



**International  
Tree Foundation**  
Annual Report  
and Accounts 2019



**International  
Tree Foundation**  
Founded 1922

# ABOUT INTERNATIONAL TREE FOUNDATION

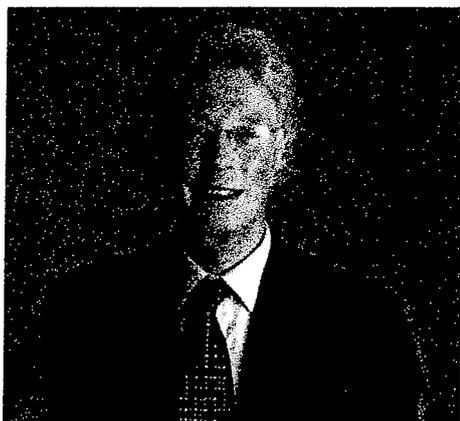
<b>Governing documents:</b>	Memorandum and Articles of Association
<b>Charity number:</b>	1106269
<b>Company number:</b>	5219549
<b>Patron:</b>	HRH The Prince of Wales KG, KT, PC, GCB
<b>Board of Trustees:</b>	Mr T Hornsby CBE Ms M Grecna Mr J Kimani Ms M McBrien Ms K Schreckenber Ms Miriam Reru Mr J Holloway (resigned 18.07.2019) Mr M Hoare (resigned 10.10.2019)
<b>Registered office:</b>	228—240 Banbury Road Oxford OX2 7DE
<b>Bankers:</b>	CAF Bank Limited 25 Kings Hill Avenue West Malling Kent ME19 4JQ
<b>Independent Examiner:</b>	Graham Cole FCA Wenn Townsend 30 St Giles Oxford OX1 3LE



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## A word from our Chair, Timothy Hornsby CBE



Once again, ITF have had a busy and successful year, and our staff set out some of the highlights in this Report.

After having served two full terms I will be retiring in the summer of 2020. Following our recruitment campaign, it is very gratifying to announce that a new Chair will join along with three new trustees this summer. This will considerably strengthen the Board to continue with ITF's incredible journey.

I have thoroughly enjoyed working with a supportive and experienced Board and a first class Senior Management Team in the past year. We have seen several departures: Marika Haseldine moved to a new full-time position, her contribution and dedication to the organisation were extraordinary. Paul Laird, our Programmes Manager has reached retirement. We owe him a very real debt of gratitude for his professionalism, his hard work, and his frequent trips to Africa to help with our work on the ground. After six years, our former CEO, Andy Egan also departed ITF in October 2019.

As we said goodbyes to valued colleagues and friends, we welcome a new, strong team to lead the organisation forward: James Kemp, Fiona Cottrell and Ricardo Romero, who will share their perspectives on ITF in the following pages.

But what has given me most pleasure over the past six years is to see the impact of our work on the ground and the dedication of our local partners. The last year has been a particular success, with 19 new projects across Africa in our Sustainable Community Forestry programme (see p.8). At the same time we are very pleased to have been able to support five new projects in the UK (see p.9), in line with our founder's belief that community-led tree-planting is equally important everywhere in the world.

I am grateful to those that I have mentioned, and of course extremely grateful to all our Members and donors for their involvement and support.

A handwritten signature in black ink, which appears to read "Timothy Hornsby". The signature is written in a cursive style.

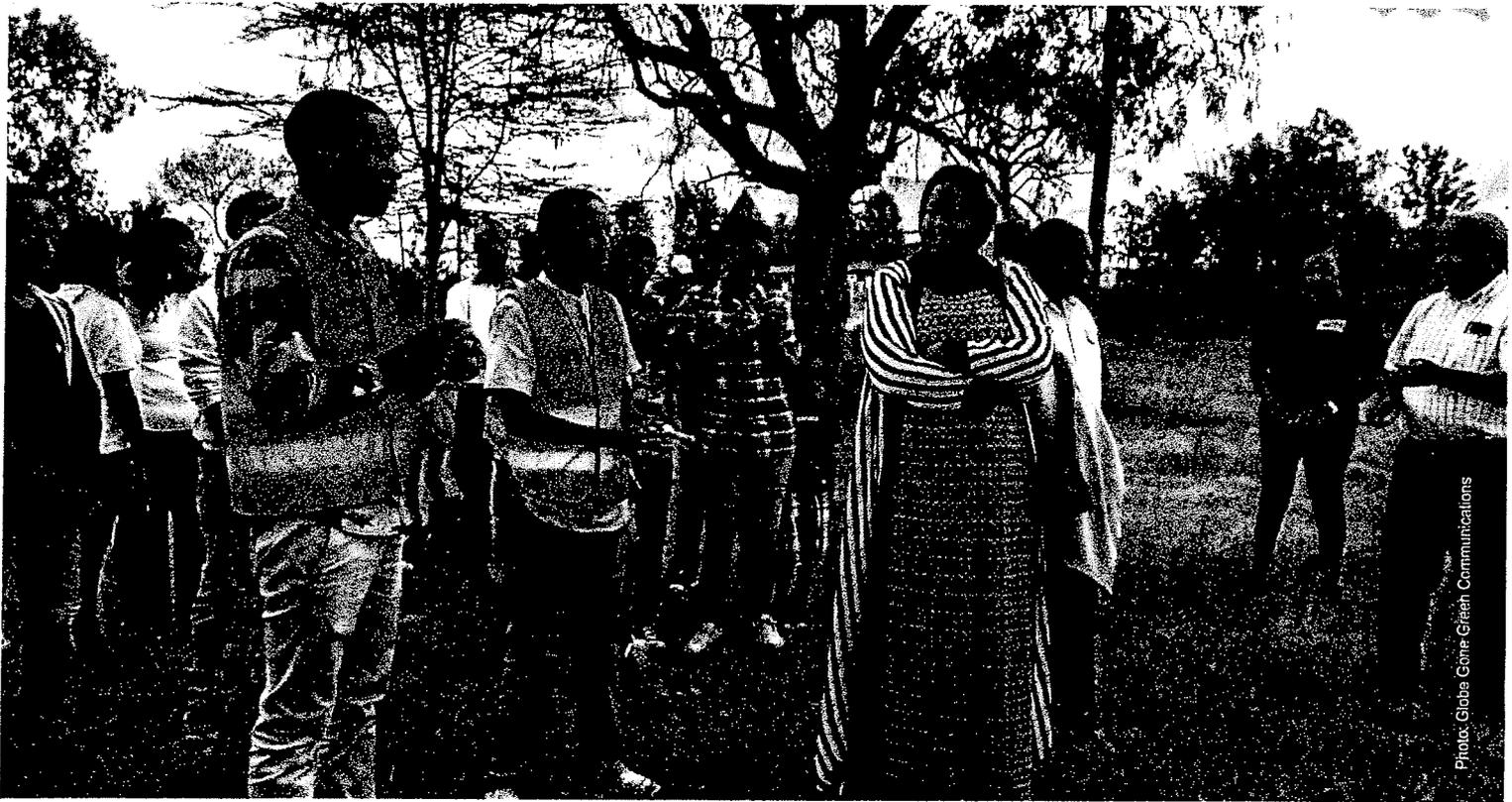


Photo: Globe Green Communications

## **An introduction from ITF’s Senior Management Team**

In these deeply uncertain times, it is worth remembering that this isn’t the first time our community of people planting trees has faced huge challenges, and it won’t be the last. ITF was founded in 1922. We have witnessed great turmoil before. The resolve of this global community of people planting trees has never dimmed, and will never dim. We remain true to our vision, of a world where trees and forests flourish, and where their vital role in supporting planetary and human well-being is valued and realised.

We are proud of what we were able to achieve with our partners in 2019. The year when the world finally recognised the climate crisis as the most profound challenge we face together. And the year when the importance of community-led forest restoration and tree planting was understood, widely, as one of the most effective natural solutions to mitigate and adapt to the climate crisis.

We enter the 2020s—the decade of restoration—renewed again, with a new senior management team, staff, new Trustees, partners, members and supporters. We are excited and eagerly looking forward to taking ITF to – and beyond – our centenary year in 2022, with new ideas, challenges and partners.

We hope you enjoy reading our 2019 Annual Report.

## PROGRAMME SUMMARY

Over 2019 our programme has grown and we now operate in nine African countries. Each partnership places local communities at the front and centre of our tree planting and forest restoration work.

The relationships between trees and human communities are complex and intricate. Our diverse range of partnerships embodies this, with each project sharing common principles and values, while reflecting local contexts. Helping vulnerable young adults in Sheffield, for example, or promoting women's empowerment in Kakamega (Kenya), and forest restoration and natural conservation in Dodoma (Tanzania). Such a healthy, diverse, and growing portfolio of projects is a tribute to the five years of passionate dedication and drive from Paul Laird, ITF's recently retired Programmes Manager.

Here is a snapshot of what we have achieved with our partners and your support, during 2019:

- Over 6,000 community members were actively involved in planting 512,147 trees, restoring or protecting 37,354 hectares of land.
- Ten of our partners reported increases in biodiversity / ecosystem services, and over 2,000 smallholder farmers reported an increase in yields.
- 3,055 people reported an increase in income, as a result of participating in our programmes.
- Our partners trained 3,725 staff members or volunteers.
- 52% of leadership roles in the community based organisations (CBOs) our partners work with were filled by women, and 119 reported an increase in capacity.
- Over 6,000 young people were involved in learning activities, and 408 teachers and youth workers were trained.
- We estimate that our awareness raising activities reached nearly 25,000 people.

For more information, read our 2019 Impact Report.

# INTERNATIONAL PROGRAMME HIGHLIGHTS

## 20 Million Trees for Kenya's Forests

This programme has planted nearly 1,000,000 trees. While most were planted in forests, schools are playing an increasingly important role in the programme, along with agroforestry. We have exciting plans for 2020, to bring our Kenya partners together into an integrated programme called Watu wa Miti.

From 2019, however, we would like to highlight the "Kakamega Sustainable Greening and Livelihood Project" (a unique tropical rainforest in Kenya, and a biodiversity hotspot). The project takes place mainly in schools and farms and is run by community women's groups that are part of Women in Water and Natural Resources Conservation (WWANC), a Kenyan grassroots non-governmental organisation that is run by and for women.

In the last six months, 25 tree nurseries have been established with a diversity of tree seedlings including indigenous, agroforestry and fruit trees. Bio-intensive gardens for food sovereignty and livelihoods enhancement, as well as a series of workshops with school children, took place before the schools had to close due to COVID-19. These are impressive achievements for a small-scale project – proving once more that conservation and development projects are most effective when communities are leading and at the heart of such efforts.

## Mount Bamboutos Initiative, Cameroon

The second year of the initiative has come to an end. The complex political situation in the region has created some civil unrest and recurrent episodes of violence. This has affected the ability of our partners and stakeholders to reach the projected outputs. However, external reviewers of the project have stated that it is likely to achieve most of the proposed outcomes. On lessons learned, MBI members have recognised the problems of promoting central nurseries instead of community and household nurseries.

The MBI project has worked with 10 Fondoms (traditional kingdoms) and three local partners to secure access rights to community lands and individual farms, as well as shared accountability and responsibility.

The farmers and other stakeholders have shown significant interest and engagement in generating income through tree planting, and have also displayed a readiness to provide farmland for agroforestry and fruit orchards. The project has contributed to a shift in governance in the MBI project region, with the government being held accountable by communities and local organisations, and governance seen as a shared and mutual accountability by stakeholders, with the communities being the most important and an integral part of the process.

# INTERNATIONAL PROGRAMME HIGHLIGHTS CONTINUED

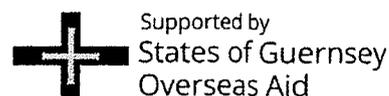
## Sustainable Community Forestry

2019 was a very productive year for ITF's Sustainable Community Forestry (SCF) Programme. For both small and larger-scale projects, its core remains unchanged: supporting local people to enhance their lives and their landscapes through tree planting. In 2019 alone, this programme supported the planting of 85,259 trees, the protection and restoration of 36,260 hectares of land, as well as empowering 1766 community members to be active in the restoration of their landscapes.

A new venture, 'Better Lives for the People of the Forest Corridor', was made possible by £32,000 of funding received from Guernsey Overseas Aid. This has allowed ITF to support two simultaneous one-year projects in Madagascar, focusing on reducing the pressures on the remaining central forest biodiversity corridor. Our partners, Ny Tanintsika & EDENA, are working in 6 villages.

In July 2019, ITF was awarded funding from the Prince of Wales' Charitable Fund (PWCF), allowing for a significant expansion of the SCF Programme. Seventeen new two-year projects across seven Commonwealth African countries were approved by a panel of experts in London in December 2019. ITF looks forward to their successes in 2020 and beyond.

With much gratitude to our programme donors



# UK PROGRAMME HIGHLIGHTS

## UK Tree Planting Programme

At the start of 2019, ITF's UK Community Tree Planting Programme had just one active project, 'The Somerset Levels Schools & Community Tree Project'. ITF partner, Reimagining the Levels organised the planting of 454 native woodland trees and fruit trees planted in various sites in Somerset.

In July-August, with funding from the Orentreich Family Foundation, ITF launched its UKCTPP 'Call for Proposals', inviting community groups in Oxfordshire and its surrounding counties to apply for tree-planting grants of up to £1000. Five projects were chosen:

- Project Manna, Hampshire; 50 trees, fruit varieties; £1,000
- Rose Hill & Iffley Low Carbon, East Oxford; 525 trees, mixed deciduous woodland; £500
- Stone Hill Community Gardens Drayton, Oxon; 50 trees, fruit varieties; £982
- Oxford City Farm, East Oxford; 54 trees, fruit and mixed woodland; £946
- Low Carbon Oxford North, North Oxford; 525 trees, native mixed woodland; £592

One partner, Oxford City Farm, ran a series of trainings and community engagement events that attracted over 220 people from all over Oxfordshire, they reported that many people went away inspired and thinking of their own tree planting plans.

By the close of 2019, the UKCTPP is in much better shape. At the time of writing, ITF and partners are looking ahead to the 2020 planting season. Expanding on the successes in 2019, ITF is planning to increase its activities in the local area and run a further call for proposals this summer, for planting projects this winter. Dependent on successful fundraising, ITF is looking to support a further ten new projects in Oxfordshire and the surrounding counties, as well as supporting additional proposals from existing partners.



Participants in our Wellbeing in the woods programme

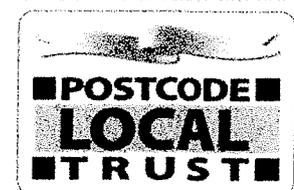
Photo: Glimp Green Experiences

## Wellbeing in the Woods

With the aim of engaging vulnerable young adults (aged 16-24), the programme has run twelve woodland sessions this year, aimed at giving young people a chance to connect with nature and learn woodcraft skills. Engaging participants was a challenge as this is a hard-to-reach demographic, but of those that attended there was a good retention rate across the sessions.

2019 ended with a fantastic December exhibition of the programme at Exchange Place Studios in Sheffield. This was a chance for the participants to produce and exhibit their own work, including photography and art pieces, as well as woodcraft skills workshops.

One consequence of COVID-19 is that the importance of nature, and woodlands, for people's well-being, is more deeply and widely appreciated. ITF are looking into continuing this programme in the near future. We plan to build on this programme, increasing its reach and impact on the lives of people across the UK.



# Financial review

## 2019 Performance

The organisation has continued to increase its income. Total income increased to £739,827 (2018: £637,036), an annual increase of 16% year on year.

Total reserves at the year-end were £346,056 (2018: £227,665) of which unrestricted reserves reduced slightly to £164,078 (2018: £189,779).

### Notes on income and expenditure:

ITF has a varied funding stream, receiving grant income from several sources (59% of total), as well as donations from individual givers and fundraisers (38%) and corporate donors (3%).

ITF continues to benefit from legacies and we are extremely grateful to all supporters who kindly remember us in their wills.

The proportion of total expenditure that was spent on direct charitable activity was 87% (2018: 90%).

Expenditure on governance has increased to £25,530 (2018; £17,813).

### Key risks identified at the start of 2020 are as follows:

#### 1. Medium and long-term funding

The full impacts of the Coronavirus pandemic are as yet unknown, but it will result in an economic downturn. The impacts of Britain leaving the EU are also unclear. Both of these are likely to have an effect on all areas of fundraising, in particular trust income, corporate donations and individual giving.

There is also likely to be increased competition from other charities.

Income from legacies is, by its nature, uncertain. It has made up a significant percentage of income in previous years (average 22% between 2015 and 2019).

#### Actions to control/mitigate:

1. Increase focus on gaining new major funding from statutory bodies, trusts and foundations
2. Nurture our existing key funder relationships
3. Reduce reliance on legacy income by diversifying funding sources
4. Use unrestricted income to support the growth and sustainability of the charity
5. Better recovery of costs through programme budgets.

#### 2. Fraud and misuse of charitable funds

As digital communication and financial reporting becomes more widely adopted, ITF and other charities, including our partners, are exposed to risk from fraudulent activities. Additionally, ITF is aware that there is the possibility of internal misappropriation of funds.

#### Actions to control/mitigate:

1. ITF Key Management Personnel (KMP) and Board will continue to ensure that the Finance Policy is kept current and reviewed annually

## Financial review

2. The procedures on transferring funds to external partners, particularly internationally, in order to mitigate the risk of fraud, will be followed by ITF staff and continually reviewed

### 3. Investment

ITF may invest funds at the discretion of the Board (as per the Articles of Association and Standing Orders). The charity has not held any long-term investments during the year. Should the charity have funds to invest, it would abide by its Ethical and Environmental Policies which state:

1. ITF will seek to use the services of banks and other financial institutions that comply with ITF's ethical and environmental criteria.
2. ITF will wherever practicable avoid using the services of banks or other financial institutions that do not adhere to ITF's ethical and environmental criteria.
3. For savings and investments we will choose mutual societies and institutions that invest in socially and environmental responsible projects.

### Reserves Policy

The Trustees review the reserves policy of the charity annually. This review covers the nature of the income and expenditure streams of the charity, and the need to match variable income with fixed costs. Trustees recognise that the charity needs to have sufficient cash and reserves to absorb short term fluctuations in income. The level of unrestricted reserves needs to

consider both the plans of the charity and the wider economic climate.

At the end of the 2019 financial year the Trustees resolved that it is appropriate to maintain a policy of having a level of general unrestricted reserves equivalent to six months running costs.

### Funds as at 31.12.19:

Restricted	181,976
Designated	7,936
General	156,142
Total	346,054

With general unrestricted reserves now standing at £156,142 (2018: £163,317) the Trustees believe that the reserves policy is met.

### Significant Donations

During 2019, we received a number of generous donations and grants. The list below details those above £3,000:

Big Lottery Fund, Charles Hayworth Foundation, DEFRA, Ernest Kleinwort Charitable Trust, Gill Withers, Guernsey Overseas Aid and Development Commission, HDH Wills Charitable Trust, John Lally Foundation, Konvert Stiftung, Learning Through Landscapes, Nicholsons, Orentreich Family Foundation, Postcode Local Trust, Prince of Wales Charitable Fund, R&J Bleach Family Trust, Synchronicity Earth, and TreeSisters.

# Structure, governance, and management

*International Tree Foundation was constituted as a company limited by guarantee and is governed by Articles of Association and Standing Orders. The charity was registered with the Charity Commission in October 1965 (under former name 'The Men of the Trees').*

## **Appointment and recruitment of Trustees**

The members of the Board are its Trustees for the purpose of charity law and are the Directors of the charitable company for the purpose of company law. Appointment of Trustees is governed by the Articles of Association of the charitable company. The Trustees have authority to co-opt new Trustees to fill casual vacancies arising during the year. The number of Trustees appointed should not be less than three and no more than twelve.

Two trustees rendered their resignation in summer 2019, so as of 31.12.2019 ITF has had five trustees plus Chair. The hiring plan includes to add minimum three new trustees in 2020.

## **Organisational structure**

The Trustees had four full formal meetings in 2019, and numerous ad hoc meetings. Trustees are responsible for the strategic direction and policy of ITF. HR and Fundraising sub-committees are very active.

## **Senior staff**

The Senior Management Team (SMT) is responsible for the day to day running of the charitable company.

## **Pay and remuneration**

ITF is an equal opportunities employer and applies objective criteria to assess merit. Pay reviews are held with staff annually. A benchmarking process is undertaken periodically.

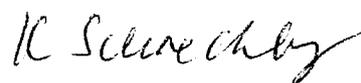
## **Risk assessment and management**

The Trustees are aware of the major strategic, business and operational risks that ITF faces and are of the opinion that there are systems in place to minimise any perceived risks. Reports are regularly submitted to the Board on all issues that might affect the running of the organisation, and a risk register is maintained and reviewed bi-annually.

## **Public benefit**

In deciding on which activities to undertake we have taken into consideration Charity Commission guidance on public benefit. The Trustees are satisfied that the charity meets these guidelines.

Approved by the Board of Trustees on  
8th June 2020 and signed on its behalf by:



Kate Schreckenber, Interim Chair,  
Company Number 5219549

# Independent examiners report

I report to the charity trustees on my examination of the accounts of the company for the year ended 31st December 2019 which are set out on pages 15 to 31.

## Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

## Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in

connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Graham Cole BA FCA

For and on behalf of Wenn Townsend Chartered Accountants Oxford, 8th June 2020

# Statement of financial activities

(Including income and expenditure account) for the year ended 31st December 2019

	Note	Unrestricted funds	Restricted funds	Total 2019	Unrestricted funds	Restricted funds	Total 2018
		£	£	£	£	£	£
<b>Income from:</b>							
Donations and legacies	2	228,626	504,605	733,231	294,137	335,877	630,014
Membership subscriptions		6,136	-	6,136	6,058	-	6,058
Investments	3	460	-	460	964	-	964
<b>Expenditure on:</b>							
Raising funds		81,118	-	81,118	53,945	-	53,945
Charitable activities	4	179,500	360,820	540,320	115,354	345,077	460,341
<b>Net (expenditure)/income</b>		<b>(25,396)</b>	<b>143,785</b>	<b>118,389</b>	<b>131,860</b>	<b>(9,200)</b>	<b>122,660</b>
Transfers between funds	14	(305)	305	-	(10,724)	10,724	-
<b>Net movement in funds</b>		<b>(25,701)</b>	<b>144,090</b>	<b>118,389</b>	<b>121,136</b>	<b>1,524</b>	<b>122,660</b>

All income and expenditure derive from continuing activities. The statement of financial activities includes all gains and losses recognised during the period.

## Balance sheet, 31 Dec 2019

	Note	2019		2018
		£	£	£
<b>Fixed Assets</b>				
Tangible assets	9		3,276	4,453
<b>Current Assets</b>				
Debtors	10	37,213		63,285
Cash at bank and in hand		334,638		184,023
		<b>371,851</b>		<b>247,308</b>
Creditors: Amounts falling due within one year	11	(29,073)		(20,124)
<b>Net Current Assets</b>			<b>342,778</b>	<b>227,184</b>
<b>Total Assets less Current Liabilities</b>			<b>346,054</b>	<b>231,637</b>
Creditors: Amounts falling due after more than one year	12			(3,972)
<b>Funds</b>				
<b>Restricted funds</b>			<b>181,976</b>	<b>37,886</b>
<b>Unrestricted funds</b>				
General fund			156,142	163,317
Designated funds			7,936	26,462

For the year ending 31st December 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime. Approved by the Board of Trustees on 8th June 2020 and signed on its behalf by:



Kate Schreckenber, Interim Chair Company number: 5219549

# Statement of cash flows

for the year ended 31st December 2019

	Note	2019		2018	
		£	£	£	£
Net cash flow from operating activities	15		150,941		101,273
<b>Cash flows from investing activities</b>					
Interest received		460		964	
Purchase of fixed assets		(786)		(3,775)	
Proceeds from sale of fixed assets		-		426	
<b>Net cash flow from investing activities</b>			(326)		(2,385)
<b>Change in cash and cash equivalents in the period</b>			<b>150,615</b>		<b>98,888</b>
Cash and cash equivalents brought forward at 1 January 2019			184,023		85,135
<b>Cash and cash equivalents carried forward at 31 December 2019</b>			<b>334,638</b>		<b>184,023</b>

## Notes to the accounts for the year ended 31st December 2019

### 1 Summary of significant accounting policies

General information and basis of preparation  
International Tree Foundation is a charitable company limited by guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information in these financial statements. The nature of the charity's operations and principal activities are detailed in the Trustees' Report.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting

Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

## Summary of significant accounting policies (continued)

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

### Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Board of Directors in furtherance of the charitable objectives of the charitable company.

Designated funds comprise funds set aside by the Board of Directors out of unrestricted funds for specific future purposes or projects.

Restricted funds comprise monies raised for, and their use restricted to, a specific purpose, or donations subject to conditions imposed by the donor or through the terms of an appeal.

### Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example, the amount the charity would be willing to pay on the open market for such facilities and services. A corresponding amount is recognised in expenditure. No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity, however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Investment income and bank interest receivable is fully accrued at the balance sheet date.

### **Expenditure recognition**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

The costs of raising funds consist of investment management fees and merchandising costs.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes costs that can be allocated directly to such activities, and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on the basis of estimates of the proportion of time spent by staff on those activities.

### **Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation.

Tangible fixed assets are depreciated at rates calculated to write off the cost of each asset over its estimated useful life as follows:

Office equipment, furniture and fittings  
25% Straight line basis

### **Debtors and creditors receivable/payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price.

### **Operating leases**

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

## Summary of significant accounting policies (continued)

### Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

### Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

### COVID-19 response

These are unprecedented times and the situation is changing rapidly in the UK and other countries where ITF is active, with Africa being of concern. In the UK, ITF has followed government guidance, which for now, is to continue to work from home wherever possible. All of our offices (UK & Kenya) will remain closed until the safe transition back to the office can take place in line with local government guidance. We are pleased to state that none of our staff has fallen ill and that the team has successfully adapted to remote working. The Senior Management Team has held weekly virtual meetings and trustees have joined in on a bi-monthly basis to provide additional support.

The impact of COVID-19 will be certainly felt beyond the changed working circumstances of our staff and the Board. From a day to day operational perspective at present the operations largely remain unchanged. COVID-19 has prevented partner visits, and projects working with schools had to reschedule activities. Nurseries and planting activities have been marginally affected and adjusted to social distance rules. Due to office closure, reporting from partners and to donors is taking longer than usual. In situ monitoring and evaluation from ITF staff has been postponed until the different travel bans get lifted and risks diminish. We have had no reports of any partner or ITF employee that has been hospitalised and/or tested positive for COVID-19.

We have been speaking with our donors and charity funding networks and at present donors are being flexible on delivery. The potential implications for ITF income and commitments is hard to evaluate at the time of this report. We are beginning the year with a substantial level of free reserves (£156,142, excluding designated funds, as of 31.12.2019), a level sufficient to cover six months of salaries and (non-project funded) organisational operating costs

We remain encouraged by the calls and acknowledgment from our key donors/networks and members that there is a strong drive from society "to build back better" as the world recovers from COVID-19 with sustainability issues such as those ITF addresses central to the rebuilding thus we are well placed to be part of the solution. In Q4 2019 ITF hired an experienced head of fundraising for the first time to provide a focus on diversifying ITF's funding sources. Although good progress has been made in Q1 2020 on the early implementation of the new strategy, we acknowledge that it will be a challenging environment securing funding for at least the next financial year and we need to focus on ITF's unique position and heritage to continue to drive our growth.

The Board continues to monitor the financial situation closely and will continue reviewing operating overheads to ensure ITF remains a lean charity. As a part of this process, we are changing the review of ITF's risk register to a quarterly basis while this extraordinary situation continues, along with a review of the reserves policy to ascertain financial sustainability.

The SMT will continue to monitor different future scenarios and draw up contingency plans in the context of the risk appetite determined

by the Board. The Trustees recognise that as the impacts of COVID-19 become clearer, decisions may need to be made in relation to the scale of the Charity's activities and the staffing levels required to support them.

As at the date of signing these financial statements, the Trustees and SMT's forecasts up to 31 December 2021 indicate that the Charity will be able to continue to operate as a going concern, although this may be at a lower level and capacity than at present. The Trustees and SMT are regularly monitoring the position to determine the right way forward as events unfold.

#### **Going concern**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for twelve months from authorising these financial statements. In performing this review, the trustees have factored in the anticipated impact of COVID-19 on its global operations. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

## Notes to the accounts (continued)

### 2. Donations and Legacies

	2019	2018
	£	£
Donations including related gift aid	121,164	114,143
Appeals	18,516	19,246
Legacies	160,000	232,005
Grants	433,551	264,620

### 3. Investment Income

	2019	2018
	£	£
Bank interest receivable	460	964

### 4. Charitable Activities

	2019	2018
	£	£
<b>Planting, protection, and preservation of trees</b>		
UK	7,998	22,986
International	231,824	184,592
Other direct costs	21,733	29,587
Staff costs	131,312	118,865
Office support costs	25,571	14,955
<b>Raising awareness about the importance of trees</b>		
Newsletter, journal publication costs and website	28,291	33,492
Staff costs	55,276	30,663
Office support costs	12,785	7,478
<b>Governance costs</b>	<b>25,530</b>	<b>17,813</b>

## 5. Total Expenditure

	Tree planting and grants payable	Other direct costs	Staff costs	Office costs	2019	2018
	£	£	£	£	£	£
Cost of generating funds	-	13,002	48,938	19,178	81,118	53,945
Planting, protection, and preservation of trees	239,822	21,733	131,312	25,571	418,438	370,985
Promotion of tree awareness	-	28,291	55,276	12,785	96,352	71,633
Governance costs	-	2,824	16,313	6,393	25,530	17,813

Support costs comprise:	2019	2018
	£	£
Accountancy and payroll	1,849	2,023
Bank charges	2,023	559
Computer maintenance and services	855	302
Depreciation of fixed assets	1,052	1,097
Director meetings, travel expenses and insurance	1,783	3,169
Miscellaneous expenses	413	461
Professional fees	19,223	5,706
Office insurance, light, heat and cleaning	2,621	654
Office rent and rates	20,286	13,280
Staff recruitment, training and travel	8,848	8,651
Telephone, printing, postage and stationery	1,591	1,656
Volunteer expenses	3,354	215
Exchange rate loss	29	(578)
Losses on disposal of fixed assets	-	193

Support costs are allocated on the basis of estimates of the proportion of time spent by staff on those activities. Cost allocation includes an element of judgement and the charity has had to consider the cost benefit of

detailed calculations and record keeping. Therefore the support costs shown above are a best estimate of the costs that have been so allocated.

## Notes to the accounts (continued)

### 6. Staff Costs and numbers

	2019 £	2018 £
Gross pay	225,237	167,541
Employer's NI	15,463	12,377
Employer's pension contributions	9,691	8,210
Life assurance and other employee benefits	1,448	2,820

The average number of employees analysed by function was:

	# 2019	FTE # 2019	# 2018	FTE # 2018
Planting, protection, preservation and promotion of trees	8	5	7	4
Fundraising and income generation	3	2	2	1

One employee received total employee benefits (excluding employer pension costs) of between £60,000 and £70,000 during the current period (2018: none).

### 7 Trustees' and key management personnel remuneration and expenses

The Trustees neither received nor waived any remuneration during the period (2018: £nil).

The total amount of employee benefits (including employer pension costs) received by key management personnel is £163,862 (2018: £126,931). The Trust considers its key management personnel comprise the Chief Executive, Programmes Manager, Head of Fundraising (new position for 2019) and Finance and Facilities Manager.

Three (2018: six) Trustees were reimbursed for directly incurred out of pocket expenses during the period totalling £1,270 (2018: £2,022).

### 8. Net income/(expenditure)

Net income/(expenditure) is stated after charging:

	2019 £	2018 £
Examiner's remuneration	2,040	2,040
Depreciation of fixed assets	1,963	1,337

**9. Tangible Fixed Assets—office equipment, furniture and fittings**

£	
<b>Cost</b>	
At 1st January 2019	7,952
Additions	786
<b>Depreciation</b>	
At 1st January 2019	3,499
Charge for the period	1,963
<b>Net book value</b>	
At 31st December 2018	4,453

**10. Debtors: amounts falling due within one year**

	2019 £	2018 £
Trade debtors	833	3,775
Other debtors	19,728	6,275
Prepaid expenditure	6,215	5,827
Accrued income	10,437	47,408

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

	2019 £	2018 £
Trade creditors	13,040	6,905
Accrued expenditure	9,989	3,165
Employers pension contribution	1,738	1,779
Other tax and social security	34	3,944
Deferred income	4,272	3,797
Other creditors	-	534

**12. Creditors > 1 year**

	2019 £	2018 £
Deferred income	-	3,972

During 2017, the charity received £11,266 of grant funding for expenditure on projects with a specified future period of support. These monies are being released to income in accordance with the periods specified by the donor.

**13. Analysis of net assets between total funds**

Fund balance as of 31 Dec 2019	Unrestrict- ed funds £	Restricted funds £	Total £
Tangible fixed assets	2,444	832	3,276
Cash at bank and in hand	153,347	181,291	334,638
Other net current assets	8,287	(147)	8,140

Fund balances at 31st December 2018 are represented by:

Fund balance as of 31 Dec 2018	Unrestrict- ed funds £	Restricted funds £	Total £
Tangible fixed assets	3,263	1,190	4,453
Cash at bank and in hand	161,731	22,292	184,023
Other net current assets	24,785	18,376	43,161
Long term liabilities	-	(3,972)	(3,972)

## Notes to the accounts (continued)

### 14. Statement of Funds

	Balance at 1/1/19 £	Income £	Expenditure £	Transfers £	Balance at 31/12/19 £
<b>Restricted funds</b>					
<b>International Programmes</b>					
Africa Drylands	3,704	-	-	-	3,704
Sustainable Community	19,035	128,527	(41,923)	-	105,639
The Nkhata Bay Natural Way	(7,492)	7,187	-	305	-
Centenary Campaign	(53)	159,117	(107,711)	(1,500)	49,853
Mount Bamboutos Initiative	(6,358)	167,535	(142,111)	(1,670)	17,396
<b>UK Programmes</b>					
Community Tree Planting	3,944	3,514	(5,356)	-	2,102
Tree Power	22,909	-	(18,544)	(1,500)	2,865
Trees Journal	20	-	(6,490)	6,470	-
Fruit-full Communities	2,177	18,741	(19,418)	(1,500)	-
UK Well-being in the Woods	-	19,984	(19,267)	(300)	417
<b>Unrestricted funds</b>					
General fund	163,317	232,238	(242,878)	3,465	156,142
<b>Designated funds</b>					
Centenary Campaign	22,828	2,701	(17,724)	-	7,805
Sustainable Community	80	54	(3)	-	131
Tree Power	2,576	-	-	(2,576)	-
Save Kafuga Forest	978	229	(13)	(1,194)	-
<b>Total funds</b>	<b>227,665</b>	<b>739,827</b>	<b>(621,438)</b>	<b>-</b>	<b>346,054</b>

#### 14. Statement of Funds (continued)

	Balance at 1/1/18	Income	Expenditure	Transfers	Balance at 31/12/18
	£	£	£	£	£
<b>Restricted funds</b>					
International Programmes					
Africa Drylands	717	-	-	2,987	3,704
Sustainable Community Forestry	19,259	24,425	(24,649)	-	19,035
Trees 4 Livelihoods	5,793	17,338	(19,544)	(3,587)	-
The Nkhata Bay Natural Way	(1,438)	(301)	(5,753)	-	(7,492)
Centenary Campaign	(2,959)	117,411	(119,623)	5,118	(53)
Mount Bamboutos Initiative	-	94,857	(99,763)	(1,452)	(6,358)
UK Programmes					
Community Tree Planting	3,035	1,000	(91)	-	3,944
Tree Power	11,818	13,000	(5,409)	3,500	22,909
Trees Journal	662	-	(5,828)	5,186	20
Fruit-full Communities	(525)	68,147	(64,417)	(1,028)	2,177
<b>Unrestricted funds</b>					
General fund	66,274	253,970	(156,321)	(606)	163,317
Designated funds					
Centenary Campaign	-	41,618	(12,172)	(6,618)	22,828
Sustainable Community Forestry	-	82	(2)	-	80
Tree Power	1,076	5,000	-	(3,500)	2,576
Save Kafuga Forest	1,293	489	(804)	-	978
<b>Total funds</b>	<b>105,005</b>	<b>637,036</b>	<b>(514,376)</b>	<b>-</b>	<b>227,665</b>

## Notes to the accounts (continued)

### 14 Statement of funds (continued)

#### International Programmes

##### Africa Drylands

This represents a bequest from the Estate of the late Mrs M M Gare in 1999. These funds are to be utilised in the environment regeneration of the Sahara region through the establishment of community tree planting projects.

##### Sustainable Community Forestry

Supporting local community-based organisations to raise and plant trees and to manage and restore local forests. Major funders include:

- Prince of Wales Charitable Fund
- Wessanen
- Guernsey Overseas Aid and Development Commission
- Charles Haywood Foundation
- John Lally Foundation
- Synchronicity Earth
- Plant for the Planet platform
- Individual donors

##### The Nkhata Bay Natural Way

A project to embed community stewardship of natural resources in the Nkhata Bay North district of Malawi. Funded by the Big Lottery Fund.

##### Centenary Campaign

Funds to support the planting of trees in Kenya by local community-based organisations. Funders include:

- TreeSisters
- Plant for the Planet platform
- Guernsey Overseas Aid and Development Commission
- Wessanen
- Big Give Christmas Challenge (2018)
- Individual donors

##### Mount Bamboutos Initiative

Funds to restore the degraded mountain ecosystem of Mount Bamboutos in Cameroon, while improving the quality of lives for local communities. Funded by:

- DEFRA - Darwin Initiative
- TreeSisters

##### Trees 4 Livelihoods

A partnership initiative of the International Tree Foundation (ITF) and Sahel Eco to improve the livelihoods of 4 communities in Mali. Funded by Big Lottery Fund.

## **UK Programmes**

### Community Tree Planting

Funds to help local communities in the UK plant trees. Funded by the Orentreich Family Foundation.

### Tree Power

Education programme supporting teachers and schools to inspire new generations about the local and global importance of trees and forests. Funded by Wessanen.

### Trees Journal

The production of ITF's annual publication. Contributions to the costs of this are made by our other programmes.

### UK Fruitful Communities

Bringing together partners to support young people across England to develop community orchards. Funded by the Big Lottery Fund through Learning through Landscapes.

### UK Wellbeing in the Woods

Working with young people to engage them in woodland activities to improve their wellbeing and mental health. Funded by the Postcode Local Trust.

## Notes to the accounts (continued)

### 14 Statement of funds (continued)

Transfers made during the period

From	To	Notes
Restricted Fruit-full Communities	Restricted Trees Journal	A contribution from the Fruit-full Communities Programme to the Trees Journal
Restricted Mount Bamboutos Initiative	Restricted Trees Journal	A contribution from the Fruit-full Communities Programme to the Trees Journal
Restricted Wellbeing in the Woods	Restricted Trees Journal	A contribution from the Wellbeing in the Woods Programme to the Trees Journal
Restricted Centenary Campaign	Restricted Trees Journal	A contribution from the Centenary Campaign to the Trees Journal
Restricted Tree Power Programme	Restricted Trees Journal	A contribution from the Tree Power Programme to the Trees Journal
Unrestricted Funds	Restricted Nkhata Bay Natural Way	Unrestricted funds used to cover deficit due to exchange differences at the end of the Nkhata Bay Natural Way Programme
Designated Tree Power Programme	Unrestricted Funds	Funds previously designated for work on the Tree Power Programme have been moved back to Unrestricted funds as not required for this work.
Designated Save Kafuga Forest Programme	Unrestricted Funds	Funds previously designated for work on the Save Kafuga Forest Programme have been moved back to Unrestricted funds as this programme has now concluded

### 15. Reconciliation of net movement in funds to net cash flow from operating activities

	2019 £	2018 £
Net income for period	118,389	122,660
Depreciation charge	1,963	1,337
Loss on disposal of fixed assets	-	193
Interest receivable	(460)	(964)
Decrease/(increase) in debtors	26,072	(7,837)
Increase/(decrease) in creditors	4,977	(14,116)

### 16. Lease commitments

Land and buildings	2019 £	2018 £
Due within one year	4,320	1,920

At 31st December 2019 total future minimum lease payments under non-cancellable operating leases were as follows: two months notice on office = £4,320.

### **17 Related party transactions**

International Tree Foundation Kenya, a charity, was incorporated under Kenyan law during the year ending 31st December 2019, to enable Kenyan donors to make donations to help ITF meet its objectives. ITF and ITF Kenya have the same Board of Trustees, therefore ITF Kenya is viewed as being controlled by ITF and therefore a subsidiary for accounting purposes.

For the year ending 31st December 2019, ITF was entitled to exemption from preparing consolidated accounts as the parent and the group headed by it qualify as small under section 383 of the Companies Act 2006 and the parent and the group are considered eligible for the exemption as determined by reference to sections 384 and 399(2A) of the Companies Act 2006.

ITF Kenya is deemed a dormant entity as no transactions took place during the year.

There were no other related party transactions to disclose in 2019 (2018: none).

### **18 Contingent assets**

At the previous year end the charity was entitled to legacy income on a share of a residuary estate that had not yet been received. £18,613 was included in debtors for the amount that could be reliably estimated, and this was received in the current financial year. A further amount was due at the previous year end, but there was uncertainty as to the amount of the payment, and thus the criteria for income recognition was not met. A further amount of £60,000 was received and recognised in the current financial year.

### **19 Non adjusting events after the financial period**

During early 2020, the emergence of the virus now commonly known as 'COVID-19' became a global pandemic. This resulted in the UK enforcing lockdown in late March, with many other countries in which the charity operates similarly affected. At the date of approval of the accounts, the board conclude that there is no material impact on the carrying values of assets/liabilities on the charity's balance sheet as at 31st December 2019.

*We share your vision, of a world where trees and forests flourish,  
and where their vital role in supporting planetary and  
human wellbeing is valued and realised.*



**International  
Tree Foundation**  
Founded 1922