



REPORT AND ACCOUNTS

1 JUNE 2022 – 31 MAY 2023



**WOODLAND
TRUST**



BEN LEE/WTML

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(appointed 30 June 2023)

Chrisostomos Zisis

The trustees are also directors and members of the company.

CHIEF EXECUTIVE OFFICER

Darren Moorcroft

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: Hainault Forest, Richard Faulks/WTML

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FOREWORDS

A message from our Chief Executive Officer: Dr Darren Moorcroft



We celebrated the Woodland Trust's 50th birthday last year, so it's wonderful to be able to report that the 2022–23 financial year saw our support reach unprecedented heights. Despite challenging economic times, we raised a record £82.5 million to fund our vital work for nature, people and the planet – and for me, that is a testament to the growing relevance and resonance of all we do.

It allowed us to plant more trees than ever before – just over six million. We restored almost 800 hectares of damaged ancient woodland – three times the tally in the previous year. And we worked with almost 8,000 schools and community groups to make it happen. More than ever, people see the scale and impact of what we're achieving in our nationwide fight against the twin crises of nature degradation and climate change.

Research tells us the Trust's mission now resonates with 15 million Britons, and we are working hard to engage and empower new audiences in exciting new ways. So I am especially gratified to see the breadth of support we've drawn to our cause – from business, from grant-giving bodies and from the public at large. Last summer we celebrated planting the last of 250,000 trees at our pioneering Young People's Forest at Mead in Derbyshire – and its success in turn attracted a new backer in the Mather Family Trust, which purchased land for us to create our biggest-ever new wood in Cheshire. Every tree at Frodsham Woods will be planted by schoolchildren and volunteers.

We recruited new corporate funders like the insurance giant Aviva, which joins a stable of longstanding corporate partners, including Sainsbury's and Lloyds Banking Group. Aviva has pledged £10 million over the next five years,



RICHARD FAULKS/WTMFL

GEORGE LEWIS/WTML



inspired by the holistic benefits that flow from the Trust’s sophisticated approach to habitat creation: carbon capture, flood mitigation, biodiversity, and health and wellbeing.

But we are also forging new ways to respond to the groundswell of grassroots feeling for nature restoration. In partnership with the Welsh Government, for example, we rolled out our biggest ever in-person tree giveaway: thousands of everyday nature lovers flocked to hubs up and down Wales to collect a free sapling for their garden. It’s part of our determination to give everyone a stake in the future of our environment, to help them do their bit. Meanwhile, we cut the ribbon on our fantastic new visitor centre at Hainault, on the doorstep of East London. Fifty languages are spoken within a stone’s throw of our medieval forest there, and like so much of what we achieve, that project is the culmination of years of effort by dedicated Trust volunteers. Our agenda-setting work on tree equity, begun in 2023, will build on this, ensuring that the myriad benefits of trees are felt by the nature-deprived communities which most need them.

I’ve spent a lot of time in 2023 talking to young people – as you’ll read in this report, our Youth Reimagined programme is embedding their ideas in everything we do. I’ve found their passion for our planet and its biodiversity endlessly inspiring, and as the inheritors of our natural world, their demand for a response is urgent and unequivocal. I am heartened by the strides the Woodland Trust has made over the last year, and by the way individuals, communities and businesses are stepping up to help. But we must keep pressing our politicians to match their rhetoric with delivery, and answer the call.

Dr Darren Moorcroft
Chief Executive



WELSH GOVERNMENT

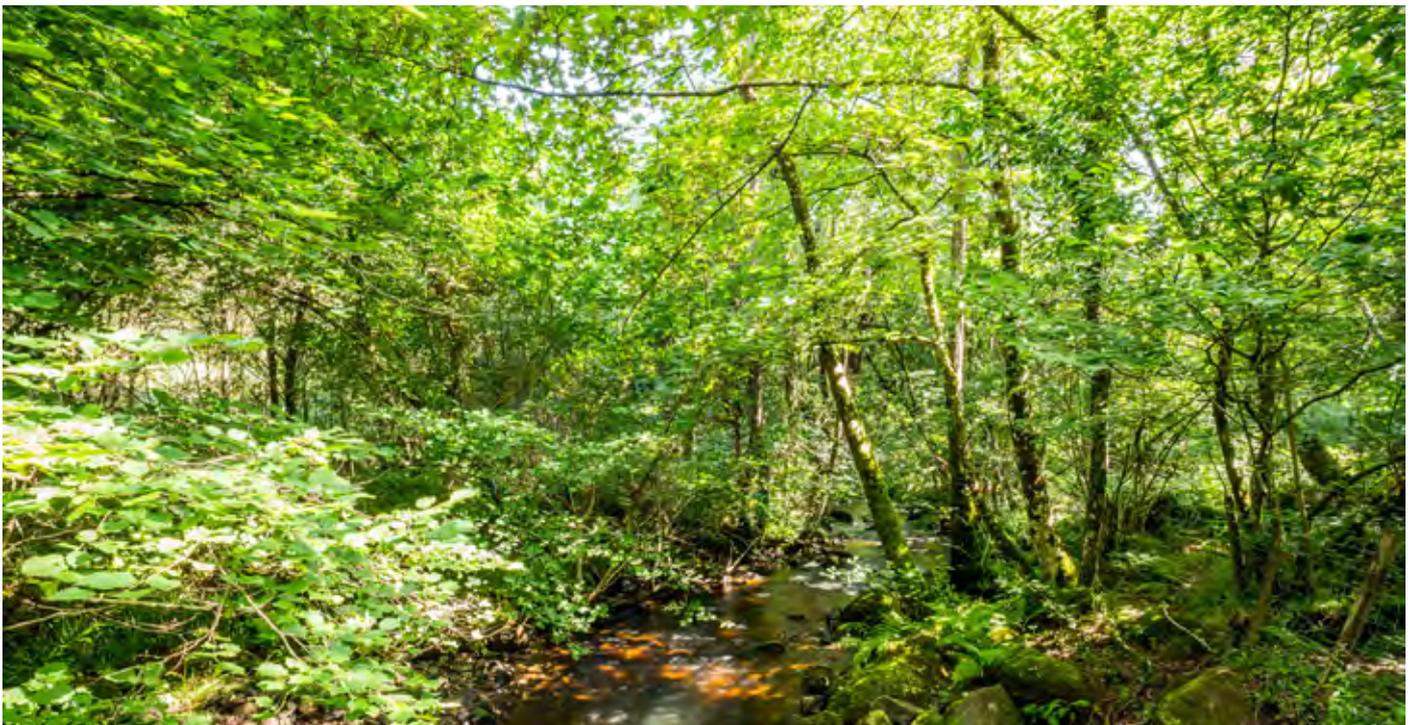
A message from our Chair, Barbara, Baroness Young of Old Scone



I have enjoyed looking back across 2022–23 in the pages of this report: it's been another positive and impactful year for the Woodland Trust. But the coming decade will be pivotal in reversing the damage that nature and the climate are suffering now – so as we enter our second half-century, we are determined to be even more ambitious. Last autumn we refreshed the Trust's strategy, setting new targets to get tens of millions more trees rooting by 2030, and 60% of the nation's degraded ancient woodland on the road to health. The Trust has always been much more than a tree-planting charity, and the strategy reaffirms the three key planks of our mission – to create woodland, but also to protect and restore the life-giving wooded habitats the UK already has, particularly ancient woods and ancient and veteran trees. Of course, all we do is also fundamental to combatting climate change and restoring biodiversity.

Two years ago our seminal report on the *State of the UK's Woods and Trees* revealed that only 7% of native woodland in this country is in good ecological health, and in 2022 our advocacy helped secure a Government commitment to improve the condition of most of it. The Trust, as it has always done, is showing how this can be achieved. In the pages that follow, you'll read about our work at beautiful Mourne Park, where we are resuscitating the largest surviving ancient oakwood in Northern Ireland – which we opened up to the public last August for the first time in 500 years. And at Loch Arkaig Pine Forest, in the Highlands, we've joined hands with the local community to remove boatloads of non-native Sitka spruce, reviving territory for golden eagles, pine martens and azure hawker dragonflies.

This year we are following up our dossier on the state of woods and trees by publishing detailed blueprints for nature recovery in each of the four UK countries, setting out why trees and woods must be the cornerstones of our future ecosystems. More than ever, we are working at landscape scale to demonstrate how this can be done – like at Snaizholme in the



Yorkshire Dales, where we not only planted 88,000 trees this spring, but laid the groundwork for restoring hundreds of hectares of peatbog, limestone pavement and riverside meadow. What's more, we have underpinned this great work by investing in science – partnering with leading universities to gather evidence on the wide-ranging benefits it will deliver, not just for wildlife, but for society as a whole.

On woodland protection, we have been busy too. Our flagship Living Legends campaign, launched in 2022, is a rousing cry for iron-clad legal protection for Britain's irreplaceable ancient woods and trees. It scored an early success with the Scottish Government's commitment that these crown jewels of our natural world will no longer be felled or damaged for development. Ministers explicitly name-checked the Trust's campaign, and it shows the influence we can wield thanks to the backing of our 500,000 loyal supporters across the UK. Now we must see the other three UK countries follow suit.

This coming year will be my last as Chair of the Woodland Trust, so our Youth Reimagined programme, launched last autumn with backing from the Pears Foundation, has given me particular pleasure. We've recruited a UK-wide youth council, appointed a new trustee under the age of 30, and invested in the winners of our Igniting Innovation challenge, who are bringing novel ideas to advance woodland conservation and address the effects of climate change. We aim to offer the next generation a foot on the ladder and a voice in the debate, and I've been impressed hugely by the freshness of thinking they are already bringing to our work. With their drive and imagination behind us, I am confident the future of our cause is in good hands.

Barbara, Baroness Young of Old Scone
Chair



JAMES READER/WTML

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MAY 2023

The trustees of the Woodland Trust (who are the directors) have pleasure in presenting their report and financial statements for the year ended 31 May 2023. These have been prepared in accordance with the accounting policies set out in the notes to the accounts. They comply with the charity's governing document, the Charities Act 2011, and 'Accounting and Reporting by Charities: Statement of Recommended Practice' – pertinent to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and published on 16 July 2014. The charity is registered with the Charity Commission under registration number 294344, and with the Office of the Scottish Charity Regulator under number SC038885. It is a company limited by guarantee and operates in England, Northern Ireland, Scotland and Wales. Details of trustees who served during the year are set out on page 49.

OUR PURPOSE

Our vision

A world where woods and trees thrive for people and nature



In 2021, at the mid-point of our 10-year strategy, we reviewed our plans – setting the framework in which to achieve our 2030 vision and identify and deliver opportunities for working with partners in order to meet our objectives.

Globally, we are facing two intertwined existential threats: climate change and nature loss. The rest of 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 and happy society. They lock up carbon to fight climate change, improve our physical and mental 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.



GRAHAM PRENTICE/MTML

Creation, protection and restoration of our natural wooded habitats and treed landscapes – 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. In autumn 2022 we launched our refreshed strategy to include the time period up to 2030. It will capture our vision of the future, our role as the UK's largest organisation for native woods and trees, and our goals which will inform our priorities for the coming years.

2022–2023 achievements

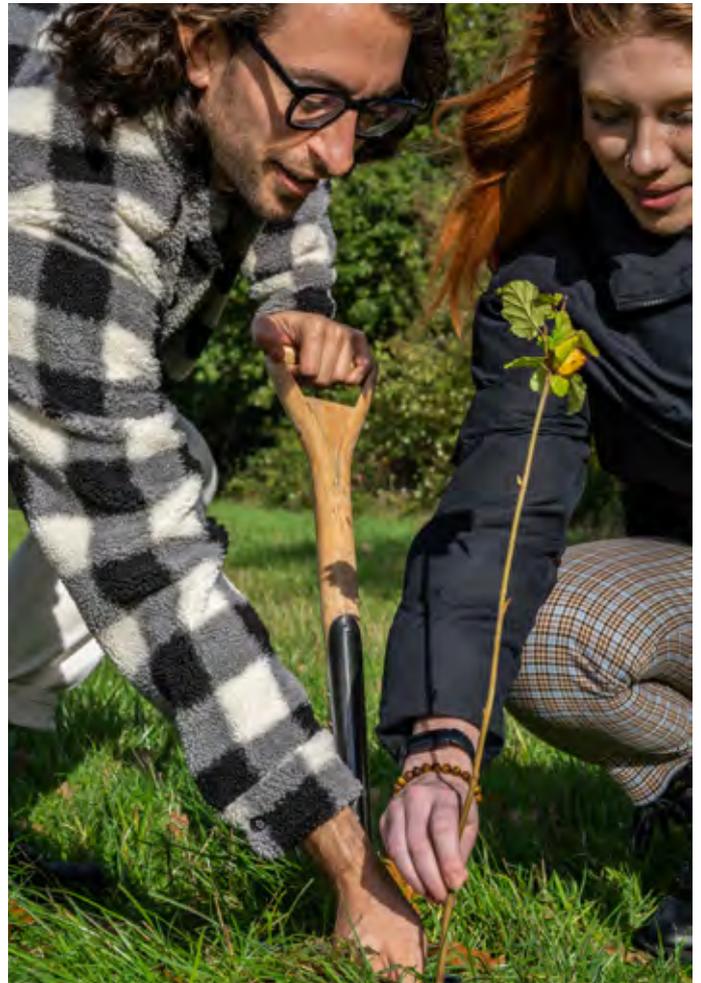
- Planted 6.1 million trees – the highest number ever in one year since the inception in 2015 of our UK and Ireland Sourced and Grown scheme.
- Established 2,724 hectares of nature-rich woodland – both on and off estate work – against a target of 2,500 hectares.
- Restored 789 hectares of ancient woodland as part of our ongoing commitment 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. Although below our target of 1,000 hectares for the year, it still represents a trebling of the previous year’s achievement of 250 hectares.
- Received our highest income ever for the third consecutive year at £82.5 million.
- Embarked on creating the single largest native woodlands in England (Snaizholme) and Wales (Brynau Farm).
- Successfully overturned a planning decision threatening Coldthorn Wood, an ancient woodland in Sussex, thereby avoiding a damaging legal precedent being set that could have put thousands of other woodlands on the Ancient Woodland Inventory at substantial risk.
- Received the active support of thousands of people in our successful campaign to secure better protection for ancient woodlands across Scotland.
- Exceeded our target in our verification of ancient trees on the Ancient Tree Inventory (11,000 vs 7,000).
- Received significant contributions across a diversity of income streams – including the highest-ever income from major donors (£9.09 million) and our second highest legacy income ever (£20.3 million).
- Generated 30,000 new memberships for the Trust, inspiring many more to support us. We currently have around 500,000 supporters who help us to secure the future of woods and trees by becoming members, making donations, buying products – including our sustainable merchandise – playing our lottery, and giving us their voice, influence and time as volunteers.
- Inspired 30,000 people to sign our petition in the first year of our Living Legends campaign, calling on governments around the UK to introduce legally protected status for ancient and special trees. The vast majority of these trees currently have no protected status.



ALJOS FARJON/WTM

2023–2025 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



BEN LEE/MTML

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.



BEN LEE/MTML

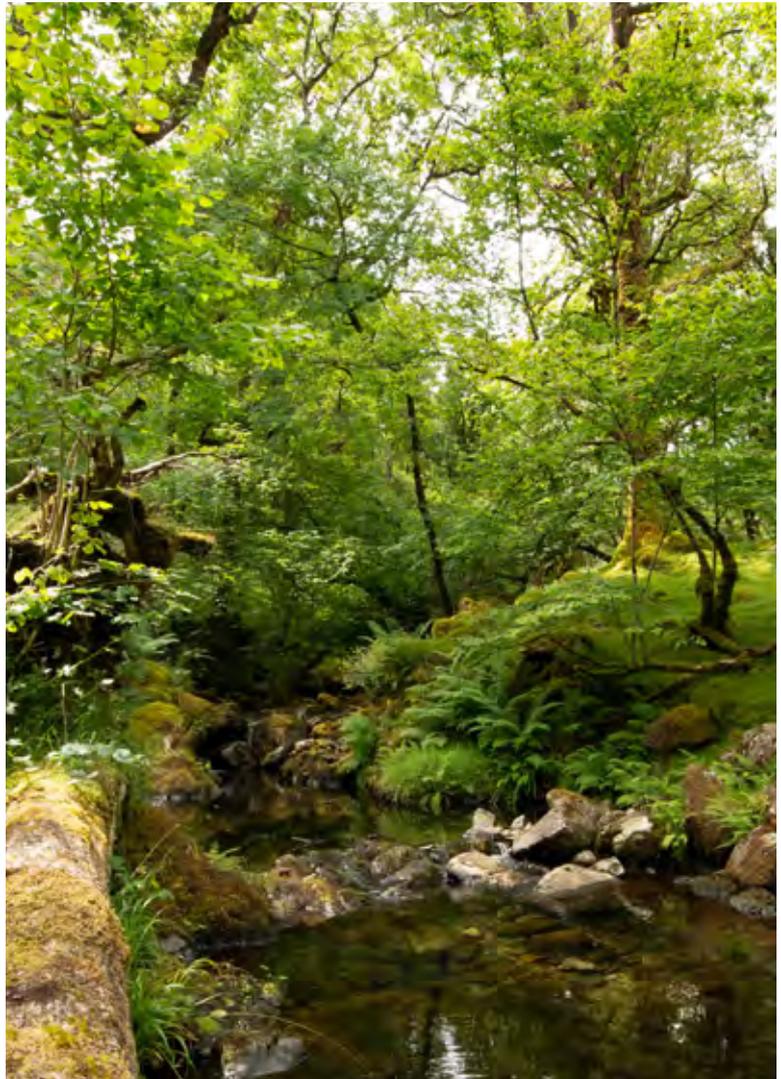
Our refreshed 'Strategy to 2030'

The next decade is pivotal in reversing the damage that climate change and nature loss is having globally. Our refreshed Strategy to 2030 describes our vision of the future, our role as the UK's largest 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 to 2030

- **PROTECT:** we protect ancient, veteran and valuable woods and trees, to stop the loss of irreplaceable habitat and carbon stores and preserve our natural heritage.
- **RESTORE:** we restore the ecological condition of existing native woods and trees, increasing landscape resilience and creating conditions for nature and people to thrive.
- **CREATE:** we create quality native woods and get native trees growing to benefit nature, climate and people into the future.
- **INSPIRE:** we inspire the many, building loyalty and capturing the hearts and minds of an ever-increasing number of people and organisations to support our cause.
- **ENABLE:** we enable everyone to make their contribution to our cause, through the tools, evidence and opportunities we provide; allowing them to be part of something bigger than they could deliver alone.
- **TRANSFORM:** we are transforming how we operate, ensuring we are the high-performing, inclusive team our cause needs us to be. We must be greater than the sum of our parts – delivering positive impact in everything we do.



PHILIP FORMBY/TML

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 ambitions grow.

Throughout the Report and Accounts you will hear how our activities have been based on one or more of these strategy goals.

PUBLIC BENEFIT

The primary public benefit delivered by the Trust is the protection and restoration of ancient woodland and ancient and veteran trees, and the creation of wildlife-rich and ecologically healthy habitats in the UK that benefit wildlife and people.

Native woods and trees can provide a wide range of public benefits – sequestering carbon and reducing heat effect which helps combat climate change; aiding natural flood-risk management; improving water quality; protecting soils and reducing erosion; giving shelter to livestock; and reducing air pollution – and are instrumental in maintaining public health and wellbeing, including mental health.

Some of our activities for the public benefit include:

- managing more than 30,000 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
- engaging hundreds of people in planting trees through organised events, such as our Climate Campaign
- assisting landowners and farmers to create their own woodland, with advice and support through our MOREwoods and MOREhedges schemes
- enabling the planting of millions of trees with schools and community groups through our free tree packs
- 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 woods and trees.
- 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 and contributing to the UK Government’s Net Zero target by 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 support, and there are many ways that such support can help us make a real difference, such as: membership of the Trust, joining our campaigns or appeals, corporate sponsorship or donation, volunteering, giving a grant, leaving a gift in a will, playing our raffle, and buying from our online shop.

Find out more at woodlandtrust.org.uk.



ANDY TRINER/NTML

TREES AND LANDSCAPES

Our strategic aim

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



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

SNAIZEHOLME, near Hawes, Yorkshire Dales

(Meets strategic goals *PROTECT, CREATE, RESTORE, ENABLE*)

Three of our exciting landscape-scale projects

To develop the resilient, complex and dynamic habitats needed to reverse the decline of our wildlife and tackle issues around climate change, we need **bigger, better** and more **joined up** areas of habitat to enhance diversity, extent, condition, connectivity, and adaptability. Delivering at a landscape scale in our most special and important landscapes across the UK is, therefore, becoming an increasing focus for us. Where landscape-scale creation and restoration is possible, we're thinking BIG, considering not only the land we own, but collaborating with owners of adjoining land. Together, we can work in partnership to transform the whole area – connecting trees and woods to deliver restored and better-managed habitats.

Here are three examples of landscape-scale projects which demonstrate what can be achieved when we're thinking BIG!

Snaizeholme is one of the largest, most exciting and bold woodland creation projects in the English uplands. Now our work here is starting to transform the 562 hectares of hidden, degraded, bare valley into a vibrant, resilient landscape. In April 2023, after two-and-a-half years of detailed surveying, consultation and planning, coupled with successful fundraising, the Trust launched the delivery phase at Snaizeholme with the planting of the first 88,000 trees covering 51 hectares. Once planting is completed, Snaizeholme will be covered with 300 hectares of woodland to become one the largest



contiguous new native woodlands in England. However, the project is as much about large-scale habitat restoration and nature recovery as it is about woodland creation. The tree planting will take place alongside huge restoration projects, including 113 hectares of blanket bog/deep peat, approximately 100 hectares of limestone pavement and 77.4 hectares of riparian meadow along Snaizholme Beck.

As well as buffering and enhancing an adjoining red squirrel reserve, the work will also restore an entire ecosystem; lock away carbon for years to come; help in the fight against climate change; improve water quality; and mitigate flooding in the areas downstream like York. Woodland birds will have a home here for the first time in centuries, and open scrub woodland is likely to benefit endangered species like the black grouse.

Our careful approach to planting ensures that the woodland gently transitions into and connects with the other habitats – all delivered without using plastic tree guards or herbicides. Eight hundred sheep have been removed and a handful of native-breed cattle introduced to change the habitat from heavily grazed moorland to a richer mosaic of ground flora.

Staff from corporate partners Aviva, B&Q, Screwfix and Bettys & Taylors of Harrogate, as well as some of our most valued individual supporters, have enjoyed planting some of the first trees.

See our article on page 29 outlining our research work and partnerships at this site.



JAMES READER/WTML

BRYNAU FARM, Neath

(Meets strategic goals
CREATE, INSPIRE, ENABLE)



BEN LEE/WTML

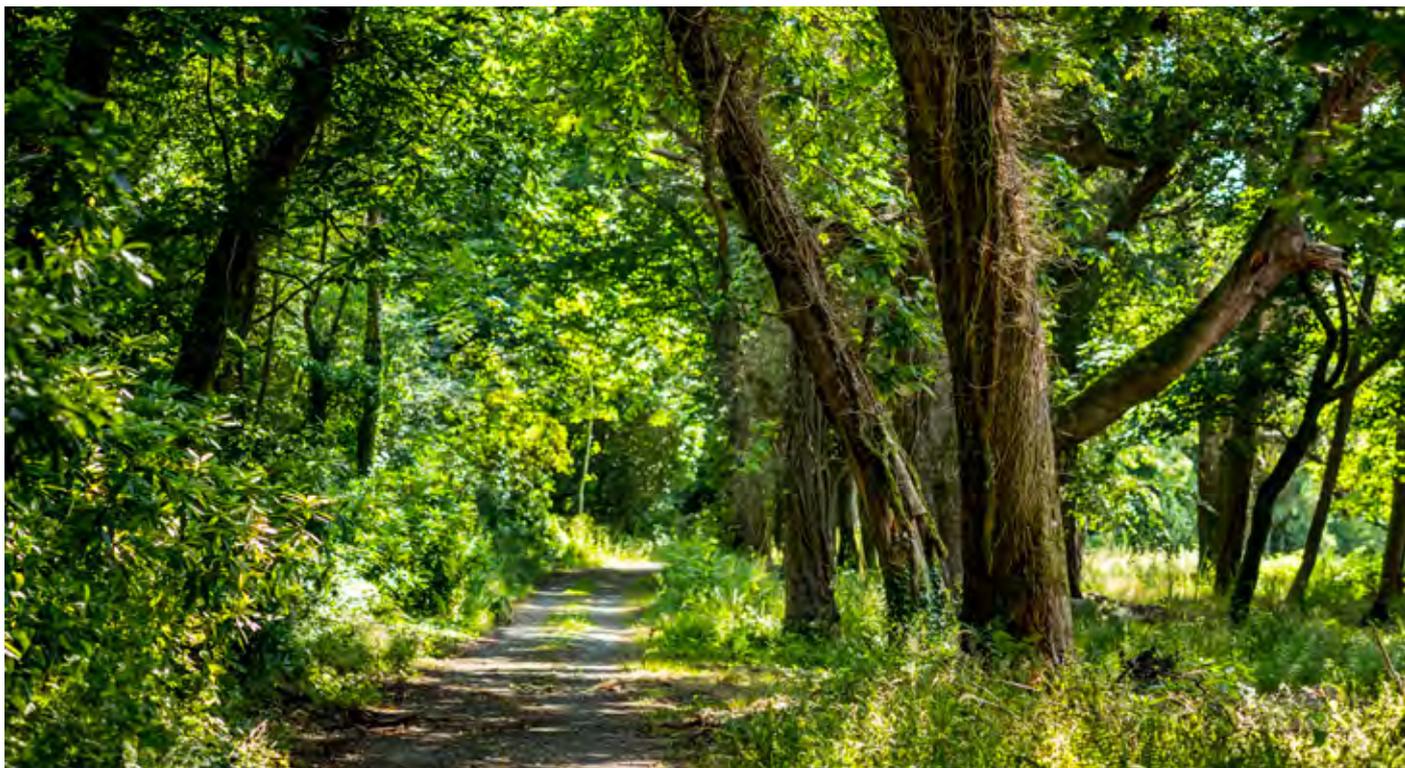
Brynau Farm is the Trust's largest woodland creation project in Wales to date, and lies within easy reach of one sixth of Wales' population. In 2022–23, work was carried out that maximises the site's value to the health of people, nature and the planet.

Planting of the main 42.27 hectares of new native woodland was completed in spring 2022, and in 2022–23 was enhanced with the creation of orchard, parkland, avenue and hedgerow trees. Open days ran throughout the month of August, enabling visitors to learn about our long-term vision for the wood. Two public planting weeks, in November 2022 and March 2023, saw local people and five schools get involved.

In May 2023 we finally broke ground on the start of a long-awaited partnership project with Neath Port Talbot Council. This natural flood-management work will complement our catchment planting – slowing the flow of rain downslope to at-risk communities by releasing culverts and buried streams back to their natural meandering course, and adding cross-slope features and leaky dams to hold back water. The site has hosted visits from a wide range of organisations and political figures, including Welsh Minister Jeremy Miles. Our teams have been working hard to build relationships with diverse groups, ensuring that a wider range of people can access and enjoy our sites. This groundwork put in during 2022–23 paid off when on 2 June we hosted the Windrush Elders for a fantastic celebration.



SOPHIE THOMAS/WTML



JILL JENNINGS/MTML

MOURNE PARK, Kilkeel

(Meets strategic goals
*PROTECT, CREATE, RESTORE,
INSPIRE, ENABLE*)

In May 2021, the Trust announced its purchase of 156 hectares of the private estate Mourne Park – which includes 73 hectares of ancient woodland. By summer 2022, the first of three trails was completed, enabling the Trust to open the woodland to the public for the first time in 500 years. Public support has been immense – from the fundraising involved to acquire Mourne Park and the 1,300+ hours of volunteering, to the 69,000 visitors in the first nine months of opening. Building on these successes, in May 2023 we had the opportunity of extending the site by purchasing 32 hectares of neighbouring land – thanks to the support of gifts in wills, funders – including Ulster Garden Villages and Northern Ireland Environment Agency – donors, and a public appeal. This additional land will be used to plant thousands of native trees to buffer a stretch of ancient woodland on part of the boundary of Mourne Park, and extend vital habitats for nature.

The site is one of the most important areas of ancient and semi-natural woodland in Northern Ireland – especially as Northern Ireland only has 0.04% of ancient woodland cover left – and is ideal for both restoration and conservation. Our ancient woodland restoration here is hugely important as, without it, the woodland would slowly die – choked by invasive species. Now, through invasive species management, regeneration and careful site planning, we are bringing hundreds of ancient and veteran trees back to their former glory. Outside the woodland, we are working hard to bring the parkland into better condition: changing the farming practices and replanting young trees in cages so that this special landscape will continue to thrive for generations to come.

Although this restoration is still ongoing, Mourne Park has already seen increasing biodiversity benefits – with foxgloves, bluebells and wood anemones colonising the woodland floor to create one of the most spectacular floral displays across the island of Ireland. Stunning views have

also been restored overlooking this beautiful landscape, and more pathways will be installed to take visitors into different habitats within the woodland.

Located just an hour from Belfast, Mourne Park is now the perfect destination to relax in and enjoy the sights, and benefits to health and wellbeing, for free – 365 days a year.

LOCH ARKAIG PINE FOREST

(Meets strategic goals
*PROTECT, CREATE, RESTORE,
INSPIRE, ENABLE*)

Restoration and protection

Loch Arkaig Pine Forest is one of the UK's last remaining fragments of native Caledonian pinewood. It's a remote, wet and wild, west-coast landscape, where freshwater lochs meet mountain and moorland to provide a mix of habitats for iconic plants and wildlife.

In 2016, the Trust partnered with local community group Arkaig Community Forest to buy Loch Arkaig Pine Forest, restore the native woodland habitats, and re-connect local people with the management and stewardship of the site – using the woodlands to underpin sustainable rural development in the community.

The pinewoods had been degraded by historic felling, overgrazing, and planting with non-native conifers, and the restoration required was extremely challenging in what is our largest-ever ancient woodland restoration project. However, after a few years of preparation, the really impactful restoration work is now well underway.

Funding raised by players of People's Postcode Lottery is key in enabling our work at Loch Arkaig, from helping us buy the pine forest in 2016, to bringing the osprey web cam into homes each year, as well as funding vital ongoing restoration works and significant infrastructure upgrades. We remain hugely grateful for their ongoing support of our work here, and across Great Britain.



Highlights from 2022/23 include:

NON-NATIVE TREE REMOVAL

(Meets strategic goals *PROTECT, RESTORE*)

Our work to remove non-native conifers continues apace. We are clearing large areas to enable the magnificent ancient pines to repopulate the site. These young trees will be a bridge into the future for the native flora and fauna that depend on this precious habitat. In order to accommodate the transport of the timber, we had previously upgraded the White Bridge over the River Arkaig and the Glen Mallie track.

Our sights have now turned to the more remote block known as The Gusach – where non-native trees will be removed every year to 2025 (having started in 2022). We are having to take the timber out over the loch using a state-of-the-art freshwater barge to minimise environmental impact. Other areas of difficult-to-reach non-native conifers are being cleared with the help of horses to avoid the disturbance that heavy machinery would cause. So far, we have taken out 150 tonnes of non-native Sitka spruce from a particularly sensitive and difficult part of the forest using this approach.

SEED COLLECTION AND NATIVE TREE NURSERY

(Meets strategic goals *CREATE, ENABLE*)

Now that the non-native conifers are being cleared from the site, the native trees will have the chance to naturally regenerate. However, where there are no mature native trees around to provide a source of seed, we will plant saplings at various locations in the forest. To enable this, over the last three seasons – with the help of volunteers – we’ve collected tens of thousands of seeds, including Scots pine cones, alder, birch, hawthorn, oak and rowan. This gives us a magnificent resource to direct seed or plant saplings – grown on from the seed in the native tree nursery established by the Arkaig Community Forest – across 198 acres of the site.

LOCH ARKAIG PINE FOREST OSPREYS

(Meets strategic goal *INSPIRE*)

The 2022 osprey summer was a great success, with adults Louis and Dorcha raising chicks Willow and Sarafina to migration in September. When the birds switched to a new nest last year, we installed a second camera to give the best chance of capturing the action so the family saga could still be followed online by our enthusiastic worldwide audience,

Our osprey watchers have also confirmed sightings of previous years’ chicks in Senegal and Shetland. The cameras continue to bring a wild slice of forest life to lots of people who might never be able to visit in person.



LEWIS PATE/WTM/L

LOST WOODS OF THE LOW WEALD AND DOWNS

(Meets strategic goals
*PROTECT, RESTORE, INSPIRE,
ENABLE*)

In September 2022, we were delighted to hear that our application to the National Lottery Heritage Fund (NLHF) for the five-year delivery phase of the 'Lost Woods of the Low Weald and Downs' project had been successful. The Lost Woods partnership, led by the Woodland Trust along with Action in Rural Sussex, Small Woods Association and Sussex Wildlife Trust, will receive an award of more than £2 million to be paid over five years.

The Weald and Downs in Sussex is within one of our priority treescapes where 25% of England's ancient woodlands are located. But within the project area, the ancient woods are small and isolated and suffer from development threats, under-management, and the increasing effects of a changing climate. Fifty-eight percent of the ancient woods in the project area have been neglected, with woodland owners and managers facing barriers to caring for them – including limited woodland management skills and lack of the knowledge needed to tackle the challenges. Most of the woods are not publicly accessible, which limits the benefits they can provide and reduces local people's connection with them. They are 'lost woods'.

Our ambitious project will transform those lost woods into loved, healthy woods and reconnect them into the wider Weald and Downs landscape. The partnership will tackle access barriers, enhance woodland biodiversity and connectivity, and provide a wide range of audiences with the skills, confidence, and knowledge to enjoy caring for and protecting their local ancient woods. This will involve reaching out to disconnected communities in rural Sussex to increase their engagement with local ancient woods, and connecting them with local woodland owners willing to provide woodland experiences. The Lost Woods partners will also work with local woodland owners – providing advice and funding to tackle factors threatening the health of their woods, such as invasive species like rhododendron. It's a multi-win project for people and nature.

We would also like to thank Golden Acre who supported the project with a donation of £70,000, alongside funding from several charitable trusts.



JAMES RATCHFORD

ANCIENT WOODS AND TREES UNDER THREAT

(Meets strategic goals PROTECT, ENABLE)

Over the course of any given year, the Woods Under Threat team will typically respond to between 300–350 cases of ancient woods and veteran trees threatened by development of some form.

The Woods Under Threat casework forms an important part of our protection work. Development in the UK can take many different forms: from large infrastructure projects such as road, rail and utilities schemes, to housing developments, leisure facilities and mineral extraction.

Different types of development will impact on ancient woods and veteran trees in different ways, whether through direct loss, deterioration from pollution and disturbance, or fragmentation and isolation of habitats. As such, the Woods Under Threat team works diligently with other experts in the Trust, both centrally and regionally, to ensure that our responses are both evidence-led and driven by the expertise of our experienced conservationists and ecologists.

Alongside development threats, there are a range of non-development threats to woods and trees, such as deer browsing, invasive non-native species, woodland mismanagement, air pollution and climate change – to name a few.

Our Woods Under Threat casework has led to some key victories for ancient woods and veteran trees over this period, with these irreplaceable habitats saved from various levels of direct and indirect impact from development.

These victories include:

SEEING OFF THE THREAT OF A NEW CENTER PARCS HOLIDAY VILLAGE IN ANCIENT WOODLAND NEAR CRAWLEY, SUSSEX



ROBERT READ/MTML

In mid-2021, the Trust and other conservation charities and groups learned of a significant threat to Oldhouse Warren, an area of ancient woodland south of the M23 near Crawley, Sussex. It was revealed through public communications that Center Parcs was looking to develop a new holiday village in the ancient woodland, with an option agreement already prepared to purchase it from the private owners.

The holiday village would have occupied up to 220 hectares of ancient woodland, replacing trees, plants and woodland habitat with lodges, roads, leisure facilities, swimming pools, shops, restaurants and a lot of concrete. After strong opposition from a coalition of conservation organisations led by the Woodland Trust, celebrations began after Center Parcs announced in February 2023 its decision to withdraw from developing the site.

SAVING A GIANT ANCIENT OAK FROM DEVELOPMENT IN CAVERSHAM, BERKSHIRE

Following notification of a development threat to an ancient oak tree, we were shocked to find that a single house development was proposing the loss of a majestic eight-metre girth oak in Caversham, Berkshire. This oak is thought to be probably the largest oak in the borough of Reading, and has a history dating back to the English Civil War when it was thought to have been used by the King's army to spy on Parliamentary forces and plan a victorious ambush.

Knowing of the threat to this ancient oak, we determined that the best course of action would be to mobilise supporters via the Trust's social media channels. This resulted in hundreds – possibly over a thousand – objections being sent to Reading Borough Council to oppose the destruction of this amazing tree. Thankfully, the opposition convinced the applicant to withdraw their application and Caversham's giant oak is safe – for now!

But we're still fighting on many fronts...

Public examination on National Highways' Lower Thames Crossing scheme through the National Infrastructure Planning process began in late 2022 and will carry on throughout 2023, and probably further. We have been involved in the early stages of the examination, having objected to the scheme since 2016 on account of carbon emissions and the impact on irreplaceable habitats. It is anticipated that this scheme will result in the destruction of approximately seven hectares of ancient woodland and six veteran trees. We will be continuing our fight in front of the Planning Inspectorate through 2023.

The focus of the Woods Under Threat team remains largely on development threats, and at a site level, with our policy and advocacy teams working at national and local authority levels to reduce these drivers of loss through influencing key public policies and legislation.



Tree health and supply

FREE TREE PACKS

(Meets strategic aims
CREATE, INSPIRE, ENABLE)

In 2022/23 we enabled the planting of 1.28 million free trees with almost 8,000 schools and community groups across England, Scotland and Wales. Educational establishments ranged from nurseries to universities, connecting a wide range of young people with nature and the environment through thousands of hands-on planting and learning projects.

The community groups greened up thousands of communal spaces in the UK, from play areas to retirement homes, with motivations ranging from fighting climate change and creating edible forests to planting to support mental wellbeing.

In total, 276,928 adults and children were engaged in planting the saplings – inspiring a connection with the Woodland Trust to last a lifetime.

Following the Trust's pledge to move towards sustainable forms of tree protection, all applicants from January 2023 onwards were no longer sent plastic spirals with their trees. Instead, they are being given advice and guidance on making an informed choice regarding protection methods – saving up to 1.4 million plastic spirals from the landscape by the end of 2024.

Our free tree packs have been generously funded by lead partners Sainsbury's, Lloyds Bank, OVO Energy, Bank of Scotland and Sofology.



PILOT SEED COLLECTION PROJECT

(Meets strategic aims *CREATE, ENABLE, INSPIRE*)

The Scotland team have led a pilot project for sourcing seeds across our estate – working in partnership with a local nursery to grow the seeds for planting on the estate and for other projects.

Even though not all the 700kg of seed collected was viable and fully used, it was a great way to engage with volunteers in a fun day out while collecting local provenance seeds for conservation purposes.

We have extended our collaboration with Trees for Life to oversee the work of volunteer seed collections, and volunteers are registered with both Trees for Life and the Woodland Trust so they can receive the benefits offered by both organisations, such as being able to attend Woodland Trust events.

In future, there will be a greater focus on niche species like montane willows and dwarf birch, as well as high-altitude sources (above 350 metres) such as downy birch – which are destined for sites like Loch Arkaig Pine Forest, Ben Shieldaig Estate and Couldoran – although we will also continue to collect more common species.

IMPROVING OUR TREE-SUPPLY CHAIN

(Meets strategic aim *ENABLE*)

To prevent any risk of imported pests and diseases, all the trees we plant or supply to others are grown from seed that has been sourced and grown on in the UK and Ireland. As we need hundreds of thousands of trees each year, managing the tree supply chain to ensure we don't run out of trees is an arduous task. To co-ordinate, manage and improve the process, in January 2023 the Trust appointed a new head of tree supply to oversee a change in practices – both within the Trust and externally – and provide a procurement framework to define clear processes and offer guidance. This introduction of a new process is being rolled out to break the barriers, increase visibility, transparency and compliance, and offer guidance.

Visibility is important for our suppliers as it takes up to three years to produce saplings from seed collection. By working with an accurate forecast, we will be able to purchase more trees under contracts and get better prices.

In order to be more transparent and compliant with tree procurement, we are introducing a business management system (BMS) which will include a customer relationship management system (CRM) with a tree-procurement module. This system will allow better management of our inventory and reduce waste at the end of each planting season.

The overarching aim is to better coordinate the information, decision making and process framework in order to deliver the right tree (species and provenance), of the right quality, in the right quantity, for the right place, at the right time and at the right price.



THE BIG PICTURE/NATUREPL

AVIVA PARTNERSHIP

(Meets strategic aims *CREATE, RESTORE, PROTECT, INSPIRE*)



JOEL GOODMAN/WTML

The Woodland Trust has successfully secured £10 million over five years to support woodland creation and peatland restoration projects across the UK as part of Aviva's £100 million commitment to remove carbon from the atmosphere using nature-based solutions.

An estimated 330,000 tonnes of carbon will be sequestered at the project sites over 100 years – spanning 2,000 hectares of land – and will be assigned to Aviva as a contribution to the mitigation of residual emissions associated with Aviva's carbon footprint, which forms part of Aviva's ambition to be Net Zero by 2040.

Named sites where carbon sequestration activity will take place with Aviva's support include Snaizholme – our iconic site in the Yorkshire Dales – peatland restoration at Smithills Estate on the edge of Bolton, and at our new acquisition, Green Farm. The latter is the perfect place to begin our partnership as Norfolk is where Aviva has had a presence since the 1700s.

While funding has been facilitated through the Trust's Woodland Carbon scheme, Aviva has really grasped the need to address both the nature and climate crises in parallel. Partnering with us ensures that Aviva's

carbon emissions are mitigated with our conservation principles at heart – benefiting wildlife and people as well as our planet. Each site will also address specific ecosystems services, including those that link closely to Aviva's own operations such as natural flood management. For example, work at Snaizholme will help better manage the flow of water through the river tributaries that travel as far as York, a city known for its regular flooding. As a major household insurer, and with a presence as a significant employer in York, it is a unique opportunity to demonstrate to Aviva's customers how supporting the Woodland Trust's resilient landscape work upstream helps manage flood risk and insurance cost.

Aviva employees have already helped get the partnership off the ground and demonstrated a passion for the cause by joining us to record ancient trees as well as plant new ones.

Seeking to create further mutual benefit from the partnership, Aviva has also supported us in championing our cause at our Parliamentary reception and throughout their sector, and introduced us to the Association of British Insurers and its members.

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



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

Strengthening our evidence-led approach



JILL JENNINGS/MTML

SNAIZEHOLME: OUR FLAGSHIP FOR LONG-TERM RESEARCH INNOVATION

(Meets strategic aim *ENABLE*)

On page 16 we describe our acquisition of Snaizeholme and our long-term plans to transform a bare valley in the Yorkshire Dales into a vibrant, resilient landscape. However, there is another aspect to the site’s acquisition.

Alongside an extensive monitoring plan to measure the impacts of woodland creation as a pilot site for the Trust’s new Monitoring, Evaluation and Learning (MEL) framework, we have established an exciting new collaboration with researchers at the universities of Leeds and York. Funded through the White Rose Forest ‘Trees for Climate’ funding programme, this partnership will deliver long-term scientific research and data collection to fill important evidence gaps on the impacts of woodland creation in upland landscapes. We will take detailed measurements of how carbon stocks, flood risk and ecosystem functions change as the trees grow and the woodlands mature, as well as how establishing new woodlands will interact with other habitats and biodiversity.

We know woodlands can deliver a range of important benefits: they provide a home for nature, lock away carbon to fight climate change, and slow the flow of water which helps to reduce downstream flooding. By working in collaboration with forward-thinking researchers, the Woodland Trust will be able to better demonstrate and communicate these benefits, understand and learn from our conservation activities, and share this knowledge within the conservation sector. This collaboration is already delivering impact for the Woodland Trust, with a University of Leeds PhD student presenting our first findings on soil carbon at our first scientific symposium – Trees for Climate Change, Biodiversity and People – held in June 2023.

Thanks to Aviva, Bettys and Taylors of Harrogate, B&Q, and Screwfix, whose generosity helped support the project.

FUNDING HIGH-IMPACT RESEARCH FOR WOODS AND TREES

(Meets strategic aim *ENABLE*)

As an evidence-led organisation, the Woodland Trust uses its annual conservation-research funding programme to fill important evidence gaps to inform our practical work, and to support and develop early-career woodland scientists and ecologists. In this financial year we funded two fantastic cutting-edge research projects which will directly contribute to our ambitions to protect, restore and create our landscapes for the health of people and the planet.

The first is BIO-WELL – a high-impact research project which, with the University of Kent, looks at woodland biodiversity for human health and wellbeing across Britain. This project combines woodland ecology and biodiversity data (from birds to beetles, foxes to fungi) with a state-of-the-art psychometric tool. This reveals relationships between biodiversity and people’s wellbeing by looking across five dimensions of health: physical, emotional, cognitive, social and spiritual. BIO-WELL doesn’t just find a relationship between biodiversity and wellbeing, but probes further and allows us to understand what it is about biodiversity – for example, colour, sound, and even smell – that impacts our wellbeing. By truly understanding if and how we experience wellbeing benefits from biodiversity, the Woodland Trust – through woods and trees – can help address the inequalities of the provision of biodiversity benefits for health and wellbeing across society.



Our second high-impact project is SCATTER – ‘**Scanning ancient trees with terrestrial lidar**’ – in collaboration with University College London (UCL). This research will use new laser technology to create 3D images of ancient trees to radically improve our knowledge of the important microhabitats that such old trees provide, thereby helping us improve our management and care of these precious ancients. The data will also allow us to increase the accuracy of existing carbon models that probably underestimate the quantity of carbon such mature trees are able to absorb and store. The SCATTER project will produce some beautiful 3D visuals of 25 ancient trees from around the UK – allowing us to peer into their nooks and crannies in unprecedented detail to provide an immersive perspective and renewed appreciation of just how much these irreplaceable marvels of nature contribute to nature recovery and fighting climate change.



N/ALL BENVIE/MTML

Influencing government policies and legislation

SCOTLAND'S ANCIENT WOODLAND TO RECEIVE GREATER PROTECTION

(Meets strategic aims
PROTECT, ENABLE, INSPIRE)

Our ancient, irreplaceable woodlands and trees are under constant threat from development. Planning policy in Scotland has been too weak to deter developers, and too often proposals have been approved despite their impact on these precious places. Two hundred and seventy four ancient Scottish woods are under threat from development, yet only 1.9% of Scotland's ancient woodland cover remains. The protection of our last remnants of ancient woodland is fundamental to the health of people, nature and the planet.

The Woodland Trust has campaigned for years to improve the protection of these habitats. With the publication of Scotland's National Planning Framework 4 (NPF4) in February 2023 – a government document that guides where and how development happens – this aim has now been achieved.

The draft NPF4 was published in November 2021, starting the process of consultation with the public, and organisations including the Woodland Trust. In it, the draft text stated that "Development proposals **should not** be supported where they **would** result in any loss of ancient woodlands and ancient and veteran trees, or have an adverse impact on their ecological condition."

While this draft text was an improvement on the existing rules (as a result of ongoing efforts), we called for it to be made even better. The Woodland Trust team in Scotland rallied the public to respond to the Government’s consultation on the draft framework and secured political backing for change. As part of the consultation, the Woodland Trust Scotland met with ministers in the Scottish Parliament and civil servants behind the scenes to continue to press for these changes. We were able to achieve an improved policy with help from 1,459 of our supporters who directly responded to the consultation. Notably, the Woodland Trust was name-checked by Planning Minister Tom Arthur MSP when announcing the changes made in the Scottish Parliament.

Importantly for the protection of woods and trees, the new policy states that “Development proposals **will not** be supported where they **will** result in: any loss of ancient woodlands and ancient and veteran trees, or have an adverse impact on their ecological condition.” This is unequivocal about the need to protect these habitats in development.

These changes should deter developers from submitting proposals which damage irreplaceable woods and trees and make it easier for campaigners, including the Woodland Trust and local communities, to defend these habitats. This should also reduce the impacts of development on our ancient woodland and veteran trees in the years to come.

Achieving the policy change is not the end of the story. Over the coming months and years, we will continue to advocate for implementation of the improved rules. This will include ensuring local councils have the expertise and capacity to deliver the strengthened policy through updating our own Planners’ Manual, and delivering training to councils.

LETTERS TO TOMORROW CAMPAIGN

(Meets strategic aims PROTECT, ENABLE, INSPIRE)

The Climate Coalition’s Letters to Tomorrow campaign involved people writing a letter to a loved one living in the future to call for action on climate change now by political leaders today. This was as part of its Great Big Green Week campaign. These letters were shared last year with the Prime Minister and the Leader of the Opposition. The Leader of the Opposition’s office responded, saying that they were struck by the quality of the letters and they would like Sir Keir Starmer to meet some of the authors where it was possible to fit it in with his schedule.



RICHARD O'CALLAGHAN/WTML

A visit to the North West was deemed the best opportunity for this, and the Trust put forward Smithills Estate as a good place to meet. Sir Keir was hosted there by Dr Darren Moorcroft, CEO of the Woodland Trust, and Bronwen Smith-Thomas of The Climate Coalition. Sir Keir met with some of the letter writers and had a viewing with Darren of what the Trust is seeking to do at Smithills Estate, as well as discussions on the importance of the Northern Forest – and the many benefits it is bringing to people – and on the wider benefits of woods and trees in delivering on cross-government priorities.

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

EMERGENCY TREE FUND, PHASE 2

(Meets strategic aims
CREATE, ENABLE, INSPIRE)



RHONA SMITH/MTML

In 2020 we launched the Emergency Tree Fund in response to local authorities appealing for our help to embed trees into their climate emergency plans while grappling with limited resources and lack of expertise to do so. Phase 1 (reported on in the previous annual report), welcomed 12 local authorities into a two to three-year pilot which continued throughout 2022/23. By the end of the planting session through autumn and winter 2022/23, the number of trees planted to date in Phase 1 was 342,862. Many thanks to Trailfinders who helped make this possible .

In 2022/23 we were able to launch a second phase of the pilot, supported through a £2.1 million commitment from Amazon's Right Now Climate Fund. With €20 million committed to projects across the UK and Europe, the fund has been set up to conserve, restore and improve forests, wetlands and grasslands – protecting wildlife habitats, biodiversity and quality of life for communities.

Participating local authorities include Doncaster Council which has launched a tree challenge project with the aim of increasing tree cover in the borough from 12.6% to 17%, and the Forest of Avon Trust which is looking to expand a community forest network across four local authorities. Other beneficiaries of the fund include the Forth Valley Climate Forest (a consortium covering the council areas of Stirling, Falkirk and Clackmannanshire), Mid and East Antrim Borough Council in Northern Ireland, West Midlands Combined Authority and Wrexham County Borough Council in Wales.

Over the next two years, the six participating authorities in Phase 2 will plant at least 450,000 trees across a range of sites from schools, parks and streets to restored colliery sites. This year has been about working with the local authorities to build capacity, initiate the projects, engage local communities and ensure resources are in place. These will form the exciting and impactful plans that will deliver outcomes such as improved access to high-quality green space for local residents' health and wellbeing, improved air quality, and the creation of local business opportunities like community-led tree nurseries and water management. Each project is unique, reflecting the local identity, the communities that live and work in the landscape, and the opportunities to improve local future climate resilience.

Thanks also to ongoing phase 1 funders – the Helen and Michael Brown Charitable Trust, TKMaxx and Transparity.

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

DEVELOPING A TREE EQUITY SCORING SYSTEM

(Meets strategic aims *CREATE, ENABLE*)



PHILIP FORMBY/MTML

As reported in the last Report and Accounts, not-for profit organisation American Forests has developed a measure to score tree equity for urban areas in the United States. It combines data on tree-canopy cover with a range of indicators, including people’s health, age, income and the urban surface temperature, to help city governors identify where trees are most urgently needed for a range of different reasons.

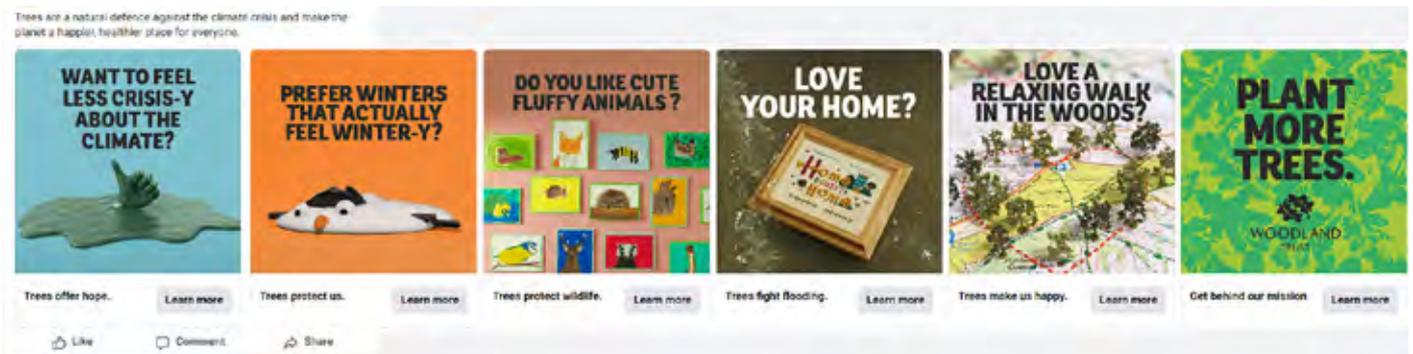
Over the past year we have been working in partnership with American Forests and a UK organisation – the Centre for Sustainable Healthcare – to adapt this work for the UK in what is one of our biggest-ever projects relating to urban trees. This will see a new measure – a Tree Equity Score – being developed for thousands of neighbourhoods across the UK to help identify the places where trees would make the biggest impact in terms of improving people’s quality of life and the resilience of urban communities to climate change.

A significant amount of evidence exists for the positive impact that trees can have, such as improving air quality, reducing asthma rates, cooling urban streets and reducing surface flooding. Cities with higher levels of tree cover are more resilient to climate change and better equipped to prevent public health crises. However, a number of studies have shown that the distribution of trees in urban areas tends to follow other socio-economic trends – with the people who are most vulnerable often having less access to trees.

Although there is an increasing understanding of the links between trees, climate-change mitigation and public health, there is as yet no standardised way of measuring these benefits or the extent to which trees are reducing health risks. Tree Equity Score will help develop a way of doing this at a national scale – recognising and measuring the benefits of trees to all communities, especially those that have been underserved – with tree planting and management in urban areas intentionally focusing on increasing equitable access to these benefits.

We hope to launch an initial Tree Equity Score map and dataset towards the end of 2023.

Broadening our appeal



ADDRESSING OUR BRAND POSITION

(Meets strategic aims ENABLE, INSPIRE)

One of our ambitions – in line with our revised ‘Strategy to 2030’ – is to grow our supporter base fourfold by 2030. Our last Report and Accounts explained how an attitudinal study had identified a warm ‘green’ audience of 15 million people in the UK whose views were very much aligned with our cause. If we are to grow by 400% by 2030, we need to persuade 3% of them to support us – that’s 1.5 million people from all walks of life.

Our current supporter base is under-represented against the dynamics of the UK population, and in order to meet our ambition, it was recognised that we needed to broaden our appeal and target a newer and more diverse audience containing a higher proportion of young people.

The first step was to research attitudes towards our cause with a robust survey across the green segment as well as a selection of supporters. Previously, the brand had focused on two key pillars: havens for wildlife and the role of woods and trees in climate mitigation. Our traditional audiences favour the first, but our younger green segment favour the second.

Also, the world has moved on post covid and people’s attitudes have changed. We found that health and wellbeing and being outdoors in green spaces has become far more resonant. So, the challenge was: how can we reach both audiences and build in the concept of health and wellbeing too?

A refreshed, unifying brand proposition was needed to address this, and after much testing and deliberation we adopted the overarching concept: ‘Fighting for the health of the people and the planet with every tree’.

We then linked four key themes under this umbrella concept:

1. **Planetary health.**
2. **Physical health** – woods and trees purify our air and create spaces for outdoor activities.
3. **Mental health** – woods and trees are proven to benefit our mental wellbeing by giving us access to nature, quiet and solitude.
4. **Community health** – diverse communities across the UK currently have unequal access to nature and green spaces. We are changing that.

OUR YOUNG PEOPLE SURVEY ON CLIMATE CHANGE ANXIETY

(Meets strategic aim *ENABLE*)

We launched our repositioned brand over our 12 week-long Climate Campaign across multi-media platforms, focusing on planetary health around the message of 'plant more trees in January 2023' and undertook a YOUGOV Poll on the attitudes of a younger audience towards the climate crisis (see below).

The results of the campaign were very encouraging, with learnings taken and recommendations made on how to improve future campaigns. The key results include:

- 190,000 website visits driven
- the potential to support the Woodland Trust jumped from 21% to 49% during the campaign period!

The YouGov poll we conducted as part of our Climate Campaign on a nationally representative sample of 16–24 year olds indicated that young people are concerned about climate change and the health of the planet. It found that:

- 33% are scared
- 34% are sad
- 34% are pessimistic
- 28% are overwhelmed

They had deep concerns about the future, with 24% of those polled saying their fears over the climate crisis meant they are willing to consider, or have already decided, to have fewer children than they would otherwise like.

Research also showed that although 70% of young people are worried about climate change and its effects, 86% of those surveyed felt that being outdoors and among nature had a positive effect on their mental health.

The poll also showed that only 9% of young people aged 16–24 have a great deal of influence on making decisions about climate change.

By establishing our Youth Reimagined team in 2022 and electing a trustee under the age of 30 to the Board in 2023 (read more overleaf), we will encourage young people to join with us in the fight against climate change and biodiversity loss.

Growing our supporter base



BEN LEE/AMTAL

YOUTH REIMAGINED PROGRAMME

(Meets strategic aims *ENABLE, INSPIRE*)

Engaging young people in a more meaningful way is a key objective in our ‘Strategy to 2030’. It’s important to do this to be relevant to a large proportion of the population, and in terms of our future campaigners and supporters, and is a key element of our Inspire goal.

To this end, and as reported in the last Report and Accounts, we began with a project to explore how we will meet this strategic objective and instil a genuine and authentic approach to youth engagement. Pears Foundation, and their #iwill fund partners DCMS* and NLCF**, became aware of our work in this area through the Young People’s Forest at Mead and made a contribution of £300,000 towards the establishment of a new, dedicated youth-engagement team at the Trust. The aim is to ‘reimagine’ our youth activity to transform our relationship with young people, with the end goal of empowering them and embedding them in the work of the Trust to ensure they are part of the fight for their planet’s future.

The Youth Reimagined team was formed in August 2022 and is a dedicated resource with experience in youth engagement. Its aim is to upscale our youth engagement work and develop a joined-up approach for the whole organisation.

* Department for Culture, Media and Sport
 ** National Lottery Community Fund



JAMES READER/TMPL

The three-year plan the team has developed includes:

- youth volunteering
- young people as supporters and campaigners
- youth employment and training opportunities
- young people in our brand, content and socials
- youth voice and internal decision making
- staff supported and processes in place to increase our youth engagement
- communities and schools outreach.

Key achievements so far include:

- appointment of one trustee under 30, recruited at board level
- creation of a national youth panel to help inform and co-produce some of our work
- an innovation competition for project ideas to support our goals (see article below)
- Two *NLHF-funded 'New to Nature' 12-month entry-level jobs – with Board agreement that we can recruit up to 10 placements a year to help us grow our own talent and diversify our work force.

IGNITING INNOVATION COMPETITION

(Meets strategic aims *PROTECT, CREATE, INSPIRE, ENABLE*)

Inspired by the Youth Reimagined team (see page 37), the Igniting Innovation competition was launched in December 2022 with the aim of providing a platform for shaping our future relationship with young people. Applications were invited from young people aged 16–25 for project ideas supporting our PROTECT, CREATE or INSPIRE goals. The prize was a share of the Igniting Innovation Challenge Fund and up to 12 months of expert mentoring from conservation professionals.

By our January deadline we had received 31 fantastic entries which met all the criteria: Innovation, Impact, Feasibility, and Research. Eighteen applicants were selected to attend project-development-and-pitching workshops, and from these we chose the nine winners. On 22 April they pitched their ideas before a group of judges in London who decided how the £20,000 prize pot should be shared.

* National Lottery Heritage Fund

The projects are described briefly below, and more detail on the competition itself can be found at [woodlandtrust.org.uk/support-us/act/youth-conservation-challenge](https://www.woodlandtrust.org.uk/support-us/act/youth-conservation-challenge).

Lucy Grabe-Watson – awarded £3,000

Project: a national campaign to support the protection of our ancient woodlands, featuring short films and on-the-ground youth networking to reach a goal of 100,000 signatures on an e-petition.

Chiara George – awarded £1,250

Project: a three-part scheme called 'From Little Acorns' to create awareness of the importance of urban trees, with a national street tree day, a big tree party and big street tree survey.

Cameron Macdonald – awarded £2,750

Project: beautiful jewellery to be created from invasive rhododendron wood and sold to create awareness of the issues rhododendron poses to our ancient woodlands and rainforests.

Holly Daniels – awarded £3,000

Project: an interactive, inclusive exhibition to educate people on the wonders of the hidden species to be found in woodlands.

Elizabeth Trice – awarded £2,250

Project: a sustainable community/church-based conservation project to revitalise the area's local biodiversity and give the local community opportunities to experience and interact with nature.

Moiz Siddiqi and Sana Mirza – awarded £1,500

Project: a seeded paper product called Me-Eco on which the next generation of climate fighters can write down the personal things they want to let go of and watch themselves and their Me-Eco grow together.

Leonie Young – awarded £1,250

Project: clothing upcycling workshops to teach people how to upcycle clothes using a variety of techniques over a five-week course.

Anna Cooper – awarded £1,500

Project: raising awareness of how ancient trees can be damaged by soil compaction, how such damage can be reduced, and how pivotal soil is to ancient tree protection.

Katie Thompson – awarded £3,500

Project: three short films for social media and a 10-minute feature film connecting people, woods and wildlife on Smithills Estate.

Thanks to Pears Foundation and their #iwill fund partners, DCMS* and NLCF**, who funded this project.

* Department for Culture, Media and Sport

** National Lottery Community Fund

ENABLING

Our strategic aim

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





PHILIP FORMBY/WTM

**GIFTS IN WILLS –
OUR LARGEST SINGLE
INCOME STREAM**

(Meets strategic aims
*PROTECT, CREATE, RESTORE,
ENABLE, INSPIRE*)

Year on year, gifts kindly left in wills provide between a quarter and a third of all our funding. Legacies are the largest single income stream and, crucially, supply most of our unrestricted funds. In 2022/23, legacy income totalled £20.3 million, with a further estimated £6.2 million still going through the estate administration process. With only £340,500 expenditure on legacy marketing in this financial year, this obviously represents an exceptional return on investment.

During the year we received 664 legacy gifts – a small uplift on the previous financial year. The vast majority were unrestricted, including an extraordinary gift of over £1 million from a long-standing member who remained loyal to his ‘pledge’ made in 1997. The four largest legacies, all unrestricted, totalled £2.72 million, and were all left by members – ranging from a life member who joined in 1979, to a member who only joined five years ago.

Unrestricted legacy income was almost £17.8 million, and these kind gifts will enable us to spend where, when and on what is most urgent or important. It is very often utilised when other funding simply cannot be found quickly enough, such as for time-sensitive acquisitions, and essential items less easy to fundraise for, like utility bills and staff wages.

Legacies, quite simply, underpin everything we do: from planting trees and protecting vulnerable ancient woodland and precious habitats like Atlantic

rainforests, to strengthening and developing our work with young people, and providing key funding for acquisitions where legacies can be crucial. For example, Mrs Howes kindly left a gift in her will which contributed to our purchase of tranche two of Mourne Park in Kilkeel, Northern Ireland, and Mrs Duffield’s legacy played a key role in the acquisition of Avoncliff Wood in Wiltshire.

Giving in memory is another income stream for the Trust and is growing in importance. This can sometimes be a legacy like Mr Johnson’s, who left an exceptional gift in memory of his wife, or quite often it’s a donation. For example, Gillian’s Wood in Herefordshire is a wonderful 2022 acquisition which simply would not have happened without a substantial donation in memory of Gillian – a long-standing, generous supporter whose love of trees significantly benefited the surrounding countryside. The wood sits above Moccas Park, with extraordinary views encompassing two of Gillian’s great loves – heritage orchards and ancient woodland, including Credenhill Park Wood which she helped save in 2004.

In short, legacy and in-memory giving play an invaluable role in all that we do and are absolutely vital for us to achieve our ambitious aims for the health of people, nature and the planet.

OUR PEOPLE

(Meets strategic aims
ENABLE, INSPIRE)

After a period of growth, our capacity remains stable at around 600 staff, and we anticipate that this level will carry on into next year.
We continue to see huge passion and commitment from our people and thank each of them for everything they do for our cause.

VOLUNTEERS

(Meets strategic aims
CREATE, PROTECT, RESTORE
ENABLE, INSPIRE)

Our woodland working groups have continued to be very active, with around 110 groups supporting our estate through the countries and regions. The warden roles – our most popular lone-working role – have also played an important part in the last year. Wardens are the eyes and ears of the Trust, especially on our most popular sites, and they have never been more important due to the challenges created by increased footfall, such as wildfire risk.

Roles range anywhere from tree planting, youth volunteers and woodland working groups, to supporting campaigns, tree-health recording, photography, and threat detectors – to name but a few. We have also created a new network of volunteers in the last year: woodland advocates to support our campaigns and strengthen our messages across the UK. We couldn’t do what we do without them. Thanks to you all.



MICHAEL HEFFERNAN/WTMIL

OUR COMMITMENT TO DIVERSITY AND INCLUSION

(Meets strategic aims *INSPIRE, ENABLE*)

At the Woodland Trust, we believe everyone deserves to have their lives enriched by trees and woods. We also trust the overwhelming evidence that 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 to achieve the long-term systemic change we need. This is in addition to a diversity and inclusion champion on our board of trustees. For more information visit: woodlandtrust.org.uk/about-us/diversity-and-inclusion.



BEN LEE/WTMAL

THANKING OUR SUPPORTERS

(Meets strategic aims *INSPIRE, ENABLE*)

Our supporters are the life blood of the Woodland Trust, without whom we could not achieve what we do. We are the organisation consolidating the voice behind many like-minded people, and with our supporters behind us we are stronger in terms of policy and influence.

It is important for us to make space to hear what our supporters are feeling and saying about us so we can respond/adjust appropriately.

The Trust is working hard to shape decisions from a supporter perspective, and we now have an increased understanding of what our supporters want and need.

We whole heartedly thank you, our supporters, for everything you do to support the Woodland Trust, in whatever way you do it.

Our supporter promise underlines this, as does our approach to ethical fundraising (see page 45).

Together we can make the voice for woods and trees grow stronger.

FUNDRAISING



OUR APPROACH TO ETHICAL FUNDRAISING

The Woodland Trust is a member of the Chartered Institute of Fundraising, which is 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 below.

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.

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

The Trust has two wholly owned trading subsidiaries: Woodland Trust (Enterprises) Limited (company no. 2296645); and Woodland Trust Farming Limited (company no. 6360791). Glen Finglas Farming Limited (company no. SC408716), was dormant and was dissolved on 21 June 2022.

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 98.

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.

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. The trustees provide leadership and direction for the charity – setting the vision, mission and strategy which are delivered by the chief executive and their team.

Trustees are recruited to provide the skills and experience required to govern the Trust. To ensure we attract suitably skilled candidates, vacancies are advertised and shortlisted 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. Trustees are required to retire after four years, but may offer themselves up for re-appointment for one further period of four years.

The trustees are legally responsible for making sure that resources are used prudently and only in support of our objectives, for stewardship of our assets, and for ensuring that the charity complies with all relevant legislation and regulation. The trustee board operates a Conflicts of Interest policy. A Declaration of Interest form is completed annually by trustees, senior

management and fundraising staff, and new declarations are made and recorded at the start of every trustee committee meeting.

The Board meets quarterly to consider strategic business issues, and is supported by three sub-committees:

- The board affairs committee promotes good governance and effective working of the Board.
- The finance committee assists the Board in its duty to supervise the Trust's financial affairs. It also acts as an audit committee and an investment committee.
- The remuneration committee 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. The committee receives the staff representation group's annual report, on behalf of the trustees, and reviews the Trust's gender-pay-gap reporting and remuneration statement.

A scheme of delegation, which is reviewed annually by the Board, sets out the delegated authority of the committees and the principal officers. The committees are chaired by trustees with a minimum of three trustee members. Committee meetings are also attended by relevant staff. Each committee has its decisions ratified by the Board where appropriate. The day-to-day management is delegated to the chief executive and the senior management team.

TRUSTEES' REMUNERATION

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 certain 'wrongful acts' by its trustees or officers; and to indemnify them against their legal liability arising from any claim against them.

PROFESSIONAL ADVISERS

The Board is supported in its duties by professional advisers. A list of the Trust's main professional advisers appears on page 103. Haysmacintyre LLP has been reappointed as auditors through a resolution at the September 2022 board meeting.



PHILIP FORMBY/MTML

MEMBERS OF THE BOARD 2022–2023

- Barbara, Baroness Young of Old Scone** *(Chair)*
- Sally Benthall**
- Andrew Bryant**
- Fay Cooke**
- Stephen Horley**
- Julia Knights** *(appointed 30 June 2023)*
- Briony Nesbitt** *(appointed 30 June 2023)*
- James Ogilvie**
- Mark Preston**
- David Saddington** *(appointed 30 June 2023)*
- Julia Smithies**
- Amber Thiara** *(appointed 30 June 2023)*
- Chrisostomos Zisis**

Details of trustees’ experience and skills can be found on our [website](#).

EMPLOYEES AND REMUNERATION

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 benefiting from their growing knowledge. This is in preference to the disruption and expense of recruitment, especially as many staff have detailed knowledge that is unique to them in the organisation and could not be quickly replaced. Our salaries are set with this in mind.

The executive leadership team requires a breadth and depth of expertise which involves drawing from the best senior level talent in a competitive market. They need to be able to command the respect of their peers in the conservation and charity sector through their experience, knowledge, and professional and personal credibility. At the same time, we seek to keep senior management salary costs at a proportionate ratio to other salaries in the organisation. Salaries for the senior management team – the chief executive and six directors – are approved and reviewed annually by the Trust’s remuneration committee.

The senior management team as at 31 May 2023 comprised:

| | |
|---|-------------------------|
| Chief executive officer | <i>Darren Moorcroft</i> |
| Director of conservation and external affairs | <i>Abigail Bunker</i> |
| Chief financial officer (interim) | <i>Richard Marshall</i> |
| Director of brand and communications | <i>Ruth Hyde</i> |
| Director of fundraising and supporter development | <i>Karl Mitchell</i> |
| Director of operations, estate and woodland outreach | <i>Alistair Maltby</i> |
| Chief information officer | <i>Kathryn Downs</i> |

TRUSTEES’ ANNUAL RISK STATEMENT

Robust risk management enables us to make informed decisions and take calculated risks for the benefit of woods and trees. It allows us to anticipate and respond to challenges in our complex operating environment.

A risk management policy has been agreed and implemented by the trustees. Key risks are reviewed by the executive directors and received by the finance committee and Board. Mitigating actions are assigned to individuals. These actions reduce the likelihood and/or impact of any detrimental events.

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. 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.

PRINCIPAL RISKS AND UNCERTAINTIES DURING THE 12-MONTH PERIOD TO 31 MAY 2023

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 top seven principal risks and their mitigations are summarised below.

Financial sustainability

While our finances are healthy, inflation and an uncertain external environment pose significant financial risks to the organisation.

Our financial forecasts and triggers provide timely information, while our fundraising strategy covers a diverse range of funding sources, with ambition to grow our income. We are investing in new systems and increasing our ability to develop additional financial insight to improve our financial modelling and scenario planning. Both restricted and unrestricted operating income and expenditure as well as acquisitions and investments are monitored to ensure an adequate level of free reserves, liquidity and financial viability. The finance committee provides ongoing scrutiny of our reserves, financial position and outlook.

Failure to build and maintain a movement

Addressing the climate emergency is contingent on convincing the public, landowners, land managers and policy makers of the importance, urgency and benefits of protecting, restoring and creating woodland – galvanising them to act and demand change. Failing to build effective, engaging journeys that drive supporters and partners to join our movement (locally or nationally) will mean our strategic goals cannot be achieved. There is a risk that we will undermine our messages if we're not seen to live up to our own standards.

Our Climate Campaign is actively making the case for a pro-nature approach to tackling climate change with trees. We will continue to build relationships and partnerships with landowners, corporates and political decision makers. We have the ability to provide delivery options as well as generate support, influence others and hold government to account.

We are reaching out to new audiences, particularly the young and other demographics currently underrepresented in the environmental movement. 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. We will uphold our supporter promise and continue to improve our fundraising approaches.

We are committed to demonstrating leadership in the sector on environmental issues – and particularly woods and trees – and to reducing our impact on the environment. We will work and report transparently, keep science and evidence at the heart of our activities, and stay abreast of the latest peer-reviewed evidence and conservation and land management best practice – updating our positions, policies and practices accordingly. We will

continue to ensure our ethical and sustainability policies, and our values, are reflected in everything we do.

Competition for land and trees

We are facing increasing competition for land and for trees. The need for land for housing and roadbuilding, farming and recreation is making it harder to secure land and is driving up the price. Similarly, the demand for bio-secure, peat-free trees will outstrip supply if we are to reach our ambitions for 2030.

To mitigate this risk, we have a clearly defined land plan with acquisition and financing models which make us as competitive as possible while spending charitable funds prudently. We can't reach our ambitions by only buying land ourselves. We are, therefore, increasingly working with partners, landowners and policy makers with the aim of encouraging them to protect and restore more existing woodland and create new woodlands instead of using the land for other purposes.

Our UK and Ireland Sourced and Grown (UKISG) standard is our key risk management tool to help ensure our own biosecure and resilient tree supply. Our head of tree supply will secure our tree supply, while our UKISG business development manager will further build supply and develop the standard for agroforestry and standard trees – where UKISG-certified supply is very limited.

Loss of trees to pests, diseases and climate change

Experience of ash dieback and other tree diseases has in past years highlighted the risks of inadvertently importing tree disease on planting stock. 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. Climate change and combinations of local climatic events will also have an increasing impact on landscape resilience, including on woods and trees.

Our stance on biosecurity is clear. We have a tree-procurement policy of only using UK and Ireland Sourced and Grown material, as avoiding imports reduces disease risk. We have protocols to maintain biosecurity for staff who move between sites. Trust staff continue to monitor tree health and potential disease risk and detect and react, where necessary and possible, to new threats. Our involvement in the Observatree partnership is recognised as assisting detection and monitoring pests and diseases more widely. We encourage corporate partners to consider plant health risks that might be associated with their business activities. The Trust also funds research into the impacts of tree disease, and a 'trees outside woods' strategy has been designed to tackle the landscape impact of ash dieback. We continue to press for improvements in biosecurity protocols and regulations.

To increase the resilience of landscapes, woods and trees to climate change, we advocate for active woodland management – with greater protection and restoration of wooded habitats. We promote the use of a wider range of native species – improving age and structural diversity in woods to make them more resilient – and will reduce the negative pressures already on woodland and trees through direct delivery on our own estate, work with other landowners, and our lobbying and advocacy work.

Internal capability and capacity

Our people are our greatest asset and in a competitive labour market we want to be an employer of choice. But people also need the right tools and facilities to do the job well. There is a risk that we don't have the right people or resources (financial, technological or otherwise) to deliver our strategic aims and/or that a lack of leadership and management means people and resources are poorly deployed or supported. Our strategy is ambitious and could lead to people over-working.

We have an associate director of people leading our people strategy, with key strands on wellbeing, internal communications, recruitment and retention, and diversity and inclusion. 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. Robust processes for prioritisation are being developed, and our operating model is under review. We are undergoing a transformation programme which includes technology upgrades and adoption of new digital tools to support our people in their work.

Harm to a person or people

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. The Woodland Trust also operates a safeguarding policy to protect children, young people and vulnerable adults who engage with us. 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.

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 is a member of 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) where our risk assessment tells us it's necessary. We take a pragmatic stance and expect visitors to take some responsibility – and reasonable measures – to ensure their own safety.

During 2022/23, the Woodland Trust carried out its scheduled external safety audit. The audit looked at all aspects of our health and safety management system and standards. The audit concluded that there was an outstanding health and safety culture, backed up with appropriate training and excellent implementation of VSG principles.

Political decisions have potential negative impacts for woods and trees and our work

Environmental issues face the challenge of increased political concern about the costs of action – especially with regard to climate change – while insufficient attention is being accorded to the nature crisis amid a range of competing policy priorities, particularly where perceived to be in conflict

with areas such as economic growth and housebuilding. This jeopardy is exacerbated by incomplete implementation of post-Brexit land-use funding and environmental governance regimes.

We will continue to monitor and respond to political and economic trends as they evolve – working proactively and collaboratively to hold governments to account on commitments not to lower protection post-Brexit – and to secure priority legislative and public policy goals (including boosting public and broader funding for native woods and trees). Demonstrating the ability of woods and trees to deliver across a wide range of government policies is central to this. In the run up to the forthcoming UK General Election, there will be heightened coalition activity to boost understanding of the importance of strong political leadership on the environment, and the public's demand for this.

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 29 September 2023 and signed on their behalf by:



Barbara, Baroness Young of Old Scone
Chair
29 September 2023

THE ENVIRONMENTAL IMPACT OF HOW WE CREATE A UK RICH IN NATIVE WOODS AND TREES





PHILIP FORMBY/ALAMY

INTRODUCTION

Building on the important progress made by the Trust in recent years, this year saw the finalisation and endorsement by our trustees of an ambitious new Sustainability Strategy, along with some important analysis to establish a more holistic picture of the carbon impacts of what we do and how we do it. The strategy introduces a high-level organisational responsibility framework for understanding and proactively managing our social and environmental responsibilities and impacts, and which sets out our vision for a sustainable Woodland Trust in 2030 and a more systematic approach to sustainability in governance, decision making and reporting across the entire Trust.

We have worked with environmental sustainability experts to better understand and analyse our activities, and used Woodland Trust datasets to help us focus more on where our impact and potential influence are greatest. We have identified four priority focus areas for the Trust over the period of this strategy: climate action, resource use, resilient environments, and living systems. We have made good progress across these this year, as part of two programmes that will be key priorities for the Trust over the next three-year period: the Climate Positive programme and the Sustainable Woodland Establishment programme.

We will also be focusing on developing and implementing the systems, processes, skills and understanding internally to help keep us on track. We build environmental sustainability into decision-making processes and systems, as well as enhancing our engagement with internal and external stakeholders, reporting transparently on our material impacts, sharing our expertise and lessons learned to inform policy and practice, and drawing on the learnings and best practice of others.

In this report we include some of the emerging draft findings from our work to understand the broader carbon impacts of our activities, beyond those that we are currently required to report on. This includes estimates of more of our Scope 3 greenhouse gas emissions and how these arise, as well as estimates of the carbon sequestration and storage impacts of our tree and woodland protection, restoration and creation work. Further details of these activities and of our sustainability strategy and work can be found on the Woodland Trust's website.

Carbon emissions: Our total Scope 1 and 2 carbon emissions for 2022–23, calculated in accordance with the GHG Protocol and in alignment with the Streamlined Energy and Carbon Reporting Guidance 2019, was 552 tonnes CO₂e. Although this is an increase on last year’s emissions, we believe this can largely be attributed to the return to more standard working patterns post-pandemic and, therefore, a more realistic comparison for the 2022–23 year than it would be against the 2018–19 and 2019–20 years, when we were a much smaller organisation, but with a much bigger footprint (circa 700 tonnes CO₂e).

Vehicle use: Our total vehicle emissions in 2023–23 were 472 tonnes CO₂e, up slightly on the previous year. However, this is also consistent with a return to more standard working patterns, as we operate sites across the four nations of the UK, often in remote locations. In the long term we hope to significantly decrease these emissions with the continued electrification of our fleet. In the last year we have successfully rolled out 10 EVs (out of a total of 170 vehicles), in addition to taking on a further 30 EVs – the impact of which will be reflected in the next reporting year.

Energy: Largely driven by a transitioned return to office-based working, we saw a 10% increase in our electricity consumption from last year, with a carbon emission figure of 68 tonnes of CO₂e. Despite this, we are also confident that we have limited this increase due to measures implemented in the last year, including a switch to LED lighting at our head office to lower our energy consumption. On the other hand, our gas consumption last year significantly fell by 40% on 2021–22, from 22 tonnes of CO₂e to 13 tonnes. Although we believe the previous year’s consumption was likely to have been uncharacteristically high with lower than usual efficiencies to comply with pandemic-related regulations, in the future we aim to sustain this new lower level of consumption. In addition, we are currently undertaking a feasibility study to consider what further changes we can make within our head office.

Carbon intensity ratio: The intensity ratio of tonnes CO₂e from vehicle use and energy consumption per staff full-time equivalent (FTE) was 0.98 tonnes CO₂e per FTE – up by 12% from 0.88 tonnes CO₂e in 2021–22. However, the long-term trend remains positive when compared with the more comparable 2019–20 year in operational terms as by 2022–23 we had decreased our reported emissions by 20%. This was despite increasing our staff FTE by 15% which resulted in a 30% decrease in our carbon intensity ratio.

| Emissions source | June 2022–May 2023 | | June 2021–May 2022 | |
|--|--------------------|--------------------------|--------------------|--------------------------|
| | kWh consumption | tonnes CO ₂ e | kWh consumption | tonnes CO ₂ e |
| Vehicle use | 1,871,673 | 472 | 1,649,304 | 419 |
| Gas | 70,020 | 13 | 117,741 | 22 |
| Electricity | 328,005 | 68 | 298,018 | 63 |
| Total | 2,269,698 | 553 | 2,065,063 | 504 |
| FTE | | 563 | | 573 |
| Intensity ratio tonnes CO ₂ e per FTE | | 0.98 | | 0.88 |

ADDITIONAL CARBON REPORTING

1. Carbon emissions Our annual carbon emissions reporting to date has primarily focused on fuel consumption across our estate, and Woodland Trust-owned vehicles (Scope 1 and 2 emissions). This year we took the first step towards a more comprehensive and holistic assessment of our carbon emissions, going beyond typical carbon reporting requirements by considering a range of additional potential emissions sources, including travel, home working, purchases and utilities, with potential to expand these categories even further in the future. For the first version of this more detailed carbon reporting, we have used 2021/22 as the baseline year. We are currently working with expert consultants to improve the quality and completeness of our data, and reviewing our data collection systems, frequency of reporting and processes to better measure and report our performance in future years.

CARBON EMISSIONS

The estimated emissions for the 2021/22 baseline year were calculated as follows.



| | | Estimated tCO ₂ e |
|---------|---------------------|------------------------------|
| Scope 1 | Fuels | 23 |
| | Fleet | 306 |
| Scope 2 | EV | 3 |
| | Electricity | 63 |
| Scope 3 | Utilities | 28 |
| | Upstream fleet | 74 |
| | Business travel | 160 |
| | Purchases | 8,658 |
| | Cloud computing | 3 |
| | Employees commuting | 104 |
| | Home working | 421 |

2. Carbon removals and annual carbon balance: In addition, for the first time we also undertook a structured estimate of carbon storage and anticipated future carbon sequestration and removals in woodlands owned by the Woodland Trust. We are currently working to fill some key gaps in the data and refine our underpinning assumptions and estimates, but early indications are that existing woodland across the Woodland Trust estate (excluding woodlands created via the Woodland Trust Woodland Carbon scheme), is estimated to have removed at least six to seven times more carbon than was emitted in 2021-22.

3. While these carbon removals do not meet the additionality requirements of standards such as the Science Based Targets Initiative (SBTi) (only currently open for formal use by corporates), it provides a first estimate of the potential scale of carbon benefits of the Trust’s protection, restoration and creation activities on our own estate. As previously mentioned, for the first version of this more detailed carbon reporting, we have used 2021/22

as the baseline year. Our aspiration is to be able to estimate and report on how each of these is contributing to our annual carbon balance, and to the UK's commitment to Net Zero.

4. Annual carbon balance: Calculating both the emissions of the Woodland Trust and the ongoing removals as part of the organisation's estate is a complex process that continuously changes as woodlands mature and new woodlands are created. However, through the methodologies developed and defined through this work, it is possible to provide an indicative estimate of the Trust's carbon balance across all scopes and carbon removals for 2021-22.

5. What's next? Future work (over the next three years) will seek to improve our understanding, and target our efforts and resources even more effectively and efficiently, by, for example:

1. Improving data collection and quality
2. Setting targets to define and communicate future ambition with respect to reducing carbon emissions and increasing carbon sequestration
3. Developing decarbonisation and removals pathways to coordinate action
4. Exploring how we might estimate and report on the carbon removals and emissions from a wider range of habitat types across the Woodland Trust estate, as well as the wider implications of timber products harvested from the estate.

WIDER SUSTAINABILITY MEASURES

- **Waste:** Active recycling is in place at our offices, including our head office in Grantham. We recycle the majority of our head office waste, segregating across eight different waste streams, with the general waste (for example, paper hand towels, tissues, soiled food packaging) going to energy recovery. In 2022-23 we achieved a 99% diversion-from-landfill rate from our office locations.
- **Water:** Largely driven by a transitioned return to office-based working, we saw our water consumption slightly increase by 6% in 2022-23 – consuming 1,069 m³ up from 1,008 m³ in 2021-22.
- **Resource use:** There is rightly much greater awareness and understanding of the negative environmental impacts of three particular resources which the Trust currently uses within some of its land management activities, and we are seeking to reduce our use of these in a variety of ways – plastics, most notably in the form of tree guards; peat, as a tree-growing medium by some of our supplier nurseries; and pesticides, most notably glyphosate, as part of creation and restoration management.
 - **Tree guards:** Building on our commitment to stop using new single-use plastic tree guards on our estate last year, from January 2023 delivery onwards, schools and communities applying for free tree packs are now sent updated guidance on how to plant and care for their trees, rather than being sent plastic protection as standard. The Trust currently has four plastic-free protection alternatives on trial

across MOREwoods, 'Trees for your farm' and other regional outreach activity. For sites to effectively trial these products as a part of the Trust's wider research project, there are certain conditions which must be met. It is also essential to manage expectations with the landowner, i.e. that these products are still in trial stage and may not perform as expected. Through MOREwoods, we are now also starting to trial fencing on a small percentage of sites to explore an alternative method of protecting trees from browsing. We are also working to provide landowners with better guidance on reducing use of single-use plastics.

- **Peat:** Peat is important for carbon storage and biodiversity and remains a common growing medium among commercial nurseries. For the 2022–23 season, the Trust purchased 5.4 million trees on contract, 98% of which were grown peat-free (the same as in 2021–22, but significantly up from 43% in 2019). We are committed to peat removal from our core contracts as well as promoting peat-reduction strategies to those nurseries we work with outside of our contract, as part of the UKISG assurance 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 wherever 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 has been identified as required due to external factors (for example, ingress into our sites). In 2022, glyphosate was used across 172 hectares of the estate – or less than 0.5% of the total estate area – using 370 litres of glyphosate concentrate compared to 350 litres in 2021 – a 6% increase. However, 2022 was the second lowest annual use recorded since we started reporting our pesticide use in 2000, with 2021 the lowest. These figures compare to a high point of over 3,000 litres used in 2013 – almost 10 times the present usage.

- **Sustainability strategy:** Sustainability is not something new to the Woodland Trust. It is at the core of our purpose, and our new sustainability strategy builds upon these solid foundations. As we look forward to 2030, we have made a strategic commitment to ensure that the Woodland Trust is a responsible business that is an exemplar in social and environmental responsibility, with whom responsible partners desire to work. This is

considered holistically through the Woodland Trust's sustainability framework that considers three pillars: 1) environmental responsibility, 2) social responsibility, and 3) responsible governance. Through internal engagement and external review, these pillars were further considered under 12 themes.

For our priority themes we have developed programmes of activity, with Key Performance Indicators (KPIs) to track progress. These environmental themes include climate action, resource use, resilient environments and living systems. We intend to improve direct and indirect actions as well as the actions of our suppliers and partners, as part of our wider advocacy and policy development. The following principles drive all of this work: transparent, accountable, holistic, action-oriented and agile.

EXTERNAL CERTIFICATIONS

This year we reviewed our strategic needs from an independent sustainability standard, and how this can complement our long-standing commitment to the internationally recognised forest sustainability standard of the *Forest Stewardship Council® (FSC®). This annually verified compliance of the management of our estate through independent audit is directly responsible for some of our established sustainability reporting criteria such as the pesticide use detailed above. We are the first large landowner to have received FSC® certification for a continuous period of over 20 years, and this year we successfully underwent a full five-yearly independent audit.

Further information about our sustainability work can be found on our website.

*Most Woodland Trust woods are certified to FSC® standards by the Soil Association. Ask us for details of our certified woods. Certificate number SA-FM/COC-001270. Licence code FSC-C009406.

FINANCIAL REVIEW



FINANCIAL SUMMARY

Continued generous support for the Trust's purpose and objectives resulted in income for the year 2022/23 of £82.5 million [2021/22: £76.4 million], £6.1 million higher than in 2021/22. With high inflation and increased economic uncertainty, action was taken during the year to manage costs, and total expenditure was £69.5 million (2021/22: £68.6 million) of which £58.1 million was spent on delivering our charitable activity (2021/22: £58.6 million). Investment in acquiring woods and land for woodland creation projects, protecting ancient woodland, and supporting visitors to our estate was lower at £11.9 million, compared with £15.8 million last year when we were very much focused on spending our reserves for the benefit of woods and trees.

With additional generous donations in support of longer-term and future projects, total funds were £191.9 million at the year end (2021/22: £180.4 million), an increase of 6% (£11.5 million) over the year. Of these, £151.7 million is restricted to specific projects and includes £124 million in woods and land. Total funds also include £34.6 million of free reserves, representing eleven months' worth of unrestricted expenditure. This is within the maximum limit of 12 months as per our reserves policy.

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 | 2022/23 £m | 2022/23 % of income | 2021/22 £m | 2021/22 % of income |
|--|---------------|------------------------|---------------|------------------------|
| Donations | 29.7 | 36.0 | 21.1 | 27.6 |
| Legacies | 20.2 | 24.5 | 18.3 | 24.0 |
| Memberships | 12.3 | 14.9 | 12.0 | 15.7 |
| Charitable activities | 13.4 | 16.2 | 18.1 | 23.7 |
| Trading | 4.9 | 6.0 | 4.3 | 5.6 |
| Income from investments and other income | 2.0 | 2.4 | 2.6 | 3.4 |
| Total income | 82.5 | 100.0 | 76.4 | 100.0 |

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 almost a quarter 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 £13.4 million (2021/22: £18.1 million) – 16.2% of total income. This income is partially 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.

Our corporate partners and charitable trusts continued their valued support by contributing £15.9 million (2021/22: £11.1 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](https://www.woodlandtrust.org.uk).

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 2022/23, 86p (2021/22: 88p) went towards our charitable objectives. This amount fluctuates year on year, depending in particular on how much we spend on buying woods and land.

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 | 2022/2 | | | 2021/22 |
|---|-------------------------|-----------------------------|-------------|-------------|
| | Operational costs £m | Buying woods and land £m | Total £m | Total £m |
| Creating new woodland Includes tree planting on a national scale, preparing sites for planting, and holding events that allow people to engage in planting activities. | 26.1 | 5.2 | 31.3 | 40.2 |
| Restoration of native and ancient woodland Includes site clearance for natural regeneration, timber extraction, access for visitors, and maintenance. | 16.8 | 1.2 | 18.0 | 18.1 |
| Protecting ancient trees and woods Includes the removal of invasive plant species, tree safety and ecological surveys and assessments. | 15.2 | 5.5 | 20.7 | 16.1 |
| Generating funds | 11.4 | - | 11.4 | 10.1 |
| Total costs | 69.5 | 11.9 | 81.4 | 84.5 |

| Expenditure (%) | 2022/23 | | 2021/22 | |
|---|-------------------------|------------------|-------------------------|------------------|
| | Total expenditure £m | % of expenditure | Total expenditure £m | % of expenditure |
| Creating new woodland Includes tree planting on a national scale, preparing sites for planting and holding events that allow people to engage in planting activities. | 31.3 | 38.4 | 40.2 | 47.6 |
| Restoration of native and ancient woodland Includes site clearance for natural regeneration, timber extraction, and access for visitors and maintenance. | 18.0 | 22.1 | 18.1 | 21.4 |
| Protecting ancient trees and woods Includes the removal of invasive plant species, tree safety, and ecological surveys and assessments. | 20.7 | 25.4 | 16.1 | 19.0 |
| Generating funds | 11.4 | 14.1 | 10.1 | 12.0 |
| Total costs | 81.4 | 100 | 84.5 | 100 |

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.

SPENDING TO GENERATE FUNDS

A total of £11.4 million (2021/22: £10.1 million) was spent during 2022/23 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 £5.44 in return.

Included within fundraising costs is the cost of recruiting new donors and administering 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

Net income for this period was £11.5 million (2021/22: £6.5 million).

RESERVES

The Trust's reserves policy is to hold free reserves equivalent to around six months of budgeted unrestricted expenditure. This target of six months' cover sits within an operational band of five to seven months' cover and with a minimum limit of three months' cover. In recent years, the Trust has looked to utilise free reserves in delivery of the cause. However, in view of the current challenging economic climate, we will be aiming to achieve balanced budgets for the coming few years and to hold free reserves at the target level. At the end of 2022/23, reserves totalled £191.9 million (2021/22: £180.4 million), of which £124.2 million was represented by woods and land (2021/22: £113.2 million), with restricted funds and endowments being £27.6 million (2021/22: £31.3 million) and general reserves of £34.6 million (2021/22: £23.2 million). The increase in our woods and land was due in part to the continued success of our fundraising and long-term partnerships.

| Reserves | as at 31 May 2023 | as at 31 May 2022 |
|-----------------------|-----------------------|-----------------------|
| Total reserves | £191.9 million | £180.4 million |
| General funds | | |
| Designated funds | £0.2 million | £7.3 million |
| Free reserves | £34.6 million | £23.2 million |
| Total | £34.8 million | £30.5 million |
| Restricted funds | £19.8 million | £22.8 million |
| Assets | | |
| Fixed assets | £5.4 million | £5.5 million |
| Woods and land | £124.2 million | £113.2 million |
| Total | £129.6 million | £118.7 million |
| Endowments | £7.7 million | £8.4 million |
| Total reserves | £191.9 million | £180.4 million |

RESTRICTED FUNDS

Restricted funds are derived from legacies, donations and grants with specific conditions attached, which we aim to comply with as effectively as possible so these funds can be used to achieve our aims.

PERMANENT ENDOWMENTS

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

UNRESTRICTED FUNDS

The unrestricted funds are available in order to achieve our strategic objectives. They arise from unrestricted legacies, donations from fundraising activities and from any resultant surpluses generated from our day-to-day operations. Free reserves, as defined by the Charity Commission, are unrestricted reserves that are freely available to spend on charitable purposes. At £34.6 million our free reserves represent 11 months' worth of unrestricted expenditure as per statutory accounts as at 31 May 2023.

INVESTMENT POLICY AND PERFORMANCE

This is within the target range of three to 12 months of annual budgeted unrestricted expenditure set by the finance committee.

We continue to 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 £38.7 million of which £14.0 million is held in short-term deposit funds; and £24.7 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.

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%, over a rolling five-year period, 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 (4.1)% against benchmarks 'CPI plus 3.5%' of [12.2%] and the ARC steady growth index of [(2.6)%].

Against a background of economic turbulence and high inflation rates, the value of our investment portfolio decreased by £1.4 million during the 12-month period (2021/22: net decrease of £1.2 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE WOODLAND TRUST

OPINION

We have audited the financial statements of the Woodland Trust for the year ended 31 May 2023 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 2023 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.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. 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 includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- adequate accounting records have not been kept by the parent charitable company; or
- 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

RESPONSIBILITIES OF TRUSTEES FOR THE FINANCIAL STATEMENTS

As explained more fully in the trustees' responsibilities statement set out on pages 54–55, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group/charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to Charity Commission, OSCR, Charity law, Company law, fundraising regulations and GDPR, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006, the Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and consider other factors such as income tax and payroll taxes.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting

estimate and application of controls around authorisation of expenditure and payments. Audit procedures performed by the engagement team included:

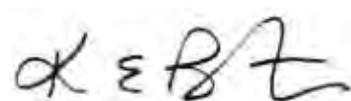
- inspecting correspondence with regulators and tax authorities
- discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud
- evaluating management's controls designed to prevent and detect irregularities
- identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions
- challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

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 Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Kathryn Burton
(Senior Statutory Auditor)

For and on behalf of
Haysmacintyre LLP, Statutory
Auditors
29 November 2023

10 Queen Street Place
London
EC4R 1AG

| Category | Analysis | Note | General unrestricted Funds £'000 | Designated unrestricted Funds £'000 | Restricted funds £'000 | Endowment funds £'000 | Total 2022/23 £'000 | Total 2021/22 £'000 |
|----------------------------|--|------|-------------------------------------|--|---------------------------|--------------------------|------------------------|------------------------|
| Income and endowments: | Donations and legacies | 2 | 39,740 | - | 22,475 | - | 62,215 | 51,378 |
| | Other trading activities | 2 | 4,919 | - | - | - | 4,919 | 4,269 |
| | Investments | 8 | 317 | 212 | 111 | 227 | 867 | 608 |
| | Charitable activities | 2 | 5,111 | - | 8,295 | - | 13,406 | 18,145 |
| | Other income | 2 | 500 | - | 589 | - | 1,089 | 1,976 |
| | Total income and endowments | | 50,587 | 212 | 31,470 | 227 | 82,496 | 76,376 |
| Expenditure: | Protect woodland | 5 | (6,934) | (2,120) | (6,106) | (60) | (15,220) | (15,934) |
| | Restore woodland | 5 | (7,638) | (2,335) | (6,726) | (66) | (16,765) | (17,263) |
| | Create woodland | 5 | (11,877) | (3,632) | (10,459) | (102) | (26,070) | (25,378) |
| | Total charitable expenditure | | (26,449) | (8,087) | (23,291) | (228) | (58,055) | (58,575) |
| | Cost of raising funds | 5 | (11,348) | - | (38) | (60) | (11,446) | (10,072) |
| | Total expenditure | | (37,797) | (8,087) | (23,329) | (288) | (69,501) | (68,647) |
| Net Income/ (expenditure): | Net income/ (expenditure) before investment (losses)/gains | | 12,790 | (7,875) | 8,141 | (61) | 12,995 | 7,729 |
| | Net (losses)/gains | 11 | (553) | - | (327) | (594) | (1,474) | (1,150) |
| | Net Income/ (expenditure) | | 12,237 | (7,875) | 7,814 | (655) | 11,521 | 6,579 |
| Funds: | Transfers between funds | 17 | (877) | 794 | 83 | - | - | (3) |
| | Net movements in funds | | 11,360 | (7,081) | 7,897 | (655) | 11,521 | 6,576 |
| | Fund Balances brought forward at 1 June | | 28,657 | 7,251 | 136,125 | 8,372 | 180,405 | 173,829 |
| | Fund balances carried forward at 31 May | 18 | 40,017 | 170 | 144,022 | 7,717 | 191,926 | 180,405 |

This statement of financial activities excludes £11,876k (2021/22: £15,791k) of woods and land acquired and capitalised as per note 9 (page 89). There are no recognised gains or losses other than those shown in the consolidated statement of financial activities above.

The notes on pages 76–102 form part of these accounts.

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 £12,995k and the net surplus for the period of £11,521k, as defined under the Companies Act, are realised losses on investments of £1,475k.

A comparative statement of financial activities is included in note 25 (page 101).

| Category | Analysis | Note | Group 2022/23 £'000 | Group 2021/22 £'000 | Charity 2022/23 £'000 | Charity 2021/22 £'000 |
|-------------------------------------|---|------|---------------------------|---------------------------|-----------------------------|-----------------------------|
| Fixed assets and investments | Tangible woods and land | 9 | 124,169 | 113,185 | 124,169 | 113,185 |
| | Tangible other fixed assets | 10 | 5,417 | 5,465 | 5,417 | 5,465 |
| | Total fixed assets | | 129,586 | 118,650 | 129,586 | 118,650 |
| | Investments | 11 | 38,739 | 34,173 | 38,739 | 34,173 |
| | Total fixed assets and investments | | 168,325 | 152,822 | 168,325 | 152,822 |
| Current assets | Land for planting and resale | 12 | 542 | 542 | 542 | 542 |
| | Stocks | 13 | 495 | 469 | 230 | 222 |
| | Debtors | 14 | 25,217 | 29,638 | 25,750 | 29,774 |
| | Cash at bank and in hand | | 6,661 | 8,171 | 6,114 | 8,104 |
| | Total current assets | | 32,915 | 38,820 | 32,636 | 38,642 |
| Creditors | Amounts falling due within one year | 15 | (9,314) | (11,236) | (9,035) | (11,058) |
| Net current assets | Total current net assets | | 23,601 | 27,583 | 23,601 | 27,583 |
| Long-term debtors | Amounts falling after one year | 16 | - | - | - | - |
| Net Assets | Total net assets | 18 | 191,926 | 180,405 | 191,926 | 180,405 |
| Financed by | Restricted funds | 17 | 144,022 | 136,125 | 144,022 | 136,125 |
| | Permanent endowments | 17 | 7,717 | 8,372 | 7,717 | 8,372 |
| | Unrestricted general funds | 17 | 40,017 | 28,657 | 40,017 | 28,657 |
| | Unrestricted designated funds | 17 | 170 | 7,251 | 170 | 7,251 |
| | Total reserves | | 191,926 | 180,405 | 191,926 | 180,405 |

The net movement in funds for the parent company is a surplus of £11,521k (2021/22 £6,576k).

These accounts were approved and authorised for issue by the trustees on 29 September 2023 and signed on their behalf by:



**Barbara, Baroness Young of Old Scone
Chair**

Company number: 1982873

The notes on pages 76-102 form part of these accounts.

| Category | Analysis | Note | 2022/23 £'000 | 2021/22 £'000 |
|--|--|------|------------------|------------------|
| Cash inflows | Operating activities | | 12,457 | 4,414 |
| Net cash flow from investing activities | Investment income | 8 | 867 | 608 |
| | Purchase of woodland and land | 9 | (8,509) | (15,791) |
| | Purchase of fixed assets | 10 | (284) | (238) |
| | Purchase of investments | 11 | (9,312) | (11,132) |
| | Net liquid movement | 11 | (4,989) | 4,452 |
| | Sale of investments | 11 | 8,259 | 17,525 |
| | Net cash flow from investing activities | | (13,968) | (4,576) |
| Change in cash and cash equivalents in the year | Net movement in cash in period / year | | (1,510) | (198) |
| | Cash at 1 June | | 8,171 | 8,369 |
| | Cash at 31 May | | 6,661 | 8,171 |
| (a) Reconciliation of net income to net cash flow from operating activities | Net income/expenditure | | 12,996 | 7,729 |
| | Investment income | | (867) | (608) |
| | Donated woodland and land | | (3,368) | (46) |
| | Depreciation woods and land | | 42 | 110 |
| | Depreciation other fixed assets | | 331 | 321 |
| | Loss on disposal of woods and land | | 850 | 10 |
| | (Increase)/decrease in land stock | | - | 563 |
| | (Increase)/decrease in stock | | (26) | (36) |
| | (Increase)/decrease in debtors | | 4,421 | (6,438) |
| | Increase /(decrease) in creditors | | (1,922) | 2,468 |
| | Decrease in long-term debtors | | - | 341 |
| | Net cash inflow from operating activities | | 12,457 | 4,414 |
| (b) Analysis of change in net funds | Opening balance 1 June | | 8,171 | 8,369 |
| | Net movement in cash in the period | | (1,510) | (198) |
| | Closing balance 31 May | | 6,661 | 8,171 |

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.

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.

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.

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 it is 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 managed 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.

In January 2021, the direct beneficiary relationship with People's Postcode Lottery (PPL) ended. Players of People's Postcode Lottery continue their valued support of the Trust through awards made by Postcode Green Trust.

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 81) to the accounts. These costs are analysed in notes 5 and 6 (page 84–86) 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 87) 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 50 years or less 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 89) 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. 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.

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 has defined contribution pension schemes. The cost of providing pensions is charged to the consolidated statement of financial activities, using the allocation method set out 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 98) for details of transactions between the Woodland Trust and its subsidiaries. Trustees made combined donations of £25k (2021/22: £75k). There were no other related party transactions during the year to 31 May 2023.

2. INCOME 2022/23

| Category | Analysis | General funds £'000 | Restricted funds £'000 | Endowment funds £'000 | Total 2022/23 £'000 |
|-----------------------------------|---|------------------------|---------------------------|--------------------------|---------------------------|
| Donations and legacies | Legacies | 18,584 | 1,646 | - | 20,230 |
| | Membership subscriptions | 12,255 | - | - | 12,255 |
| | Fundraising and appeals | 4,470 | 5,919 | - | 10,389 |
| | Company donations, charitable trusts and landfill tax | 4,430 | 11,568 | - | 15,998 |
| | Donated woodland and land | - | 3,342 | - | 3,342 |
| | Total donations and legacies | 39,739 | 22,475 | - | 62,214 |
| Other trading activities | Sponsorship income | 2,801 | - | - | 2,801 |
| | Raffles | 238 | - | - | 238 |
| | Lotteries | - | - | - | - |
| | Merchandise income | 1,880 | - | - | 1,880 |
| | Total income from other trading activities | 4,919 | - | - | 4,919 |
| Income from charitable activities | Grants | 1,533 | 8,295 | - | 9,828 |
| | Woodland management income | 3,579 | - | - | 3,579 |
| | Total income from charitable activities | 5,112 | 8,295 | - | 13,407 |
| Other and investment income | Other income | 500 | 589 | - | 1,089 |
| | Investment income | 529 | 111 | 227 | 867 |
| Total income | Total income and endowments | 50,799 | 31,470 | 227 | 82,496 |

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 £6.2 million (2021/22: £5.9 million).

Income for the year 2021/22

| Category | Analysis | General funds £'000 | Restricted funds £'000 | Endowment funds £'000 | Total 2021/22 £'000 |
|-----------------------------------|---|------------------------|---------------------------|--------------------------|---------------------------|
| Donations and legacies | Legacies | 16,210 | 2,059 | - | 18,269 |
| | Membership subscriptions | 11,950 | - | - | 11,950 |
| | Fundraising and appeals | 3,969 | 6,029 | - | 9,998 |
| | Company donations, charitable trusts and landfill tax | 445 | 10,673 | - | 11,118 |
| | Donated woodland and land | - | 43 | - | 43 |
| | Total donations and legacies | 32,574 | 18,804 | - | 51,378 |
| Other trading activities | Sponsorship income | 2,518 | - | - | 2,518 |
| | Raffles | - | - | - | - |
| | Merchandise income | 1,751 | - | - | 1,751 |
| | Total income from other trading activities | 4,269 | - | - | 4,269 |
| Income from charitable activities | Grants | 2,164 | 11,372 | - | 13,536 |
| | Woodland management income | 4,609 | - | - | 4,609 |
| | Total income from charitable activities | 6,773 | 11,372 | - | 18,145 |
| Other and investment income | Other income | 1,672 | 304 | - | 1,976 |
| | Investment income | 586 | 131 | (109) | 608 |
| Total income | Total income and endowments | 45,874 | 30,611 | (109) | 76,376 |

3. LOTTERY INCOME

∴ No lottery income was received during the year.

4. GRANTS

| Grant bodies | 2022/23 £'000 | 2021/22 £'000 |
|---|--------------------------|--------------------------|
| Postcode Green Trust* | 3,000 | 3,265 |
| Defra | 1,569 | 2,487 |
| Northern Ireland Environment Agency | 1,372 | 672 |
| National Lottery Heritage Fund | 1,079 | 941 |
| Local Authorities | 512 | 218 |
| Welsh Government – Llywodraeth Cymru | 377 | 30 |
| Scottish Government Rural Payments and Inspections Directorate | 374 | 391 |
| Natural England | 318 | 429 |
| Forestry Commission | 240 | 432 |
| Scottish Forestry | 164 | 70 |
| The Pears #iwill Fund | 150 | 150 |
| Department of Agriculture and Rural Development | 107 | 229 |
| Point and Sandwich Trust | 86 | (53) |
| The Rivers Trust | 84 | – |
| Hilton Global Foundation | 82 | – |
| Loch Lomond & The Trossachs National Park Authority | 66 | – |
| Welsh Assembly Government Rural Payments | 65 | 224 |
| Scope | 47 | – |
| National Forest Company | 32 | 13 |
| Rural Payment Agencies | 28 | 649 |
| Nigel and Meryl Carr | 27 | – |
| Other grant providers | 26 | 25 |
| Soil Association | 19 | – |
| Natural Resources Wales – Cyfoeth Naturiol Cymru | 14 | 45 |
| Catch 22 | 10 | – |
| Esmée Fairbairn Foundation | – | 90 |
| European Agricultural Fund for Rural Development/DAERA | – | 408 |
| Greater London Authority | – | 9 |
| Green Recovery Challenge Fund: National Lottery Heritage Fund in partnership with Natural England and the Environment Agency on behalf of Defra | – | 2,700 |
| HM Revenue & Customs Coronavirus job retention scheme | – | 5 |
| NatureScot | – | 105 |
| People's Trust for Endangered Species | – | 2 |
| Environment Agency | (20) | – |
| Total | 9,828 | 13,536 |

Of those listed above, £8,295k (2021/22: £11,372k) 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.

* Awarding funds raised by players of People's Postcode Lottery

5. EXPENDITURE 2023

| Expenditure | Analysis | Direct £'000 | Support £'000 | 2022/23 £'000 |
|--|---|-----------------|------------------|------------------|
| Cost of donations and legacies | Membership | 6,778 | 885 | 7,663 |
| | Fundraising and appeals | 1,136 | 148 | 1,284 |
| | Company donations, charitable trusts and landfill tax | 693 | 91 | 784 |
| | Legacies | 87 | 10 | 97 |
| | Total cost of donations and legacies | 8,694 | 1,134 | 9,828 |
| Other trading activities | Sponsorship | 711 | 93 | 804 |
| | Merchandise | 415 | 54 | 469 |
| | Lotteries | 173 | 23 | 196 |
| | Total other trading activities | 1,299 | 170 | 1,469 |
| Investments | Investment management costs | 149 | - | 149 |
| Cost of raising funds | Total cost of raising funds | 10,142 | 1,304 | 11,446 |
| Charitable activities | Protect woodland | 13,485 | 1,735 | 15,220 |
| | Restore woodland | 14,852 | 1,914 | 16,766 |
| | Create woodland | 23,121 | 2,948 | 26,069 |
| | Total charitable activities | 51,458 | 6,597 | 58,055 |
| Cost of raising funds and charitable expenditure | Total expenditure | 61,600 | 7,901 | 69,501 |

∴ This statement of expenditure excludes £11,876k (2021/22: £15,971k) (of
∴ woods and land acquired and capitalised as per note 9 (page 89))

Expenditure for the year 2021/22

| Expenditure | Analysis | Direct £'000 | Support £'000 | 2021/22 £'000 |
|--|---|-----------------|------------------|------------------|
| Cost of donations and legacies | Membership | 6,257 | 773 | 7,030 |
| | Fundraising and appeals | 669 | 83 | 752 |
| | Company donations, charitable trusts and landfill tax | 603 | 75 | 678 |
| | Legacies | 106 | 8 | 114 |
| | Total cost of donations and legacies | 7,635 | 939 | 8,574 |
| Other trading activities | Sponsorship | 781 | 97 | 878 |
| | Merchandise | 373 | 46 | 419 |
| | Lotteries | 20 | 2 | 22 |
| | Total other trading activities | 1,174 | 145 | 1,319 |
| Investments | Investment management costs | 179 | - | 179 |
| Cost of raising funds | Total cost of raising funds | 8,988 | 1,084 | 10,072 |
| Charitable activities | Protect woodland | 14,197 | 1,737 | 15,934 |
| | Restore woodland | 15,377 | 1,886 | 17,263 |
| | Create woodland | 22,638 | 2,740 | 25,378 |
| | Total charitable activities | 52,212 | 6,363 | 58,575 |
| Cost of raising funds and charitable expenditure | Total expenditure | 61,200 | 7,447 | 68,647 |

6. SUPPORT COSTS 2023

| Support costs | Analysis | Premises £'000 | Governance £'000 | Depreciation and loss on sales £'000 | Finance & IT £'000 | Human resources £'000 | Management & other £'000 | 2022/23 Total £'000 |
|------------------------|-------------------------------------|-------------------|---------------------|---|--------------------------|-----------------------------|--------------------------------|---------------------------|
| Raising funds | Cost of raising funds | 173 | 63 | 55 | 695 | 259 | 59 | 1,304 |
| Charitable expenditure | Protect woodland | 229 | 83 | 86 | 918 | 342 | 77 | 1,735 |
| | Restore woodland | 251 | 91 | 102 | 1,009 | 376 | 85 | 1,914 |
| | Create woodland | 391 | 142 | 128 | 1,569 | 585 | 133 | 2,948 |
| | Total charitable expenditure | 870 | 317 | 316 | 3,496 | 1,303 | 295 | 6,597 |
| Support costs | Total support costs | 1,043 | 380 | 371 | 4,191 | 1,562 | 354 | 7,901 |

The trustees/directors of the company, who comprise its Board, did not receive any remuneration during the period. Travelling and subsistence expenses incurred by 14 (2021/22: 14) trustees/directors on Board business amounted to £22k (2021/22: £10k) during the period.

Support costs for the year 2021/22

| Support costs | Analysis | Premises £'000 | Governance £'000 | Depreciation and loss on sales £'000 | Finance & IT £'000 | Human resources £'000 | Management & other £'000 | 2021/22 Total £'000 |
|------------------------|-------------------------------------|-------------------|---------------------|---|--------------------------|-----------------------------|--------------------------------|---------------------------|
| Raising funds | Cost of raising funds | 133 | 52 | 47 | 617 | 178 | 57 | 1,084 |
| Charitable expenditure | Protect woodland | 211 | 83 | 90 | 980 | 284 | 90 | 1,738 |
| | Restore woodland | 228 | 90 | 104 | 1,060 | 305 | 98 | 1,885 |
| | Create woodland | 335 | 132 | 124 | 1,557 | 448 | 144 | 2,740 |
| | Total charitable expenditure | 774 | 305 | 318 | 3,597 | 1,037 | 332 | 6,363 |
| Support costs | Total support costs | 907 | 357 | 365 | 4,214 | 1,215 | 389 | 7,447 |

7. NET INCOME FOR THE PERIOD BEFORE TRANSFERS, EMPLOYEES AND VOLUNTEERS

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

| Income disclosure note | Analysis | 2022/23 £'000 | 2021/22 £'000 |
|--|---|------------------|------------------|
| The surplus for the year is after charging | Salaries and wages | 18,924 | 16,776 |
| | Social Security costs | 1,933 | 1,642 |
| | Other pension costs | 2,174 | 1,958 |
| | Total Included in the above is £53k in redundancies (inc. ex-gratia payments) | 23,031 | 20,376 |
| | Depreciation | 347 | 395 |
| | Auditors' fees and expenses – audit work | 49 | 32 |
| | Auditors' fees and expenses – other services | 10 | 3 |
| | Rentals under operating leases – land and buildings | 169 | 171 |
| | Rentals under operating leases – other | 827 | 638 |
| | Irrecoverable Value Added Tax Irrecoverable VAT is classified under the same heading as the expenditure or asset to which it relates | 1,731 | 1,650 |

| Employees and volunteers | Analysis | Average number of employees (FTE) The average number of employees during the year was calculated using the full-time equivalent method | |
|-------------------------------|------------------------------------|---|------------|
| | | 2022/23 | 2021/22 |
| Employee analysis by function | Charitable activities | 243 | 233 |
| | Fundraising | 215 | 210 |
| | Governance & support | 99 | 87 |
| Total | Average number of employees | 557 | 530 |

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 12-month period to 31 May 2023, volunteers contributed 209,454 hours (2021/22: 197,468 hours) with an ascribed value of £1.7 million (2021/22: £1.6 million), which is not reflected in the financial statements.

Employees' emoluments (basic pay, pensions and health care) for the staff earning more than £60,000 for the 12-month period to 31 May 2023 fell into the following bands:

| Employee emoluments | Amount £s | 2022/23 | 2021/22 |
|---------------------|-----------------|---------|---------|
| Bands | 140,000–149,999 | 1 | 0 |
| | 130,000–139,999 | 0 | 1 |
| | 120,000–129,999 | 0 | 0 |
| | 110,000–119,999 | 0 | 0 |
| | 100,000–109,000 | 1 | 2 |
| | 90,000–99,999 | 4 | 2 |
| | 80,000–89,999 | 0 | 2 |
| | 70,000–79,999 | 2 | 0 |
| | 60,000–69,999 | 10 | 5 |

8. INVESTMENT INCOME

| Investment income | Analysis | 2022/23 £'000 | 2021/22 £'000 |
|-------------------------|---|------------------|------------------|
| Income from investments | Income from UK-listed investments | 456 | 410 |
| | Income from UK cash investments | 308 | 61 |
| | Bank interest receivable | – | – |
| | Income from overseas-listed investments | 103 | 138 |
| | Total investment income | 867 | 609 |

9. FIXED ASSETS – WOODS AND LAND

| Fixed assets – woods and land | Analysis | Purchased freehold £'000 | Purchased long leasehold £'000 | Purchased short leasehold £'000 | Donated freehold £'000 | Donated long leasehold £'000 | Donated short leasehold £'000 | Total £'000 |
|-------------------------------|--------------------------------------|-----------------------------|-----------------------------------|------------------------------------|---------------------------|---------------------------------|----------------------------------|----------------|
| Additions and disposals | At 1 June 2022 | 100,675 | 1,556 | 6 | 6,465 | 4,160 | 987 | 113,849 |
| | Additions in the period | 8,493 | 16 | – | 3,368 | – | – | 11,877 |
| | Grant of leases | – | – | – | – | – | – | – |
| | Disposals in the period | (797) | – | – | – | (53) | – | (850) |
| | Transfers (between asset categories) | – | – | – | – | – | – | – |
| | At 31 May 2023 | | 108,371 | 1,572 | 6 | 9,833 | 4,107 | 987 |
| Depreciation | At 1 June 2022 | 16 | 64 | 3 | – | – | 582 | 664 |
| | Disposals in the period | – | – | – | – | – | – | – |
| | Charge in the period | 13 | – | – | – | – | 29 | 42 |
| | At 31 May 2023 | 29 | 64 | 3 | – | – | 611 | 707 |
| Net book value | At 31 May 2023 | 108,342 | 1,508 | 3 | 9,833 | 4,107 | 376 | 124,169 |
| | At 31 May 2022 | 100,659 | 1,493 | 3 | 6,465 | 4,160 | 405 | 113,185 |

The additions of woods and land during the year are allocated across our charitable aims as below:

| Strategic objectives | 2022/23 £'000 | 2021/22 £'000 |
|----------------------|------------------|------------------|
| Protect | 5,444 | 185 |
| Restore | 1,205 | 795 |
| Create | 5,227 | 14,811 |
| Total | 11,876 | 15,791 |

In addition, the Trust currently leases 28 sites (1,242 hectares) of woodland under shorter leaseholds (50 years or less) at peppercorn rents of which 22 (349 hectares) will be expiring within 10 years. In the opinion of the directors, the value of these assets is immaterial.

10. OTHER FIXED ASSETS

| Other fixed assets (The group and the charity) | Analysis | Buildings £'000 | Computer equipment & software £'000 | Office equipment & furniture £'000 | Plant & machinery £'000 | Total £'000 |
|--|----------------------------|--------------------|--|---|-------------------------------|----------------|
| Additions and disposals | At 1 June 2022 | 6,541 | 4,166 | 578 | 659 | 11,944 |
| | Additions in the period | - | 63 | 195 | 26 | 284 |
| | Disposals in the period | - | - | - | (26) | (26) |
| | At 31 May 2023 | 6,541 | 4,229 | 773 | 659 | 12,202 |
| Depreciation | At 1 June 2022 | 1,516 | 4,011 | 430 | 523 | 6,480 |
| | Charge for the period | 131 | 97 | 48 | 55 | 331 |
| | Disposals in the period | - | - | - | (26) | (26) |
| | At 31 May 2023 | 1,647 | 4,108 | 478 | 552 | 6,785 |
| Net book value | At 31 May 2023 | 4,894 | 121 | 295 | 107 | 5,417 |
| | At 31 May 2022 | 5,026 | 155 | 148 | 136 | 5,465 |

11. INVESTMENTS

| Investments analysis | Funding source | 2022/23 £'000 | 2021/22 £'000 |
|--------------------------------|--------------------------|------------------|------------------|
| Investments at market value | Permanent endowments | 7,717 | 8,372 |
| | Designated funds | - | 5,826 |
| | Restricted funds | 17,423 | 19,006 |
| | General funds | 13,600 | 968 |
| | Total investments | 38,739 | 34,172 |

| Investments analysis | Investment type | Cost 2022/23 £'000 | Cost 2021/22 £'000 | Valuation 2022/23 £'000 | Valuation 2021/22 £'000 |
|----------------------------|----------------------------------|--------------------------|--------------------------|-------------------------------|-------------------------------|
| Investments consist of: | Cash held as part of investments | 827 | 1,621 | 827 | 1,621 |
| | UK-listed investments | 12,801 | 10,033 | 12,007 | 10,400 |
| | Overseas listed investments | 10,700 | 12,358 | 11,311 | 13,328 |
| | Other UK authorised investments | 14,583 | 8,669 | 14,594 | 8,823 |
| | Total investments | 38,911 | 32,681 | 38,739 | 34,172 |

| Investment valuation (movements) | Analysis of movements | 2022/23 £'000 | 2021/22 £'000 |
|---|--|------------------|------------------|
| The movement on valuation of investments is as follows: | Market value at 1 June | 34,172 | 46,167 |
| | Acquisitions | 9,312 | 11,132 |
| | Sales proceeds | -8,259 | -17,525 |
| | Net liquidity fund movement | 4,989 | -4,452 |
| | Net investment gains/(losses) | -1,475 | -1,150 |
| | Market value at 31 May | 38,739 | 34,172 |
| Comprising | Cost at 31 May | 38,911 | 32,682 |
| | Unrealised investment gains/(losses) at 31 May | -172 | 1,490 |
| | Market value at 31 May | 38,739 | 34,172 |
| Realised investment gains/(losses) in the year | | 188 | 2,263 |

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 and was dissolved on 21 June 2022. Details of the trading activities of the two active subsidiaries are set out in note 19 (page 98).

12. LAND PURCHASED FOR RESALE

| Land available for resale | Group 2022/23 £'000 | Group 2021/22 £'000 | Charity 2022/23 £'000 | Charity 2021/22 £'000 |
|---------------------------|---------------------------|---------------------------|-----------------------------|-----------------------------|
| Value of land for resale | 542 | 542 | 542 | 542 |

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, £Nil (2021/22: £563k) of land was sold.

13. STOCK

| Stock | Group 2022/23 £'000 | Group 2021/22 £'000 | Charity 2022/23 £'000 | Charity 2021/22 £'000 |
|-------------------------------|---------------------------|---------------------------|-----------------------------|-----------------------------|
| Livestock and stores | 230 | 222 | 230 | 222 |
| Raw materials and consumables | 265 | 247 | - | - |
| Total stocks | 495 | 469 | 230 | 222 |

14. DEBTORS

| Stocks | Group 2022/23 £'000 | Group 2021/22 £'000 | Charity 2022/23 £'000 | Charity 2021/22 £'000 |
|--------------------------------|------------------------------------|------------------------------------|--------------------------------------|--------------------------------------|
| Legacies receivable | 13,762 | 12,940 | 13,762 | 12,940 |
| Grants receivable | 1,021 | 6,321 | 913 | 5,704 |
| Trade debtors | 1,335 | 984 | 1,216 | 187 |
| Amounts owed from subsidiaries | - | - | 889 | 1,676 |
| Other debtors | 3,750 | 8,357 | 3,842 | 8,229 |
| Prepayments and accrued income | 5,349 | 1,036 | 5,128 | 1,036 |
| Total debtors | 25,217 | 29,638 | 25,750 | 29,772 |

**15. CREDITORS:
AMOUNTS FALLING DUE
WITHIN ONE YEAR**

| Creditors | Group 2022/23 £'000 | Group 2021/22 £'000 | Charity 2022/23 £'000 | Charity 2021/22 £'000 |
|------------------------------|------------------------------------|------------------------------------|--------------------------------------|--------------------------------------|
| Trade creditors | 1,436 | 8,539 | 1,400 | 8,445 |
| Taxation and Social Security | 639 | 634 | 620 | 484 |
| Accruals and deferred income | 7,239 | 2,063 | 7,015 | 2,092 |
| Total creditors | 9,314 | 11,236 | 9,035 | 11,021 |

16. LONG-TERM DEBTOR

There were no long-term debtors in 2022/23 and 2021/22.

17. MOVEMENT OF FUNDS

| Restricted funds 2022/23 | Balance at 1 June 2022 £'000 | Gains/ income £'000 | Losses/ expenditure £'000 | Transfers £'000 | Balance at 31 May 2023 £'000 |
|-------------------------------|------------------------------------|---------------------------|---------------------------------|--------------------|------------------------------------|
| Woods and land | 113,187 | 8,922 | (41) | 2,104 | 124,172 |
| Woodland management fund | 3,074 | 614 | (745) | 12 | 2,955 |
| Restricted legacies | 7,175 | 1,725 | (2,812) | (196) | 5,892 |
| Future acquisitions | 3,318 | - | - | (2,184) | 1,134 |
| Various other funds | 9,371 | 20,209 | (20,057) | 346 | 9,869 |
| Total restricted funds | 136,125 | 31,470 | (23,655) | 82 | 144,022 |

Restricted funds 2021/22

| Restricted funds 2021/22 | Balance at 1 June 2021 £'000 | Gains/ income £'000 | Losses/ expenditure £'000 | Transfers £'000 | Balance at 31 May 2022 £'000 |
|-------------------------------|------------------------------------|---------------------------|---------------------------------|--------------------|------------------------------------|
| Woods and land | 97,454 | 7,426 | (43) | 8,350 | 113,187 |
| Woodland management fund | 3,650 | (32) | (544) | - | 3,074 |
| Restricted legacies | 10,830 | 1,906 | (2,984) | (2,577) | 7,175 |
| Future acquisitions | 3,244 | 1,519 | - | (1,445) | 3,318 |
| Various other funds | 9,463 | 19,455 | (19,952) | 405 | 9,371 |
| Total restricted funds | 124,641 | 30,274 | (23,523) | 4,733 | 136,125 |

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

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

Restricted legacies represent those where the testator has restricted use for specific purposes or in specific locations. The Trust actively seeks opportunities to spend these for woodland conservation, but because of the nature of the restrictions imposed by 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 2022/23 amounted to £30k (2021/22: £1,562k), and £149k (2021/22: £1,518k) was expended, leaving a £nil balance at 31 May 2023 (2021/22: £119k).

| Permanent endowments 2022/23 | Balance at 1 June 2022 £'000 | Gains/ income £'000 | Losses/ expenditure £'000 | Transfers £'000 | Balance at 31 May 2023 £'000 |
|-----------------------------------|---------------------------------|---------------------------|---------------------------------|--------------------|---------------------------------|
| Glenrothes | 3,371 | 87 | (398) | - | 3,060 |
| Livingston | 3,200 | 90 | (309) | - | 2,981 |
| Warrington and Runcorn | 954 | 27 | (93) | - | 888 |
| Preston and Chorley | 847 | 24 | (83) | - | 788 |
| Total permanent endowments | 8,372 | 228 | (883) | - | 7,717 |

| Restricted funds 2021/22 | Balance at 1 June 2021 £'000 | Gains/ income £'000 | Losses/ expenditure £'000 | Transfers £'000 | Balance at 31 May 2022 £'000 |
|-----------------------------------|---------------------------------|---------------------------|---------------------------------|--------------------|---------------------------------|
| Glenrothes | 3,753 | (342) | (40) | - | 3,371 |
| Livingston | 3,318 | (102) | (16) | - | 3,200 |
| Warrington and Runcorn | 2,027 | (5) | (8) | (1,060) | 954 |
| Preston and Chorley | 1,702 | (8) | (6) | (841) | 847 |
| Total permanent endowments | 10,800 | (457) | (70) | (1,901) | 8,372 |

The permanent endowments represent funds given to the Trust with gifts of woods and land in the locations noted above, under terms requiring the funds to be invested permanently to provide income for the future management of these woods and land.

| Unrestricted funds and fixed assets 2022/23 | Balance at 1 June 2022 £'000 | Gains/ income £'000 | Losses/ expenditure £'000 | Transfers £'000 | Balance at 31 May 2023 £'000 |
|--|---------------------------------|---------------------------|---------------------------------|--------------------|---------------------------------|
| Free reserves | 23,192 | 50,303 | (38,019) | (877) | 34,599 |
| Fixed assets | 5,465 | 284 | (331) | - | 5,418 |
| Total | 28,657 | 50,587 | (38,350) | (877) | 40,017 |
| Designated fund | 7,251 | 212 | (8,087) | 794 | 170 |
| Total unrestricted funds and fixed assets | 35,908 | 50,799 | (46,437) | (83) | 40,187 |

The purpose and structure of the Trust's unrestricted funds are described in the financial review on pages 64-68. The free reserves represent unrestricted reserves that are freely available to spend on charitable purposes. Fixed assets are analysed in note 10 (pages 90). The transfers are explained overleaf.

| Unrestricted funds and fixed assets 2021/22 | Balance at 1 June 2021 £'000 | Gains/ income £'000 | Losses/ expenditure £'000 | Transfers £'000 | Balance at 31 May 2022 £'000 |
|--|---------------------------------|---------------------------|---------------------------------|--------------------|---------------------------------|
| Free reserves | 19,800 | 45,170 | (43,655) | (1,878) | 23,192 |
| Fixed assets | 5,548 | 238 | (321) | - | 5,465 |
| Total | 25,348 | 45,408 | (43,976) | 1,878 | 28,657 |
| Designated fund | 13,041 | - | (1,077) | (4,713) | 7,251 |
| Total unrestricted funds and fixed assets | 38,389 | 45,408 | (45,053) | (2,835) | 35,908 |

| Unrestricted funds and fixed assets 2022/23 | Note | General fund £'000 | Designated fund £'000 | Restricted woods & land £'000 | Restricted future acquisitions £'000 | Restricted legacies £'000 | Permanent endowments £'000 | Other restricted £'000 |
|---|------|-----------------------|--------------------------|----------------------------------|---|------------------------------|-------------------------------|---------------------------|
| Acquisition of woods | 1 | - | - | 3,052 | (3,075) | - | - | - |
| Income for future acquisitions and operations | 2 | - | - | (1,076) | 893 | (198) | - | 404 |
| Buildings, woodland, and land disposal | 3 | - | 850 | (850) | - | - | - | - |
| Repayment of underwrite | 4 | - | 1,700 | - | - | - | - | (1,700) |
| Transfers from designated fund | 5 | 1,056 | (1,756) | - | - | - | - | 700 |
| Transfers from general fund | 6 | (1,933) | - | 978 | - | 2 | - | 953 |
| Total transfers between funds | | (877) | 794 | 2,104 | (2,182) | (196) | - | 358 |

Notes

1. A transfer of £3,052k was made to woods and land from future acquisitions to enable the Woodland Trust to acquire sites in the year that match our charitable objectives.
2. An amount of £893k has been transferred into future acquisitions to acquire sites that match our charitable objectives, and £404k into other restricted for future use in conjunction with projects. This is from restricted income received in the year £(1,076)k and restricted legacies £(198)k in accordance with the wishes of the legator.
3. Disposal of buildings, woodland and land resulting in a decrease in woods and land £(850)k and enabling the designated fund to be replenished.
4. Repayment in the year from other restricted to designated £1,700k to repay underwrite made in prior year.
5. Release of designated funds £(1,756)k to fund restricted £700k and unrestricted £1,056k strategic activities carried out in the financial year.
6. Release of general funds £(1,933)k to fund restricted activities undertaken in the financial period.

| Unrestricted funds and fixed assets 2021/22 | Note | General fund £'000 | Designated fund £'000 | Restricted woods & land £'000 | Restricted future acquisitions £'000 | Restricted legacies £'000 | Permanent endowments £'000 | Other restricted £'000 |
|---|------|-----------------------|--------------------------|----------------------------------|---|------------------------------|-------------------------------|---------------------------|
| Underwrite for acquisition of woods | 1 | 1,878 | (4,738) | 7,310 | - | (2,577) | - | - |
| Income for future operations and acquisitions | 2 | - | - | 1,041 | (1,445) | - | - | 405 |
| Sale of Purchase, Plant and Pass on (PPP) site(s) | 3 | - | 463 | - | - | - | - | - |
| Transfers from general fund | | - | (438) | - | - | - | (1,900) | - |
| Total transfers to 31 May 2022 | | 1,878 | (4,713) | 8,351 | (1,445) | (2,577) | (1,900) | 405 |

Notes

1. A transfer of £7,310k was made to woods and land to enable the Woodland Trust to acquire sites that match our charitable objectives, largely from use of restricted funds received in previous years of £(4,738)k, and restricted legacies of £(2,577)k in accordance with the wishes of the legator.
2. An amount of £405k has been transferred into restricted funds for future use in conjunction with projects.
3. During the period, one PPP site was sold, enabling £463k to be designated to purchase further sites.

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 2023 are represented by:

| Analysis of group net assets between funds | Unrestricted general fund £'000 | Unrestricted designated fund £'000 | Restricted fund £'000 | Endowments £'000 | Total funds 31 May 2023 £'000 | Total funds 31 May 2022 £'000 |
|--|------------------------------------|---------------------------------------|--------------------------|---------------------|-------------------------------------|-------------------------------------|
| Tangible fixed assets | 5,417 | - | 124,169 | - | 129,586 | 118,648 |
| Investments | 13,598 | - | 17,424 | 7,717 | 38,739 | 34,173 |
| Cash at bank and in hand | 6,491 | 170 | - | - | 6,661 | 8,171 |
| Other current assets | 23,825 | - | 2,429 | - | 26,254 | 30,649 |
| Liabilities due within one year | (9,314) | - | - | - | (9,314) | (11,236) |
| Long-term debtors | - | - | - | - | - | - |
| Total net assets | 40,017 | 170 | 144,022 | 7,717 | 191,926 | 180,405 |

Restricted tangible fixed assets consist of woods and land: £124,169k (2021/22: £113,185k).

Fund balances at 31 May 2022 are represented by:

| Analysis of group net assets between funds | Unrestricted general fund £'000 | Unrestricted designated fund £'000 | Restricted fund £'000 | Endowments £'000 | Total funds 31 May 2022 £'000 |
|--|------------------------------------|---------------------------------------|--------------------------|---------------------|-------------------------------------|
| Tangible fixed assets | 5,464 | - | 113,185 | - | 118,649 |
| Investments | 966 | 5,826 | 19,008 | 8,373 | 34,173 |
| Cash at bank and in hand | 6,746 | 1,425 | - | - | 8,171 |
| Other current assets | 26,718 | - | 3,931 | - | 30,649 |
| Liabilities due within one year | (11,236) | - | - | - | (11,236) |
| Long-term debtors | - | - | - | - | - |
| Total net assets | 28,657 | 7,251 | 136,124 | 8,373 | 180,405 |

19. NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARIES

The Woodland Trust has two wholly owned trading subsidiaries which are incorporated in England. Woodland Trust Farming Limited (registered company no. 6360791) undertakes farming on some Woodland Trust sites prior to woodland being created. Woodland Trust (Enterprises) Limited (registered company no. 2296645) was established to undertake sponsorships, commercial activities, raffles and merchandise sales. Within the cost of sales and administration expenses of Woodland Trust (Enterprises) Limited is £1,145k (2022: £1,126k) payable to the Woodland Trust. Amounts actually paid over from subsidiaries in respect of the current year is £1,688k (2021/22: £1,715k). 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 dissolved on 21 June 2022.

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

| Net income from trading activities of subsidiaries | Analysis | 2022/23 WTEL £'000 | 2021/22 WTEL £'000 | 2022/23 WTFL £'000 | 2021/22 WTFL £'000 |
|--|--|--------------------------|--------------------------|--------------------------|--------------------------|
| Profit and loss account | Turnover | 5,102 | 4,409 | 382 | 547 |
| | Cost of sales | (1,860) | (1,814) | (315) | (316) |
| | Gross profit | 3,242 | 2,595 | 67 | 231 |
| | Licence payment to the Woodland Trust | (250) | (229) | - | - |
| | Distribution costs | (1) | (1) | - | - |
| | Administration expenses | (235) | (197) | (4) | (3) |
| | Other operating Income | - | - | - | - |
| | Operating profit | 2,756 | 2,168 | 63 | 228 |
| | Interest receivable | - | - | - | - |
| | Net profit | 2,756 | 2,168 | 63 | 228 |
| | Payment under Gift Aid to the Woodland Trust | (2,756) | (2,168) | (63) | (228) |
| | Accumulated reserves brought forward | - | - | - | - |
| | Accumulated reserves carried forward | - | - | - | - |
| Balance sheet | Net current assets | 1,132 | 1,485 | 177 | 467 |
| | Net current liabilities | (1,132) | (1,485) | (177) | (467) |
| | Net assets | - | - | - | - |
| | Capital and reserves | - | - | - | - |

20. OPERATING LEASE COMMITMENTS

| Operating lease commitments | Analysis | 2022/23 £'000 | 2021/22 £'000 |
|-----------------------------|--|------------------|------------------|
| Land and buildings | Leases which expire within one year | 253 | 135 |
| | Leases which expire within two to five years | 197 | 122 |
| | Leases which expire after five years | 1,945 | 1,887 |
| | Total | 2,395 | 2,144 |
| Other | Leases which expire within one year | 245 | 360 |
| | Leases which expire within two to five years | 273 | 121 |
| | Total | 518 | 481 |

21. CAPITAL COMMITMENTS

Commitments for expenditure not provided for in these accounts in respect of assets under construction amount to £nil (2021/22: £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 year incurred by the Woodland Trust was £2,174k (2021/22: £1,958k). Included in other creditors is £nil (2021/22: £nil) in respect of pension schemes.

23. CONTINGENT LIABILITIES

The trustees were not aware of any significant contingent liabilities at 31 May 2023 and 31 May 2022.

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

24. CONDUIT ACCOUNTING

During the 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 49.52 hectares and a further 1,733 standard trees through the Defra funding as part of this collaboration agreement.

| Conduit accounting | 2022/23 £'000 | 2021/22 £'000 |
|-------------------------------|--------------------------|--------------------------|
| Opening balance as at 1 June | 945 | 502 |
| Amounts received in the year | 1,512 | 2,990 |
| Amounts paid to third parties | (2,449) | (2,547) |
| Closing balance as at 31 May | 8 | 945 |

25. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

| Category | Analysis | Note | General unrestricted funds £'000 | Designated unrestricted funds £'000 | Restricted funds £'000 | Endowment funds £'000 | Total 2021/22 £'000 |
|----------------------------|--|------|-------------------------------------|--|---------------------------|--------------------------|------------------------|
| Income and endowments: | Donations and legacies | 2 | 32,574 | - | 18,804 | - | 51,378 |
| | Other trading activities | 2 | 4,269 | - | - | - | 4,269 |
| | Investments | 8 | 586 | - | 131 | (109) | 608 |
| | Charitable activities | 2 | 6,773 | - | 11,372 | - | 18,145 |
| | Other income | 2 | 1,672 | - | 304 | - | 1,976 |
| | Total income and endowments | | | 45,874 | - | 30,611 | (109) |
| Expenditure: | Protect woodland | 5 | (9,252) | (293) | (6,389) | - | (15,934) |
| | Restore woodland | 5 | (10,024) | (317) | (6,922) | - | (17,263) |
| | Create woodland | 5 | (14,735) | (467) | (10,176) | - | (25,378) |
| | Total charitable expenditure | | (34,011) | (1,077) | (23,487) | - | (58,575) |
| | Cost of raising funds | 5 | (9,965) | - | (36) | (71) | (10,072) |
| | Total expenditure | | (43,976) | (1,077) | (23,523) | (71) | (68,647) |
| Net income/ (expenditure): | Net income/ (expenditure) before investment (losses)/gains | | 1,898 | (1,077) | 7,088 | (180) | 7,729 |
| | Net (losses)/gains | 11 | (466) | - | (336) | (348) | (1,150) |
| | Net income / (expenditure) | | 1,432 | (1,077) | 6,752 | (528) | 6,579 |
| Funds: | Transfers between funds | 17 | 1,878 | (4,713) | 4,732 | (1,900) | (3) |
| | Net movements in funds | | 3,310 | (5,790) | 11,484 | (2,428) | 6,576 |
| | Fund balances brought forward at 1 June | | 25,347 | 13,041 | 124,641 | 10,800 | 173,829 |
| | Fund balances carried forward at 31 May | 18 | 28,657 | 7,251 | 136,125 | 8,372 | 180,405 |

..... This statement of financial activities excludes £15,791k (2020/21: £5,970k) of woods and land acquired and capitalised as per note 9 (page 89).

..... Our vision is a world where woods and trees thrive for people and nature, but we can't achieve our vision without support. 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.

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