: competition for land

We are facing increasing competition for land.

Key mitigation

We have a clearly defined land plan; experience of working in partnership with others; and developing, financing models available to the Trust when competing on the open market.

Challenge: loss of ancient woodland and urban trees

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

Key mitigation

The campaigning team use digital platforms to galvanise action, and our raised profile through their HS2 campaign has increased public debate around ancient woodland protection. We operate a network of voluntary ‘threat detectors’ across the UK as well as equipping local communities with the tools to deal with threats. And we secure senior level dialogue with ministers and senior officials to press our case.

Brand awareness and reputation

Challenge: the climate emergency and the role of woods and trees attracts competition and we fail to capitalise on the opportunities for our mission, losing voice and income

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 are actively making the case for a pro-nature approach to tackling climate change with trees. We have the ability to provide delivery options as well as generate support, influence others and hold government to account.

Challenge: declining public trust in charities combined with a shifting political environment, impacting on our fundraising

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. We have recruited a head of sustainability to invest further in our expertise, leadership and skills in sustainability. We will keep science and evidence at the heart of our work, and seek to keep abreast of the latest peer-reviewed evidence and conservation and land-management best practice, updating our positions and policies accordingly. We will uphold our supporter promise and continue to improve our fundraising approaches. We have recruited a head of diversity and inclusion and are committed to improving. We will listen to our supporters and volunteers through monitoring feedback and surveys, making the case for the decisions we make based on their contribution to the cause.

Compliance

Challenge: legal compliance

Compliance covers events that could impact on reputation and operations, such as serious fraud, an information security breach, a cyber attack or a significant health and safety or safeguarding incident, and includes our operational ability to deliver large-scale partnership activity.

Key mitigation

There is senior-level engagement in policy setting and monitoring, along with an internal audit programme reporting to the audit committee. There are comprehensive health and safety and safeguarding-training awareness programmes for staff and volunteers; and a data and fundraising regulation governance group. We have project management and legal and ethical due diligence that supports partnership working.

The Trust has in place robust measures in relation to business continuity, and annually considers the impact of a major pandemic or economic downturn on the budgets and cash-flow forecasts prepared, and the potential risks to the Trust's income projections as a result.

Financial viability and business continuity

Challenge: external factors such as pandemic/economic downturn or significant opportunities

A major pandemic or economic downturn closes down significant parts of everyday life, requiring the organisation to change its operating model at speed while maintaining income and delivering for woods and trees.

Key mitigation

A business continuity plan is in place. Our financial forecasts and triggers provide timely information, while our fundraising strategy covers a diverse

range of funding sources. We maintain a breadth of tools to deliver for our cause – building the resilience of our operating model – and we continue to develop the skills and capabilities to flex these at speed and establish new ways of working in a post-COVID-19 environment.

Challenge: internal factors such as IT/digital failure, organisational development and improvements failing to keep pace

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 across the organisation does not deliver for the cause. Major-change programmes fail to realise the benefits.

Key mitigation

We have recruited a chief information officer to lead the digital transformation and keep pace with the changing technology. There is resilience built into our systems. We have also established portfolio steering groups which drive our technology strategy, and we have change control implemented.

Immediately after the cyber attack in December 2020, a team of forensic IT experts was hired and the relevant authorities informed, as were supporters, suppliers and partners. New hardware and software was also implemented throughout the Woodland Trust to better protect and improve security.

People

Challenge: loss of key staff and volunteers

Our people are our greatest asset. Visible lack of leadership, including failure to create a working environment in which staff are valued and performance managed, leads to ineffectiveness and lack of understanding among our staff and volunteers. 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

Trustees review the performance of the management team and the CEO. There is a 10-year strategy signed off with a clear communications plan. During 2021, we reviewed the strategy and communicated it to all staff and volunteers. We use the Investors in People framework as a mechanism to identify ongoing improvements to support our people, and we support our staff representation group to ensure two-way communication.

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.

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. The Trust firmly believes in trying to retain staff for the long term, developing them and benefitting 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.

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 (2019: six) directors – are approved and reviewed annually by the Trust’s remuneration committee.

The senior management team as at 31 May 2021 comprised:

| | |
|-------------------------------------------------------------|------------------------------------------------------------------------------------------|
| Chief executive officer | Darren Moorcroft |
| Director of conservation and external affairs | Abigail Bunker |
| Chief information officer | Kathryn Downs (appointed 29 March 2021) |
| 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 operations, estate and woodland outreach | Alistair Maltby Norman Starks (retired as director of operations on 31 April 2021) |

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 period, 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 25 November 2021 and signed on their behalf by:



Barbara, Baroness Young of Old Scone
Chairman
25 November 2021

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

Opinion

We have audited the financial statements of the Woodland Trust for the period ended 31 May 2021 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 May 2021 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 pages 87–88, 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.

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 period 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).

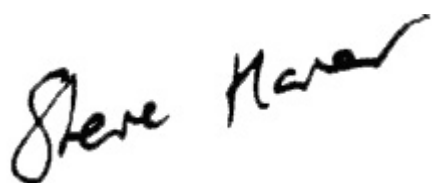
In our opinion, due to the cyber-attack addressed on page 25 of the Trustees' Annual Report, the parent charitable company was unable to maintain adequate accounting records throughout the accounting period as required by the Companies Act 2006 and the Charity Accounts (Scotland) Regulations (as amended). The parent charitable company has subsequently reconstructed adequate accounting records for the period.

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**

27 January 2022

**10 Queen Street Place
London
EC4R 1AG**

Consolidated statement of financial activities

for the 17-month period ended 31 May 2021

| | Note | Unrestricted funds | | | | Total May 2021* | Total Dec 2019 |
|-----------------------------------------------------------|------|---------------------------|------------------------------|------------------------------|-----------------------------|--------------------|-------------------|
| | | General funds £'000 | Designated funds £'000 | Restricted funds £'000 | Endowment funds £'000 | | |
| Income and endowments from: | | | | | | | |
| Donations and legacies | 2 | 41,758 | — | 20,132 | — | 61,890 | 40,264 |
| Other trading activities | 2 | 11,298 | — | — | — | 11,298 | 6,527 |
| Investments | 8 | 737 | — | 219 | 63 | 1,019 | 864 |
| Charitable activities | 2 | 8,178 | — | 4,815 | — | 12,993 | 8,262 |
| Other income | 2 | 39 | — | 246 | — | 285 | 165 |
| Total income and endowments | | 62,010 | — | 25,412 | 63 | 87,485 | 56,082 |
| Expenditure from: | | | | | | | |
| Cost of raising funds | 5 | (12,681) | — | (60) | (100) | (12,841) | (10,375) |
| Charitable activities | | | | | | | |
| Protect woodland | 5 | (8,419) | (614) | (4,610) | — | (13,643) | (10,397) |
| Restore woodland | 5 | (9,766) | (712) | (5,347) | — | (15,825) | (12,179) |
| Create woodland | 5 | (17,180) | (1,252) | (9,406) | — | (27,838) | (20,372) |
| Charitable expenditure | | (35,365) | (2,578) | (19,363) | — | (57,306) | (42,948) |
| Total expenditure | | (48,046) | (2,578) | (19,423) | (100) | (70,147) | (53,323) |
| Net income/(expenditure) before investment gains/(losses) | | 13,964 | (2,578) | 5,989 | (37) | 17,338 | 2,759 |
| Net (losses)/gains on investment assets | 11 | 565 | 528 | 933 | 1,208 | 3,234 | 4,178 |
| Net income/ (expenditure) | | 14,529 | (2,050) | 6,922 | 1,171 | 20,572 | 6,937 |
| Transfers between funds | 17 | (9,918) | 5,062 | 4,800 | 56 | — | — |
| Net movements in funds | | 4,611 | 3,012 | 11,722 | 1,227 | 20,572 | 6,937 |
| Fund balances brought forward at 1 January | | 20,737 | 10,029 | 112,918 | 9,573 | 153,257 | 146,320 |
| Fund balances carried forward at 31 December | 17 | 25,348 | 13,041 | 124,640 | 10,800 | 173,829 | 153,257 |

This statement of financial activities excludes £5,970k (2019: £4,334k) 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 period before transfers of £17,388k and the net surplus for the period of £20,572k, as defined under the Companies Act, are realised gains on investments of £3,234k which are reflected within net gains on investment assets and net expenditure within the endowment funds of £37k.

A comparative statement of financial activities is included in note 25.

*The accounting reference date has been changed from 31 December to 31 May, principally so the financial year aligns with the forestry planting season. As a result, the 20/21 accounts presented relate to a 17-month period, whereas the prior year comparative is a 12-month period.

Balance sheets

at 31 May 2021

| | Note | Group | | Charity | |
|-------------------------------------|------|--------------------|-------------------|--------------------|-------------------|
| | | May 2021* £'000 | Dec 2019 £'000 | May 2021* £'000 | Dec 2019 £'000 |
| Fixed assets | | | | | |
| Tangible assets: | | | | | |
| Woods and land | 9 | 97,452 | 91,858 | 97,452 | 91,858 |
| Other fixed assets | 10 | 5,547 | 5,783 | 5,547 | 5,783 |
| | | 102,999 | 97,641 | 102,999 | 97,641 |
| Investments | 11 | 46,167 | 33,977 | 46,167 | 33,977 |
| | | 149,166 | 131,618 | 149,166 | 131,618 |
| Current assets | | | | | |
| Land for planting and resale | 12 | 1,105 | 1,178 | 1,105 | 1,178 |
| Stocks | 13 | 433 | 328 | 214 | 236 |
| Debtors | 14 | 23,202 | 17,394 | 25,006 | 18,033 |
| Cash at bank and in hand | | 8,369 | 10,252 | 6,647 | 9,418 |
| | | 33,109 | 29,152 | 32,972 | 28,865 |
| Creditors | | | | | |
| Amounts falling due within one year | 15 | (8,787) | (7,872) | (8,653) | (7,585) |
| Net current assets | | 24,322 | 21,280 | 24,319 | 21,280 |
| Long-term debtors | | | | | |
| Amounts falling due after one year | 16 | 341 | 359 | 341 | 359 |
| Net assets | 18 | 173,829 | 153,257 | 173,827 | 153,257 |
| Financed by: | | | | | |
| Restricted funds | 17 | 124,640 | 112,918 | 124,641 | 112,918 |
| Permanent endowments | 17 | 10,800 | 9,573 | 10,800 | 9,573 |
| Unrestricted funds: | | | | | |
| General funds | 17 | 25,348 | 20,737 | 25,347 | 20,737 |
| Designated funds | 17 | 13,041 | 10,029 | 13,041 | 10,029 |
| | | 173,829 | 153,257 | 173,829 | 153,257 |

The net movement in funds for the parent company is a surplus of £20,572k (2019: surplus of £6,937k).

These accounts were approved and authorised for issue by the trustees on 25 November 2021 and signed on their behalf by:



Barbara, Baroness Young of Old Scone
Chairman

Company number: 1982873

*The accounting reference date has been changed from 31 December to 31 May, principally so the financial year aligns with the forestry planting season. As a result, the 20/21 accounts presented relate to a 17-month period, whereas the prior year comparative is a 12-month period.

Consolidated cash flow statement

for the 17-month period ended 31 May 2021

| | Note | May 2021* £'000 | Dec 2019 £'000 | |
|------------------------------------------------------------------------------------|------|------------------------------------|----------------------------------------|-------------------------------------|
| Cash inflows from operating activities | | 11,909 | 1,364 | |
| Investing activities | | | | |
| Investment income | 8 | 1,019 | 864 | |
| Purchase of woods and land | 9 | (5,553) | (4,194) | |
| Purchase of fixed assets | 10 | (301) | (153) | |
| Purchase of investments | 11 | (12,502) | (6,081) | |
| Net liquid movement | 11 | (8,343) | 866 | |
| Sale of investments | 11 | 11,889 | 6,176 | |
| Net cash flow from investing activities | | (13,791) | (2,522) | |
| Change in cash and cash equivalents in the period/year | | | | |
| Net movement in cash in the period/year | | (1,882) | (1,158) | |
| Cash at 1 January | | 10,252 | 11,410 | |
| Cash at 31 May | | 8,369 | 10,252 | |
| (a) Reconciliation of net income to net cash flow from operating activities | | 2020/21 £'000 | 2019 £'000 | |
| Net income/expenditure | | 17,338 | 2,759 | |
| Investment income | | (1,019) | (864) | |
| Donated woods and land | | (417) | (140) | |
| Depreciation: | | | | |
| – woods and land | | 48 | 31 | |
| – other fixed assets | | 524 | 417 | |
| Loss on disposal of: | | | | |
| – woods and land | | 92 | 62 | |
| – other fixed assets | | 13 | 7 | |
| Grant of leases | | 236 | 1,008 | |
| Decrease in land stock | | 73 | 163 | |
| (Increase) in stock | | (105) | (51) | |
| (Increase)/decrease in debtors | | (5,787) | (1,991) | |
| Increase in creditors | | 895 | 322 | |
| Decrease/(increase) in long-term debtors | | 18 | (359) | |
| Net cash inflow from operating activities | | 11,909 | 1,364 | |
| (b) Analysis of change in net funds | | At 1 Jan 2020 £'000 | 2020/21 cashflows £'000 | At 31 May 2021 £'000 |
| Net movement in cash in the period | | 11,410 | (3,042) | 8,369 |
| Cash at bank and in hand | | 11,410 | (3,042) | 8,369 |

*The accounting reference date has been changed from 31 December to 31 May, principally so the financial year aligns with the forestry planting season. As a result, the 20/21 accounts presented relate to a 17-month period, whereas the prior year comparative is a 12-month period.

Notes to the accounts

for the 17-month period ended 31 May 2021 1. Accounting policies

1. 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 2019') as clarified by subsequent update bulletins. The Trust is a Public Benefit Entity as defined by FRS102.

The accounting reference date has been changed from 31 December to 31 May, principally so the financial year aligns with the forestry planting season. As a result, the accounts presented relate to a 17-month period, whereas the prior year comparative is a 12-month period.

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 have considered the impact of a major pandemic or economic downturn 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 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 2019 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 (i.e. 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 from 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.

Throughout the 17 month period, 65% of the ticket revenue from the Woodland Trust raffle and 32% of the ticket revenue from the Woodland Trust's People's Postcode Lottery draws, went to good causes. The combined result is 33.6%.

The contribution of volunteers

In accordance with SORP 2019, 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 103) to the accounts. These costs are analysed in notes 5 and 6 (pages 106–109) 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 110) 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 fewer 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 ongoing 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 112) to the accounts. All woods and land purchased have 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 (i.e. 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. k)

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 ongoing 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 2019 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. Financial assets held comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held 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, in 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. 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) **Related party transactions**

Please refer to note 19 (page 121) for details of transactions between the Woodland Trust and its subsidiaries.

Trustees made combined donations of £2,500 (2019: £1.0 million). There were no other related party transactions during the 17-month period to 31 May 2021, or the preceding financial period.

2. Income for the 17-month period to 31 May 2021*

| | General funds £'000 | Restricted funds £'000 | Endowment funds £'000 | Total May 2021 £'000 |
|----------------------------------------------------------|------------------------|------------------------------|-----------------------------|-------------------------|
| Donations and legacies | | | | |
| Legacies | 17,866 | 3,918 | — | 21,784 |
| Membership subscriptions | 16,564 | — | — | 16,564 |
| Fundraising and appeals | 5,970 | 5,075 | — | 11,045 |
| Company donations, charitable trusts and landfill tax | 1,358 | 10,741 | — | 12,099 |
| Donated woods and land | — | 398 | — | 398 |
| Total donations and legacies | 41,758 | 20,132 | — | 61,890 |
| Other trading activities | | | | |
| Sponsorship income | 4,315 | — | — | 4,315 |
| Lotteries | 4,538 | — | — | 4,538 |
| Raffles | 726 | — | — | 726 |
| Merchandise income | 1,719 | — | — | 1,719 |
| Total income from other trading activities | 11,298 | — | — | 11,298 |
| Income from charitable activities | | | | |
| Grants | 4,355 | 4,815 | — | 9,170 |
| Woodland management income | 3,823 | — | — | 3,823 |
| Total income from charitable activities | 8,178 | 4,815 | — | 12,993 |
| Other income | 39 | 246 | — | 285 |
| Investment income | 737 | 219 | 63 | 1,019 |
| Total income | 62,010 | 25,412 | 63 | 87,485 |

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 period end. The combined estimated value of these legacies, where it is possible to estimate their value, was at least £4.0 million (2019: £2.0 million).

*The accounting reference date has been changed from 31 December to 31 May, principally so the financial year aligns with the forestry planting season. As a result, the 2020/21 accounts presented relate to a 17-month period, whereas the prior year comparative is a 12-month period.

| Income 2019 | Unrestricted | | | Total 2019 £'000 |
|-------------------------------------------------------|---------------------------|------------------------------|------------------------------|------------------------|
| | General funds £'000 | Designated funds £'000 | Restricted funds £'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 |
| Raffle | 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 |

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.

| | May 2021* £'000 | Dec 2019 £'000 |
|---------------------------------------------|--------------------|-------------------|
| People's Postcode Lottery ticket value | 14,183 | 9,028 |
| People's Postcode Lottery prize fund | (5,635) | (3,589) |
| People's Postcode Lottery management fee | (3,972) | (2,528) |
| Prize indemnity insurance | (38) | (22) |
| Net People's Postcode Lottery income | 4,538 | 2,889 |

*The accounting reference date has been changed from 31 December to 31 May, principally so the financial year aligns with the forestry planting season. As a result, the 2020/21 accounts presented relate to a 17-month period, whereas the prior year comparative is a 12-month period.

4. Grants

The following organisations provided grants:

| | May 2021* £'000 | Dec 2019 £'000 |
|----------------------------------------------------------------|--------------------|-------------------|
| HM Revenue & Customs Coronavirus job retention scheme | 1,653 | — |
| Northern Ireland Environment Agency | 1,146 | 70 |
| National Lottery Heritage Fund | 951 | 560 |
| Forestry Commission | 909 | 748 |
| The Pears #iwill Fund | 750 | 690 |
| Rural Payment Agencies | 632 | 579 |
| Defra | 605 | 627 |
| Natural Resources Wales – Cyfoeth Natural Cymru | 501 | 234 |
| Greater London Authority | 484 | 96 |
| Scottish Government Rural Payments and Inspections Directorate | 480 | 152 |
| Natural England | 234 | 12 |
| NatureScot | 209 | 1 |
| Department of Agriculture and Rural Development | 180 | 2 |
| Environment Agency | 108 | 141 |
| Scottish Forestry | 90 | 308 |
| Welsh Assembly Government Rural Payments | 64 | 35 |
| Point and Sandwick Trust | 53 | 88 |
| Other grant providers | 43 | 14 |
| Local authorities | 32 | — |
| Welsh Government – Llywodraeth Cymru | 21 | — |
| European Commission's LIFE programme | 11 | 12 |
| National Forest Company | 9 | — |
| People's Trust for Endangered Species | 5 | 3 |
| Endangered Landscapes Programme | — | 43 |
| Assynt Foundation | — | 131 |
| | 9,170 | 4,546 |

Of those listed above, £4,815k (2019: £2,413k) are restricted grants. Grant income is project-activity based and the level of income recognised relates to the activity taking place during the period, or the conditions set out by the donor.

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5. Expenditure for the 17-month period to 31 May 2021

| | Direct £'000 | Support £'000 | May 2021* £'000 |
|-------------------------------------------------------|---------------|------------------|--------------------|
| Costs of raising funds | | | |
| <i>Costs of donations and legacies</i> | | | |
| Membership | 6,238 | 1,248 | 7,486 |
| Fundraising and appeals | 1,403 | 281 | 1,684 |
| Company donations, charitable trusts and landfill tax | 745 | 149 | 894 |
| Legacies | 219 | 14 | 233 |
| | 8,605 | 1,692 | 10,297 |
| <i>Other trading activities</i> | | | |
| Sponsorship | 981 | 197 | 1,178 |
| Merchandise | 699 | 140 | 839 |
| Lotteries | 227 | 45 | 272 |
| | 1,907 | 382 | 2,289 |
| <i>Investment management costs</i> | 255 | — | 255 |
| Total cost of raising funds | 10,767 | 2,074 | 12,841 |
| Charitable activities | | | |
| Protect woodland | 11,436 | 2,207 | 13,643 |
| Restore woodland | 13,214 | 2,611 | 15,825 |
| Create woodland | 23,318 | 4,520 | 27,838 |
| Total charitable activities | 47,968 | 9,338 | 57,306 |
| Total expenditure | 58,735 | 11,412 | 70,147 |

This statement of expenditure excludes £5,970k (2019: £4,334k) of woods and land acquired and capitalised as per note 9 (page 112).

*The accounting reference date has been changed from 31 December to 31 May, principally so the financial year aligns with the forestry planting season. As a result, the 2020/21 accounts presented relate to a 17-month period, whereas the prior year comparative is a 12-month period.

Expenditure 2019

| | Direct £'000 | Support £'000 | Dec 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 |
| | 7,577 | 1,152 | 8,729 |
| <i>Other trading activities</i> | | | |
| Sponsorship | 566 | 96 | 662 |
| Merchandise | 564 | 95 | 659 |
| Lotteries | 142 | 24 | 166 |
| | 1,272 | 215 | 1,487 |
| <i>Investment management costs</i> | 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 |

6. Support costs for the 17-month period to 31 May 2021*

| | Premises | Governance | Depreciation & loss on sales | Finance & IT | Human resources | Management & other | May 2021* |
|-------------------------------|--------------|------------|------------------------------------|--------------|--------------------|-----------------------|---------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Cost of raising funds | 193 | 58 | 96 | 1,381 | 276 | 70 | 2,074 |
| Charitable expenditure | | | | | | | |
| Protect woodland | 205 | 62 | 111 | 1,463 | 292 | 74 | 2,207 |
| Restore woodland | 240 | 73 | 152 | 1,716 | 343 | 87 | 2,611 |
| Create woodland | 420 | 127 | 215 | 3,006 | 600 | 152 | 4,520 |
| | 865 | 262 | 478 | 6,185 | 1,235 | 313 | 9,340 |
| Total support costs | 1,058 | 320 | 574 | 7,566 | 1,511 | 383 | 11,412 |

The trustees/directors of the company, who comprise its Board, did not receive any remuneration during the period. Travelling and subsistence expenses incurred by 15 (2019:13) trustees/directors on Board business amounted to £4k (2019: £19k) during the period

Support costs 2019

| | Premises | Governance | Depreciation & loss on sales | Finance & IT | Human resources | Management & other | Dec 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 |

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

Included in the statement of financial activities are these amounts which require separate disclosure

| | 17 months to May 2021* £'000 | Dec 2019 £'000 |
|--------------------------------------------|------------------------------------|-------------------|
| The surplus for the period after charging: | | |
| Salaries and wages | 21,881 | 14,871 |
| Social Security costs | 2,072 | 1,399 |
| Other pension costs | 2,473 | 1,632 |
| | 26,426 | 17,902 |

Included in the above is £52k in redundancies (inc. ex-gratia payments)

| | 17 months to May 2021* £'000 | Dec 2019 £'000 |
|---------------------------------|------------------------------------|-------------------|
| Depreciation | 507 | 447 |
| Auditor's fees and expenses: | | |
| Audit work | 40 | 29 |
| Other services | 9 | — |
| Rentals under operating leases: | | |
| Land and buildings | 234 | 134 |
| Other | 885 | 616 |
| Irrecoverable Value Added Tax | 1,630 | 1,173 |

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 twelve month period June 2020 to May 2021 was 501 (2019: 491). The average number of employees, analysed by function, was:

| | May 2021* Total | Dec 2019 Total |
|------------------------------------------------------------------------|--------------------|-------------------|
| Charitable activities | 348 | 337 |
| Fundraising | 93 | 90 |
| Human resources, finance, information technology, legal and governance | 60 | 64 |
| | 501 | 491 |

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The average number of employees is calculated using the full-time equivalent method. The actual number of employees is 542 (2019: 545); the difference being due to job shares and part-time positions held by employees. The average number of employees increased by 10 during the 17-month period to 31 May 2021 (2019: 39).

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 Inventory 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. During the 17-month period to 31 May 2021, volunteers contributed 148,003 hours with an ascribed value of £1.1 million (2019: 318,407 hours, value £2.7 million), which is not reflected in the financial statements.

The chief executive's earnings for the 12-month period June 2020 to 31 May 2021 was £138,754 (2019: £142,357; January 2020 to 31 May 2021: £195,908), including a pension contribution of £17,233 (2019: £23,003; January 2020 to 31 May 2021: £24,642). The earnings of the key management personnel (including the CEO) for the 12-month period June 2020 to 31 May 2021 was £769,294 (2019: £588,550; January 2020 to 31 May 2021: £896,568) relating to seven roles (2019: seven roles).

Employees' emoluments (basic pay, pensions and health care) for the staff earning more than £60,000 for the 12-month period June 2020 to 31 May 2021 fell into the following bands:

| £'s | No. of employees | |
|-----------------|------------------|------|
| | 2021 | 2019 |
| 120,000–129,999 | 1 | — |
| 90,000–99,999 | 2 | 1 |
| 80,000–89,999 | 2 | 4 |
| 70,000–79,999 | 2 | 2 |
| 60,000–69,999 | 3 | 2 |

8. Investment income

| | May 2021* £'000 | Dec 2019 £'000 |
|-----------------------------------------|--------------------|-------------------|
| Income from investments was as follows: | | |
| Income from UK-listed investments | 638 | 524 |
| Income from UK cash investments | 112 | 93 |
| Bank interest receivable | 14 | 27 |
| Income from overseas-listed investments | 255 | 220 |
| | 1,019 | 864 |

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9. Fixed assets – woods and land

The group and the charity:

| | Purchased | | | Donated | | | Total |
|------------------------------|---------------|----------------|-----------------|--------------|----------------|-----------------|---------------|
| | Freehold | Long leasehold | Short leasehold | Freehold | Long leasehold | Short leasehold | |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | |
| Cost or donated value | | | | | | | |
| At 1 January 2020 | 79,974 | 873 | 185 | 6,217 | 4,192 | 985 | 92,426 |
| Additions in the period | 5,549 | — | 4 | 417 | — | — | 5,970 |
| Grant of leases | (23) | — | — | (213) | — | — | (236) |
| Disposals in the period | (60) | — | — | — | (32) | — | (92) |
| At 31 May 2021 | 85,440 | 873 | 189 | 6,421 | 4,160 | 985 | 98,068 |
| Depreciation | | | | | | | |
| At 1 January 2020 | — | — | 57 | — | — | 511 | 568 |
| Charge in the period | — | — | 5 | — | — | 43 | 48 |
| At 31 May 2021 | — | — | 62 | — | — | 554 | 616 |
| Net book value | | | | | | | |
| At 31 May 2021 | 85,440 | 873 | 127 | 6,421 | 4,160 | 431 | 97,452 |
| At 31 December 2019 | 79,974 | 873 | 128 | 6,217 | 4,192 | 474 | 91,858 |

In addition, the Trust currently leases 13 hectares (2019: 25 hectares) of woodland under short leaseholds at peppercorn rents. In the opinion of the directors, the value of these assets is immaterial.

During the 17-month period to 31 May 2021, three woodlands were transferred to third parties on leases through a grant of assets. Ingievar Wood in Fife was leased to Dynamic Woods, a Scottish charitable institution on a long lease for use as a public amenity and a working woodland. Mill Race Wood in Fermanagh was leased to the Knock Community Association on a 20-year lease for the use and enjoyment of the public amenity and nature conservation. Hutton Wood was donated to the Trust in a generous legacy during 2020 and was leased to Avon Wildlife Trust on a 99-year lease. The policy on leased assets is set out in note 1i on page 100.

The additions are allocated across our charitable aims:

| | May 2021* £'000 | Dec 2019 £'000 |
|------------------|--------------------|-------------------|
| Protect woodland | 1,847 | 602 |
| Restore woodland | 1,479 | — |
| Create woodland | 2,644 | 3,732 |
| | 5,970 | 4,334 |

10. Other fixed assets

| <i>The group and the charity</i> | Buildings £'000 | Computer equipment & software £'000 | Office equipment & furniture £'000 | Plant & machinery £'000 | Total £'000 |
|----------------------------------|--------------------|----------------------------------------------|---------------------------------------------|-------------------------------|----------------|
| Cost | | | | | |
| At 1 January 2020 | 6,542 | 3,918 | 441 | 618 | 11,519 |
| Additions in the period | — | 243 | 0 | 58 | 301 |
| Disposals in the period | — | — | — | (78) | (78) |
| At 31 May 2021 | 6,542 | 4,161 | 441 | 598 | 11,742 |
| Depreciation | | | | | |
| At 1 January 2020 | 1,200 | 3,672 | 391 | 473 | 5,736 |
| Charge for the period | 185 | 230 | 22 | 87 | 524 |
| Disposals in the period | — | — | 0 | (65) | (65) |
| At 31 May 2021 | 1,385 | 3,902 | 413 | 495 | 6,195 |
| Net book value | | | | | |
| At 31 May 2021 | 5,157 | 259 | 28 | 103 | 5,547 |
| At 31 December 2019 | 5,342 | 246 | 50 | 145 | 5,783 |

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11. Investments

| <i>The group and the charity</i> | May 2021* £'000 | Dec 2019 £'000 |
|----------------------------------|--------------------|-------------------|
| Investments at market value | | |
| Permanent endowments | 10,800 | 9,573 |
| Designated funds | 11,181 | 8,836 |
| Restricted funds | 23,186 | 14,970 |
| General funds | 1,000 | 598 |
| | 46,167 | 33,977 |

| | Cost | | Valuation | |
|----------------------------------|--------------------|-------------------|--------------------|-------------------|
| | May 2021* £'000 | Dec 2019 £'000 | May 2021* £'000 | Dec 2019 £'000 |
| Investments consist of: | | | | |
| Cash held as part of investments | 499 | 904 | 499 | 904 |
| UK-listed investments | 14,096 | 14,370 | 15,236 | 15,204 |
| Overseas-listed investments | 12,138 | 10,303 | 15,855 | 12,203 |
| Other UK short-term holdings | 14,530 | 5,590 | 14,577 | 5,666 |
| | 41,263 | 31,167 | 46,167 | 33,977 |

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| | May 2021* £'000 | Dec 2019 £'000 |
|----------------------------------------------------------------|--------------------|-------------------|
| The movement on valuation of investments is as follows: | | |
| Market value at 1 January | 33,977 | 30,760 |
| Acquisitions | 12,502 | 6,081 |
| Sales proceeds | (11,889) | (866) |
| Net liquidity fund movement | 8,343 | (6,176) |
| Net investment gains | 3,234 | 4,178 |
| Market value at 31 May/Dec | <u>46,167</u> | <u>33,977</u> |
| Comprising: | | |
| Cost at 31 May/Dec | 41,263 | 31,169 |
| Unrealised investment gains at 31 May/Dec | 4,904 | 2,808 |
| Market value at 31 May/Dec | <u>46,167</u> | <u>33,977</u> |
| Realised investment gains in the period/year | <u>1,138</u> | <u>853</u> |

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 and 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 121).

12. Land purchased for resale

| | Group | | Charity | |
|---------------------------|--------------------|-------------------|--------------------|-------------------|
| | May 2021* £'000 | Dec 2019 £'000 | May 2021* £'000 | Dec 2019 £'000 |
| Land available for resale | <u>1,105</u> | <u>1,178</u> | <u>1,105</u> | <u>1,178</u> |

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 period, £73k of land was sold.

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13. Stocks

| | Group | | Charity | |
|-------------------------------|--------------------|-------------------|--------------------|-------------------|
| | May 2021* £'000 | Dec 2019 £'000 | May 2021* £'000 | Dec 2019 £'000 |
| Livestock and stores | 214 | 236 | 214 | 236 |
| Raw materials and consumables | 219 | 92 | — | — |
| | 433 | 328 | 214 | 236 |

14. Debtors

| | Group | | Charity | |
|--------------------------------|--------------------|-------------------|--------------------|-------------------|
| | May 2021* £'000 | Dec 2019 £'000 | May 2021* £'000 | Dec 2019 £'000 |
| Legacies receivable | 13,190 | 10,142 | 13,190 | 10,142 |
| Grants receivable | 3,588 | 2,747 | 3,131 | 2,377 |
| Trade debtors | 1,549 | 2,058 | 562 | 1,645 |
| Amounts owed from subsidiaries | — | — | 3,210 | 1,391 |
| Other debtors | 3,879 | 1,374 | 3,919 | 1,413 |
| Prepayments and accrued income | 994 | 1,073 | 994 | 1,065 |
| | 23,200 | 17,394 | 25,006 | 18,033 |

15. Creditors: amounts falling due within one year

| | Group | | Charity | |
|------------------------------|--------------------|-------------------|--------------------|-------------------|
| | May 2021* £'000 | Dec 2019 £'000 | May 2021* £'000 | Dec 2019 £'000 |
| Trade creditors | 6,384 | 6,090 | 6,371 | 5,874 |
| Taxation and Social Security | 610 | 394 | 420 | 394 |
| Accruals and deferred income | 1,774 | 1,388 | 1,862 | 1,317 |
| | 8,768 | 7,872 | 8,653 | 7,585 |

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16. Long-term debtor

| | Group | | Charity | |
|------------------------------|--------------------|-------------------|--------------------|-------------------|
| | May 2021* £'000 | Dec 2019 £'000 | May 2021* £'000 | Dec 2019 £'000 |
| Accruals and deferred income | 341 | 359 | 341 | 359 |
| | 341 | 359 | 341 | 359 |

17. Movement of funds

| Restricted funds May 2021 | Movement of funds | | | | Balance at 31 May 2021* £'000 |
|------------------------------|---------------------------------------|------------------------|---------------------------------|--------------------|-------------------------------------|
| | Balance at 1 January 2020 £'000 | Gains/ income £'000 | Losses/ expenditure £'000 | Transfers £'000 | |
| Woods and land | 91,858 | 3,966 | (286) | 1,914 | 97,452 |
| Woodland management fund | 3,382 | 273 | (605) | 600 | 3,650 |
| Restricted legacies | 8,878 | 4,827 | (2,427) | (449) | 10,829 |
| Future acquisitions | 1,203 | 3,244 | — | (1,203) | 3,244 |
| Various other funds | 7,597 | 14,035 | (16,105) | 3,938 | 9,465 |
| | 112,918 | 26,345 | (19,423) | 4,800 | 124,640 |

| Restricted funds Dec 2019 | Movement of funds | | | | Balance at 31 December 2019 £'000 |
|------------------------------|---------------------------------------|------------------------|---------------------------------|--------------------|-----------------------------------------|
| | Balance at 1 January 2019 £'000 | Gains/ income £'000 | Losses/ expenditure £'000 | Transfers £'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 |

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.

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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 a 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 period to acquire woods and land already planned for acquisitions in the following period.

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 the period January 2020 to May 2021 amounted to £1,177k (2019: £665k), and £1,102k (2019: £860k) was expended, leaving a balance at 31 May 2021 of £75k (2019: £nil).

| Permanent endowments May 2021 | Balance at 1 January 2020 £'000 | Movement of funds Gains/income £'000 | Movement of funds Losses/expenditure £'000 | Transfers £'000 | Balance at 31 May 2021* |
|------------------------------------------|---------------------------------------|--------------------------------------------|--------------------------------------------------|--------------------|----------------------------|
| Glenrothes | 3,136 | 616 | (55) | 56 | 3,753 |
| Livingston | 3,029 | 310 | (21) | — | 3,318 |
| Warrington and Runcorn | 1,851 | 189 | (13) | — | 2,027 |
| Preston and Chorley | 1,557 | 156 | (11) | — | 1,702 |
| | 9,573 | 1,271 | (100) | 56 | 10,800 |

| Permanent endowments Dec 2019 | Balance at 1 January 2019 £'000 | Movement of funds Losses/expenditure £'000 | Balance at 31 December 2019 £'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 |

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.

*The accounting reference date has been changed from 31 December to 31 May, principally so the financial year aligns with the forestry planting season. As a result, the 20/21 accounts presented relate to a 17-month period, whereas the prior year comparative is a 12-month period.

| Unrestricted funds and fixed assets May 2021 | Movement of funds | | | | Balance at 31 May 2021* £'000 |
|----------------------------------------------|------------------------------------|------------------------------------------|-------------------------------------------|--------------------|----------------------------------|
| | Balance at 1 January 2020 £'000 | Gains/ incoming resources £'000 | Losses/ resources expended £'000 | Transfers £'000 | |
| Free reserves | 14,954 | 62,274 | (47,509) | (9,918) | 19,801 |
| Fixed assets | 5,783 | 301 | (537) | — | 5,547 |
| | 20,737 | 62,575 | (48,046) | (9,918) | 25,348 |
| Designated funds | 10,029 | 528 | (2,578) | 5,062 | 13,041 |
| TOTAL | 30,766 | 63,103 | (50,624) | (4,856) | 38,389 |

The purpose and structure of the Trust's unrestricted funds are described in the financial review on pages 58–66. The free reserves represent unrestricted reserves that are freely available to spend on charitable purposes. Fixed assets are analysed in note 10 (page 113). The transfers are explained overleaf.

| Unrestricted funds Dec 2019 | Movement of funds | | | | Balance at 31 December 2019 £'000 |
|-----------------------------|------------------------------------|------------------------------------------|-------------------------------------------|--------------------|--------------------------------------|
| | Balance at 1 January 2019 £'000 | Gains/ incoming resources £'000 | Losses/ resources expended £'000 | Transfers £'000 | |
| General funds | 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 |

| Analysis of transfers between funds | Note | General fund | Designated funds | Woods & land | Future acquisitions | Restricted legacies | Permanent endowments | Other restricted funds |
|----------------------------------------------------------------|------|----------------|------------------|--------------|---------------------|---------------------|----------------------|------------------------|
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Underwrite for acquisition of woods | 1 | (247) | (13) | 709 | — | (449) | — | — |
| Income for future operations and acquisitions | 2 | (4,598) | 2 | 1,205 | (1,203) | — | 55 | 4,538 |
| Sale of Purchase, Plant and Pass on (PPP) site(s) | 3 | (73) | 73 | — | — | — | — | — |
| Transfers from general fund | 4 | (5,000) | 5,000 | — | — | — | — | — |
| Total transfers for the 17-month period to 31 May 2021* | | (9,918) | 5,062 | 1,914 | (1,203) | (449) | 56 | 4,538 |

*The accounting reference date has been changed from 31 December to 31 May, principally so the financial year aligns with the forestry planting season. As a result, the 20/21 accounts presented relate to a 17-month period, whereas the prior year comparative is a 12-month period.

Notes

1. A transfer of £709k was made to woods and land to enable the Woodland Trust to acquire sites that match our charitable objectives, largely from restricted legacies of £(449)k in accordance with the wishes of the legator and use of designated funds.
2. An amount of £4,598k has been transferred into restricted funds for future use in conjunction with projects, such as our priority treescape areas, focused in Dyfi to Dwyrdd in Wales, Saving Scotland's Rainforest, Devon, and Sherwood.
3. During the period, one PPP site was sold, enabling £73k to be designated to purchasing further sites.
4. £5,000k has been designated by trustees to fund activity that will be developed during our strategy refresh to tackle climate change and nature loss.

| 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 Shildaig Estate, tree planting, and Ausewell 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.

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 May 2021* are represented by:

| | Unrestricted funds | | Restricted funds | | Total funds * £'000 |
|---------------------------------|------------------------|---------------------------|---------------------------|------------------------------|------------------------|
| | General funds £'000 | Designated funds £'000 | Restricted funds £'000 | Permanent endowment £'000 | |
| Tangible fixed assets | 5,547 | — | 97,452 | — | 102,999 |
| Investments | 1,000 | 11,181 | 23,186 | 10,800 | 46,167 |
| Cash at bank and in hand | 6,509 | 1,860 | — | — | 8,369 |
| Other current assets | 20,719 | — | 4,002 | — | 24,721 |
| Liabilities due within one year | (8,768) | — | — | — | (8,768) |
| Long-term debtors | 341 | — | — | — | 341 |
| Total net assets | 25,348 | 13,041 | 124,640 | 10,800 | 173,829 |

Restricted tangible fixed assets consist of woods and land: £97,452k (2019: £91,858k)

Fund balances at 31 December 2019 are represented by:

| | Unrestricted funds | | Restricted funds | | Total funds * £'000 |
|---------------------------------|------------------------|---------------------------|---------------------------|------------------------------|------------------------|
| | General funds £'000 | Designated funds £'000 | Restricted funds £'000 | Permanent endowment £'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 |

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

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sponsorships, commercial activities, raffles and merchandise sales. Within the cost of sales and administration expenses is £1,409k (2019: £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.

The accounting reference date has been changed from 31 December to 31 May, principally so the financial year aligns with the parent company, the Woodland Trust. As a result, the accounts presented below relate to a 17-month period, whereas the prior year comparative is a 12-month period.

| | Enterprises | | Farming | |
|---------------------------------------------|--------------------|-------------------|--------------------|-------------------|
| | May 2021* £'000 | Dec 2019 £'000 | May 2021* £'000 | Dec 2019 £'000 |
| Profit and loss account | | | | |
| Turnover | 11,491 | 6,559 | 659 | 517 |
| Cost of sales | (3,027) | (1,503) | (499) | (317) |
| Gross profit | 8,464 | 5,056 | 210 | 200 |
| Licence payment to the Woodland Trust | (354) | (250) | — | — |
| Distribution costs | (1) | (19) | — | — |
| Administration expenses | (264) | (211) | (4) | (2) |
| Operating profit | 7,845 | 4,576 | 206 | 198 |
| Interest receivable | 3 | 4 | — | — |
| Net profit | 7,848 | 4,580 | 206 | 198 |
| Payment to the Woodland Trust | (7,848) | (4,580) | (206) | (198) |
| Accumulated reserves brought forward | — | — | — | — |
| Accumulated reserves carried forward | — | — | — | — |
| Balance sheet | | | | |
| Current assets | 2,830 | 1,634 | 946 | 727 |
| Current liabilities | (2,830) | (1,634) | (946) | (727) |
| Net assets | — | — | — | — |
| Capital and reserves | — | — | — | — |

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20. Operating lease commitments

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

| | May 2021* £'000 | Dec 2019 £'000 |
|---------------------------|--------------------|-------------------|
| Land and buildings | | |
| Leases which expire: | | |
| within one year | 97 | 122 |
| within two to five years | 122 | 146 |
| after five years | 1,887 | 1,807 |
| | 2,106 | 2,075 |
| Other | | |
| Leases which expire: | | |
| within one year | 385 | 574 |
| within two to five years | 373 | 909 |
| | 758 | 1,483 |

21. Capital commitments

Commitments for expenditure not provided for in these accounts in respect of assets under construction amount to £nil (2019: £nil).

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 17-month period to 31 May 2021 incurred by the Woodland Trust was £1,744k (2019: £1,641k). Included in other creditors is £nil (2019: £nil) in respect of pension schemes.

23. Contingent liabilities

The trustees were not aware of any significant contingent liabilities at 31 May 2021 and 31 December 2019.

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.

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24. Conduit accounting

During the period 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.

In this case the agent was the Community Forest Trust, which has worked in partnership with the Woodland Trust since 2018 to deliver the first Northern Forest Defra/Woodland Trust grant agreement through a collaboration agreement between the Woodland Trust and the Community Forest Trust. During the period of this report, the Community Forest Trust planted 189,800 new trees through the Defra funding as part of this collaboration agreement.

| | May 2021* £'000 | Dec 2019 £'000 |
|---------------------------------------|--------------------|-------------------|
| Opening balance as at 1 January | — | 188 |
| Amounts received in the period/year | 1,351 | 358 |
| Amounts paid to third parties | (849) | (546) |
| Closing balance as at 31 May/December | 502 | — |

*The accounting reference date has been changed from 31 December to 31 May, principally so the financial year aligns with the forestry planting season. As a result, the 20/21 accounts presented relate to a 17-month period, whereas the prior year comparative is a 12-month period.

25. Prior year statement of financial activities

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

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This statement of financial activities excludes £4,334k (2019: £1,772k) 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](https://www.woodlandtrust.org.uk). Thank you.

Professional advisers

Auditors

Haysmacintyre LLP, Chartered Accountants

10 Queen Street Place, London, EC4R 1AG

Bankers

Lloyds Bank plc

42 St Peter's Hill, Grantham, Lincolnshire, NG31 6QJ

Insurance brokers

Arthur J Gallagher & Co

5 Western Boulevard, Leicester, LE2 7EX

Investment advisers

Rathbone Investment Management

1 Curzon Street, London, W1J 5FB

Sarasin & Partners LLP

Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU

Tullett Prebon (Europe) Limited

155 Bishopsgate, London, EC2M 3TQ

Solicitors

Russell-Cooke LLP

2 Putney Hill, London, SW15 6AB