

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

# Report and accounts

31 December 2018



The voice for woods and trees

**President**

Clive Anderson

**Trustees**

Barbara, Baroness Young of Old Scone  
David Babbs (appointed 23 March 2018)  
Humphrey Battcock  
Sally Benthall  
Fay Cooke (appointed 7 December 2018)  
Michael Greenwood  
Anne Lambert, CMG (retired 23 March 2018)  
Patrick Macdonald  
Paul Nevett (appointed 23 March 2018)  
James Ogilvie (appointed 26 September 2018)  
Julia Smithies  
Richard Sykes

The trustees are also directors and members of the charity.

**Chief Executive Officer**

Beccy Speight

**Board Affairs Committee**

Patrick Macdonald (Chair)  
David Babbs (joined 20 June 2018)  
Sally Benthall  
Richard Sykes (joined 7 December 2018)

**Finance Committee**

**(also acting as an audit committee and investment committee)**

Richard Sykes (retired as Chair and stepped down 26 September 2018)  
Humphrey Battcock (Chair, appointed 26 September 2018)  
Fay Cooke (joined 7 December 2018)  
Michael Greenwood  
Anne Lambert (retired 23 March 2018)  
Julia Smithies

**Remuneration Committee**

Barbara, Baroness Young of Old Scone (Chair)  
Humphrey Battcock  
James Ogilvie (joined 7 December 2018)  
Julia Smithies

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

It is a registered charity, numbers: 294344 and SC038885 and is constituted as a non-profit-making company limited by guarantee, registered number 1982873.

Registered office: Kempton Way, Grantham, Lincolnshire NG31 6LL.

In Scotland, the Woodland Trust operates as the *Woodland Trust Scotland*.

In Wales, the Woodland Trust operates as *Coed Cadw*.

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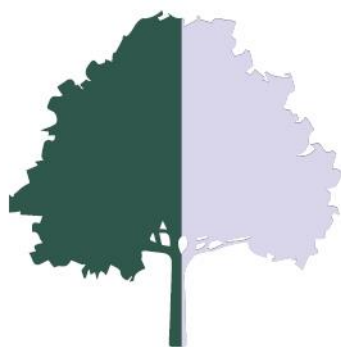
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# We are the Woodland Trust – the UK's largest woodland conservation charity – and we're here to stand up for trees.

Trees and woods help us stay healthy, filter our air, provide us with building materials, cool our cities, purify our water and enrich our soil. They also provide some of our best habitats on land for wildlife. Right now, the opportunities for trees and woods to help us make the world a better place are enormous. Yet the damage being done to our trees has now reached catastrophic levels, and our plant and animal species are declining at an alarming rate.



Since the 1930s, **more than half the UK's ancient woodland has been destroyed**, and today it is fragmented and covers **just 2%** of the UK. And we stand to lose even more as airports, roads and railways expand, houses are built and diseases and pests attack.



**Sixty per cent** of our animal and plant species have **declined in the past 50 years**. Fifty three per cent of all species that depend on woodland have declined in the same period. Many are now endangered; some face extinction.

This devastating decline is driven in particular by the effects of climate change, pollution, the impact of intensive agriculture, inappropriate development, weak legislation, and the increasing threats from pests and diseases. These factors compound the problems the UK countryside has faced for many years, leaving us with small, often isolated areas of woodland that are more vulnerable to threats and less likely to recover from further damage.

Trees and woods are the cornerstones of our landscapes and countryside and a cherished part of our cultural identity. They are crucial as homes and food sources for wildlife and nature in all its forms and are increasingly recognised for the wider benefits they deliver for us all. Benefits such as; enjoyment through access and recreation; productivity through timber; and enhanced farming output through shade and shelter for crops and wildlife, reduction of water runoff and their role in tackling soil erosion.

There is a real danger that without stronger intervention now, the environment will suffer catastrophic and long-lasting harm which will affect our quality of life and the bedrock of our very existence. All this at a time when we could be realising the potential of trees and woods to help us meet future threats and opportunities.

## Foreword



### A message from our Chair

We are living in white-knuckle times of helter-skelter change, but 2018 was a great year to be Britain's leading cheerleader for woods and trees. What really excites me is the way the public, politicians, the media... everyone has at last woken up to the enormous benefits of trees, whether for offsetting climate change, improving soils, protecting against flooding, boosting biodiversity or nurturing the health and mental well-being of our citizens.

The Trust has been sowing the seeds of this movement for a while, but 2018 saw our message endorsed by (among others) the Government's 25-year plan for the environment and the Intergovernmental Panel on Climate Change, which called for substantial areas of the globe to be planted with new forests. And as the year wore on, a draft Agriculture Bill promised to pay farmers and land managers 'public money for public goods' in a post-Brexit countryside subsidy, which ought to mean more woods in the ground – music to our ears. But now we need ministers to put their money where their mouths are and create the funding mechanisms that will encourage landowners to get on board with the large-scale woodland creation so necessary for people, for wildlife and for the planet.

The Woodland Trust is doing its bit. In 2018 we set the seal on two really transformative creation initiatives: our Heartwood project near St Albans and our First World War Centenary Woods. At Heartwood, we've conjured up England's biggest new broadleaf forest for decades: 600,000 vibrant young trees now rise to the sky, every one of them planted by local communities, schoolchildren and volunteers. Meanwhile, November saw the climax of our four-year Centenary Woods drive, which has planted a phenomenal three million trees in communities all the way from Orkney to Redruth - a living memorial to those who served or sacrificed in the First World War. I must thank our long-term partner Sainsbury's for the £4 million they've contributed to make the memorial happen, as well as our hard-working project patron, the Princess Royal.

One of my outings last year was to plant trees with the prime minister in her Maidenhead constituency. She was among more than 500 MPs from all parties who dug in saplings as part of the Queen's Commonwealth Canopy partnership. And we know our lobbying works, because last summer we scored a tremendous victory when new government guidance for planners granted England's irreplaceable ancient woodland equal status with listed buildings and national parks. To our delight, ancient and veteran trees were included too. Our loyal supporters have fought for 20 years to win these vital protections, and we are now spreading the word to ensure our caseload of woods threatened by inappropriate development, begins to fall.

Closer to home the Trust is making efforts to improve the diversity of our Board. It reflects the widening of our agenda more generally in 2018, as we champion the crucial role of trees in Britain's towns and cities, for example. To close, I'd like to pay tribute to our army of staff, volunteers and supporters for all the terrific work they do – not to mention the many individuals, companies and grant-giving trusts that help fund our work. Thank you all. You may think you are planting trees, but you are saving wildlife, people and the planet!



Barbara, Baroness Young of Old Scone  
Chair



## A message from our Chief Executive Officer

2018 began with a bang for the Woodland Trust, when the Government announced it was getting behind our flagship Northern Forest project. With £5.7 million in government seed funding secured, we're setting out to plant 50 million trees in a mosaic across the north of England over the next 25 years – comfortably the most ambitious woodland creation initiative the Trust has ever embarked on. It was a landmark moment and embraced many of the themes that came to define our year: the vital need to plant trees and create woods at scale in a nation facing deforestation; our new focus on enriching wide tracts of countryside for nature; and our drive to forge big-hitting partnerships to bring our goals to fruition.

In all, we planted 3.3 million saplings last year – 25% more than in 2017 – and an enormous number of those are budding beyond our own estate. Thanks to the invaluable support of our funding partners, they include almost a million trees issued free to schools and community groups nationwide. Our collaboration with the Queen's Commonwealth Canopy project was part of that, and with the likes of Sir David Attenborough and Dame Judi Dench on board, it did wonders to boost the Trust's work with new audiences.

I'm especially heartened by the sense that young people are becoming really enthusiastic about our cause – which makes the land we're acquiring at Mead in Derbyshire particularly exciting. Thanks to a new link-up with the #iWill foundation, we will plant 250,000 trees to transform former coalmining country into the UK's first Young People's Forest. We plan to get hundreds of youngsters pitching in, helping us shape the site. Meanwhile, our successful Green Tree Schools Award scheme hit new heights in 2018 – over 11,000 schools are now signed up, which means hundreds of thousands of kids are getting outdoors and engaging with nature. Funding from players of People's Postcode Lottery has made this possible.

The year saw several other significant firsts. We staged our inaugural Street Tree Awards at Alexandra Palace, celebrating all the fine work being done by neighbourhood groups to protect and enhance the treescape of our towns and cities. We teamed up with Rewilding Britain to launch the Summit to Sea project in mid Wales, a pioneering effort to revitalise an entire landscape for people and wildlife – with the rural economy, as well as ecology, to the fore. And as the year waned, we set about raising £1.6 million to buy our very first mountain – a wonderland of Caledonian pinewoods and temperate rainforest at Ben Shieldaig in the West Highlands.

In all, the Woodland Trust spent £48.2 million in 2018, slightly less than we projected but £3.6 million above income – a deliberate imbalance as we dip into financial reserves and continue to turn our ambitious 10-year growth plan into reality. There are challenges ahead, of course. Climate change, tree disease and uncertainty over post-Brexit policy and funding for the environment all loom larger than ever. But at the end of another tremendous year, we are in excellent heart. Ultimately it is people, not policies, that power the work we do, and with membership numbers hitting 250,000 for the first time, and volunteering at record levels too, we have tremendous goodwill behind us. I'd like to send a heartfelt thanks to every member of our staff and our volunteers and supporters for their unstinting efforts.

A handwritten signature in black ink, reading 'Beccy Speight'.

Beccy Speight  
Chief Executive Officer

## Our vision

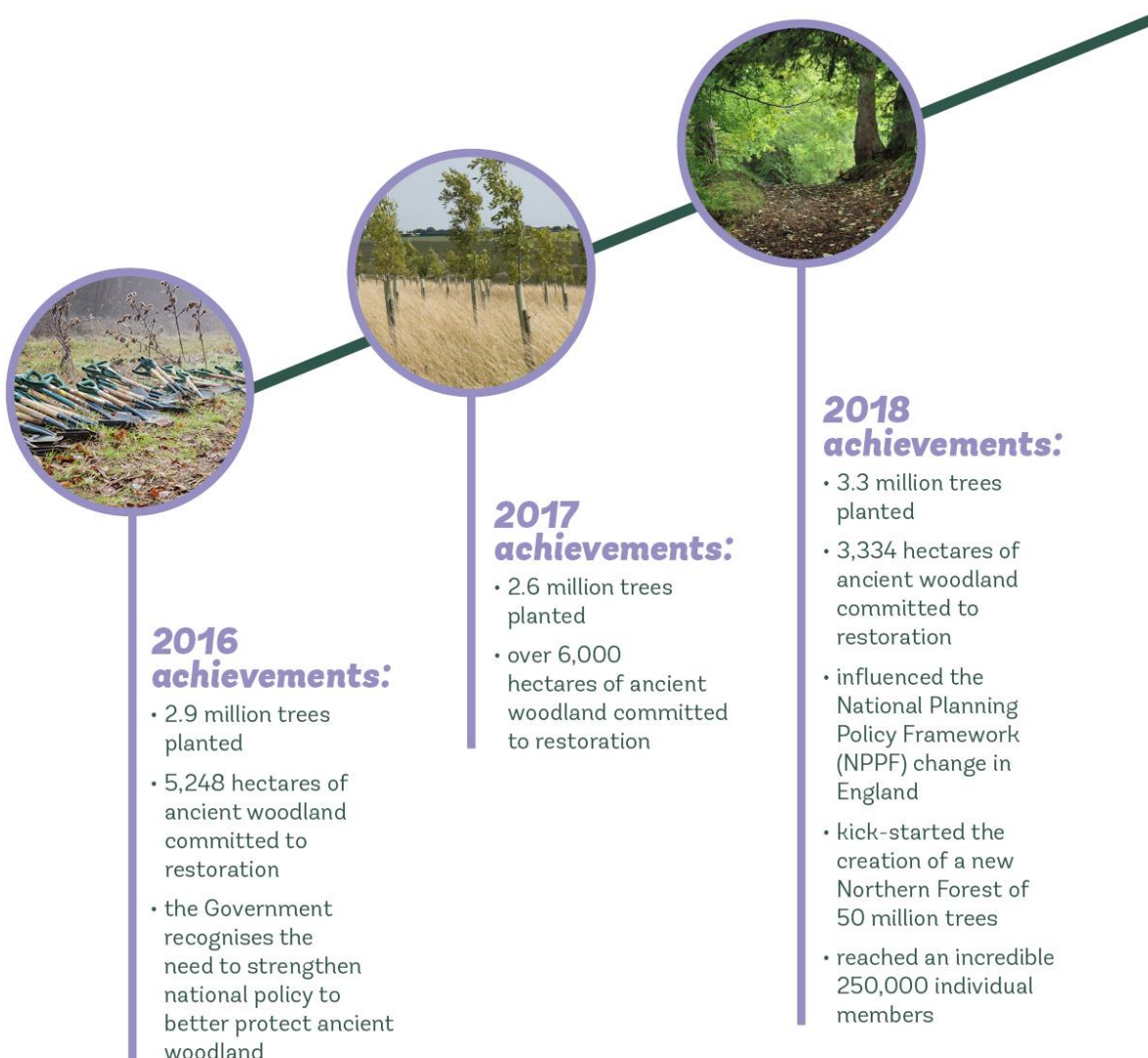
Our vision is a UK rich in native woods and trees, for people and wildlife.

To deliver this vision we needed an ambitious, focused and achievable plan that would:

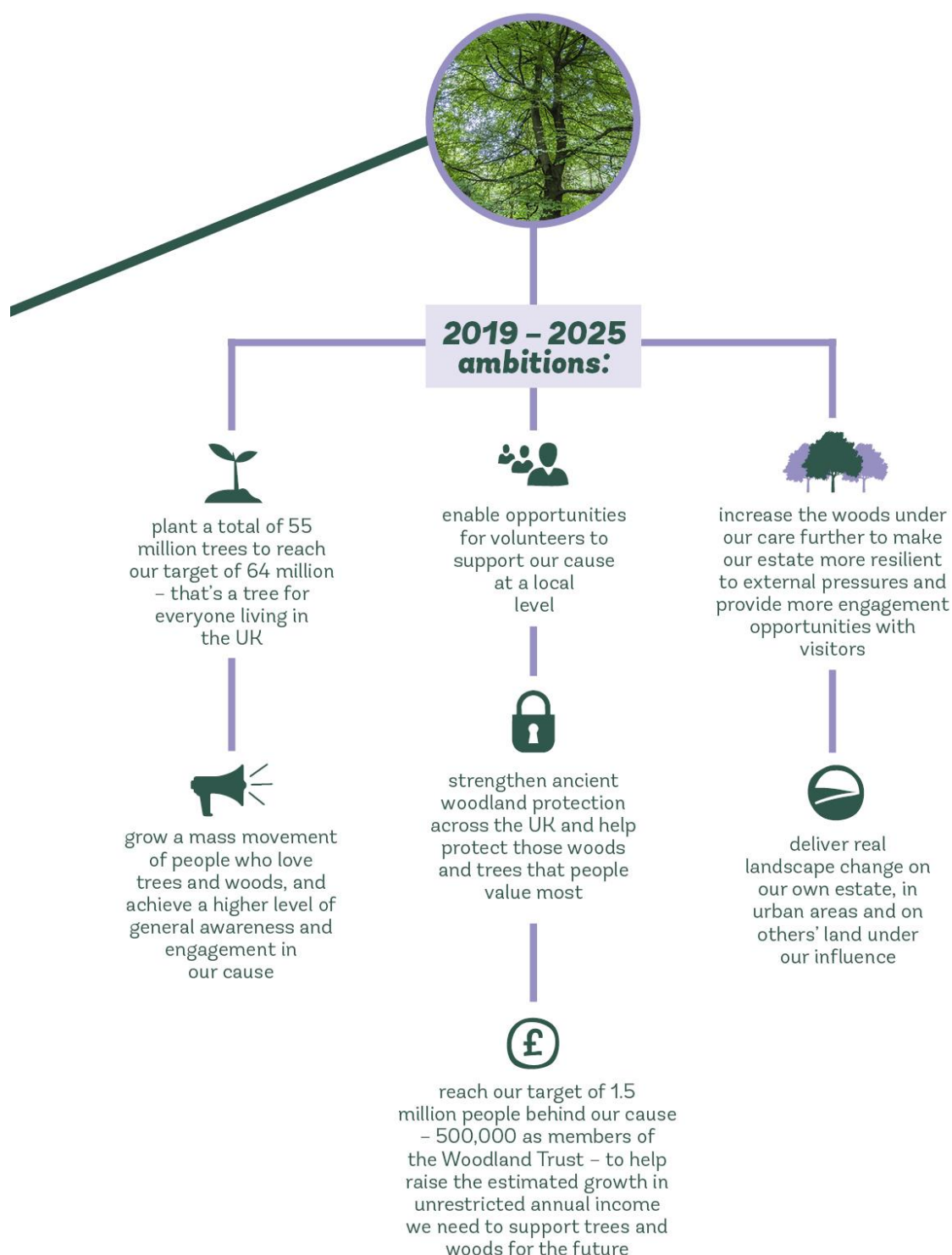
- strengthen the role of trees and woods in our landscapes and communities, improving their resilience
- rekindle people's love of trees and woods, making them more integral to our lives.

So in 2016, we launched a 10-year strategic plan to provide the framework that would deliver opportunities to work with partners to:

- protect our most precious trees and woods
- restore landscapes
- plant more trees for the future
- engage more people in our cause
- give us a stronger voice
- help raise money to deliver our cause
- grow our own estate.







We can't achieve our vision without you and there are many ways you can help us make a real difference, such as: membership, 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](http://woodlandtrust.org.uk). Thank you.

## Resilient landscapes

The Woodland Trust's conservation activity focuses around the development of resilient landscapes. The definition of resilience we work to is 'the capacity of a place to absorb change, sustain ecological function and maintain a diverse array of species'.

Therefore, our conservation activities focus on the protection, creation, restoration and management of native woodlands and trees in the context of the wider landscape – both rural and urban.

Delivering landscape-scale conservation requires a collaborative approach – working with partner organisations, landowners, farmers and communities to develop diverse, wildlife-rich and resilient landscapes that engage and benefit people.

# Our 2018 ambition

<b>Our ambition</b>	Create 2,000 hectares of woodland on a mix of Woodland Trust land and others' land under our influence.	Dramatically increase tree numbers within communities and in towns and cities to 960,000.	Start the process of creating a new Northern Forest of more than 50 million trees, a mosaic of tree cover stretching from Liverpool across to Hull, in partnership with the Community Forests.
<b>What we achieved</b>	We created 1,715 hectares of woodland through schemes such as MOREwoods, planting on our estate, and partnerships with landowners, farmers and crofters. The shortfall of 285 hectares is predominantly due to delays in progressing agreed planting plans through increased regulatory checks and the impact of uncertainties around Brexit. 	We planted 984,000 trees, both outside woods and in towns and cities. This target was achieved through our social and community tree packs, often funded through corporate relationships and including Defra-funded school tree packs. 	We received a grant from Defra for £5.7 million over four years to kick start the estimated £500 million project; agreed how we would work with the Community Forest Trust to deliver the first 800,000 trees; and planted our first trees at Smithills with Minister David Rutley, MP for Macclesfield. 
<b>Our ambition</b>	Advance the case for sustainable management of woodland and appropriate care of ancient and other native woods by committing 3,000 hectares for restoration, while continuing to raise the problems of key threats such as tree disease, pests and deer browsing.	Identify threats to ancient woodland and ensure that we are responding to no less than 80% of them, and escalating 5% of these threats to public campaign actions.	Increase our estate by 700 hectares by acquiring sites that are under threat or where we feel we can add value through restoration and woodland creation.
<b>What we achieved</b>	3,334 hectares of ancient woodland were committed to restoration with the help of a substantial grant from the Heritage Lottery Fund. 	We responded - through the formal planning process - to 100% of threat cases reported to us and escalated eight to public campaign level. We also influenced a major change to the National Planning Policy Framework for England. 	We brought 211 hectares of woods and land into our care at a value of £1.7 million, and identified a further 2,163 hectares where we will complete the acquisition process in the first two quarters of 2019. 
<b>Our ambition</b>	Maintain our on-going efforts to improve our sites for both wildlife and people. To do this we will have 10 destination sites accredited as Quality Assured Visitor Attractions by 2025.		
<b>What we achieved</b>	Now in year three of our 10-year plan, we have been successful in having three large sites accredited: Heartwood Forest, Skipton Castle Woods and Tring Park. 		

## Protecting our woods and trees

Our woods and trees face a challenging combination of pressures, from inappropriate development to pests and diseases.

	
<p><b>Pests and diseases</b></p> <p>The increasing number of pests and diseases attacking trees in the UK is having a real impact on our woodland and wildlife. Ash dieback alone could claim millions of the UK's ash trees, particularly affecting our landscape outside of woods, while oak trees are suffering the impact of a range of diseases including acute oak decline and oak processionary moth.</p>	<p><b>Human impact</b></p> <p>More than 1,000 irreplaceable ancient woods have been threatened by inappropriate development over the last 10 years. Weak levels of legislative protection for our most precious woods across the UK and dwindling grant funding for management is adding to the pressure.</p>

We are at the forefront of tackling the impacts of these pressures on the UK's trees, and developing solutions through: research; surveillance by volunteers and citizen-science schemes; responsible tree procurement and planting; management of pests and invasive species; and working to influence the governments of the UK and improve legislation.

### Tree health resilience strategy

The announcement by Environment Secretary Michael Gove in November 2018 that Defra will begin work on a tree strategy for England was very welcome news. We have been lobbying for this for some time, pointing out that the existing strategy had been overtaken by developments relating to ancient woodland protection, moves to replace the Common Agricultural Policy with a new land-use policy, and growth in the number of pests and diseases.

We have also input into the development of a new tree-health resilience strategy for England, launched by the Environment Secretary in the summer. This aims to put biosecurity concerns more centre stage and sets out a way forward to protect our woods and trees from pests and diseases for generations to come. We will be working to influence the effective delivery of this strategy.

### National Planning Policy Framework

After two decades of campaigning by the Trust, ancient woods and trees in England have finally been given increased protection under the planning process. Westminster Government amendments to the National Planning Policy Framework mean ancient woods and ancient and veteran trees now have the highest possible protection in law from insensitive and unnecessary development.

Rebecca Pow MP, chair of the All-Party Parliamentary Group on Ancient Woodland and Veteran Trees, said: "This is great news for these exceptionally precious and irreplaceable habitats which are such an important part of our natural history and yet regularly face threats from unnecessary and insensitive development. I am delighted that England's ancient woodland and its ancient and veteran trees will finally get the protection they deserve in the planning system."

### We can stop High Speed 2's destruction

We are working tirelessly to protect England's ancient woodland from High Speed 2 (HS2). The Government published the HS2 Phase 2b working draft Environmental Statement on 11 October. The overall infrastructure project is set to damage or destroy 108 ancient woods up and down the country. Phase 2b alone impacts on 37 ancient woods; it's by far our biggest individual threat case.

We've been on regional television and national radio to raise awareness of the damage HS2 will cause and have been out visiting woods along the proposed route and meeting local residents. More than 30,000 people responded to the latest government consultation on the project through our campaign, demonstrating that people do care about the UK's woods and trees. We have now submitted all the responses on our supporters' behalf to the HS2 Limited's public consultation with the stark message that it is time to listen harder to the groundswell of public opinion.



## Oak processionary moth (OPM)

OPM is a non-native moth that feeds on oak leaves, and large populations can strip trees bare, leaving them weakened and vulnerable to other threats. The moth was introduced into the UK on imported oak trees used on a landscaping project in London in 2006. As well as its impact on oak trees, it can have an effect on human health. For this reason, the Forestry Commission has a control programme in place to try to limit the moth's population and spread from the Greater London area where it is established. Over the past few years, the Woodland Trust has been supporting this work by setting up pheromone traps in 20 of our woods around London to track the outward spread of the moth, and these have confirmed its onward progress. This year, for the first time, we have found and removed nests of OPM from three of our sites. We will continue to monitor for the presence of OPM and take appropriate action to stop the spread when nests are discovered, which unfortunately is likely to be an increasingly common occurrence. We have also joined with other like-minded organisations to form Action Oak, a coalition aiming to raise more funding for research into the diseases now affecting oak trees in the UK.

### Just two ways we try and stop the spread of pests and diseases:



#### Procurement

The UK Sourced-and-Grown Assurance (UKSG-A) scheme was introduced by the Trust in 2015 to minimise the risk of importing pests and diseases. There are now 24 forest nurseries registered with qualified UKSG-A status and more are in line for 2019. This guarantees their stock has been raised from seed sourced only from the UK and grown on in the UK for its entire lifespan.



#### FSC® – 20 years of Forest Stewardship Council certification

When the concept of forest certification emerged in the 1990s, the Trust actively engaged from the start. We not only represented the environmental concerns but practised what we preached to others by having our own estate FSC certified in 1998 to highlight that we operate in an environmentally, economically and socially responsible way. We were one of the first large landowners in the UK to be certified and we have maintained this, uninterrupted, ever since.

## Research

Our research programme supports work that examines the wider benefits of trees and woods to society, including investigating the role of trees in issues such as alleviating flood risk and generating health and wellbeing benefits.

A two-year sponsorship of a master's degree at Lancaster University is helping to inform how planting trees plays a role in natural flood management, particularly in high-risk areas such as Cumbria. In 2018 we entered the third year of our partnership in a PhD at Bangor University to investigate the long-term impacts on wellbeing of taking part in woodland activity schemes. This research will help provide evidence that influences how we engage with people to maximise the benefits of our future activities. In addition, we embarked on a new partnership with Royal Holloway, University of London, on a project that will evaluate how connecting with trees and nature impacts on pupils taking part in our Green Tree Schools Award challenges.

We use research and evidence to underpin our approach to conservation policy and practice, and to understand the ways in which trees and woodland can contribute social benefit.

## 3,334 hectares of ancient woodland committed for restoration in 2018

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

## Bringing woods to life

The owners of Barling's Barn, a self-catering holiday business near Llanbrynmair in mid Wales, found an efficient way to make the restoration of their woodland pay for itself. For them, the route lay through the management of their woodland for wood fuel.

They had purchased their eight hectares of ancient woodland in 2004, but it was full of non-native trees planted back in the 1950s. Non-native trees are often of limited value to wildlife and over time can destroy the specialist soil structure that is unique to ancient woodland. But glimpses of the wood's former glory persisted. Large sessile oak and ash trees still remained, and specialist plants indicative of the woodland's past had survived along the spring lines and streams criss-crossing it. Armed with a love of broadleaved trees and a commitment to reawakening their wood's ancient past in a way that would complement their business, they contacted the Trust for advice.

By working closely with us and applying for funds from the Renewable Heat Incentive, the woodland is coming back to life and now provides their business and their own home with sustainable wood fuel.

## 64 million trees planted by 2025

As part of our 10-year plan, we have given ourselves a very big aspiration – to 'plant a tree for every person in the UK'. That equates to around 64 million trees! We set ourselves this goal because we believe that everyone needs trees for physical and mental health, enjoyment and relaxation, and clean air to breathe.

## The Queen's Commonwealth Canopy (QCC) and Greater London trees

Launched in 2015, the QCC aims to unite the 53 nations of the Commonwealth and save one of the world's most important natural habitats – our precious forests.

Following an episode of The Green Planet documentary series in which the Queen talked with Sir David Attenborough about her love of trees, we partnered with ITV and Sainsbury's to give 10,000 households an opportunity to support the QCC by applying for a free tree pack containing five native trees. We also encouraged more than 500 MPs to apply for packs to benefit their local communities across the UK, from Cornwall to the Isle of Skye.

Following the success of the QCC, we partnered with the Mayor of London to offer a further 24,000 trees to help Londoners support the project.

The project has enabled the planting of over 74,000 trees which will become well-loved, nature-rich habitats of the future. The planting events through the year and discussions on the project have also given us the opportunity to strengthen the case for planting and protecting trees and take our cause to new audiences.

## Trees and so much more...

We want to make sure that everybody in the UK has the chance to plant a tree. We therefore offer tailored advice on planting trees and protecting them, as well as grants and funding and even free trees for schools and communities. These are available through three schemes funded by our generous lead partners: Sainsbury's, People's Postcode Lottery, Yorkshire Tea and Defra.

More than 1,000,000 trees were ordered through our **free school and community tree packs**, smashing our previous-year's record and enabling hundreds of thousands of children and adults to green up their local area.

**MOREhedges** is designed for landowners who want to create connectivity and wildlife corridors across the rural landscape. The scheme delivered 45,000 metres of new hedging in 2018, including 7,500 hedgerow trees.

Our **MOREwoods** scheme is designed for larger-scale planting on people's own land. We delivered over 300 hectares of woodland and 330,000 trees in 2018 through this scheme, and we've already got enough applications from 2018 to meet our delivery targets for 2019. In November, we extended a specific version of the scheme to the Northern Forest project which will help us to meet our high ambitions for that landscape.

The Trust's MOREwoods tree planting scheme for landowners has enabled the creation of many wonderful new woods around the country. Just over three years ago, Robin Creffield and his family decided to apply to the scheme and he can't stop talking about the magic his growing woodland is creating. It started not long after all 1,500 trees had been planted in his pasture and it dawned on Robin that this would one day soon be a magnificent wood – a legacy for his growing family and for future generations. The magic grew when the cherry and hazel produced their first fruit and he watched a pair of barn owls hunting for voles, while deer, heron and fox slipped silently through the trees. But it's the magic that his children have found in the woodland that's the best of all. Away from computers and TV screens, they fight imaginary monsters; stuff their mouths with marshmallows blackened over a camp fire; and talk of fairy folk hiding in the branches of the trees. And the magic keeps on growing.

## Crofting and the Coigach & Assynt Living Landscape (CALL)

CALL is a unique community partnership scheme which aims to bring environmental and economic benefits to the Coigach and Assynt regions of North West Scotland. It comprises fourteen partner organisations committed to delivering the scheme's 28 individual projects between September 2016 and 2021, supported by £2.9 million from the Heritage Lottery Fund. The Woodland Trust is managing delivery of the scheme's woodland elements, covering approximately 4,000 hectares at a cost of around £1 million. There are small, scattered fragments of woodland along the area's coastal fringes, and the aim is to improve their connectivity and resilience.

During 2018 we planted 15,000 trees, ranging in number from two trees in a garden to seven hectares on Assynt Foundation ground. We have also been given permission to plant a further 200,000 on a community-owned estate, with planting starting in 2019. We secured more funding from WREN (a not-for-profit business that awards grants for community projects) which has allowed us to start work on a 20-year-old, 400-hectare woodland to bring it back into active management.

There has been a lot of connection with the local population as the project has progressed, and the benefits provided by woodland have become clearer to see. Benefits such as the provision of shelter from the elements for people, wildlife and stock; a local, sustainable and environmentally friendly fuel source; community orchards; and shelter, food and habitat-network linkage for native wildlife.

[coigach-assynt.org](http://coigach-assynt.org)

## The Northern Forest takes root at Smithills Estate, Bolton

Two events in one were celebrated in March – the first 219 trees were planted as part of the Northern Forest which also happened to be the first trees of the Smithills project. Over 60 guests attended the event, including government officials, a number of our partners and representatives from the Heritage Lottery Fund – its donation to the Smithills project being the largest it had ever awarded us. As ever, our volunteers were invaluable on the day, and each of our guests was accompanied by a pupil from the local St Peter's School.

This event was a perfect demonstration of how the simple task of planting a tree can bring people together from all backgrounds who share the same vision of wanting more woodland created in the UK.

Forestry Minister David Rutley planted the first government-funded tree of the Northern Forest. He, and government Tree Champion, Sir William Worsley, joined us at St Andrew's CE Primary School in Radcliffe, near Bury, where pupils started the planting of 200 saplings as part of the Defra £5.7 million investment. 2018 marks the start of our 25-year project, working with the Community Forest Trust to plant more than 50 million trees from Liverpool to Hull. These will connect with the five community forests of the north to help boost habitats and provide a tranquil space to be enjoyed by millions of people living in the area.

Find out more about our vision for the Northern Forest at [woodlandtrust.org.uk](http://woodlandtrust.org.uk).

## Demonstrating our principles on our own estate

It's taken more than 46 years, but we now care for an estate of over 1,000 woods across the UK, covering more than 27,000 hectares – and all FREE to visit.

Our vision is to make the UK's wooded landscapes more resilient and grow visitors' understanding of the importance of woods and trees. To deliver this, we will continue to create new woods, increase the amount of woodland we manage ourselves and grow the number of engagement opportunities with visitors. The Woodland Trust's management of its own estate also provides credibility for our influencing work and is much loved by our members and supporters.

Our estate cost us £88.6 million to acquire to date and comprises:



### Avoncliff, Bath

Like many woods, Avoncliff has fallen victim to the deadly tree disease ash dieback, and our help is crucial in order to reduce its devastating effects. With support from individuals, alongside a national appeal and one of our generous partners – the Nationwide Building Society – we have completed the purchase of the ancient wood and an adjacent 10.5 hectares of land. We will now carefully plant trees and allow natural regeneration to buffer and protect the wood and its wildlife.

Avoncliff is currently not open to the public, and historical paths have long since been reclaimed by the wood. Under our ownership, we will retain the site's natural beauty while doing our best to allow people to experience some of the magic of the ancient woodland. And we will ensure there are paths through the new woodland which will form a protective shield around this ancient gem.

### Hedley Hall, Tyne and Wear

We had already acquired a large part of this spectacular Site of Special Scientific Interest in 1991 and now, thanks to a national appeal and other generous funders, the remaining 4.8 hectares of precious ancient woodland, along with 19 hectares of neighbouring farmland, is in our care.

Because of your support, we can now begin to buffer and protect this pocket of fragile, beautiful, ancient woodland. And we can plant thousands of trees to transform bare fields into vibrant woodland for wildlife and people.

### Kings Wood, Houghton Conquest, Bedfordshire

In partnership with the Forest of Marston Vale Trust, we purchased 38.04 hectares of intensively farmed arable and pasture land for woodland creation to buffer ancient and semi-natural woodland which is also a Site of Special Scientific Interest. The Forest of Marston Vale Trust was interested in the land but did not have sufficient funds to acquire it, so approached us to see if we could help. We teamed up with The Webster Trust and Central Bedfordshire Council, which together fully funded the acquisition. The wood has now been leased to the Forest of Marston Vale Trust which is creating a community forest in a 61 square-mile area between Bedford and Milton Keynes. The project aims to increase tree cover in the area from 3% to 30%, transforming the landscape and making it a thriving place in which to live, work and play.

[marstonvale.org](http://marstonvale.org)



## Not all good news

The wildfires hitting several parts of the country during the drought in 2018 brought devastating news for us, as one of those locations was our own Smithills Estate. Over a third of the site was damaged – mostly moorland and upland grassland, but some of the new Northern Forest trees were also lost. The moorland habitat is particularly special on this site, with many species associated with it, such as curlew and long-eared owl. The damage done will have displaced birds that were coming to the end of their breeding season and killed reptiles, invertebrates and flora which will take years to recover, and the scars will last a long time. We bought Smithills Estate in 2017, with plans for restoration and positive environmental management. That's now going to take longer to achieve, but we're still determined to make Smithills Estate a greater place for people, wildlife and the environment.

Ramorum disease – a fungal disease affecting larch trees, among other species – has already required the clear-felling of over 200 hectares of woodland at Wentwood, near Newport. Sadly, it has now spread to new areas of the forest and requires the clear-felling of a further 60 hectares of larch woodland under a Plant Health Notice. We acquired the 353-hectare site in 2006 with the aim of undertaking a delicate restoration of the forest. This would have involved gradually removing conifers to allow native broadleaf trees and ancient woodland flora and fauna to return. Now these plans have changed. Following the mass removal of affected trees in 2013 and early 2018, we replanted the areas affected. The newly planted woodland is doing well, with some of the young trees already two metres tall from the earlier planting. We now plan to do the same with the most recently affected area.

## Improved visitor experience

Three of our woods – Heartwood Forest, Skipton Castle Woods and now Tring Park – have received a Visitor Attraction Quality Accreditation from VisitEngland. We plan to identify and develop 10 'destination' sites in total by 2025, which will give visitors a better-informed experience and more opportunities to engage with woods and trees and fully benefit from the wonders of woodland. In November, we had the third annual Tring Park Festival of Lights event, where over 1,900 visitors enjoyed a range of activities, including lantern making, storytelling, marshmallow toasting, and the 'Secret Symphony' (think 'silent disco' but with sounds of the woods!). The lights were the real showstopper. Visitors were treated to a UV (ultraviolet) forest, Walter Rothschild's animals popping up around the park, and the beautiful lit-up Lime Tree Avenue, which looked spectacular.

We also continued to improve our top 250 'welcome' sites for a better visitor experience, with clearer signage and infrastructure. The scheme is part-funded by players of People's Postcode Lottery.

# Our plans for 2019



<b>What we will do</b>	Continue to identify the major threats to ancient woodland and escalate them to campaigning level.	Transition our landowner engagement for ancient woodlands from 'commitment' to 'active restoration'; and identify new mechanisms to encourage active restoration directed at priority landscapes where we can make the biggest impact.	Plant trees both outside woods and in towns and cities using existing and newly developed mechanisms. This includes school and community packs, our native tree shop and through our partners in the Northern Forest project.
	<b>2019 target</b>	<b>2019 target</b>	<b>2019 target</b>
	Engage in fighting for 80% of all ancient woodland cases as a minimum.	2,310 hectares	1,609,000 trees and hedges
<b>What we will do</b>	Continue to create woodland on Woodland Trust and others' land.	Increase our estate by buying sites that are under threat or where we feel we can add value through restoration and woodland creation, as well as extensions to existing sites.	Build on our current activities within the Northern Forest through the deployment of Defra's kick-start fund. We will also work with government, business and the conservation sector to develop and test new innovative approaches to support sustainable woodland-creation opportunities.
	<b>2019 target</b>	<b>2019 target</b>	<b>2019 target</b>
	2,190 hectares	700 hectares	175,000 trees in planting season 2019/2020 and two new innovative approaches to woodland creation.

## A bigger voice

The UK has limited land and a growing population. The space available for nature and its conservation is being increasingly squeezed, while the need for the benefits provided by nature, especially from woods and trees, is growing exponentially. Yet threats faced by woods and trees have never been greater and the need for wider support never more important. While it is generally felt that 'trees are a good thing', their importance, value and the impact of the threats they face are not widely understood.

By raising awareness of trees in all their forms – street trees through to ancient woodland – and extolling their value, we will motivate people to stand up for trees, care for them and increase their number.

# Our 2018 ambition

Our ambition	Continue towards our aim of planting a tree for everyone in the UK by 2025 – a total of 64 million trees with a 2018 target of 3,700,000.	Build our brand through co-ordinated planning and activity and integrate it across the whole of our communications in order to increase awareness of the Woodland Trust and our ambitions for woods and trees.
What we achieved	<p>We planted 3,250,000 trees against our target, which includes trees on our own estate and on other people's land; through MOREwoods, community tree packs and our QCC (the Queen's Commonwealth Canopy) project this year. We were down on our target due to delays in progressing agreed planting plans through increased regulatory checks and the impact of uncertainties around Brexit.</p> 	<p>We achieved a prompted awareness score of 74%. Though we didn't achieve our target of 77%, the overall trend over three years is still upwards. We are encouraged that the public's understanding of what we do and consideration of supporting us financially are now both at their highest levels since our research began.</p> 

## Charter for Trees, Woods and People

On November 6 2017, the Charter for Trees, Woods and People was launched at Lincoln Castle, home to one of the two last-remaining 1217 Charters of the Forest. The call for a tree charter for the modern age grew from the crisis faced by the UK's trees and woods. It was recognised that a clear, unifying statement setting out the role they play in our lives, and the rights of people to access the benefits they bring, should be visible, quantified and recognised in decision making and practice.

Having coordinated cross-sector development and the national launch of the charter, we are now leading the next steps with support from the Heritage Lottery Fund: embedding the charter's principles into the fabric of society, particularly working with the National Union of Students and the National Association of Local Councils.

In 2018, Tree Charter Day was launched and will continue to be held on the last Saturday in November each year as part of National Tree Week. The day celebrates and reinvigorates the relationship between people and trees – engaging local communities, schools, organisations and individuals. Events on the day varied widely, from tree planting, tree dressing and guided walks to art exhibitions, therapy, forest bathing, meditation and individuals opening up their private woodland to the public. The Bridge Lodge Woodland Supper Club held a community 'forest feast', using a wide variety of foraged foods from local woodland. Part of the charter's physical legacy is 11 hand-carved, solid oak Charter Principle Poles that are embedded in the UK landscape as a reminder of the charter and its vision. We also developed a useful toolkit to help people take their own personal actions to bring about a future where trees and people are stronger together.

[treecharter.uk](http://treecharter.uk)

## Raising awareness and influencing change

We know we cannot save the UK's woods and trees on our own, so we always look to influence policy makers, supporters and partners who can further our cause. This is a long-term transformation which will be developed and implemented throughout our 10-year plan.

## The Greener UK coalition

We have been partners of the Greener UK coalition since 2016 – a group of 14 major environmental organisations with a combined public membership of over eight million. The coalition was established with the aim of influencing the Brexit process to achieve an outcome that would bring maximum benefit to the environment.

As part of this group, we are working to influence public policy and legislation and secure the benefits of existing environmental laws and governance as the UK leaves the European Union. Examples of this include influencing the publication of an ambitious, new, draft Westminster Environment Act in 2018. This could ensure the UK achieves its global and domestic climate ambitions by continuing to cooperate with the EU on energy and climate change. Another example is supporting the introduction of new policies and investments that create truly sustainable farming and fishing industries and we have worked on this throughout the year.

[greeneruk.org](http://greeneruk.org)

## The Green Tree Schools Award celebrates its 10th anniversary!

Over the last 10 years, we have been rewarding schools for completing environmental projects and encouraging outdoor learning. The Green Tree Schools Award is a fantastic way to enhance schools' green credentials while inspiring youngsters to value and care about woods and trees. Over 11,000 schools have signed up to the award over the last 10 years, working their way from bronze to platinum, thanks to funding from the players of People's Postcode Lottery.

Lothersdale Primary School

This small, rural school in Keighley, West Yorkshire has moved from bronze to silver on the Green Tree Schools Award journey since March 2017, and hopes to achieve gold very soon.

Their Green Tree Schools Award journey

"Our local woodland learning officer emailed us to let us know about the GTSA and what we needed to do. She then joined in activities with the children in nearby Lothersdale Woods – including soup-making and nature spotting! We've made really good use of the wildlife ID books we were sent by the Woodland Trust – including the poo guide! It seemed no time at all before we were on silver level and working towards our gold! We actively use our local woods and the school outdoor area and we have put together a children's woodland art group. We also got involved with Lothersdale Woods Open Day over the summer. The ethos and values behind the Green Tree Schools Award are very much in line with our own. We want our pupils to be enthusiastic about their local environment and feel a connection with it."

## Staying ahead in a digital world

We know that we need to change the way we communicate with people and make it easier for them to find out what we are doing so that they can get involved and support us more. This year, in order to continue this change, we: developed our online shop, making it much more customer friendly; redeveloped the Ancient Tree Inventory – a database of the oldest, largest and most notable trees in every part of the UK; made the website work better on all mobile devices so you can keep updated when out and about; and added new functions to the tree identification app so you can now see ancient trees and share your own information. We also continued work on developing and improving our website and social media engagement.

## Summit to Sea

Working in partnership with Rewilding Britain and other delivery partners, we signed up for an ambitious project in mid Wales which aims to restore flourishing ecosystems and a resilient local economy on a scale never seen before in Britain. The scheme will unite different natural habitats to create one, continuous, nature-rich area, stretching from the Pumlumon massif – the highest area in mid Wales – down through wooded valleys to the Dyfi estuary and out into Cardigan Bay. Within five years it will comprise at least 10,000 hectares of land and 28,400 hectares of sea.

The project will enable more opportunities for communities and visitors to mid Wales to reconnect with the rich, natural and cultural heritage of the area. It will be delivered through:

- restoration of ecosystems that provide essential ecological functions
- bringing together communities to create a shared vision for the future
- supporting the local economy to diversify and establish new nature-based enterprises.

Between us, we have secured £3.4 million of funding from the Endangered Landscapes Programme, which is backed by Arcadia, a charitable organisation.

[rewildingbritain.org.uk](http://rewildingbritain.org.uk)

## Street Trees Awards

On 24 November 2018, alongside Tree Charter Day and the start of National Tree Week, we launched the first Street Trees Awards. The awards are an opportunity to recognise communities and local authorities that are doing great things to protect and enhance their urban trees. Those nominated have been working with us over the past two years to improve and develop collaboration and community engagement.

The Special Award went to Sheffield Trees Action Groups

“There have been dark moments, yes”, says Paul Selby with feeling. “Waking up to find 20 police on the street; your neighbours being beaten up by private security officers or taken to court on false pretences...”. It sounds like some dystopian nightmare, but Paul is describing events in suburban Sheffield where for three years he has been a prime mover in Sheffield Tree Action Groups (STAG), the coalition fighting to defend mature street trees from inappropriate felling by Sheffield City Council. The council has so far felled 5,500 roadside trees under a £2.2 billion scheme that has infuriated locals, and us!

The awards are part of our £0.5 million drive to win greater protection for urban trees across the UK, funded by players of People’s Postcode Lottery.

Others taking home awards included Save Swansea’s Trees, which has successfully lobbied for a greater community-say in tree policy there. And Bristol City Council, whose trailblazing Talking Trees project has united with us and others in a pledge to double the tree canopy across the city.

The ability of all these local and community groups to influence decision makers has been hugely increased by our national recognition – councils that might not have paid attention, certainly are now. All the nominees for the awards expressed their gratitude for the guidance, support and exposure that we have been able to provide for their respective causes.

## Young People’s Forest at Mead

In partnership with #iwill, we are currently in the process of acquiring a 162-hectare former coal-mine site close to Heanor in Derbyshire, to turn into a forest. The project will see 250,000 trees planted to create the UK’s first Young People’s Forest and provide the perfect opportunity to encourage young people to volunteer their skills on a mass scale.

It’s the first time we’ve ever acquired land expressly for youth engagement and we want to make a really concerted effort to ensure young people feel this new wood has been created by and for them. If they see themselves having an impact here, it will give them confidence to think they can change things in their own lives and beyond.

We have already received support from the Pears #iwill Fund – a joint investment from Pears Foundation, the Big Lottery Fund and the Department for Digital, Culture, Media and Sport – but we need to raise almost £5 million more over the coming years to turn the site into a community powerhouse.

[iwill.org.uk](http://iwill.org.uk)

## First World War Centenary Woods project

Five years ago, one of the most special and meaningful projects we have ever undertaken began to take root. During 2014, in all four corners of the UK, we began creating four amazing woods to commemorate everyone who played their part in the First World War.

In 2018, as our Centenary Woods project drew to a close, we paid tribute with special events at all four woods. At Langley Vale in England we planted 100 rowan trees, whose red berries will herald Remembrance Day every autumn. At Coed Ffos Las in Wales, HRH The Princess Royal dedicated Yr Arwr/ Hero – a lifesize sculpture of a horse, and at Brackfield Wood in Northern Ireland we opened a stone trail and planted 100 oak trees. Finally at Dreghorn Woods in Scotland a descendant from a Verdun oak tree was the last tree to be planted.

With help from our lead partner Sainsbury’s we have raised £12.9m, planted more than 3m trees; helped 140 landowners plant their own woodland memorials, had the support of more than 55,000 people; and reached over 36m more with our message of commemoration and hope.

In partnership with the National Football Museum’s ‘For Club and Country’ project, the Premier League, English Football League, Professional Footballers’ Association and Football Association also commemorated the centenary in 2018 as part of the national Football Remembers campaign. So far, 63 clubs have planted trees at training grounds and stadiums to ensure the players who served and died are not forgotten.

# Our plans for 2019

What we will do	Continue towards our aim of planting a tree for everyone in the UK by 2025 – a total of 64 million trees.	Build our brand through co-ordinated planning and activity and integrate it across the whole of our communications in order to increase awareness of the Woodland Trust and our ambitions for woods and trees.
2019 target	4.5 million trees	74% brand awareness

## Our people

The Woodland Trust has built a strong community of people, linked by a common aim: to see a UK rich in native woods and trees, for people and wildlife.

There are many ways in which you can support the Trust and become one of the ambitious 1.5 million people we hope will be behind our cause by 2025. Supporters are contacts who give their support through their time, amplifying our voice by adding their own, creating woodland on their land and/ or giving us the financial support we need to achieve our ambitions.



# Our 2018 ambition

Our ambition	By raising the profile of woods and trees and the important benefits they bring for the environment, wildlife and people, we aim to have 500,000 supporters helping us raise income and fund our cause by 2025. Our 2018 target was set at 267,000.	In order to secure the future of woods and trees, we need to generate income. We said we would raise a total income of £43.7 million in 2018.
	Despite a continued, challenging external environment, we now have 275,000 supporters who are helping us raise the funds we need to secure the future of woods and trees. 	Through the generosity of all our supporters and partners, we generated £44.6 million of income. This was £0.9 million above what we had predicted and demonstrates a growing level of support for our cause. 

People support us in many different ways, including volunteering, adding their voice, creating woodland or by helping us raise the income we need to support trees and woods in the future.

## Members

One way of supporting the Trust is to become a member and in 2018 we reached an incredible 250,000 individual members, a huge milestone for us.

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

We continued to develop our membership offer and tailor the experience to make it as enjoyable as possible, and we now have a retention rate of 88%.

Ways in which we did this			
Listening to our members led us to increase our publication from two to four magazines a year, roll out membership cards to all existing members and introduce a more efficient process to make it easier to renew.	Our digital preference portal was launched, enabling members to have more choice in the types of communication we send and via which channels.	We introduced a pilot scheme called 'Members Voice', a digital platform that allows us to put questions to our members and listen to their opinions and ideas to help us shape our plans for the future.	Nature Detectives Live was our inaugural event to help bring our family membership to life. Held at Heartwood Forest, our nature detectives were invited to come along and solve the mystery of the missing cake!

## Even more opportunities to support us

The Trust also launched a new web shop that provides a seamless user experience with much simpler navigation and checkout than before. We offer a wide variety of products, including a more extensive choice of sites for tree dedications, a wider selection of trees, and merchandise that supports the environment.

## Volunteers

We could not exist without the generosity of all our supporters who contribute to our progress in a huge variety of ways. While many people support us through donations or our campaigns, others contribute their time through volunteering – giving their energy, passion and skills within communities across the UK. Currently, we have 4,700 roles fulfilled by dedicated and motivated volunteers.

Trust volunteering isn't confined to woodland activities. There are hundreds of people who give their time and talents in other ways and in different areas of our work, such as Observatree tree health surveyors, photography, woodland creation, planning application- threat detectors and talking-tree speakers. Our trustees are also all volunteers, who lend their expertise and experience from a variety of careers to help guide and govern our charity.

### Whittle

We value the time our volunteers give, so we developed a new volunteering framework that has provided robust policies and procedures. These ensure a safe environment for our staff, volunteers and the public and increased recognition of the value that is added by volunteers in supporting our work. As part of that framework, we launched a dedicated website – Whittle – that allows easy access to resources and files that support volunteers in their roles. Whittle was created following feedback from the volunteer survey in 2017 in which volunteers asked for more information about the overall work of the Trust.

Our volunteers donated over 275,000 hours of their time in 2018 (2017: 249,000), with an estimated value of £2.3million (2017: £2.2 million) – a substantial contribution for which we are enormously grateful.

## Our culture at the Woodland Trust

As well as volunteers, we employ 506 staff members with the skills and commitment to run and develop the charity. We are clear about what is expected and how people should carry out their work and articulate this through our 'how we need to be' approach and the setting of clear work objectives.

We are committed to diversity and inclusion for all and aim to recruit, train, promote and reward people on the basis of ability and performance. This includes creating a working environment free from discrimination on the grounds of ethnicity, race, religious or political beliefs, trade union membership, nationality, ethnic origin, disability, gender, sexual orientation, gender reassignment, age or marital status. Policies and procedures are in place for whistle blowing, diversity and inclusion, safeguarding and health and safety monitoring. In addition, we have a diversity working group which is focused on ensuring that our organisation and its work is open to all. In particular, the group aims to improve the diversity of our staff; our volunteers; our members and visitors; and our ambassadors and trustees. Achievements over the past year have included a wider media reach and the use of more diverse imagery; a review of all our Green Tree Schools Award materials, unconscious bias awareness training for all staff and the appointment of two relatively young trustees to the Board.

In 2015, the Woodland Trust agreed to take account of the voluntary Living Wage rather than the lower, statutory National Minimum wage, when benchmarking our minimum wage, and we continue to track this as part of our annual pay review.

A Staff Representation Group comprising elected representatives meets regularly to ensure a two-way communication channel between staff and management on topics from strategy to pay and conditions. We also have a comprehensive communication-cascade process using team briefings and Trust-wide daily and monthly updates via our intranet.

In 2018 we achieved the accredited standard in Investors in People and will be using the Investors in People framework as a mechanism to identify further areas for business improvement, especially in respect of our leadership and management practices.

# Our plans for 2019



## Fundraising

## Our approach to ethical fundraising

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

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



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

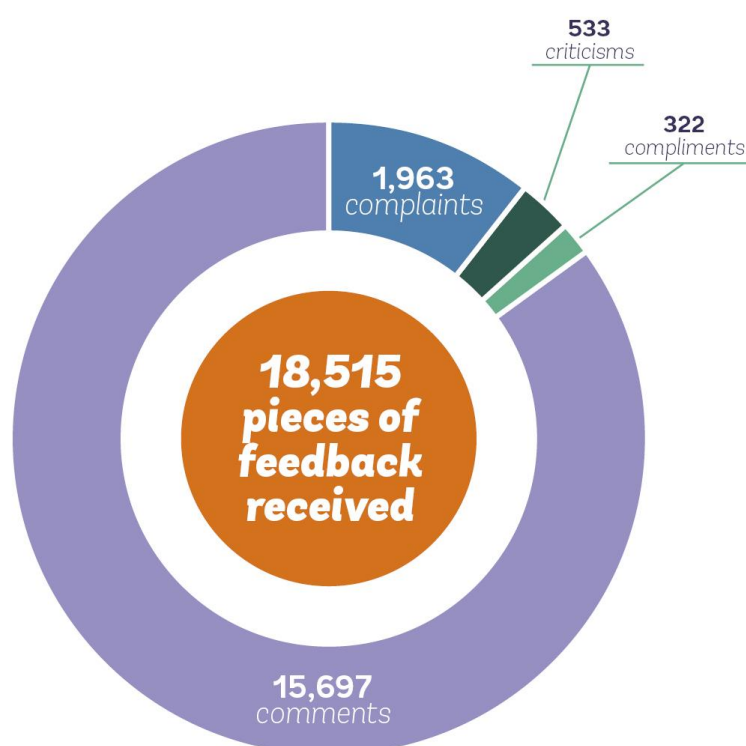
All Woodland Trust staff, as well as the staff of our fundraising partners, have received training on the implications of the new General Data Protection Regulations (GDPR) which came into force in 2018. We also fully comply with all current regulations and guidelines, underpinned by the four promises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

We're proud of the exemplary service we provide but if we do slip up, we have a stringent set of mechanisms to deal with any complaints as quickly, efficiently and fairly as possible.

Our four promises, together with the procedures we have in place to deliver them, help us to earn the trust of our supporters as well as maintain our reputation as a charity which can be relied on for transparency and honesty.

Feedback is a very important way of understanding how our activities are perceived by supporters and the wider public. We received a total of 18,515 items of feedback during the year. Of this 1,963 were complaints, 98% of which were resolved at the first point of contact. This feedback was generated from an audience of over 60 million who had the opportunity to see or receive information about us through marketing, social media and brand activities.

We use the 4Cs mechanism to capture the feedback provided by these groups, as shown below:



## Financial review

## Financial summary

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

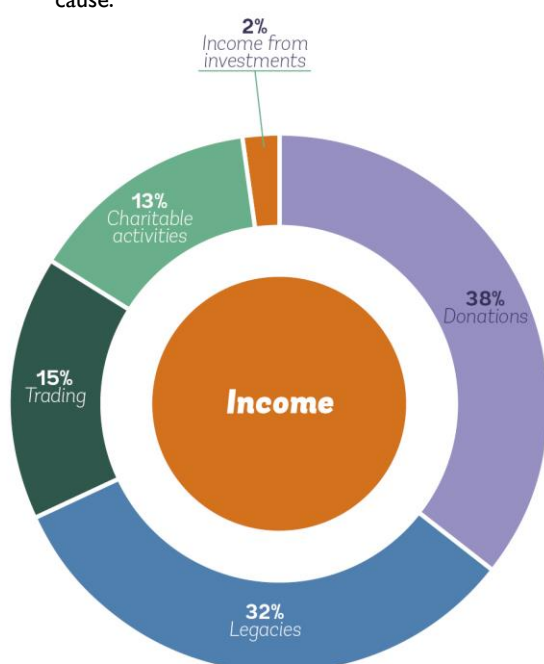
Fundraising is becoming harder due to changes in how we can communicate with people and an uncertain economic environment, so it is good to report that this year's combined total income was above our target. The continuing generosity from our supporters has allowed us to continue our activities as planned.

Revenue expenditure on our charitable aims was £38.6 million, £1.6 million more than the previous year. We also spent £1.7 million acquiring woods and land for woodland creation projects, buffering ancient woodland and enhancing the experience for those visiting our estate.

Our financial position remains secure. Our total funds decreased by 3% due to the planned increase in expenditure and the decision to invest now in the future growth of the Trust. Our free reserves – which are set aside for any short-term financial risks – remain within the range prescribed by the trustees, at £12.4 million, which represents just-under four months' worth of budgeted expenditure.

## Income

The total income received from supporters and partners was £44.6 million, £0.6 million lower than in 2017 but £0.9 million higher than expected (2018 plan: £43.7 million). The biggest growth came from donations, which included income from our members who generously increased their support by £1.0 million from the previous year, reflecting our membership offer and retention activity. There was also an increase in trading activities, which includes donations from the players of People's Postcode Lottery. We were fortunate to be chosen again as a supported charity, receiving almost £2.9 million towards our cause.



Income	2018 (£M)	2017 (£M)	Change (£M)	Ratio (%)
Donations	16.8	15.6	1.2	38
Legacies	14.3	15.4	(1.1)	32
Trading	6.9	6.3	0.6	15
Charitable activities	5.7	7.1	(1.4)	13
Income from investments	0.9	0.8	0.1	2
Total income	44.6	45.2	(0.6)	100

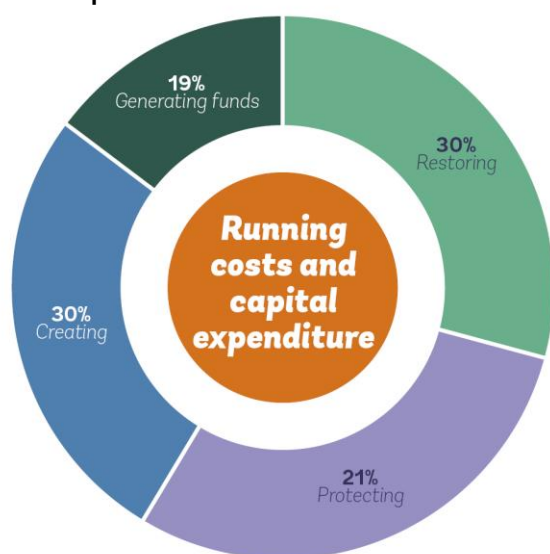
The unpredictable nature and variance in size of legacies leads to swings in income when comparing year-on-year, as seen in the £1.1 million drop from the previous year. As an environmental charity, we are fortunate to receive gifts left in wills by people who wanted to invest in woods and trees for the benefit of future generations.

Our biggest drop was in income from charitable activities, which includes income from woodland management, such as timber, and grants from public bodies. With the uncertain economic environment and more charities applying for the same grants, it is becoming much harder to secure funding in this way and those grants we can apply for are very reliant on the activity that we have planned being attractive to grant bodies.

We would like to thank our many supporters who helped optimise the tax benefits available to us by completing a Gift Aid form, as well as those who reduced their own tax liabilities by donating land and shares, donating via Payroll Giving and making tax-effective bequests. We recovered £1.8 million (2017: £1.8 million) in Gift Aid in 2018, increasing the amount of work we were able to undertake.



## Expenditure



Expenditure	2018 running costs (£M)	2018 woods and land (£M)	2018 total (£M)	2017 total (£M)
Protecting	9.8	0.3	10.1	12.2
Restoring	15.1	0.0	15.1	14.4
Creating	13.7	1.4	15.1	16.0
Generating funds	9.6	0.0	9.6	8.2
Total running costs	48.2	1.7	49.9	50.8

Of every pound we received in 2018, 80p went towards our charitable objectives. This amount fluctuates year-on-year, depending in particular on how much we spend on buying woods and land. In 2017 it was 82p of every pound.

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

### Spending on our charitable objectives

Protecting ancient woodland includes the removal of invasive plant species, tree safety and ecological surveys and assessments. Revenue expenditure broadly stayed the same as the previous year's. In 2018 we came to the end of the landscape-scale Ancient Woodland Restoration Project, funded by the Heritage Lottery Fund. We now need to move all those woods committed for restoration into an active restoration plan in the coming years. Overall, we spent £2.1 million less on protecting woodland than in the previous year but this was mainly due to us buying the last bit of our Smithills Estate and Kinclaven Bluebell Wood in 2017.

Restoration of native and ancient woodland and other natural habitats includes site clearance for natural regeneration, timber extraction and access for visitors and maintenance. We spent £0.7 million more on restoration this year, partly down to the start of delivery of our plan for the Smithills Estate, but also to the huge scale of trees we needed to clear and replant following the devastating results of ramorum disease at our Wentwood site.

Creating thousands of hectares of new woodland across the UK cost £15.1 million. Included in these costs is tree planting on a national scale, preparing sites for planting and holding events that allow people to engage in planting activities. In all, we spent £0.9 million less than in the previous year which was due to us buying a relatively high £3.0 million worth of woods and land to create new woodland in 2017. Revenue costs have increased by £0.8 million from the previous year due to the demand for trees for our community tree packs, native tree shop and the successful Queen's Commonwealth Canopy project.

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

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

## Spending to generate funds

A total of £9.6 million was spent during 2018 to enable us to raise our fundraising income, invest for future growth and ensure that appropriate controls and governance were maintained and strengthened. For every £1 spent on fundraising we raised £3.91 in return.

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

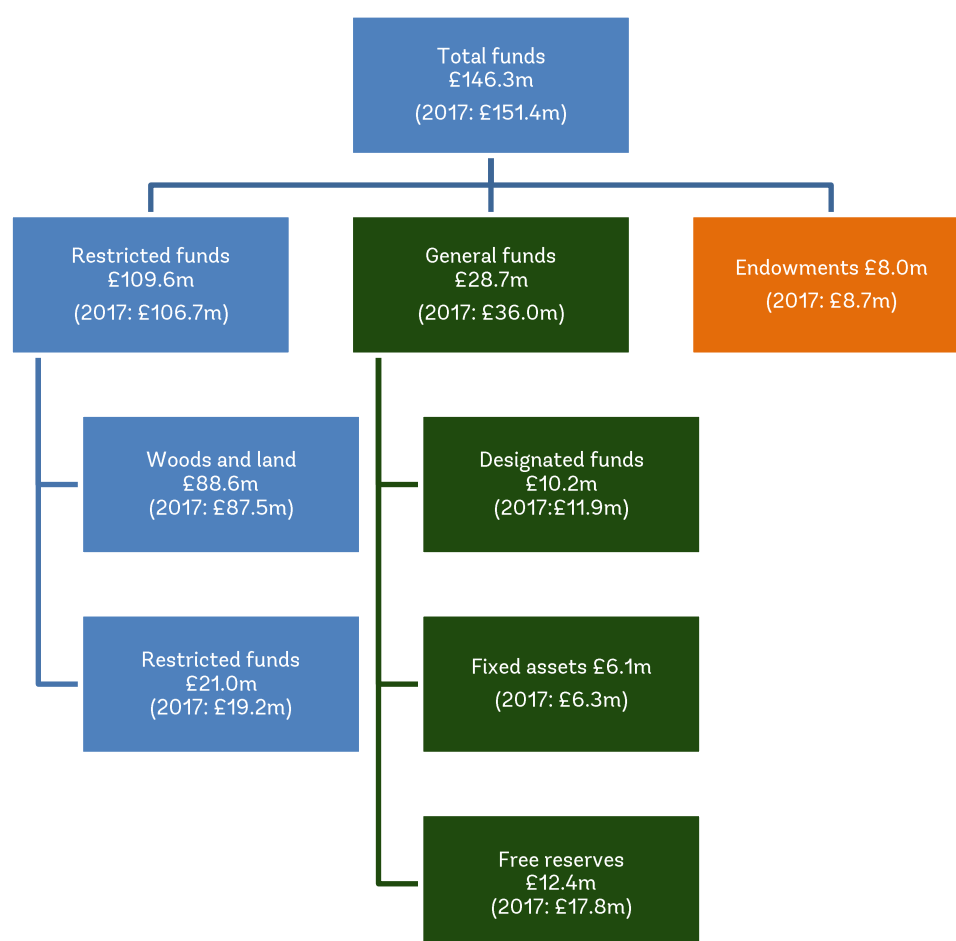
## Net income

We made a planned deficit this year before acquisitions of woods and land of £3.6 million.

## Reserves

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

Overall, fund balances decreased by £5.1 million to £146.3 million, comprising £109.6 million of restricted funds, £8.0 million of permanently endowed funds and £28.7 million of unrestricted funds. The main reason for the decrease in the overall fund balance is the planned deficit of £(3.6) million and a loss on the market value of the investments we hold of £(1.5) million. Further details are set out in note 16.



## Restricted funds

Restricted funds include £88.6 million of physical woodland and land which forms our estate and £21.0 million of restricted funds for use as defined by donors. 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. These funds stand at £8.0 million.

## Unrestricted funds

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

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

Designated funds also include £7.1 million of the generous legacy of £9.1 million received in 2016. This legacy has been allocated towards the development of our concept of a Northern Forest; support for our site at Smithills in Bolton; ancient woodland restoration; and as a springboard for our landscape-scale activity which will reduce this fund to £0.7 million by 2021.

Over the next three years we have planned to continue to invest in our estate, including dealing with the increasing impact of tree disease. We will also continue to grow our outreach and priority landscape work, including in the Northern Forest, and invest in new ways to help people support us, whether that be through time, money or voice. This continuation of our strategy means that we have planned a deficit budget for the next three years which will reduce the strategic investment fund from £3.1 million to £1.5 million by 2021.

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

## Investment policy and performance

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

Total investments are £36.8 million of which £12.6 million is held in short-term, liquidity deposit funds; and £24.2 million as long-term funds, which are held with two professional investment managers. Short-term, liquid deposit funds are held in banks or building societies that are authorised to carry out business in the UK and, where rated, the ultimate owners have long-term ratings of at least A3/A-/A- by Moody's, Standard & Poor's or Fitch. Where unrated, they are agreed by the trustees.

Each long-term investment portfolio has an objective of optimising return, subject to an acceptable level of risk. Performance is monitored against tailored benchmarks as agreed with our investment managers. The benchmarks are Consumer Price Index (CPI) plus 3.5%, to ensure that long-term total return is above inflation and the ARC steady-growth index, which is specifically designed for charity trustees and their advisers to assess performance against a realistic peer group. The total combined annual return for our investments was 10.3% against benchmarks 'CPI plus 3.5%' of 6.5% and the ARC steady growth index of 9.6%.

We made net losses on our investment portfolio of £1.5 million during the year; as a result of uncertainty over Brexit and US turmoil. Portfolios are invested for the long term and fluctuate year-on-year, the expectation being that portfolios will deliver a positive return longer term.

## Governance

## Structure

The Woodland Trust is a charity registered with the Charity Commission in England and Wales, No 294344. It is a company limited by guarantee, No 1982873, and does not have a share capital. It has the consent of the Registrar of Companies to be exempt from the requirement to use the word “Limited” in its name.

The Woodland Trust is registered as a cross-border charity with the Office of the Scottish Charity Regulator (No SC038885).

The Trust’s governing document is its Memorandum and Articles of Association and these can be accessed via our website: [woodlandtrust.org.uk](http://woodlandtrust.org.uk).

The Trust has three wholly owned trading subsidiaries: Woodland Trust (Enterprises) Limited (Company No 2296645); Woodland Trust Farming Limited (Company No 6360791); and Glen Finglas Farming Limited (Company No SC408716), which is dormant.

The principal activities of Woodland Trust (Enterprises) Limited are sponsorship and commercial promotions in support of the Woodland Trust, and raffles and the sale of goods by mail and internet orders. Woodland Trust Farming Limited undertakes farming on some sites owned by the Woodland Trust. All profits are donated to the Trust. A summary of our trading subsidiaries’ results appears in note 18 on page 63.

## Professional advisers

A list of the Trust’s main professional advisers appears on page 65.

haysmacintyre has expressed its willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the March 2019 board meeting.

## Public benefit

The primary public benefit delivered by the Trust is the enhancement of vital tree cover in the UK and the protection of ancient woodland. Trees and woods provide a wide range of public benefits in the form of natural capital, sequestering carbon and reducing heat effect which helps combat climate change. They aid natural flood risk management; contribute to water quality; protect soils and reduce erosion; give shelter to stock; reduce air pollution; and are instrumental in maintaining health, including mental health.

Some of our activities for the public benefit include:

- managing over 27,000 hectares of woodland which is accessible to the public, free of charge
- helping children and teenagers understand the importance of woods and trees through our Green Trees School Awards
- enabling people to buy young woodland, safe in the knowledge that we’ve done all we can to get the new trees off to the very best start possible through our ‘Purchase, Plant and Pass on’ programme
- engaging hundreds of people in planting trees at our organised events
- assisting communities, land owners and schools to create their own woodland, with advice and support through our community tree packs and MOREwoods schemes
- providing opportunities through our Community Woodland Network for people to come together as a group to meet like-minded people, create homes for wildlife and benefit from the many resources our trees offer, such as places to relax in and a supply of wood fuel
- 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 enjoy the outdoors
- giving advice and assistance through our campaigns team to people who find their valued and ancient local woodland at risk of destruction.

## Structure of the Board

The trustees of the company, who are the charity’s directors and members, form the Woodland Trust’s Board, which is the organisation’s ultimate governing body. Trustees are required to retire after four years but may offer themselves up for re-appointment for one further period of four years.

Trustees are recruited to provide the skills and experience required to govern the Trust. To ensure we attract suitably skilled candidates, vacancies are advertised as appropriate and short-listed applicants undergo a selection process. Recommendations for appointment are made by a selection panel chosen by the Chair 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.

The trustees are:



Back row, left to right: Julia Smithies, Mike Greenwood, Humphrey Battcock, James Ogilvie, Richard Sykes, Paul Nevett. Front row, left to right: David Babbs, Patrick Macdonald, Barbara Young, Fay Cooke, Sally Benthall.

**Barbara, Baroness Young of Old Scone** (skills: environmental; finance & business; media & communication; government affairs)  
Barbara is a Member of the House of Lords with special interest in the environment, agriculture, natural resources and climate change. She is chancellor at Cranfield University and her voluntary positions include president of Bedfordshire, Cambridgeshire and Northamptonshire Wildlife Trust; honorary president of the South Georgia Heritage Trust; patron of Lantra; and vice president of RSPB, Bird Life International and Flora and Fauna International.

**David Babbs**, appointed 23 March 2018 (skills: digital marketing; campaigning & people engagement; environmental)  
David is one of the most recent trustee appointments. He has worked with or led a number of NGOs, including Friends of the Earth and 38 Degrees.

**Humphrey Battcock** (skills: finance & business; governance; risk and legal)  
Humphrey was a managing partner at Advent International. He also serves on the Cambridge Campaign Board, is a panel member of the Competition & Market Authority and a trustee of the Institute for Research in Schools and Sadler's Wells.

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

**Fay Cooke**, appointed December 2018 (skills: environmental and finance)  
Fay trained as a scientist, completing a PhD in cell biology before pursuing a career in finance. She qualified with Deloitte and has subsequently held a variety of roles in industry. She now leads the finance team at Yeo Valley, Britain's largest organic brand.

**Michael Greenwood** (skills: environmental; finance & business; media & communication)  
Mike has long experience in programme making and commissioning for BBC Radio and TV and as an independent producer. He has worked with many organisations to increase their impact via digital media. He teaches, writes and has an interest in the cultural history of woodland.

**Patrick Macdonald** (skills: finance & business)  
An engineer by training, Patrick is chairman of Corona Corporate Solutions, a privately owned managed print business. He is co-founder of the School for CEOs. Previously, he was chief executive of John Menzies plc and chairman of Reconomy. He is a fellow of the Royal Society of Arts and a companion of the Chartered Management Institute.

**Paul Nevett**, appointed March 2018 (skills: brand management & marketing; environmental)  
Paul has experience nationally and internationally in brand management and marketing with Unilever, and has a strong personal interest in trees, woods and birds.

**James Ogilvie**, appointed September 2018 (skills: environmental)  
A chartered forester, James' forestry career spans forty years – most recently leading social policy in Forestry Commission Scotland. A director of Borders Forest Trust and a Tree Aid business ambassador, James is fortunate to manage a small, award-winning woodland in Northumberland. His books include Heritage Trees of Scotland.

**Julia Smithies** (skills: tax; finance & business)  
Julia is a chartered accountant and retired from PwC where she led various parts of the tax practice and held senior strategic and governance roles. Julia is also a member of the advisory board for the International Opera Awards.

**Richard Sykes** (skills: finance & business; governance; risk and legal)  
Richard is a chartered accountant and a retired partner of PwC where he led the governance, risk and compliance-facing initiatives. He is currently a non-executive director of Buro Happold as well as a board member of the England Hockey Board and Middlesex County Cricket Club.

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

#### **Board affairs committee**

This committee promotes good governance and effective working of the Board. In 2018, among other matters, the committee recruited new trustees to the Board and continued to work towards increasing the diversity of the board of trustees. The board affairs committee commissioned a working group to increase the diversity of the organisation. The resulting two-year action plan is regularly scrutinised by the board affairs committee.

A board-effectiveness review was carried out during 2018 which looked at the implementation of the new Charity Governance Code. The last board-effectiveness review took place in 2015.

#### **Finance committee**

This committee assists the Board in its duty to supervise the Trust's financial affairs. It also acts as an audit committee and an investment committee. In 2018, among other matters, the committee also reviewed our compliance against the Fundraising Code of Practice and a review of the Trust's technology strategy.

#### **Remuneration committee**

The remuneration committee has delegated power to approve annual salary reviews for the management team, determining the individual pay and conditions and reviewing the performance of the chief executive and the senior management team. It also determines the process for reviewing the pay and conditions of all other staff and receives the Staff Representation Group's annual report on behalf of the trustees. In addition to the roles above, the committee reviewed the Trust's gender pay gap reporting and remuneration statement.

#### **Annual meeting attendance**

There were four board meetings in 2018: ten trustees attended all meetings during the period they served, with one trustee giving apologies for one meeting. All trustees serving on committees attended 99% of meetings held during the period in which the trustees served.

#### **Responsibilities of the trustees of the Woodland Trust**

The trustees are responsible for preparing the report of the trustees and the financial statements in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice). These give a true and fair view of the state of affairs of the company and the group as at the end of the financial year, and of the surplus or deficit of the company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently
- observe the methods and principles in the Charities Statement of Recommended Practice
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going-concern basis, unless it is inappropriate to presume that the charitable company will continue in business.

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

- there is no relevant audit information of which the company's auditors are unaware
- they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees have taken account of the Charity Commission's general guidance on public benefit when setting the Trust's aims and objectives and planning our future activities. In particular, the trustees consider how planned activities contribute to the aims and objectives they have set.

#### **Trustees' emoluments**

The trustees of the company, who comprise its Board, did not receive any remuneration during the period.

The Woodland Trust purchases indemnity insurance to protect it and its trustees and officers from losses arising from any wrongful act by its trustees or officers; and to indemnify them against their legal liability arising from any claim against them. The premium for the policy was £6,000 (2017: £6,000).

### Related party transactions

There were no related party transactions during 2018.

## Trustees' annual risk statement

### Why risk management is important to us

Proactive risk management contributed to the creation of our ten-year strategy and allows us to anticipate and respond to challenges in our complex operating environment. In 2018, our risk management approach supported us in:

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

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

### Principal risks and uncertainties in 2018

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

The board of trustees has considered the impacts of the principal risks on the organisation's effectiveness in achieving its strategic objectives and ambitions for woods and trees. The principal risks and their mitigations are summarised below. Examples can be found in the strategic review, pages 6 through to 35.

Resilient landscapes		
Challenges		
To improve the capacity of trees, woods and associated habitats to cope with the impact of <b>climate change</b> and pests and <b>diseases</b>	<b>Loss of ancient trees</b> and ancient woodland where increasing fragmentation of the landscape reduces the viability of remnant woodland	<b>Competition for land use</b>

### Climate change

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

#### Key mitigation

- Our strategic work on resilient landscapes is designed to improve the capacity of trees, woods and associated habitats to cope with climate impacts.
- The approach we take on our own estate includes promoting the use of a wider range of native species, improving age and structural diversity in our own woods, and using active woodland management to allow more scope for generational turnover and natural adaptation.
- The Trust is part of a number of coalitions working to highlight to the wider public the likely impact of climate change.
- We work continuously to reduce our own energy use and green our activity.

### Tree disease

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

#### Key mitigation

- Staff and volunteers monitor and react to disease spread on our own estate. Our estate also contributes to ongoing research into tree disease.
- Our own tree procurement policy is to use only UK-sourced-and-grown plants.



- The Trust is an active member of sector collaborations to tackle tree disease on specific species, and a partner of the Observatree citizen science project.
- We fund research into the impacts of tree disease, particularly in the wider landscape.
- A ‘trees outside woods’ strategy, has been designed by the Trust to specifically tackle the landscape impact of ash dieback.
- We work to influence the behaviour of our corporate and licencing partners to limit the impact of imported plant material.

### Loss of ancient trees

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

#### Key mitigation

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

### Competition for land

We are facing increasing competition for land.

#### Key mitigation

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

A bigger voice Challenges		
<b>Responding to political challenges</b> such as influencing the outcomes of Brexit for the environment and in particular the future replacement of the Common Agricultural Policy	<b>Staying ahead of the increasing use of digital media</b>	<b>People’s lack of connection and understanding of the benefits of woods and trees</b>

### Responding to political challenges

The UK’s decision to leave the EU will result in a number of shifts in our operating model, especially in relation to the replacement framework for the Common Agricultural Policy.

#### Key mitigation

- We will continue to monitor political and economic trends as they evolve.
- We have built and continue to build relationships with key stakeholders in the Government.
- We are partners of the Greener UK coalition, established with the aim of influencing the Brexit process to achieve an outcome that would bring maximum benefit to the environment.
- We continue to spread resource across the UK to respond to the country’s growing devolution.

### Staying ahead in a digital world

Understanding how to communicate with our supporters and engage with the public in an ever-changing digital environment is challenging.

#### Key mitigation

- Employ staff who understand the changing digital environment.
- Detailed review of our digital infrastructure, particularly looking at IT infrastructure, our use of data, digital marketing and influencing through social media.

### People’s lack of connection and understanding of woods and trees

With space for nature being increasingly squeezed, while the need for the benefits provided by trees and woods is growing, we need to engage many more people with the multiple ways in which nature, trees and woods are essential to our lives.

## Key mitigation

- Tree Charter Day celebrates and reinvigorates the relationship between people and trees.
- The Green Tree Schools Awards will inspire children and teenagers to understand the importance of woods and trees.

Our people Challenges		
Declining <b>public trust</b> in charities combined with a shifting political environment, impacting on our fundraising	Retaining talented <b>people</b> and decentralising decision-making to our regions and countries	Through <b>compliance</b> , safeguarding vulnerable people and managing confidential and sensitive information

**Public trust**

The public are crucial to our success and what we can achieve for woods and trees. Failure to uphold our reputation could lead to losing support.

## Key mitigation

We will:

- ensure our ethical policy and our values are reflected in everything we do
- uphold our supporter promise through reviewing and improving our fundraising approaches
- continue with current and relevant training of staff, volunteers and professional membership recruiters
- listen to our supporters and volunteers through monitoring feedback and surveys.

**People**

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

## Key mitigation

We will be using the Investors in People framework as a mechanism to identify ongoing improvements to support our people.

**Compliance**

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

## Key mitigation

We will ensure there is:

- senior level engagement in policy setting and monitoring
- comprehensive training and awareness programmes for all staff and volunteers
- dedicated specialist resource in health and safety and information security.

**How we manage risk**

The board of trustees has reviewed the key risks for the Trust and is satisfied that the major risks have been identified and processes for addressing them have been implemented. The trustees have extensive discussions at board meetings and continue to monitor risk with great care. A formal review of risk takes place annually. It is recognised that any control system can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The Woodland Trust views the management of risk as an integral element of its strategic planning, evaluation and decision-making processes. Identified risks are embedded in the implementation of our strategic plans and our operational management practices. The scheme of delegation, which is reviewed annually by the Board, sets out the delegated authority of the finance committee, the board affairs committee, the remuneration committee and the principal officers. The day-to-day management is delegated to the chief executive and the senior management team.

## Administration of the Trust

### Health and safety

The Board considers managing the health, safety and wellbeing of staff, volunteers, contractors and visitors to our sites as a key priority. Our conservation and woodland management objectives are consistent with a robust approach to health and safety.

We try to avoid restrictions on access that might undermine people's enjoyment of woodland and our own aim of inspiring them to value this precious, natural resource. We therefore take a pragmatic stance and expect visitors to take some responsibility – and reasonable measures – to ensure their own safety. To enable this, the Trust is an active member of the Visitor Safety in the Countryside Group (VSCG), the Forest Industry Safety Accord (FISA) and the Conservation Safety Network. The VSCG writes the Health & Safety Executive Approved Code of Practice for managing visitor safety, and since December 2017, the Woodland Trust's health, safety and environment manager has sat on its management board.

These relationships enable us to embed industry-wide good practice within our own safety management systems and have confidence that we are attaining parity with peer organisations and the standards set by the VSCG and therefore the Health & Safety Executive.

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

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

During 2018, the Trust has conducted an external audit of safety standards across its estate and operations. The full report was presented to our board affairs committee in July 2018 with the headline 'Safety is managed extremely well at the Woodland Trust, with auditable systems which would stand up to external scrutiny'. The Trust has in place a safety strategy that extends until 2025, and a detailed plan that carries safety activity into 2021.

During 2018, we also rolled out SkyGuard personal safety technology to our most at-risk staff and volunteers, further managing the risks involved in their work, particularly lone working.

### Environmental performance

Because of our core objectives, much of what the Trust does has a positive impact on the environment, with every million trees planted helping to absorb around 200,000 tonnes of CO<sub>2</sub>. Our negative environmental impact is largely the result of the energy used in our offices, and employee travel.

During 2018, we have continued to follow our 10-year sustainability strategy and three-year implementation plan – measuring our emissions, waste and other negative impacts and taking steps to reduce them. This included switching waste management companies so that waste from our headquarters no longer goes to landfill (instead, it is converted into energy), and reviewing our fleet with an emphasis on vehicle selections with low emissions and good fuel economy. We also passed our UKWAS FSC™ audit – an extremely extensive audit across our organisation that ensures (among other things) we are managing the environmental impact of our work, disposing of our waste correctly and preventing mishaps such as pollution on our work sites.

During 2019–2020, we will work to secure Green Dragon accreditation for our approach to environmental sustainability, in collaboration with the Wildfowl & Wetlands Trust – a like-minded organisation which shares our environmental goals. This process will further embed a measured approach across the organisation to ensure our work is sustainable.

### Supplier payment policy

For all trade creditors, it is the Trust's policy to agree the terms of payment at the start of business with that supplier and ensure that suppliers are aware of the terms of payment and pay in accordance with their contractual and other legal obligations. The Trust has an excellent record for paying suppliers on time.

### Safeguarding policy

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

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

### Employment and remuneration policy

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

### Remuneration policy

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

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


### Senior management pay

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

The senior management team as at 31 December 2018 comprised:

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

The report of the trustees, which incorporates the requirements of the strategic report, was approved and authorised for issue by the trustees on 14 March 2019 and signed on their behalf by:



Barbara, Baroness Young of Old Scone  
Chair

14 March 2019

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

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### Opinion

We have audited the financial statements of The Woodland Trust for the year ended 31 December 2018 which comprise the Consolidated Statement of Financial Activities, the Group and Parent Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, *the Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2018 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

### Basis for opinion

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

### Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 33, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial statements

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

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

### Conclusions relating to going concern

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

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

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

**Other information**

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

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

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

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

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

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the 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.



Richard Weaver (Senior Statutory Auditor)  
for and on behalf of haysmacintyre, Statutory Auditors  
14 March 2019

10 Queen Street Place  
London  
EC4R 1AG

# Consolidated statement of financial activities

for the year ended 31 December 2018

	Note	Unrestricted funds		Restricted funds	Endowment funds	Total 2018	Total 2017
		General fund £'000	Designated funds £'000	funds £'000	funds £'000	£'000	£'000
<b>Income and endowments from:</b>							
Donations and legacies	2	24,109	174	6,726	-	31,009	31,009
Other trading activities	2	6,932	-	-	-	6,932	6,291
Investments	8	615	-	230	-	845	779
Charitable activities	2	3,801	-	1,940	-	5,741	6,982
Other income	2	91	-	-	-	91	174
<b>Total income and endowments</b>		<b>35,548</b>	<b>174</b>	<b>8,896</b>	<b>-</b>	<b>44,618</b>	<b>45,235</b>
<b>Expenditure from:</b>							
Cost of raising funds	5	(9,596)	-	(41)	-	(9,637)	(8,243)
<b>Charitable activities</b>							
Protect woodland	5	(7,476)	-	(2,348)	-	(9,824)	(9,681)
Restore woodland	5	(11,498)	-	(3,615)	-	(15,113)	(14,422)
Create woodland	5	(9,030)	(1,360)	(3,263)	-	(13,653)	(12,904)
Charitable expenditure		(28,004)	(1,360)	(9,226)	-	(38,590)	(37,007)
<b>Total expenditure</b>		<b>(37,600)</b>	<b>(1,360)</b>	<b>(9,267)</b>	<b>-</b>	<b>(48,227)</b>	<b>(45,250)</b>
Net (expenditure) before investment (losses)/gains		(2,052)	(1,186)	(371)	-	(3,609)	(15)
Net (losses)/gains on investment assets	11	-	(304)	(466)	(729)	(1,499)	1,500
<b>Net (expenditure)/ income</b>		<b>(2,052)</b>	<b>(1,490)</b>	<b>(837)</b>	<b>(729)</b>	<b>(5,108)</b>	<b>1,485</b>
Transfers between funds	16	(3,547)	(204)	3,751	-	-	-
<b>Net movements in funds</b>		<b>(5,599)</b>	<b>(1,694)</b>	<b>2,914</b>	<b>(729)</b>	<b>(5,108)</b>	<b>1,485</b>
Fund balances brought forward at 1 January		24,103	11,907	106,669	8,749	151,428	149,943
<b>Fund balances carried forward at 31 December</b>	<b>16</b>	<b>18,504</b>	<b>10,213</b>	<b>109,583</b>	<b>8,020</b>	<b>146,320</b>	<b>151,428</b>

This statement of financial activities excludes £1,772k (2017: £5,560k) of woods and land acquired and capitalised as per note 9.

There are no recognised gains or losses other than those shown in the consolidated statement of financial activities above.

All income and expenditure is derived from continuing activities.

No separate income and expenditure account as required under the Companies Act 2006 has been presented, as the only difference between the net expenditure for the year before transfers (£3,386k) and the net deficit for the year (£3,609k), as defined under the Companies Act, are realised losses on investments of (£223k) which are reflected within net gains on investment assets.

A comparative statement of financial activities is included in note 23.

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

**Balance sheets**  
at 31 December 2018

	Note	Group		Charity	
		2018	2017	2018	2017
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets:					
• woods and land	9	88,626	87,460	88,626	87,460
• other fixed assets	10	6,053	6,306	6,053	6,306
		94,679	93,766	94,679	93,766
Investments	11	36,760	42,233	36,760	42,233
		<b>131,439</b>	<b>135,999</b>	<b>131,439</b>	<b>135,999</b>
<b>Current assets</b>					
Land for planting and resale	12	1,341	1,095	1,341	1,095
Stocks	13	277	262	199	196
Debtors	14	15,403	17,230	15,687	17,302
Cash at bank and in-hand		5,410	1,882	4,897	1,629
		22,431	20,469	22,124	20,222
<b>Creditors</b>					
Amounts falling due within one year	15	(7,550)	(5,040)	(7,243)	(4,793)
<b>Net current assets</b>		<b>14,881</b>	<b>15,429</b>	<b>14,881</b>	<b>15,429</b>
<b>Net assets</b>	17	<b>146,320</b>	<b>151,428</b>	<b>146,320</b>	<b>151,428</b>
<b>Financed by:</b>					
Restricted funds	16	109,583	106,669	109,583	106,669
Permanent endowments	16	8,020	8,749	8,020	8,749
Unrestricted funds:					
• general fund	16	18,504	24,103	18,504	24,103
• designated funds	16	10,213	11,907	10,213	11,907
		<b>146,320</b>	<b>151,428</b>	<b>146,320</b>	<b>151,428</b>

The consolidated net movement in funds for the parent company is a deficit of £5,108k (2017: surplus of £1,485k).

These accounts were approved and authorised for issue by the trustees on 14 March 2019 and signed on their behalf by:



Barbara, Baroness Young of Old Scone  
Chair



# Consolidated cash flow statement

for the year ended 31 December 2018

	Note	2018 £'000	2017 £'000
<b>Operating activities</b>		419	(1,846)
<b>Investing activities</b>			
Investment income	8	845	779
Purchase of woods and land	9	(1,717)	(5,454)
Purchase of fixed assets	10	(187)	(319)
Purchase of investments	11	(6,324)	(22,256)
Net liquid movement	11	7,000	8,057
Sale of land		194	83
Sale of investments	11	3,298	20,178
<b>Net cash flow from investing activities</b>		<b>3,109</b>	<b>1,068</b>
<b>Change in cash and cash equivalents in the year</b>		<b>3,528</b>	<b>(778)</b>
Net movement in cash in the year		3,528	(778)
Cash at 1 January		1,882	2,660
<b>Cash at 31 December</b>		<b>5,410</b>	<b>1,882</b>

	2018 £'000	2017 £'000
<b>Reconciliation of net income to net cash flow from operating activities</b>		
Net expenditure/income	(3,609)	(15)
Investment income	(845)	(779)
Donated woods and land	(55)	(106)
Depreciation:		
• woods and land	32	32
• other fixed assets	440	456
Loss on disposal of woods and land	25	53
Decrease/(increase) in land stock	109	(518)
(Increase)/decrease in stock	(15)	1
Decrease/(increase) in debtors	1,827	(2,070)
Increase in creditors	2,510	1,100
<b>Net cash (inflow)/outflow from operating activities</b>	<b>419</b>	<b>(1,846)</b>

The purchase and sale of investment movements in 2017 arose because of the decision by the trustees to move funds totalling £23,200k between investment managers and between pooled funds and managed funds.

## Notes to the accounts

for the year ended 31 December 2018

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### I. Accounting policies

- a) The Woodland Trust is a company limited by guarantee, registered in England and Wales and a charity registered with the Charity Commission and the Office of the Scottish Charity Regulator.
- b) **Basis of accounting and statement of compliance**  
The financial statements have been prepared under the historical cost convention (as modified by the revaluation of listed investments to market value). The financial statements have been prepared in accordance with the Companies Act 2006, FRS102 the Financial Reporting Standard applicable in the UK and Ireland and the Statement of Recommended Practice 'Accounting and Reporting by Charities' ("SORP 2015") as amended by update bulletin 2. 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**  
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.
- 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

**f) Income and endowments**

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

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

**Membership**

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

**Investments**

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

**Donated assets**

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

**Grants**

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

**Legacies**

Legacy income from each bequest is recognised once a reasonable estimate of its value can be made and providing there is no evidence of any significant contentious claims concerning the deceased's estate. Where the Trust is left part of the residue of an estate, the deceased's will, initial statements of assets and liabilities and draft estate accounts are used to calculate the estimated value of the bequest. This estimate is only recognised as income once the executors have proved the will (i.e. obtained probate). Bequests of land for conservation purposes are recognised as income and as an asset.

**Lottery**

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

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

**The contribution of volunteers**

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

**g) Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party for goods or services, and where it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following headings:

**Cost of raising funds**

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

**Charitable activities**

Expenditure is allocated as follows:

- Protection of native woodland – direct expenditure includes woodland management, research and lobbying to improve the degree of protection for ancient woods and ancient trees
- Restoration of woodland – direct expenditure includes the restoration of all damaged ancient woodland and the re-creation of native wooded landscapes
- Creation of new native woodland – direct expenditure includes the cost of planting trees, maintaining new woodland, financial support and the supply of trees to other landowners.

Note 7 (page 55) to the accounts includes an analysis of staff numbers across charitable activities, fundraising activities, governance and support.

The cost of those staff directly focused on the Trust's charitable activities has been allocated across the three aims listed above in the same ratio as the expenditure on each strategic aim prior to their allocation.

**Support costs**

These include the provision of offices, staff recruitment and development, information technology, governance and our finance function. Support costs are allocated to costs of raising funds and charitable activities on the basis of the direct expenditure incurred by each activity.

**h) Depreciation**

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

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

**i) Woods and land**

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

**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 cost of acquiring the land and its associated legal and professional fees.

**l) Stocks**

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

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

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

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

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

- Recognition of residuary legacy income where there is significant uncertainty over the valuation of specific assets or liabilities within the estate and therefore the measurement criteria required by the Charities SORP (FRS102) 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. No distinction is made for geographic area or nature of the site as the Trust considers this to have no material impact on the valuation.

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

**n) Financial instruments**

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

**o) Operating leases**

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

**p) Pensions**

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

Notes to the accounts (continued)  
for the year ended 31 December 2018

2. **Income 2018**

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

Included in fundraising and appeals is £1k (2017: £48k) gifts in kind.

*Legacy notifications*

In addition to the legacy income recorded above, the Trust had been advised of a number of legacies bequeathed to it where the conditions regarding income recognition were not fulfilled by the year end. The combined estimated value of these legacies, where it is possible to estimate their value, was at least £2.1 million (2017: £900k).

Notes to the accounts (continued)  
for the year ended 31 December 2018

Income 2017 (restated)	Unrestricted		Restricted funds	Total 2017
	General funds	Designated funds		
	£'000	£'000	£'000	£'000
<b>Donations and legacies</b>				
Legacies	12,356	152	2,872	15,380
Membership subscriptions	8,095	-	-	8,095
Fundraising and appeals	1,931	-	2,273	4,204
Company donations, charitable trusts and landfill tax	1,525	-	1,717	3,242
Donated woods and land	-	-	88	88
<b>Total donations and legacies</b>	<b>23,907</b>	<b>152</b>	<b>6,950</b>	<b>31,009</b>
<b>Other trading activities</b>				
Sponsorship income	2,309	250	-	2,559
Lotteries	2,489	-	-	2,489
Raffle	590	-	-	590
Merchandise income	653	-	-	653
<b>Total income from other trading activities</b>	<b>6,041</b>	<b>250</b>	<b>-</b>	<b>6,291</b>
<b>Income from charitable activities</b>				
Grants	2,002	17	2,984	5,003
Woodland management income	1,979	-	-	1,979
<b>Total income from charitable activities</b>	<b>3,981</b>	<b>17</b>	<b>2,984</b>	<b>6,982</b>
<b>Other income</b>				
Other income	174	-	-	174
	<b>174</b>	<b>-</b>	<b>-</b>	<b>174</b>
Investment income	541	-	238	779
<b>Total income</b>	<b>34,644</b>	<b>419</b>	<b>10,172</b>	<b>45,235</b>

3. **Lottery income**

Where raffles are run by the Woodland Trust and the Trust is principal, the proceeds are reported gross of any prize monies and other expenditure. Lottery income is lotteries held by People's Postcode Lottery (PPL). The 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.

	2018 £'000	2017 £'000
People's Postcode Lottery ticket value	8,953	8,029
People's Postcode Lottery prize fund	(3,576)	(3,212)
People's Postcode Lottery management fee	(2,506)	(2,328)
Prize indemnity insurance	(6)	-
<b>Net People's Postcode Lottery income</b>	<b>2,865</b>	<b>2,489</b>

**4. Grants**

The following organisations provided grants:	2018 £'000	2017 £'000
Forestry Commission	738	862
Heritage Lottery Fund	708	1,659
Department for Environment, Food and Rural Affairs	561	516
Pears Foundation #iwill campaign	375	-
Scottish Government Rural Payments and Inspections Directorate	262	635
The Pears Family Charitable Foundation	185	-
Natural England	172	177
Rural Payment Agencies	153	188
Greater London Authority	127	-
Welsh Government/Llywodraeth Cymru	115	61
Northern Ireland Environment Agency	43	83
Snowdonia National Park Authority	35	-
Natural Resource Wales/Cyfoeth Naturiol Cymru	28	45
National Forest Company	20	389
Armed Forces Covenant Fund Trust	20	-
Environment Agency	15	4
The Waterloo Foundation	-	200
Point and Sandwick Trust	-	58
Assynt Foundation	-	46
Esmée Fairbairn Foundation	-	2
Other grant providers	9	78
	<b>3,566</b>	<b>5,003</b>

Of those listed above, £1,940k (2017: £2,984k) are restricted grants. Grant income is project activity based and the level of income recognised relates to the activity taking place during the year, or the conditions set out by the donor.



Notes to the accounts (continued)  
for the year ended 31 December 2018

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

This statement of expenditure excludes £1,772k (2017: £5,560k) of woods and land acquired and capitalised as per note 9 (page 56).

<b>Expenditure 2017</b>	Direct £'000	Support £'000	2017 £'000
<b>Costs of raising funds</b>			
<i>Costs of donations and legacies</i>			
Membership	4,475	646	5,121
Fundraising and appeals	560	81	641
Company donations, charitable trusts and landfill tax	757	109	866
Legacies	165	24	189
	<b>5,957</b>	<b>860</b>	<b>6,817</b>
<i>Other trading activities</i>			
Sponsorship	548	64	612
Merchandise	432	51	483
Lotteries	232	27	259
	<b>1,212</b>	<b>142</b>	<b>1,354</b>
<i>Investment management costs</i>	72	-	72
<b>Total cost of raising funds</b>	<b>7,241</b>	<b>1,002</b>	<b>8,243</b>
<b>Charitable activities</b>			
Protect woodland	8,453	1,228	9,681
Restore woodland	12,579	1,843	14,422
Create woodland	11,268	1,636	12,904
<b>Total charitable activities</b>	<b>32,300</b>	<b>4,707</b>	<b>37,007</b>
<b>Total expenditure</b>	<b>39,541</b>	<b>5,709</b>	<b>45,250</b>

## 6. Support costs 2018

	Premises £'000	Governance £'000	Depreciation & loss on sales £'000	Finance & IT £'000	Human resources £'000	Management & other £'000	2018 £'000
<b>Cost of raising funds</b>	121	27	94	552	179	166	1,139
<b>Charitable expenditure</b>							
• Protect woodland	148	40	102	592	182	165	1,229
• Restore woodland	230	67	168	906	279	255	1,905
• Create woodland	205	59	138	822	253	230	1,707
	583	193	408	2,293	714	650	4,841
<b>Total support costs</b>	<b>704</b>	<b>193</b>	<b>502</b>	<b>2,872</b>	<b>893</b>	<b>816</b>	<b>5,980</b>

The trustees/directors of the company, who comprise its Board, did not receive any remuneration during the period. Travelling and subsistence expenses incurred by 12 (2017: 12) trustees/directors on Board business amounted to £16k (2017: £13k) during the year.

## Support costs 2017

	Premises £'000	Governance £'000	Depreciation & loss on sales £'000	Finance & IT £'000	Human resources £'000	Management & other £'000	2017 £'000
<b>Cost of raising funds</b>	128	24	83	525	140	102	1,002
<b>Charitable expenditure</b>							
• Protect woodland	176	35	104	625	173	115	1,228
• Restore woodland	262	53	165	935	257	171	1,843
• Create woodland	235	47	135	827	239	153	1,636
	673	135	404	2,387	669	439	4,707
<b>Total support costs</b>	<b>801</b>	<b>159</b>	<b>487</b>	<b>2,912</b>	<b>809</b>	<b>541</b>	<b>5,709</b>

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

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

	2018 £'000	2017 £'000
The surplus for the year after charging:		
• Salaries and wages	13,929	13,030
• Social Security costs	1,320	1,248
• Other pension costs	1,502	1,238
	<b>16,751</b>	<b>15,516</b>
Depreciation	472	488
Auditor's fees and expenses:		
• Audit work	23	23
• Other services	1	-
Rentals under operating leases:		
• Land and buildings	146	128
• Other	548	479
Irrecoverable Value Added Tax	1,063	1,056

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

**Employees and volunteers**

The average number of employees during the year was 469 (2017: 445). The average number of employees, analysed by function, was:

	2018 Total	2017 Total
Charitable activities	320	301
Fundraising	96	85
Human resources, finance, information technology, legal and governance	53	59
	<b>469</b>	<b>445</b>

The average number of employees is calculated using the full-time equivalent method. The actual number of employees is 506 (2017: 485); the difference is due to job shares and part-time positions held by employees. The average number of employees increased by 24 FTE during 2018, this increase highlighting the investment we are making in valuable resource to enable us to achieve our strategic plan.

We rely on volunteers to help with a wide range of activities including tree planting, care and management of our woods, promotion of our work, research, employee mentoring and administration. In addition, we rely on volunteers to collect data on the Ancient Tree Hunt and also on climate change through our phenology project.

We use the Volunteer Investment and Value Audit process to estimate the contribution of our volunteers. In 2018, volunteers contributed 274,568 hours with an ascribed value of £2.3m (2017: 249,000 hours, value £2.2m), which is not reflected in the financial statements.

The chief executive's earnings for 2018 were £131,801 (2017: £131,086), including a pension contribution of £19,542 (2017: £17,673). The earnings of the key management personnel (including the CEO) for 2018 was £582,797 (2017: £543,029) relating to seven roles (2017: seven roles).

Notes to the accounts (continued)  
for the year ended 31 December 2018

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

£'s	No. of employees	
	2018	2017
130,000-139,999	1	1
80,000-89,999	3	1
70,000-79,999	2	4
60,000-69,999	2	1

8. Investment income	2018 £'000	2017 £'000
Income from investments was as follows:		
Income from UK-listed investments	551	401
Income from UK-cash investments	109	246
Bank interest receivable	20	12
Income from overseas-listed investments	165	120
	<b>845</b>	<b>779</b>

9. Fixed assets – woods and land

The group and the charity:

	Freehold £'000	Purchased Long leasehold £'000	Short leasehold £'000	Freehold £'000	Donated Long leasehold £'000	Short leasehold £'000	Total £'000
<b>Cost or donated value</b>							
At 1 January 2018	75,662	873	183	6,162	4,107	985	87,972
Additions for the year	1,717	-	-	55	-	-	1,772
Transfers in the year	(355)	-	-	-	-	-	(355)
Disposals for the year	(202)	-	-	-	(17)	-	(219)
At 31 December 2018	<b>76,822</b>	<b>873</b>	<b>183</b>	<b>6,217</b>	<b>4,090</b>	<b>985</b>	<b>89,170</b>
<b>Depreciation</b>							
At 1 January 2018	-	-	52	-	-	460	512
Charge for the year	-	-	4	-	-	28	32
At 31 December 2018	-	-	<b>56</b>	-	-	<b>488</b>	<b>544</b>
<b>Net book value</b>							
At 31 December 2018	<b>76,822</b>	<b>873</b>	<b>127</b>	<b>6,217</b>	<b>4,090</b>	<b>497</b>	<b>88,626</b>
At 31 December 2017	<b>75,662</b>	<b>873</b>	<b>131</b>	<b>6,162</b>	<b>4,107</b>	<b>525</b>	<b>87,460</b>

In addition, the Trust currently leases 25 hectares (2017: 25 hectares) of woodland under short leaseholds at peppercorn rents. In the opinion of the directors, the value of these assets is immaterial.

During the year £355k of woodland was transferred to land available for resale (note 12).

The additions are allocated across our charitable aims:

	2018 £'000	2017 £'000
Protect woodland	315	2,468
Restore woodland	31	15
Create woodland	1,426	3,077
	<b>1,772</b>	<b>5,560</b>

Notes to the accounts (continued)  
for the year ended 31 December 2018

10. **Other fixed assets**

<i>The group and the charity:</i>	Buildings	Computer equipment & software	Office equipment & furniture	Plant & machinery	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 January 2018	6,542	3,788	378	478	11,186
Additions	-	58	52	77	187
At 31 December 2018	6,542	3,846	430	555	11,373
<b>Depreciation</b>					
At 1 January 2018	936	3,240	367	337	4,880
Charge for the year	131	232	10	67	440
At 31 December 2018	1,067	3,472	377	404	5,320
<b>Net book value</b>					
At 31 December 2018	<b>5,475</b>	<b>374</b>	<b>53</b>	<b>151</b>	<b>6,053</b>
At 31 December 2017	<b>5,606</b>	<b>548</b>	<b>11</b>	<b>141</b>	<b>6,306</b>

11. **Investments**

<i>The group and the charity:</i>	2018 £'000	2017 £'000
<b>Investments at market value</b>		
Permanent endowments	7,997	8,749
Designated funds	9,859	11,907
Restricted funds	18,305	16,760
General funds	599	4,817
	<b>36,760</b>	<b>42,233</b>

**Investments consist of:**

	Cost		Valuation	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Cash held as part of investments	445	996	445	996
UK-listed investments	13,612	11,141	12,714	11,322
Overseas-listed investments	10,633	9,866	10,936	10,375
Other UK short-term holdings	12,587	19,471	12,665	19,540
	<b>37,277</b>	<b>41,474</b>	<b>36,760</b>	<b>42,233</b>

**The movement on valuation of investments is as follows:**

	2018 £'000	2017 £'000
Market value at 1 January	42,233	46,712
Acquisitions	6,324	22,256
Sales proceeds	(7,000)	(20,178)
Net liquidity fund movement	(3,298)	(8,057)
Net investment (losses)/gains	(1,499)	1,500
Market value at 31 December	<b>36,760</b>	<b>42,233</b>

**Comprising:**

Cost at 31 December	37,277	41,474
Unrealised investment (losses)/gains at 31 December	(517)	759
Market value at 31 December	<b>36,760</b>	<b>42,233</b>
Realised investment (losses)/gains in the year	(223)	4,754

Notes to the accounts (continued)  
for the year ended 31 December 2018

The Woodland Trust owns the entire issued share capital (100 ordinary shares of £1) in each of its three subsidiary companies: Woodland Trust (Enterprises) Limited; Woodland Trust Farming Limited, which are incorporated in England; and Glen Finglas Farming Limited, which is incorporated in Scotland. Glen Finglas Farming Limited is dormant. Details of the trading activities of the two active subsidiaries are set out in note 18 (page 63) to the accounts.

12. **Land purchased for resale**

	Group		Charity	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Land available for resale	1,341	1,095	1,341	1,095

Land available for resale represents woodland purchased for planting and onward sale in due course under the Trust's Purchase, Plant and Pass on and Purchase, Restore and Pass on schemes. The schemes are intended to create new woodland at minimal net cost to the Woodland Trust and provide an opportunity for new owners to get involved in woodland management. During the year, £109k of land was sold and £355k was transferred from fixed assets.

13. **Stocks**

	Group		Charity	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Livestock and stores	199	196	199	196
Raw materials and consumables	78	66	-	-
	<b>277</b>	<b>262</b>	<b>199</b>	<b>196</b>

14. **Debtors**

	Group		Charity	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Legacies receivable	9,626	10,315	9,626	10,315
Grants receivable	1,893	1,940	1,688	1,655
Trade debtors	1,481	1,733	818	688
Amounts owed from subsidiaries	-	-	1,142	1,413
Other debtors	1,573	2,473	1,599	2,468
Prepayments and accrued income	830	769	814	763
	<b>15,403</b>	<b>17,230</b>	<b>15,687</b>	<b>17,302</b>

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

	Group		Charity	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Trade creditors	5,916	4,465	5,710	4,311
Taxation and Social Security	370	365	365	365
Accruals and deferred income	1,264	210	1,168	117
	<b>7,550</b>	<b>5,040</b>	<b>7,243</b>	<b>4,793</b>

## 16. Movement of funds

Restricted funds 2018	Movement of funds				Balance at 31 December 2018 £'000
	Balance at 1 January 2018 £'000	Gains/ income £'000	Losses/ expenditure £'000	Transfers £'000	
Woods and land	87,460	1,235	(606)	536	88,626
Woodland management fund	2,764	534	(608)	-	2,690
Restricted legacies	10,173	2,703	(1,856)	(228)	10,792
Various other funds	6,272	4,424	(6,663)	3,443	7,475
	<b>106,669</b>	<b>8,896</b>	<b>(9,733)</b>	<b>3,751</b>	<b>109,583</b>

Restricted funds 2017	Movement of funds				Balance at 31 December 2017 £'000
	Balance at 1 January 2017 £'000	Gains/ income £'000	Losses/ expenditure £'000	Transfers £'000	
Woods and land	82,067	3,238	(166)	2,321	87,460
Woodland management fund	3,061	439	(343)	(393)	2,764
Restricted legacies	9,549	3,180	(1,284)	(1,272)	10,173
Various other funds	4,952	3,729	(4,818)	2,409	6,272
	<b>99,629</b>	<b>10,586</b>	<b>(6,611)</b>	<b>3,065</b>	<b>106,669</b>

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

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

Restricted legacies represent those where the testator has restricted use for specific purposes or in specific locations. The Trust actively seeks opportunities to spend these for woodland conservation, but because of the nature of the restrictions imposed by the testator, it can sometimes take an appreciable period of time before qualifying spend can be identified.

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 2018 amounted to £236k (2017: £716k) and £56k (2017: £701k) was expended, leaving a balance at 31 December 2018 of £195k (2017: £15k).

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

Notes to the accounts (continued)  
for the year ended 31 December 2018

Permanent endowments 2017	Balance at 1 January 2017 £'000	Movement of funds		Balance at 31 December 2017 £'000
		Gains/ income £'000	Transfers £'000	
Glenrothes	4,445	266	(2,000)	2,711
Livingston	2,632	210	-	2,842
Warrington and Runcorn	1,608	128	-	1,736
Preston and Chorley	1,352	108	-	1,460
	<b>10,037</b>	<b>712</b>	<b>(2,000)</b>	<b>8,749</b>

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

Unrestricted funds 2017	Balance at 1 January 2017 £'000	Movement of funds			Balance at 31 December 2017 £'000
		Gains/ incoming resources £'000	Losses/ resources expended £'000	Transfers £'000	
<b>General fund</b>	<b>16,461</b>	<b>35,018</b>	<b>(37,559)</b>	<b>10,183</b>	<b>24,103</b>
<b>Designated funds</b>					
Strategic investment fund	17,262	419	(949)	(4,825)	11,907
Building fund	6,554	-	(131)	(6,423)	-
	<b>23,816</b>	<b>419</b>	<b>(1,080)</b>	<b>(11,248)</b>	<b>11,907</b>
<b>TOTAL</b>	<b>40,277</b>	<b>35,437</b>	<b>(38,639)</b>	<b>(1,065)</b>	<b>36,010</b>

We have planned to continue to invest in our estate over the next three years, including dealing with the increasing impact of tree disease. We will also continue to grow our outreach and priority landscape work, including in the Northern Forest, and invest in new ways to help people support us – whether that be through time, money or voice. This continuation of our strategy means that we have planned a deficit budget for the next three years which will reduce the designated funds fund from £10.2 million to £2.2 million by 2021.

The purpose and structure of the Trust's unrestricted funds is described in the financial review on pages 27–31. The general fund represents working capital and operating fixed assets and is analysed in note 17 (page 62). The transfers are explained overleaf.



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

**Notes**

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

2017 Analysis of transfers between funds	Note	General fund	Strategic investment fund	Building fund	Woods & land	Restricted legacies	Other restricted funds	Endowments
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Transfer to general fund	1	13,477	(7,054)	(6,423)	-	-	-	-
Income for future operations and acquisitions	2	(2,626)	-	-	-	-	2,626	-
Legacies for acquisitions	3	-	321	-	-	(321)	-	-
Underwrite for acquisition of woods	4	(668)	(92)	-	2,321	(951)	(610)	-
Drawdown of endowment fund	5	-	2,000	-	-	-	-	(2,000)
<b>Total transfers</b>		<b>10,183</b>	<b>(4,825)</b>	<b>(6,423)</b>	<b>2,321</b>	<b>(1,272)</b>	<b>2,016</b>	<b>(2,000)</b>

Notes to the accounts (continued)  
for the year ended 31 December 2018

## Notes for 2017

1. A net amount of £13,477k was transferred to the general fund, of which £6,424k was to transfer the balance of the building fund after trustees agreed to reclassify this from a designated fund to a general fund; and £7,054k was a transfer from the strategic investment fund to maintain sufficient working capital and contingency over the next twelve months.
2. A net amount of £2,626k has been transferred to restricted funds for future use in conjunction with projects such as Lock Arkaig Pine Forest and Fingle Woods.
3. An amount of £321k has been transferred to the strategic investment fund, following the decision to keep 22 hectares of land at Coed y Foel within our estate rather than commit to the Purchase, Plant and Pass on scheme as first identified.
4. A transfer of £2,321k was made to woods and land to enable the Woodland Trust to acquire sites that match our charitable objectives, largely from restricted legacies of £951k in accordance with legators' wishes. Additionally, there were transfers from other restricted funds of £610k, strategic investment fund of £92k and the general fund of £668k.
5. £2,000k has been transferred from the Glenrothes endowment fund to the general fund, to release funds for our ten-year strategic plan. This transfer is within the conditions applied to the endowment.

### 17. Analysis of group net assets between funds

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

Fund balances at 31 December 2018 are represented by:

	Unrestricted funds		Restricted funds		
	General fund	Designated fund	Restricted fund	Permanent endowments	Total funds
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	6,053	-	88,626	-	94,679
Investments	599	9,859	18,305	7,997	36,760
Cash at bank and in hand	5,410	-	-	-	5,410
Other current assets	13,992	354	2,652	23	17,021
Liabilities due within one year	(7,550)	-	-	-	(7,550)
<b>Total net assets</b>	<b>18,504</b>	<b>10,213</b>	<b>109,583</b>	<b>8,020</b>	<b>146,320</b>

Restricted tangible fixed assets consist of woods and land: £88,626k (2017: £87,460k).

Fund balances at 31 December 2017 are represented by:

	Unrestricted funds		Restricted funds		
	General fund	Designated fund	Restricted fund	Permanent endowments	Total funds
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	6,306	-	87,460	-	93,766
Investments	4,974	11,907	16,603	8,749	42,233
Cash at bank and in hand	1,882	-	-	-	1,882
Other current assets	15,981	-	2,606	-	18,587
Liabilities due within one year	(5,040)	-	-	-	(5,040)
<b>Total net assets</b>	<b>24,103</b>	<b>11,907</b>	<b>106,669</b>	<b>8,749</b>	<b>151,428</b>

18. **Net income from trading activities of subsidiaries**

The Woodland Trust has two wholly owned trading subsidiaries which are incorporated in England. Woodland Trust Farming Limited (registered company no. 6360791) undertakes farming on some Woodland Trust sites prior to woodland being created. Woodland Trust (Enterprises) Limited (registered company no. 2296645) was established to undertake sponsorships, commercial activities, raffles and merchandise sales. Within the cost of sales and administration expenses is £580k (2017: £580k) paid to the Woodland Trust. Both companies donate their taxable profits to the Woodland Trust under deed of covenant. A summary of their trading accounts is shown below, and this includes payments made to the Woodland Trust. Audited accounts have been filed with the Registrar of Companies. Glen Finglas Farming Limited (registered company no. SC408716) was incorporated in Scotland on 5 October 2011 and is a wholly owned dormant subsidiary.

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

	Enterprises		Farming	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
<b>Profit and loss account</b>				
Turnover	6,936	6,262	720	782
Cost of sales	(1,236)	(1,008)	(331)	(256)
Gross profit	5,700	5,254	389	526
Licence payment to the Woodland Trust	(250)	(250)	-	-
Distribution costs	(65)	(58)	-	-
Administration expenses	(216)	(162)	(2)	(2)
Operating profit	5,169	4,784	387	524
Interest receivable	3	-	-	-
Net profit	5,172	4,784	387	524
Payment to the Woodland Trust	(5,172)	(4,784)	(387)	(524)
Accumulated reserves brought forward	-	-	-	-
<b>Accumulated reserves carried forward</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance sheet</b>				
Current assets	997	1,367	481	291
Current liabilities	(997)	(1,367)	(481)	(291)
<b>Net assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital and reserves</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

19. **Operating lease commitments**

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

	2018	2017
	£'000	£'000
<b>Land and buildings</b>		
Leases which expire:		
within one year	121	81
within two to five years	249	255
after five years	1,641	1,845
	<b>2,011</b>	<b>2,181</b>
<b>Other</b>		
Leases which expire:		
within one year	302	351
within two to five years	452	485
	<b>754</b>	<b>836</b>

**20. Capital commitments**

Commitments for expenditure not provided for in these accounts in respect of assets under construction amount to £1,336,500 (2017: £nil).

**21. Pension schemes**

The Woodland Trust operates defined contribution schemes for all qualifying employees. The assets of the schemes are held in separate funds administered by independent pension providers. The total cost of pensions for the year incurred by the Woodland Trust was £1,502k (2017: £1,238k). Included in other creditors is £nil (2017: £nil) in respect of pension schemes.

**22. Contingent liabilities**

The trustees were not aware of any significant contingent liabilities at 31 December 2018 and 31 December 2017.

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.

**23. Prior year statement of financial activities**

	Unrestricted funds		Restricted funds	Endowment funds	Total
	General fund	Designated funds	funds	funds	2017
	£'000	£'000	£'000	£'000	£'000
<b>Income and endowments from:</b>					
Donations and legacies	23,907	152	6,950	-	31,009
Other trading activities	6,041	250	-	-	6,291
Income from investments	541	-	238	-	779
Income from charitable activities	3,981	17	2,984	-	6,982
Other income	174	-	-	-	174
<b>Total income and endowments</b>	<b>34,644</b>	<b>419</b>	<b>10,172</b>	<b>-</b>	<b>45,235</b>
<b>Expenditure on:</b>					
Cost of raising funds	(8,192)	(24)	(27)	-	(8,243)
<b>Charitable activities</b>					
Protect woodland	(7,905)	(53)	(1,723)	-	(9,681)
Restore woodland	(11,814)	(42)	(2,566)	-	(14,422)
Create woodland	(9,648)	(961)	(2,295)	-	(12,904)
Charitable expenditure	(29,367)	(1,056)	(6,584)	-	(37,007)
<b>Total expenditure</b>	<b>(37,559)</b>	<b>(1,080)</b>	<b>(6,611)</b>	<b>-</b>	<b>(45,250)</b>
Net income before investment gains	(2,915)	(661)	3,561	-	(15)
Net gains on investment assets	374	-	414	712	1,500
<b>Net income/expenditure</b>	<b>(2,541)</b>	<b>(661)</b>	<b>3,975</b>	<b>712</b>	<b>1,485</b>
Transfers between funds	10,183	(11,248)	3,065	(2,000)	-
<b>Net movement in funds</b>	<b>7,642</b>	<b>(11,909)</b>	<b>7,040</b>	<b>(1,288)</b>	<b>1,485</b>
Fund balances brought forward at 1 January	16,461	23,816	99,629	10,037	149,943
<b>Fund balances carried forward at 31 December</b>	<b>24,103</b>	<b>11,907</b>	<b>106,669</b>	<b>8,749</b>	<b>151,428</b>

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

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