

TREES FOR CITIES

England & Wales · Charity number 1032154

Details

Status Registered

Legal form Charitable company

Company number [02874642](#)

Registered 1994-01-27

Register [View on the Charity Commission register](#)

Contact

Address Trees For Cities
Prince Consort Lodge
Kennington Park Place
London
SE11 4AS

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Website www.treesforcities.org

Activities

Objects: To advance the education of the public in the appreciation of trees and nature, particularly with regard to their social and environmental value by the planting, protection and promotion of trees and green spaces everywhere and in particular in towns and cities

Activities: Trees for Cities is an independent charity working with local communities on tree planting projects. Our aim is to tackle global warming, create social cohesion and beautify our cities through tree planting, community, education and training initiatives in urban areas of greatest need.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Environment/conservation/heritage, Economic/community Development/employment
- **Who:** The General Public/mankind

Geography

- Kenya
- Rwanda
- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£5,381,036	£6,174,419	£527,857	60
2024-03-31	£5,226,916	£5,779,725	£1,301,342	62
2023-03-31	£6,648,035	£6,212,016	£1,837,890	58
2022-03-31	£3,915,119	£4,041,686	£1,412,512	48
2021-03-31	£2,789,832	£3,423,236	£1,552,939	50

Trustees

Name	Role	Appointed
JANINE CAPON	Chair	2015-03-11
Alexander William MacGillivray		2021-01-12
Bella Bardswell		2022-04-19
David Mark Woodbine		2020-03-04
John Rose		2024-12-01
Julia Ann Bramley		2021-01-12
Mandip Singh Hayer		2024-04-04
Mark Foster		2025-08-01
Sarah Potter		2025-08-01

TREES FOR CITIES

England & Wales - Charity number 1032154

Accounts

Charity Registration No. 1032154

Company Registration No. 02874642



TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2025

TREES FOR CITIES (A COMPANY LIMITED BY GUARANTEE)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	B Bardswell J Bramley J Capon (Chair) S Gray (to 11 December 2024) M Foster (from 1 August 2025) M Hayer (from 4 April 2024) A MacGillivray B Miller S Potter (from 1 August 2025) J Rose (from 1 December 2024) D Woodbine S Workman (to 11 December 2024)
Chief Executive	K Sheldon
Charity number	1032154 (England and Wales)
Company number	02874642 (United Kingdom)
Principal address and Registered office	Prince Consort Lodge Kennington Park Place London SE11 4AS
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor 110 Golden Lane London EC1Y 0TG
Bankers	The Co-operative Bank p.l.c. (main day to day bankers) P.O. Box 101 1 Balloon Street Manchester M60 4EP

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TREES FOR CITIES

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2025

The Trustees are pleased to present their report and accounts for the year ended 31 March 2025.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Our Purpose, Vision and Mission

Trees for Cities empowers people to plant and care for trees in towns and cities, targeting places where they have the greatest impact for people and nature. Through trees, we connect people to nature, enrich lives and create leafy, liveable places for today and future generations.

Our vision for the world is **"Urban trees for all. Cities where everybody can live healthy lives among thriving trees, woods and nature"**. Our organisational vision is underpinned by our mission to **"Make Trees Matter"** so that they are consistently valued as an intrinsic fabric of our cities.

Objectives and Activities

Our objects, as set out in our governing document are:

"The Charity is established to advance the education of the public in the appreciation of trees and nature, particularly with regard to their social and environmental value by the planting, protection and promotion of trees and green spaces everywhere and in particular in towns and cities."

We achieve this by working closely with communities, landowners, partners and funders to deliver transformational change in towns and cities by greening neighbourhoods, sharing knowledge and enhancing skills, and running inclusive community tree planting events across the UK, particularly in areas of environmental and social deprivation. The public benefits that shape our activities continue to be environmental protection and improvement, education, and health.

In shaping our objectives for the year and planning our activities, the trustees have given consideration to the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

Achievements and Performance in 2024-25

- Planted 80,533 trees in 47 towns and cities across the UK comprising 76,795 saplings (whips), 3,654 standard trees and 84 fruit trees. Of these, 21,189 (26%) were planted in London with the next highest numbers in Cardiff, Stockton on Tees, Gateshead and Nottingham.
- Since our inception we have planted 1,954,044 trees.
- Maintained above sector average tree establishment rates, averaging 97% establishment for standard trees and 93% for woodland whips planted by TfC with volunteers in London. Establishment rates of trees planted by partners averaged 93% for standard trees and 83% for woodland whips.
- Launched flagship partnership project to improve Tree Equity in Hartlepool supported by the National Lottery Heritage Fund.
- Delivered playground projects in 67 schools (of which 35 were built in 2024/25 and completed this year) to create Healthy Playgrounds, Edible Playgrounds, Planting Healthy Air, Trees for Schools, and Sustainable Drainage System (SuDS) projects in England, Wales and Scotland.

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TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2025

- Transitioned the Trees for Streets programme into Trees for Cities and sustained 20 Council partnerships.
- Directly engaged 47,863 people comprising 13,954 volunteers through our urban forests programme, 30,032 pupils and 2,845 school staff, 1,032 tree sponsors/adopters through our Trees for Streets programme, and one urban forest trainee through the Forestry Roots programme.
- 277,748 connected with us digitally through subscribing to Tree Times, visiting our website, following us on social media and donating to urban trees.
- Invested in our internal operations, transitioning our IT provision fully onto the Cloud and moving into a new office.

Please see our 2024-25 Impact Report and our 2022-25 Turn of the Trees Strategy Report.

Plans for future periods

Plans for 2025-26 include:

- Deliver 25 community tree planting projects in 12 UK towns and cities, estimated to plant and establish at least 50k trees in neighbourhoods, schools and streets in areas of low tree equity, including flagship projects in London and Hartlepool. This includes planting our 2 millionth tree.
- Support 3,000 volunteers to plant, establish and care for urban trees through site-based engagement activities.
- Manage Trees for Streets partnerships with 20 Councils to raise sponsorship for 2,000 street trees through Trees for Streets marketing and engagement.
- Launch new Organisational Strategy to set out the Charity's strategic direction from 2025-2030 including our new strategic goal to create a Movement for Urban Trees and Tree Equity. The transition to our new strategy will involve creating plans such as:
 - A Tree Equity plan for London to influence urban forestry across the capital, positioning London as our flagship city hub.
 - Develop the building blocks for a new annual Trees for Cities campaign for tree equity.
 - Engagement and Marketing plan to influence and mobilise people to take action for trees through giving their voice, time and money.
- After a challenging financial year, we are planning further activities to improve our operational policies and procedures including:
 - Review and relaunch our planting programmes to boost their financial and operational sustainability and impact.
 - Document and embed programme, finance and fundraising policies and procedures to ensure robust approval and communication processes.
 - Invest in IT infrastructure to integrate various systems and support fundraising.
 - Develop and launch funding packages for corporate, grant and individual supporters in line with priority locations and programmes.

Financial Review

Overview

The financial year 2024–2025 was one of significant challenge, but also of resilience, learning, and strategic repositioning. Despite a deficit of £773,485, including an unplanned use of £816,296 in unrestricted reserves, we took decisive steps to reset the organisation's cost base, improve operational resilience and focus on long-term sustainability.

Total income increased slightly to £5,381,036, up £154,120 from the previous year's income of £5,226,916, reflecting the enduring support of our funders and the relevance of our mission. Expenditure rose by £394,694 to £6,174,419, compared to £5,779,725 in 2023–2024, driven by planned investments to support organisational growth and deliver on our commitments as well as inflationary pressures.

Our initial income plan for the year of £6,800,000 was ambitious. Under new leadership, we had invested in a strengthened senior management team and expanded capacity across the organisation to support this growth. However, we encountered a range of external factors - including the change in government, temporary closure of key grant programmes and increased competition for funding - as well as internal factors relating to resourcing levels and historical corporate funder management issues, meant that our increased income targets could not be met.

We reforecast quarterly and through the year we took decisive steps to reduce expenditure, saving £640,000 against planned levels. This included:

- Postponing unfunded projects
- Reducing delivery roles (four redundancies in January 2025)
- Using unrestricted reserves to honour project commitments where postponement wasn't possible

Following the year-end, we implemented a further organisational restructure, resulting in 10 additional redundancies in April 2025. These changes have significantly reduced our fixed cost base while retaining a strong core team capable of delivering impact and supporting recovery.

Due to the losses experienced, our unrestricted free reserves fell significantly below our policy minimum. This created challenges to our liquidity, agility and resilience and approach to risk as an organisation. In response, we applied a range of strategic improvements to reduce the likelihood of unplanned losses and rebuild the charity to ensure financial sustainability.

Steps already taken include:

- More frequent and risk focused board meetings
- Creation of a lower risk financial plan focused on building unrestricted reserves
- Greater scrutiny by the Trustees of funding, especially unrestricted income
- Restructured leadership and management teams to improve efficiencies and communication
- Increased working capital monitoring and management
- Seeking additional support from external organisations with expertise in charity finance
- Strengthened project management and financial processes
- Improved corporate funding management process and team

Ongoing and future work:

- Building unrestricted reserves to be in line with the minimum per our policy in the next two to three years
- Prioritisation and growth of unrestricted income in our fundraising
- Ensuring that projects and programmes are fully funded
- Maximise overhead recovery
- Contain & reduce costs where possible, seeking economies and efficiencies across the organisation
- Continued working capital monitoring and management
- Effective management of risk to offset limited adaptive capacity caused by low reserves.

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TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2025

We have also boosted our fundraising resources to ensure we meet income targets for 2025-26. The charity is well placed to benefit from environmental sector funding trends including a welcome shift by many funders towards contributing longer-term, unrestricted and core income.

We are already seeing the impact of these measures. Our income plan for 2025-26, is focused, achievable and based on realistic assumptions. It sets a target of £4,936,000 (£329,852 lower than 2024-2025) allowing for a more cautious minimum expenditure plan that supports recovery while continuing to deliver high-profile, impactful projects. This approach gives us scope to exceed income targets, rather than needing to reduce them mid-year.

The plan includes one-off restructuring costs of £154,000 and forecasts a modest unrestricted surplus of £44,000. Any additional surplus will be used to rebuild reserves and strengthen our working capital position to avoid the risk of a deficit.

By the end of September 2025, we had already secured £4,284,000 (85%) of our planned income for 2025-2026, ahead of previous years. Most income sources are expected to match last year's levels, with a planned reduction in landowner contributions due to fewer delivery projects. With the improvements made internally and grants beginning to reopen, our funding forecasts suggest we may exceed our targets. We are closely monitoring progress against income and expenditure targets and remain prepared to adapt our delivery plans to protect financial sustainability.

This has been a year of learning, adaptation and bold action. We end the year with a clear path forward, new funding partnerships in place, and renewed confidence in our ability to continue to deliver high impact work while building long-term financial resilience.

Income and Expenditure

Income by Source

Income by source	31-Mar-25	31-Mar-24
	(£)	(£)
Corporate Partners	1,415,317	2,095,201
Grants	2,620,629	1,832,299
Local Government, Landowners and Schools	991,883	1,078,287
Individuals	313,382	195,772
Other	39,825	25,357
Total income	5,381,036	5,226,916

This year marked a shift in our funding mix, with main movements in income relate to corporate partners and grants. Grants increased by £788,330 largely due to an additional round of Urban Tree Challenge Fund and a National Lottery Heritage Fund grant for our Tree Equity in Hartlepool project. Other grants stayed at similar levels to 2023-24, but new opportunities from Trusts & Foundations were limited. Corporates reduced by £679,884 due to internal corporate funder management issues. Income from individuals increased by £117,610 as a result in investment in our individual giving programme.

Donations

Donations rose by £72,736 to £1,619,944 (2023-24: £1,547,208). Growth was driven by:

- A 60% (£117,610) increase in individual donations to £313,382 (2023-24: £195,772),
- A 180% (£268,491) rise in core grants to £417,291 (2023-24: £148,800), thanks to a new unrestricted partnership with the People's Postcode Lottery through the Postcode Green Trust.

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TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2025

While corporate donations declined by £313,954 to £803,859 (2023-24: £1,117,813), the proportion of unrestricted funding from donations grew from 43% to 51%, giving us greater flexibility to deliver impact — a shift in line with our longer-term strategic plan.

Charitable Activities

Income from charitable activities increased slightly by £65,074 to £3,710,164 (2023-24: £3,645,090), with mixed performance across programmes:

- Our Urban Forest programme in London saw strong income growth (£178,218), driven by increased local government support for tree maintenance. Expenditure remained stable, reflecting slightly fewer projects being delivered compared to 2023-24, but we had increased maintenance activities relating to increased planting of standard trees, which require a longer period of watering.
- Income for the Urban Forest programme across the rest of the UK increased by £152,035, with £115,000 relating to restricted funding received in advance for our Hartlepool project. The rest of the programme remained stable overall, with grant increases from the Urban Tree Challenge Fund offsetting corporate funding reductions. Costs increased by £128,015 to £2,095,577 (2023-24: £1,967,562), largely driven by an additional round of Urban Tree Challenge Fund grants being secured in the year, a high proportion of which is passed to partners to deliver against.
- Trees for Streets, the UK's only national street tree programme, was brought fully in-house in the year, having previously been run with social enterprise Start with Local. There was a drop in income due to the end of a grant and a rise in costs due to transition investment. Activity levels were similar compared to 2023-24.
- Our Trees for Schools programme experienced reduced income of £192,791 to £896,032 (2023-24: £1,088,823), and delivery was reduced as a result, with some projects deferred to 2025-26.

Fundraising

We invested in fundraising and marketing, increasing costs by £197,890 to £698,734 (2023-24: £500,844). The majority of this related to staff costs. The allocation of time to fundraising activities in the accounts for our fundraising team in was adjusted to enable them to be more focussed on unrestricted income generation as well as investing in capacity for our corporate partnerships team. As relationships with funders can take time to nurture, the effect of this investment will really make an impact in 2025-26. We also had a more stable individual giving team and used more paid advertising in order to increase individual giving income. This returned results with income from individual giving increasing by £117,610 in the year.

Other Expenditure

Support costs increased slightly by £25,003 to £441,755, which absorbed the cost of both an office move and a major systems upgrade to the Cloud. Savings of £70,000 were made against the plan for the year in order to mitigate the reduced income compared to plan.

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TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2025

Reserves Policy

Trees for Cities holds unrestricted reserves in order to:

- mitigate against unexpected reductions in income
- provide working capital and assist with cashflow
- allow for operational deficits when future planning
- purchase capital items
- take advantage of possible opportunities or mitigate risks as they arise.

Our reserves policy is to hold no less than the cost of winding up the organisation in regard to meeting financial obligations such as redundancy, rent and contract payments.

The maximum level of unrestricted reserves that the organisation will hold will be the equivalent cost of six months of core operating expenditure (e.g. salaries, rent, contracts) plus the cost of winding up the organisation.

The ideal level of unrestricted reserves that the organisation will hold will be the equivalent to the cost of three months of core operating expenditure (e.g. salaries, rent, contracts) plus the cost of winding up the organisation.

If the unrestricted reserves exceed the maximum level, the management team will put in place a plan to spend down the additional amount unless such an amount has been ring-fenced for future investment or expansion.

The amounts for each level will be recalculated at the start of each financial year. Following the restructure, the reserve policy amounts for 2025-26 are:

- Minimum: £570,000
- Ideal: £1,200,000
- Maximum: £1,830,000

Therefore the trustees' policy, after assessing the above requirements and calculating the costs of winding up, is to hold general unrestricted reserves of between £570,000 and £1,830,000. As at the end of 2024-25 unrestricted free reserves held by the charity were £185,144.

At the end of 2024-25, total funds held by the charity were as follows:

	31-Mar-25	31-Mar-24
	(£)	(£)
Restricted	216,115	176,000
Designated	92,761	90,065
General Unrestricted	218,981	1,035,277
Total Reserves	527,857	1,301,342
Unrestricted Free Reserves	185,144	1,007,632

Details of designated and restricted funds can be found in note 22 of the financial statements. The difference between the unrestricted funds and the free reserves is due to our tangible assets, which total £33,837 (2023-24: £27,645). Unrestricted funds are reviewed by management and the Board on a monthly basis.

The Trustees are responsible for authorising the application of the charity's reserves. At all times they will have regard to restrictions placed on the application of these reserves and are responsible for ensuring that they are applied in accordance with the stated restrictions.

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TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2025

Cash

Our cash balances reduced in the year by £623,677. This was driven by the deficit in the year of 773,485 and an increase in debtors of £583,834 but was offset by an increase in creditors of £628,317. The increase in debtors and creditors is largely due to the increase in funding from the Urban Tree Challenge Fund, for which the claim is submitted at the end of the financial year.

The low level of reserves has therefore placed pressure on our cashflow. To address this for 2025-26, we have:

- Structured funding agreements to receive funds in advance where possible
- Proactively chased outstanding debt
- Implemented monthly and 13-week cashflow forecasting for early warning of potential issues.

We're also exploring additional financing options to provide further security.

So far in 2025-26, our efforts have provided positive results, with significant amounts of funding received up front meaning that cash balances have been higher than anticipated at the start of the year.

Going Concern

The trustees have carefully considered the risks associated with the lower level of unrestricted reserves held at the end of 2024-25. In response, they have taken a more extensive and proactive approach than in previous years to assess and ensure the ongoing viability of the charity. Key steps taken include:

- Increased frequency of board meetings to improve oversight and ensure early visibility of risks and mitigations
- Greater scrutiny of the fundraising pipeline for the next 18 months and progress against income targets, especially unrestricted income
- Review of detailed, monthly cashflow forecasts, providing an 18-month outlook.

The plan for 2025–2026 is conservative and achievable, forecasting a modest surplus of £44,000. This is part of a longer-term recovery plan, with three-year forecasts projecting annual surpluses of around £200,000. This strategy will gradually rebuild unrestricted reserves to policy minimum levels by March 2028, restoring financial flexibility and strengthening the organisation's ability to manage risk and seize future opportunities. Whilst higher surpluses may be achievable, and other scenarios are being prepared to this effect, we are working conservatively to ensure the charity does not overstretch its cost base.

The swift and prudent actions taken after the 2024-25 losses, conservative planning for 2025-26 and beyond, and careful cashflow management as well as the successes in fundraising so far in 2025-26 all provide the trustees with a high level of confidence in the organisation's stability. Accordingly, the trustees consider that the Charity has adequate resources to continue in operational existence for the foreseeable future and confirm that the organisation remains a going concern.

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TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2025

Investment Policy

Trees for Cities may invest funds at the discretion of the board (as per the Memorandum and Articles of Association). The trustees review the charity's cash levels and investment opportunities on an ongoing basis.

The investment objective for short-term investments (funds accessible within 12 months) is to allow funds to be readily available, and with the minimum risk.

In line with this objective, cash is held in bank accounts that allow instant access. During the year, funds were held with the Co-operative Bank and CAF Bank. Cash was also held with Triodos Bank and on the Flagstone platform (where money was invested in nine different banks during the year) across a mixture of fixed term (maximum 12 months) and notice period accounts.

Should the trustees consider that cash reserves sufficiently exceed the level required to finance the charity's forthcoming activities in a sustainable way, funds may be invested on a longer-term basis to generate further cash for the charity.

The investment objective for long-term investments (funds not accessible within 12 months) will be to generate a return in excess of inflation over the long-term, and to minimise risk by spreading investments across more than one asset class.

The trustees have set ethical criteria for long-term investments, primarily that Trees for Cities will not invest in companies whose actions run counter to the charity's own charitable objectives.

We hold a discretionary investment portfolio of 100% government backed bonds with Quilter Cheviot Limited Jersey, with a value of £158,576 at 31 March 2025. This investment is very low risk, and the cash can be withdrawn with a few days' notice, however we plan to draw these down as they mature. During the year, we drew down on our investment holdings with two medium risk funds - the first with Sarasin Investment Funds Limited, resulting in a net gain in the year of £6,331, and the second with M&G Investments resulting in a net gain in the year of £7,686. Alongside the gains in value in our Quilter Cheviot bonds, our investments gained £19,898 in value in the year (see Note 14).

Principal Risks and Uncertainties

The trustees and senior management team identify and agree the key risks facing the charity at the start of each financial year and enter them onto a risk register under categories of external, financial, operational and governance, each with low, medium, medium/high and high levels of risk. Each risk is assessed according to its likelihood and potential impact, and appropriate mitigating actions and implementation procedures are agreed. We discuss risk management annually in detail with our Finance & Risk sub-committee, and we review and share the risk register quarterly with trustees at each board meeting to discuss the effectiveness of our risk management and identify and new key risks. The principal net risks under each category are currently as follows:

Category	Description of Gross Risk	Mitigating Actions	Net Risk Level
Financial	Unrestricted reserves below minimum level in our policy, which puts strain on our cash position.	- Heightened focus on financial risk management with a low-risk approach to planning e.g. through conservative weightings on funding outcomes, monthly cashflow management, negotiation of payment terms. 3-year planning to rebuild reserves. - External advice sought from charity finance experts. - Income prioritisation across the charity.	High

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TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2025

		Finance Policy and Procedures manual being developed and implemented across teams, particularly fundraising, to ensure full cost recovery.	
Operational	High staff turnover, increasing risk of losing key staff and strain on workforce.	- Employee Value Proposition in place to attract, recruit, develop and retain talent. - Salary benchmarking to ensure competitiveness in the sector. - Staff benefits package aligned to team including employee healthcare package and learning & development platform with free online training modules. - Staff manual and HR policies and procedures to support organisational team health including line management support, staff Mental Health & Wellbeing committee. - Documented systems and processes across projects to ensure robust decision-making. - Annual team structure review in line with annual business plans.	High
External	Climate changes affect availability of tree stock and tree establishment	- Plan for uncertain seasonality including flexibility to increase watering and maintenance checks during hot periods. - Tree establishment checks and health assessments in autumn. - Informed tree species selection and robust establishment practices.	Medium /High
Governance	Chair of Trustees reaching end of second term, which risks destabilising Board leadership	Recruitment plan for new Chair of Trustees in development.	Medium

Fundraising

Trees for Cities aims to raise funds in a respectful way that is consistent with our values. The charity is registered with the Fundraising Regulator. In all our fundraising we work diligently to comply with the Code of Fundraising Practice and to uphold the standards it promotes. No complaints were received in the year.

Trees for Cities has a safeguarding policy which commits the charity to ensuring that all children and adults who use our services are not abused and that working practices minimise the risk of abuse. All Trees for Cities staff and volunteers have a duty to identify abuse and report it. All staff are given annual training on our safeguarding procedures by our designated safeguarding lead.

Trees for Cities rarely contracts out or outsources fundraising activities to third parties. Where a member of the public raises funds for the charity through a self-arranged event or where third parties undertake fundraising activities, Trees for Cities will ensure that any messaging and materials used are in line with charity standards.

Structure, Governance and Management

The charity was constituted as a company limited by guarantee, established on 24 November 1993, and is governed by its Memorandum and Articles of Association.

In December 2024, Trees for Cities brought all operations for the Trees for Streets programme in house. Trees for Streets was established in 2020 as a programme jointly delivered with Start with Local. As part of this change, a member of staff from Start with Local transferred to the Trees for Cities and a fee was agreed with Start with Local for the Charity to obtain sole ownership of the intellectual property of the programme. As the programme becomes increasingly well established, we believed that efficiencies could be gained from moving the programme fully in house.

The board of trustees administers the charity. The trustees are directors for the purpose of company law. All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 9 to the accounts.

The board of trustees may use sub committees to consider some areas in more detail. The board remains the decision maker and considers all areas as recommended by the Charities Commission. Trees for Cities operates a finance and audit sub-committee, chaired by the Treasurer, which reviews and makes recommendations to the board of trustees in relation to annual budgets, salaries, cash, investments, reserves, accounting policies and controls.

The Chief Executive is appointed by the trustees to manage the day to day running of the charity and delegates as necessary to the senior management team. The board of trustees is responsible for governance and assists with strategy and policy.

The Chair of the board of trustees is appointed by the trustees.

The charity's trustees are:

I Bardswell
J Bramley
J Capon (Chair)
M Foster (appointed 1 August 2025)
M Hayer (appointed 4 April 2024)
A MacGillivray
B Miller
J Rose (appointed 1 December 2024)
S Potter (appointed 1 August 2025)
D Woodbine (Treasurer)

S Workman and S Gray served during the year and resigned on 11 December 2024 at the end of their terms.

Trustee Recruitment, Induction and Training

Trees for Cities undertakes a Board Skills Audit approximately every three years in line with the development of the strategic plan. The audit is used to determine if any new skills and experience are required at Board level to deliver the new plan. A Board skills audit in June 2024 led to subsequent recruitment of two new trustees with skills related to HR and urban forestry. Since then, we have recruited two further new trustees with skills in fundraising, marketing and individual giving to replace an outgoing trustee.

Should any further gaps in skills or knowledge be identified and a new trustee position is required, a recruitment process will be undertaken. Recruitment is open to all sections of the community, and candidates are interviewed by existing trustees and appointed on merit based on a majority decision.

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New trustees are made aware of their legal obligations, the content of the Memorandum and Articles of Association, the Charity's history, culture and philosophical approach, the current year's business and financial plan. New trustees also receive a copy of the most recent Annual Report and statutory accounts, and an induction pack including information published by the Charity Commission with the opportunity to discuss them through induction meetings.

Remuneration Policy for Key Management Personnel

Trees for Cities is an equal opportunities employer and applies objective criteria to assess merit. The Board sets the terms and conditions for staff on an annual basis. A salary benchmarking process is undertaken every year to assess each role in the external market, to ensure that the charity is paying all employees, including senior management, fairly and competitively for similar roles within the sector.

Data Protection – General Data Protection Regulations

The General Data Protection Regulations (GDPR) became law in May 2018. The regulations set out the responsibilities of all organisations in relation to the personal data that they collect and hold and are designed to enhance the rights of individuals in controlling their own data.

Trees for Cities places great importance on the security of supporter data and personal information. The charity is registered with the Information Commissioners Office and has introduced a programme that will enable demonstration of compliance with the spirit and intention of GDPR, with the required management structures in place to manage data risks and integrate governance of these risks into daily management.

For information on how the charity uses and protects personal data, please see our Privacy Policy: <https://www.treesforcities.org/privacy-policy>.

Information Security

The confidentiality, integrity and availability of information, in all its forms, are critical to the charity's work. In 2018 the information security policy was updated to bring it in line with GDPR legislation.

Anti-Fraud, Anti-Bribery and Anti-Corruption Policy

Robust internal financial controls and financial management are essential to protect the charity against increasingly prevalent threats from external fraudulent activities and from any internal risk of funding misappropriation. Trees for Cities' system of internal controls is based on an ongoing process designed to identify the principal risks, to evaluate the nature and extent of those risks, and to manage them effectively. The controls have been undergoing a full review, due to be completed in 2025.

The charity's anti-fraud, bribery and corruption policy specifies the controls and procedures required to prevent and detect fraud and dishonesty, investigate any allegations that arise, and take appropriate action where necessary. It also stipulates procedures for due diligence and verifying the end use of charitable funds to minimise exposure to risk when passing charitable funds to external partners.

Sustainability

Trees for Cities is committed increasing its environmental sustainability. To help Trees for Cities achieve sustainability objectives, a comprehensive Environmental Management System is being developed to set operational standards across the organisation. We are establishing a Sustainability Committee that meets quarterly to review strategies, and further improve our operations to meet environmental targets, with the support of Sustainability Champions to drive company-wide improvement.

TREES FOR CITIES

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2025

To help create our sustainability targets and monitor progress, in 2023-24, we commissioned an independent Eco Audit, which highlighted that that we achieved zero Scope 2 emissions from our operational electricity use avoiding the emittance of 3 tons of CO₂ annually, and achieved a 70% recycling rate. The report also highlighted areas of improvement, including energy efficiency improvements which are being made at one of our premises. We'll continue to review our progress and implement improvement measures as we further develop our near-term sustainability targets along with long term sustainability goals, as part of creating the as part of the 2025-2030 Organisational strategy.

Statement of Responsibilities of the Trustees

The trustees (who are also directors of Trees for Cities for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice 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 charity will continue in operation.

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

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2025 was 8 (2024: 9). The trustees are members of the charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

TREES FOR CITIES

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2025

Auditor

Sayer Vincent LLP continued as the charitable company's auditor during the year, as approved by the board of trustees.

The trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on date and signed on their behalf by:

D Woodbine
Treasurer

Dated: 13 November 2025

TREES FOR CITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TREES FOR CITIES

Opinion

We have audited the financial statements of Trees for Cities (the 'charitable company') for the year ended 31 March 2025 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Trees for Cities' ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives

TREES FOR CITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TREES FOR CITIES

rise to a material misstatement in the financial statements themselves. 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The 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; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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 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 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

TREES FOR CITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TREES FOR CITIES

from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to;
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

TREES FOR CITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TREES FOR CITIES

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. 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.

Fleur Holden (Senior statutory auditor)

21 November 2025

for and on behalf of Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

TREES FOR CITIES

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2025

	Note	Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
Income from:							
Donations	2	824,234	795,710	1,619,944	669,746	877,462	1,547,208
Charitable activities	3						
Urban forests - London		440,997	443,861	884,858	308,480	398,160	706,640
Urban forests - Other UK cities		122,016	1,518,864	1,640,880	436,221	1,052,624	1,488,845
Trees for Streets		288,394	-	288,394	284,435	76,347	360,782
Trees for schools		431,768	464,264	896,032	822,618	266,205	1,088,823
Other trading activities	4	16,343	-	16,343	9,261	-	9,261
Investments	5	34,585	-	34,585	25,357	-	25,357
Total income		2,158,337	3,222,699	5,381,036	2,556,118	2,670,798	5,226,916
Expenditure on:							
Raising funds	6a	516,583	182,151	698,734	442,421	58,423	500,844
Charitable activities							
Urban forests - London		509,462	637,373	1,146,835	340,408	797,817	1,138,225
Urban forests - Other UK cities		367,281	1,728,296	2,095,577	630,116	1,337,446	1,967,562
Urban forests - International		41,286	-	41,286	29,664	-	29,664
Trees for Streets		608,449	-	608,449	364,352	112,084	476,436
Trees for Schools		948,774	634,764	1,583,538	991,104	675,890	1,666,994
Total expenditure		2,991,835	3,182,584	6,174,419	2,798,065	2,981,660	5,779,725
Net income / (expenditure) before net gains / (losses) on investments		(833,498)	40,115	(793,383)	(241,947)	(310,862)	(552,809)
Net gain /(losses) on investments		19,898	-	19,898	16,261	-	16,261
Net movement in funds (being net (expenditure) / income for the year)		(813,600)	40,115	(773,485)	(225,686)	(310,862)	(536,548)
Reconciliation of funds:							
Total funds brought forward		1,125,342	176,000	1,301,342	1,351,028	486,862	1,837,890
Total funds carried forward		311,742	216,115	527,857	1,125,342	176,000	1,301,342

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 22a to the financial statements.

BALANCE SHEET

AS AT 31 MARCH 2025

	Note	£	2025 £	Restated 2024 £
Fixed assets:				
Tangible assets	13		33,837	27,645
Investments	14		161,935	388,723
			<u>195,772</u>	<u>416,368</u>
Current assets:				
Debtors	15	2,990,643		2,406,722
Short term deposits		31		506,874
Cash at bank and in hand		335,174		452,008
			<u>3,325,848</u>	<u>3,365,604</u>
Liabilities:				
Creditors: amounts falling due within one year	16	(2,993,763)		(2,480,630)
			<u>332,085</u>	<u>884,974</u>
Net current assets			<u>332,085</u>	<u>884,974</u>
Total net assets			<u>527,857</u>	<u>1,301,342</u>
The funds of the charity:	22a			
Restricted income funds			216,115	176,000
Unrestricted income funds:				
Designated funds		92,761		90,065
General funds		218,981		1,035,277
			<u>311,742</u>	<u>1,125,342</u>
Total unrestricted funds			<u>311,742</u>	<u>1,125,342</u>
Total charity funds			<u>527,857</u>	<u>1,301,342</u>

Approved by the trustees on 13 November 2025 and signed on their behalf by

D Woodbine
Treasurer

TREES FOR CITIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	2025		Restated	
	£	£	2024	£
Cash flows from operating activities				
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(773,485)		(536,548)	
Depreciation charges	22,808		13,992	
(Gains)/losses on investments	(19,898)		(16,261)	
Dividends and interest from investments	(34,585)		(25,357)	
Loss on the disposal of fixed assets				
Increase in debtors	(583,921)		(539,894)	
(Decrease)/increase in creditors	513,133		(269,427)	
Net cash used in operating activities	(875,948)		(1,373,495)	
Cash flows from investing activities:				
Dividends and interest from investments	34,585		25,357	
Proceeds from the sale of fixed assets	-		-	
Purchase of fixed assets	(29,000)		(26,490)	
Proceeds from sale of investments	246,686		192,000	
Purchase of investments	-		(225,000)	
Net cash provided by/(used in) investing activities	252,271		(34,133)	
Change in cash and cash equivalents in the year	(623,677)		(1,407,628)	
Cash and cash equivalents at the beginning of the year	958,882		2,366,510	
Cash and cash equivalents at the end of the year	335,205		958,882	

Analysis of cash and cash equivalents

	At 1 April 2024	Cash flows	Other non-cash changes	At 31 March 2025
	£	£	£	£
Short term deposits	506,874	(506,843)	-	31
Cash at bank and in hand	452,008	(116,834)	-	335,174
Cash and cash equivalents	958,882	(623,677)	-	335,205

TREES FOR CITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

a) Statutory information

Trees for Cities is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address and principal place of business is Prince Consort Lodge, Kennington Park Place, London, SE11 4AS.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. Please refer to the trustees' annual report, specifically the financial review and the reserves policy where it sets out how the charity is operating within its reserves policy target levels of reserves.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

When donors specify that incoming resources given to the charity must be used in future accounting periods, the income is deferred to those periods.

When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that incoming resources are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

TREES FOR CITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies (continued)

f) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

g) Expenditure and irrecoverable VAT

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

Costs of raising funds are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support the activities of the charity.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Raising Funds	18.80%
Urban forests - London	25.67%
Urban forests - Other UK cities	18.21%
Urban forests - International	1.16%
Trees for Streets	9.22%
Trees for schools	26.94%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

TREES FOR CITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies (continued)

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

plant and machinery	3 years
fixtures, fittings and equipment	3-5 years
motor vehicles	3 years

l) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

m) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

n) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

p) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

q) Financial instruments

The charity only 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 their settlement value.

r) Pensions

The charity operates a defined contribution pension scheme. Contributions payable for the year are charged in the Statement of Financial Activities as they fall due.

s) Employee benefits

Termination benefits are recognised as an expense when the charity is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the charity has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

TREES FOR CITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

2 Income from donations

	Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
Donations - individuals	283,382	30,000	313,382	195,772	-	195,772
Donations - trusts & foundations	73,912	11,500	85,412	76,403	8,420	84,823
Donations - corporate partners	154,440	649,419	803,859	275,571	842,242	1,117,813
Grants - other	312,500	104,791	417,291	122,000	26,800	148,800
	824,234	795,710	1,619,944	669,746	877,462	1,547,208

3 Income from charitable activities

	Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
Corporate partners	165,929	50,751	216,680	108,008	72,488	180,496
Grants	22,833	217,658	240,491	4,073	224,968	229,041
Local government	252,235	175,452	427,687	196,399	100,704	297,103
Urban forests - London	440,997	443,861	884,858	308,480	398,160	706,640
Corporate partners	122,016	34,606	156,622	435,777	-	435,777
Grants	-	1,484,258	1,484,258	-	1,052,624	1,052,624
Local government	-	-	-	444	-	444
Urban forests - Other UK cities	122,016	1,518,864	1,640,880	436,221	1,052,624	1,488,845
Corporate partners	29,750	-	29,750	50,321	-	50,321
Grants	-	-	-	-	76,347	76,347
Local government	258,644	-	258,644	234,114	-	234,114
Trees for Streets	288,394	-	288,394	284,435	76,347	360,782
Corporate Partners	190,500	6,803	197,303	276,533	25,000	301,533
Grants	-	393,177	393,177	-	240,664	240,664
Schools	54,464	-	54,464	124,975	-	124,975
Local government	186,804	64,284	251,088	421,110	541	421,651
Trees for Schools	431,768	464,264	896,032	822,618	266,205	1,088,823
Total income from charitable activities	1,283,175	2,426,989	3,710,164	1,851,754	1,793,336	3,645,090

Five (2024: Four) government grants were claimed for from the Forestry Commission for four Urban Tree Challenge Funds for the planting and maintenance of trees in the UK. These were allocated to our London and UK Urban Forests programmes, and totalled £1,338,857 (2024: £913,573).

TREES FOR CITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

4 Income from other trading activities

	Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
Sponsorship of projects	11,103	-	11,103	9,261	-	9,261
Rent recharges	5,240	-	5,240	-	-	-
	16,343	-	16,343	9,261	-	9,261

5 Income from investments

	Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
Fixed interest securities	1,614	-	1,614	3,215	-	3,215
Bank interest	32,971	-	32,971	22,142	-	22,142
	34,585	-	34,585	25,357	-	25,357

TREES FOR CITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

6a Analysis of expenditure (current year)

	Charitable activities								2025 Total £	2024 Total £
	Raising funds £	Urban forests - London £	Urban forests - other cities £	Urban forests - international £	Trees for Streets £	Trees for Schools £	Governance costs £	Support costs £		
Staff costs (Note 9)	497,744	679,632	482,123	30,712	244,106	713,256	70,674	-	2,718,247	2,420,560
Depreciation	-	7,748	-	-	-	7,748	-	7,312	22,808	13,992
Fundraising costs	99,736	-	-	-	-	-	-	-	99,736	59,700
Direct activity costs - grants	-	85,085	1,209,281	-	7,000	-	-	-	1,301,366	859,472
Direct activity costs - internal delivery of projects	-	230,475	144,707	3,106	40,327	190,431	-	-	609,046	645,368
Direct activity costs - external delivery of projects	-	6,297	161,855	1,250	267,594	527,697	-	-	964,693	1,339,700
Audit	-	-	-	-	-	-	18,500	-	18,500	14,950
Facilities	-	-	-	-	-	-	-	151,493	151,493	159,543
HR	-	-	-	-	-	-	-	128,842	128,842	124,859
Rent	-	-	-	-	-	-	-	60,334	60,334	59,234
Other costs	481	-	-	-	-	-	5,099	93,774	99,354	82,347
	597,961	1,009,237	1,997,966	35,068	559,027	1,439,132	94,273	441,755	6,174,419	5,779,725
Support costs	83,050	113,398	80,444	5,124	40,730	119,009	-	(441,755)	-	-
Governance costs	17,723	24,200	17,167	1,094	8,692	25,397	(94,273)	-	-	-
Total expenditure 2025	698,734	1,146,835	2,095,577	41,286	608,449	1,583,538	-	-	6,174,419	
Total expenditure 2024	500,844	1,138,225	1,967,562	29,664	476,436	1,666,994	-	-		5,779,725

TREES FOR CITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

6b Analysis of expenditure (prior year)

	Charitable activities								2024 Total £
	Raising funds £	Urban forests - London £	Urban forests - other cities £	Urban forests - international £	Trees for Streets £	Schools £	Governance costs £	Support costs £	
Staff costs (Note 9)	365,881	648,078	497,589	25,676	135,987	704,184	43,165	-	2,420,560
Depreciation	-	6,644	-	-	-	6,645	-	703	13,992
Fundraising costs	59,700	-	-	-	-	-	-	-	59,700
Direct activity costs - grants	-	26,100	790,296	-	43,076	-	-	-	859,472
Direct activity costs - internal delivery of projects	-	278,943	108,344	-	62,499	195,582	-	-	645,368
Direct activity costs - external delivery of projects	-	46,513	470,026	(1,240)	207,188	617,213	-	-	1,339,700
Audit	-	-	-	-	-	-	14,950	-	14,950
Facilities	-	-	-	-	-	-	-	159,543	159,543
HR	-	-	-	-	-	-	-	124,859	124,859
Rent	-	-	-	-	-	-	-	59,234	59,234
Other costs	771	-	-	-	-	-	9,163	72,413	82,347
	426,352	1,006,278	1,866,255	24,436	448,750	1,523,624	67,278	416,752	5,779,725
Support costs	64,138	113,607	87,226	4,501	23,838	123,442	-	(416,752)	-
Governance costs	10,354	18,340	14,081	727	3,848	19,928	(67,278)	-	-
Total expenditure 2024	500,844	1,138,225	1,967,562	29,664	476,436	1,666,994	-	-	5,779,725

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

7 Grant making

Cost	2025 £	2024 £
Urban Tree Challenge Fund - Round 1	24,187	11,636
Urban Tree Challenge Fund - Round 3	175,713	179,402
Urban Tree Challenge Fund - Round 4	201,609	192,575
Urban Tree Challenge Fund - Round 5	528,032	338,494
Urban Tree Challenge Fund - Round 6	217,905	-
Mayor's Tree programme	7,000	43,076
Trees for Climate Action	61,835	68,189
GLA - Urban Tree Challenge Fund match	85,085	26,100
At the end of the year	1,301,366	859,472

The Urban Tree Challenge Fund is a multi year grant from the Forestry Commission and round one funding was passed to 3 partners (2024: 5), round three to 6 partners (2024: 8), round four to 9 partners (2024: 10) and round five to 10 partners (2024: 7) for planting and/or maintenance. Round six was passed to 6 partners for planting in 2024-25 (2024: nil). The Greater London Authority also granted Urban Trees Challenge Fund money to pass to 0 London partners (2024: 2). The Mayor's Tree programme is a Greater London Authority multi year grant and funds were passed to 2 councils (2024: 4) in order to boost street tree planting activity. Trees for Climate Action is a multi year grant from the National Lottery Community Fund, funding engagement only projects. Funding was passed to 1 partners in 2024-25 (2024: 1). The grants are part of our UK and Trees for Streets activities and support costs are allocated in note 6a and 6b. There was some overlap of partners between grants, with a total of 27 different council partners (2024: 22), and 2 other institutional partners being passed grants (2024: 4).

The grants were split as follows between council partners and other institutional partners:

	Number of council partners No.	Number of other institutional partners No.	Paid to council partners £	Paid to other institutional partners £
Urban Tree Challenge Fund - Round 1	3	-	24,187	-
Urban Tree Challenge Fund - Round 3	6	2	154,365	21,348
Urban Tree Challenge Fund - Round 4	9	-	201,609	-
Urban Tree Challenge Fund - Round 5	10	-	528,032	-
Urban Tree Challenge Fund - Round 6	6	-	213,270	4,635
Mayor's Tree programme	1	-	7,000	-
Trees for Climate Action	-	1	-	61,835
GLA - Urban Tree Challenge Fund match	2	-	85,085	-
Total	37	3	1,213,548	87,818

8 Net expenditure/(income) for the year

This is stated after charging / (crediting):

	2025 £	2024 £
Depreciation	22,808	13,992
Operating lease rentals payable:		
Property	32,314	41,775
Other	-	-
Auditor's remuneration (excluding VAT):		
Audit	18,500	14,950
Other services	2,449	1,697

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

9 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2025 £	2024 £
Salaries and wages	2,377,493	2,102,917
Social security costs	217,542	207,534
Employer's contribution to defined contribution pension schemes	123,212	110,109
	2,718,247	2,420,560

Redundancy payments made or committed during the year amounted to £15,059 (2024: £0).

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2025 No.	2024 No.
£60,000 - £69,999	3	1
£80,000 - £89,999	1	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £495,824 (2024: £431,554).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2024: £nil). No charity trustee received payment for professional or other services supplied to the charity (2024: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £381 (2024: £1,012) incurred by members relating to attendance at meetings of the trustees, and costs relating to board meetings and trustee gifts, totalling £2,269 (2024: £6,418)

10 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 60 (2024: 62).

Staff are split across the activities of the charity as follows (full time equivalent basis):

	2025 No.	2024 No.
Fundraising and public relations	9.6	7.9
Urban forests - London	15.7	15.8
Urban forests - UK Cities	10.0	11.4
Urban forests - International	0.4	0.5
Trees for Streets	4.3	3.3
Trees for Schools	15.9	16.9
	55.9	55.8

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

11 Related party transactions

There are no related party transactions to disclose for this financial year (2024: none).

12 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

13 Tangible fixed assets

	Motor vehicles £	Plant & machinery £	Fixtures, fittings & equipment £	Total 2024 £
Cost				
At the start of the year	81,891	18,022	6,348	106,261
Additions in year	-	-	29,000	29,000
Disposals in year	-	(14,721)	-	(14,721)
At the end of the year	81,891	3,301	35,348	120,540
Depreciation				
At the start of the year	54,246	18,022	6,348	78,616
Charge for the year	15,497	-	7,311	22,808
Eliminated on disposal	-	(14,721)	-	(14,721)
At the end of the year	69,743	3,301	13,659	86,703
Net book value				
At the end of the year	12,148	-	21,689	33,837
At the start of the year	27,645	-	-	27,645

All of the above assets are used for charitable purposes.

14 Listed investments

	2025 £	2024 £
Fair value at the start of the year	388,723	339,462
Additions at cost	-	225,000
Disposal proceeds	(246,686)	(192,000)
Revaluation during the year	19,898	16,261
	161,935	388,723
Cash held by investment broker pending reinvestment	7,063	5,940
Fair value at the end of the year	168,998	394,663
Investments comprise:		
	2025 £	2024 £
UK fixed interest bonds	158,095	152,211
Investment funds	3,840	236,512
Cash	7,063	5,940
	168,998	394,663
	32	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

15 Debtors

	2025 £	2024 £
Trade debtors	2,302,068	2,086,187
Prepayments and accrued income	688,575	320,535
	2,990,643	2,406,722

16 Creditors: amounts falling due within one year

	2025 £	Restated 2024 £
Trade creditors	171,028	178,751
Taxation and social security	138,837	110,682
Grant accruals	1,826,412	952,018
Other accruals	526,647	926,151
Deferred income (note 17)	217,454	281,783
Provision for liabilities	88,995	18,275
Other creditors	24,391	12,970
	2,993,763	2,480,630

17 Deferred income

Deferred income comprises funding for projects being delivered in 2025-26, including urban forest projects £30,483 (2024: £79,551), schools £132,500 (2024: £194,232), and other income £54,471 (2024: nil).

	2025 £	2024 £
Balance at the beginning of the year	281,783	649,244
Amount released to income in the year	(267,688)	(582,856)
Amount deferred in the year	203,359	215,395
	217,454	281,783

18 Cash held under agent agreement

Under the Trees for Streets programme council sponsorship holdings are received from sponsors. These will be passed to councils, less an administration fee once the trees have been planted. The cash is held under an agency agreement. In previous years the cash was instead held under creditors. The prior year cash and creditors figures have been restated in this set of accounts. There is no impact on other balances, income, expenditure, or the result for the year.

	2025 £	Restated 2024 £
	766,291	375,865

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

19 Contingent liability

The charity has recognised the replanting of trees due to unforeseen events, such as extreme weather or vandalism, as a contingent liability. It is taken into account when planning our unrestricted reserves levels. As the amount cannot be estimated reliably and as the charity may not be liable for the costs, depending on the original planting delivery method, we have not included it as a provision.

20 Pension scheme

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund as detailed below. Contributions of £17,656 (2024: £17,320) were outstanding at 31 March 2025.

	2025 £	2024 £
Contributions payable by the charity for the year	123,212	110,109

21a Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	33,837	-	-	33,837
Investments	161,935	-	-	161,935
Net current assets	3,016,972	92,761	216,115	3,325,848
Creditors: amounts falling due within one year	(2,993,763)	-	-	(2,993,763)
Net assets at 31 March 2025	218,981	92,761	216,115	527,857

21b Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	27,645	-	-	27,645
Investments	388,723	-	-	388,723
Net current assets	3,475,404	90,065	176,000	3,741,469
Creditors: amounts falling due within one year	(2,856,495)	-	-	(2,856,495)
Net assets at 31 March 2024	1,035,277	90,065	176,000	1,301,342

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

22a Movements in funds (current year)

	At 1 April 2024 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2025 £
Restricted funds:					
Urban forests - London	86,094	443,861	(436,477)	-	93,478
Urban forests - UK Cities	-	1,518,864	(1,403,680)	-	115,184
Trees for Streets	-	-	-	-	-
Trees for Schools	50,000	464,264	(514,264)	-	-
Donations and legacies	39,906	795,710	(828,163)	-	7,453
Total restricted funds	176,000	3,222,699	(3,182,584)	-	216,115
Unrestricted funds:					
Designated funds:					
Pilot projects	-	-	-	29,032	29,032
Environmental offsetting	90,065	-	(26,336)	-	63,729
Total designated funds	90,065	-	(26,336)	29,032	92,761
General funds	1,035,277	2,158,337	(2,945,601)	(29,032)	218,981
Total unrestricted funds	1,125,342	2,158,337	(2,971,937)	-	311,742
Total funds	1,301,342	5,381,036	(6,154,521)	-	527,857

The narrative to explain the purpose of each fund is given at the foot of the note below.

22b Movements in funds (prior year)

	At 1 April 2023 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2024 £
Restricted funds:					
Urban forests - London	194,787	398,160	(506,853)	-	86,094
Urban forests - UK Cities	4,343	1,052,624	(1,056,967)	-	-
Trees for Streets	10,000	76,347	(86,347)	-	-
Trees for Schools	206,204	266,205	(422,409)	-	50,000
Donations and legacies	71,528	877,462	(909,084)	-	39,906
Total restricted funds	486,862	2,670,798	(2,981,660)	-	176,000
Unrestricted funds:					
Designated funds:					
Environmental offsetting	128,511	-	(38,446)	-	90,065
Total designated funds	128,511	-	(38,446)	-	90,065
General funds	1,222,517	2,556,118	(2,743,358)	-	1,035,277
Total unrestricted funds	1,351,028	2,556,118	(2,781,804)	-	1,125,342
Total funds	1,837,890	5,226,916	(5,763,464)	-	1,301,342

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

22 Movements in funds (continued)

Purposes of restricted funds

Restricted funds for Urban Forests programmes primarily relate to funding that has been received in advance for projects planted in 2024-25 but with maintenance activities planned in future years, projects that have been planned for 2025-26, or been delayed from 2024-25 and will be delivered in 2025-26. Within this balance is funding received in advance from the National Lottery Heritage Fund for the Tree Equity for Hartlepool project which started in March 2025.

Restricted funds for Trees for Schools relate to funding that has been received in advance for projects that have either been planned for 2025-26, or been delayed from 2024-25 and will be delivered in 2025-26.

Donations and legacy restricted funds comprise a donation in 2021-22 from UPS (£7,453). This is restricted to an electric vehicle purchase, which was purchased in 2023-24. The remaining balance is to cover depreciation costs in future years.

Purposes of designated funds

The designated fund relates to our offsetting work, setting aside money for future costs over five years relating to verification and monitoring for trees planted in 2021-22 and 2022-23.

We have also designated funds for UK projects planted in 2024-25 where we will be funding maintenance activities in future years.

23 Operating lease commitments payable as a lessee

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Land and buildings	
	2025	2024
	£	£
Less than one year	5,000	29,517
One to five years	5,000	15,000
	10,000	44,517

24 Legal status of the charity

The charity is a company limited by guarantee and is under the control of the board of Trustees. The liability of each member in the event of winding up is limited to £1.

TREES FOR CITIES

England & Wales - Charity number 1032154

Accounts

Charity Registration No. 1032154

Company Registration No. 02874642



**TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2024**

TREES FOR CITIES (A COMPANY LIMITED BY GUARANT EE)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	B Bardswell J Capon (Chair) S Gray M Hayer (from 4 April 2024) A MacGillivray B Miller A Shah (to 24 May 2024) J Thrift D Woodbine S Workman
Chief Executive	K Sheldon
Charity number	1032154 (England and Wales)
Company number	02874642 (United Kingdom)
Principal address and Registered office	Prince Consort Lodge Kennington Park Place London SE11 4AS
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor 110 Golden Lane London EC1Y 0TG
Bankers	The Co-operative Bank p.l.c. (main day to day bankers) P.O. Box 101 1 Balloon Street Manchester M60 4EP

TREES FOR CITIES TRUST EES' REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024 CONTENTS

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TREES FOR CITIES

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2024

The Trustees are pleased to present their report and accounts for the year ended 31 March 2024.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Our Mission

'To improve people's lives by planting trees in towns and cities'

Trees for Cities is the only UK charity working at a national and international scale to improve lives by planting trees in cities. We get stuck in with local communities to cultivate lasting change in their neighbourhoods – whether it's revitalizing forgotten spaces, creating healthier environments or getting people excited about growing, foraging and eating healthy food.

Objectives and Activities (including Achievements and Performance)

Our organisational goal is to create healthy, accessible, functional and resilient urban forests created for today and future generations.

Trees for Cities wants to enable and inspire a new generation of individuals and communities who are both resourced and motivated to plant, protect and promote urban trees. We do this by working closely with landowners, partners and funders to deliver transformational change in towns and cities – inspiring the next generation by greening schools, sharing ideas and knowledge and running inclusive community tree planting events across the UK.

Our objects, as set out in our governing document are:

"The Charity is established to advance the education of the public in the appreciation of trees and nature, particularly with regard to their social and environmental value by the planting, protection and promotion of trees and green spaces everywhere and in particular in towns and cities."

The public benefits that shape our annual activities continue to be environmental protection and improvement, education, and health.

In shaping our objectives for the year and planning our activities, the trustees have given consideration to the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

TREES FOR CITIES

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2024

What we achieved in 2023-24:

- Planted 116,772 trees (planned 153,000) in 44 towns and cities across the UK comprising:
 - 35,982 trees (34,999 whips, 975 standards and 8 fruit trees) across 15 community projects in seven London Boroughs
 - 79,184 trees (72,090 whips, 6,949 standards, 145 fruit trees) in 42 other towns and cities, including 2,753 trees through the Urban Tree Challenge Fund.
 - 1,606 trees through Trees for Streets
- To date we have planted 1,873,511 trees.
- We held a 30th anniversary event in Horsenden Home Farm, Ealing.
- Delivered playground projects in 35 schools to create Healthy Playgrounds, Edible Playgrounds, Planting Healthy Air, Trees for Schools, and Sustainable Drainage System (SuDS) projects. These were carried out in Bradford, Cardiff, Glasgow, Leicester and London spanning England, Wales and Scotland. Engagement activities in an additional 30 schools where we delivered last year.
- Grew the Trees for Streets programme, increasing the number of Councils using the platform from 16 to 20. Growth was supported by a grant from the Mayor of London.
- We engaged 39,333 people comprising 9,522 volunteers through our urban forests programme, 26,736 pupils and 3,075 school staff.

Plans for future periods

Plans for 2024-25 include:

- Plant 130,000 urban trees where they are needed most in 20 towns and cities across the UK and overseas comprising:
 - at least 35,000 trees across 15 community projects in London including estate greening projects, park projects and woodland creation projects.
 - at least 90,000 trees at least 17 towns and cities across the UK comprising a planting mix of whips, standards and fruit trees.
 - Plant and establish at least 175 standard trees and 5,000 whips in schools
- Develop, design and deliver 45 schools projects in at least seven cities across the UK, comprising a mix of Healthy Playgrounds, Edible Playgrounds, Planting Healthy Air, Trees for Schools, and Sustainable Drainage System (SuDS) projects.
- Continue to on board new Councils for Trees for Streets to secure partnerships with 27 local authorities by the end of the year (7 new) to raise sponsorship for circa 3,240 street trees.
- Complete our year of 30th Anniversary celebrations, culminating in engaging our 200,000th person to plant our two millionth urban tree.
- Create a new Organisational Strategy to set out the Charity's strategic direction from 2025-2030.

TREES FOR CITIES

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2024

Financial Review

The Statement of Financial Activities (SoFA), Balance sheet and Statement of cash flows have been prepared in accordance with the Charities SORP FRS 102.

Trees for Cities went through a year of transition in 2023-24, with a new structure in place and new directors brought into the organisation to create a new senior leadership team. This was done in order to strengthen infrastructure to better support the charity, which has seen rapid growth in recent years, and to help broaden our fundraising focus. The investments made are vital to build our foundations as we continue to deliver against our current strategy and work towards a new strategic period of growth. As part of our strategic planning in 2024-25 we will look closely at our operating model and prioritise increasing our unrestricted reserves and unrestricted income in order to boost our financial resilience for future years.

There were decreases in activity compared to 2022-23, largely due to the end of our 18-month Green Recovery Challenge Fund (GRCF) and our decision to stop carbon offsetting. Other programmes have seen stable or increased activity, however. Our actual income was further reduced due to securing less than planned from individuals and grants, largely due to unfilled staff roles. Expenditure was broadly in line with our plan and was reduced compared to 2022-23.

The changes to staff, impact of inflation from 2022-23, end of the GRCF, and decision to stop our carbon offsetting work, all resulted in a deficit for the year of £536,548. However, £310,862 of this related to planned use of restricted funds, and £38,446 the use of designated funds, which resulted in an unplanned spend of £187,240 of unrestricted funds in the year.

Trees for Cities saw a decrease in our total income of £1,421,119 (21%) to £5,226,916 (2022-23: £6,648,035). Trees for Cities recognises income according to its income recognition policy, which can result in differences between financial years. In 2022-23, we received £486,862 of restricted funding which was spent in 2023-24. Restricted funds received but not spent dropped to £176,000 in 2023-24. Therefore, whilst expenditure decreased slightly in the year, it did not do so to the same extent as income.

Donations increased in the year by £511,607 to £1,547,208 (2022-23: £1,035,601). This is split into individual donations, corporate donations and core grants. The main movement was in corporate donations where we saw increases of £454,856. About half of this increase was unrestricted funding, and half was restricted driven predominantly by new partnerships.

Income for our **charitable activities** decreased by £1,932,726 to £3,654,351 in year (2022-23: £5,580,539), with increases in all programmes except Trees for Schools. The biggest decreases in funding related to our **UK urban forest** programme (£1,362,710), which was largely driven by a reduction in grants due to the completion of DEFRA's GRCF administered by the National Lottery Heritage Fund in 2022-23. Corporate partner income decreased as well, largely due to terminating our carbon offsetting programme and an increase in money being given as donations rather than as sponsorship or cause related marketing. **London urban forests** decreased by £315,785 to £706,640 (2022-23 £905,266), with again, more corporates giving funding as donations as well as restricted funds from 2022-23 being used in year. **International urban forests** was unable to secure significant new grants in year, and no direct income was received for the programme (2022-23 £76,820).

Trees for Streets, an online community street tree funding platform with Start with Local, continued to grow in the year in terms of activity, but overall income dropped from £613,101 to £360,782. There were increases in fees charged to local councils, but fewer council partnerships secured than planned, there were significant reductions in grants as the GRCF finished in 2022-23 and the Mayor's Tree Programme was in its second and final year with much reduced planting planned. Fees from local councils are accounted for net, with funds passed to councils through the balance sheet, and so income levels appear lower than when grant funding is received. We spent £476,436 in 2023-24 (2022-23: £722,031), a reduction of £245,595. Expenditure dropped due to the reduction in grant funding. Trees sponsored directly are accounted for differently from trees funded through grants, and so income and expenditure varies more with grant funded trees than sponsored trees.

In our **Trees for Schools** programme, income recognised in the year increased by £39,909 to £1,088,823 (2022-23: £1,048,914). This programme was stable between years.

TREES FOR CITIES

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2024

Expenditure decreased in year by £432,291 to £5,779,725 (2022-23: £6,212,016). This was driven mainly by decreases grant funding in the UK Urban Forest and Trees for Streets programmes as discussed above. The charity spent £500,844 on raising the charity's total income of £5,252,191. Therefore, for every £1 spent on fundraising, over £10 of revenues were generated.

Fundraising costs increased by £42,029 to £500,844 (2022-23: £458,815). This was mainly a result of investment in the Fundraising and Engagement & Marketing teams, as part of an internal restructure in order to boost fundraising revenues in the mid-term, as well as increased overheads costs across the organisation.

For Urban Forests in London, costs increased by £220,101 to £1,138,225 (2022-23 £918,124), due to one additional planting project being delivered as well as additional engagement only activities. For the UK programme, costs decreased by £565,729 to £1,967,562 (2022-23: £2,533,291), this was largely driven by the GRCF having finished and our carbon offsetting work stopping, meaning fewer whips were planted in the year. The International programme expenditure reduced in year from £64,942 to £29,664, as we were unable to carry out grant funded activities in the year.

The Trees for Schools programme increased expenditure by £152,181, spending £1,666,725 (2022-23: £1,514,036). More projects were delivered in year which had driven the increases in costs.

Support costs, as detailed in note 6a, increased by £70,616 to £416,752 (2022-23: £346,136) This was largely driven by increases in HR and IT costs as a result of organisation growth and investment in staff training, to ensure delivery continues to be well supported.

Our cash balances have reduced in the year by £1,228,332, this is driven by the deficit in the year of £536,548 and an increase in debtors of £539,834. The increase in debtors is largely due to the increase in funding from the Urban Tree Challenge Fund, for which the claim is submitted at the end of the financial year.

Investment policy

Trees for Cities may invest funds at the discretion of the board (as per the Memorandum and Articles of Association). The trustees review the charity's cash levels and investment opportunities on an ongoing basis.

The investment objective for short-term investments (funds accessible within 12 months) is to allow funds to be readily available, and with the minimum risk.

In line with this objective, cash is held in bank accounts that allow instant access. During the year funds were held with The Co-operative Bank and CAF Bank. Cash was also held with Triodos Bank and on the Flagstone platform (where money was invested in eight different banks during the year) across a mixture of fixed term (maximum 12 months) and notice period accounts.

Should the trustees consider that cash reserves sufficiently exceed the level required to finance the charity's forthcoming activities in a sustainable way, funds may be invested on a longer-term basis to generate further cash for the charity.

The investment objective for long-term investments (funds not accessible within 12 months) will be to generate a return in excess of inflation over the long-term, and to minimise risk by spreading investments across more than one asset class.

The trustees have set ethical criteria for long-term investments, primarily that Trees for Cities will not invest in companies whose actions run counter to the charity's own charitable objectives.

We hold a discretionary investment portfolio of 100% government backed bonds with Quilter Cheviot Limited Jersey, with a value of £152,211 at 31 March 2024. This investment is very low risk and the cash can be withdrawn with a few days' notice, however, we plan to draw these down as they mature. During the year, we made investments in two medium risk funds – one with Sarasin Investment Funds Limited, valued at £82,643 at the end of the year, and M&G Investments, valued at £153,869 at 31 March 2024. It is planned that we will hold these investments for at least five years which should deliver capital growth even if some short-term volatility is experienced. In total, our investments gained £16,261 in value in the year (see Note 14).

TREES FOR CITIES

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2024

Reserves policy and going concern

Plans for 2024-25 and beyond anticipate further growth for Trees for Cities. We were able to secure over 40% of our planned income for 2024-25 by the end of June 2024 and expect to secure the balance over the remaining nine-month period. The unplanned deficit in unrestricted reserves in 2023-24 has had an impact on our reserves levels, but our plan for 2024-25 predicts a small surplus of unrestricted funds at the end of the year. Levels of unrestricted reserves fluctuate through the year due to the seasonality of our work, and we will continue to monitor our financial performance and future reserves position to work towards ensuring our reserves remain above the minimum levels during the year. We intend to review unrestricted funding as part of planning for our new strategy so that we will be able to rebuild reserves if required in the future.

With investments into staff we have stepped up into forging new and managing existing partnerships that will enable us to secure trees, land and volunteers for planned planting programmes. Accordingly, we consider that the Charity has adequate resources to continue in operational existence for the foreseeable future and we believe that it continues to be a going concern.

Trees for Cities holds unrestricted reserves in order to:

- mitigate against unexpected reductions in income
- provide working capital
- allow for operational deficits when future planning
- assist with cash flow
- purchase capital items
- allow for possible future expansion.

Our reserves policy is to hold no less than the cost of winding up the organisation in regards to meeting financial obligations such as redundancy, rent and contract payments.

The maximum level of unrestricted reserves that the organisation will hold will be the equivalent cost of six months of core operating expenditure (e.g. salaries, rent, contracts) plus the cost of winding up the organisation.

The ideal level of unrestricted reserves that the organisation will hold will be the equivalent to the cost of three months of core operating expenditure (e.g. salaries, rent, contracts) plus the cost of winding up the organisation.

If the unrestricted reserves exceed the maximum level, the management team will put in place a plan to spend down the additional amount unless such an amount has been ring-fenced for future investment or expansion.

The amounts for 2024-25 of the above-mentioned reserve levels are:

- Minimum: £780,000
- Ideal: £1,550,000
- Maximum: £2,320,000

The management team and Trustees will monitor the unrestricted reserve level at quarterly intervals to ensure that it does not fall below the minimum level. If they do fall below this amount, we will put in place plans to increase these levels.

The amounts for each level will be recalculated at the start of each financial year.

The trustees' policy, after assessing the above requirements and calculating the costs of winding up, is to hold general unrestricted reserves of between £780,000 and £2,320,000. As at the end of 2023-24 unrestricted free reserves held by the charity were £1,025,907.

A designated fund of £90,065 has been set aside by the Trustees for verification and ongoing checks for our carbon offsetting programme, funded by the fee paid by corporates for their carbon offsetting. This will be spent over the first five years after the trees are planted.

TREES FOR CITIES

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2024

At the end of 2023-24 total funds held by the charity were £1,301,342 (2022-23: 1,837,890). This consisted of restricted funds of £176,000 (2022-23: £486,862), designated funds of £90,065 (2022-23: £128,511) and general unrestricted funds of £1,035,277 (2022-23: £1,222,517). The charity's unrestricted free reserves were £1,007,632 (2022-23: £1,207,370). The difference between the unrestricted funds and the free reserves is due to our tangible assets which total £27,645 (2022-23: £15,147).

The Trustees are responsible for authorising the application of the charity's reserves. At all times they will have regard to restrictions placed on the application of these reserves and are responsible for ensuring that they are applied in accordance with the stated restrictions.

Principal risks and uncertainties

The trustees and senior management team identify and agree the key risks facing the charity at the start of each financial year and these are entered onto a risk register. Each risk is assessed according to its likelihood and potential impact, and appropriate actions and procedures are agreed.

At each board meeting the trustees review the risk register and agree future actions. Should any additional key risks be identified, the trustees will agree how they should be managed and if appropriate will be added to the risk register.

Current principal risks in the risk register, once impact and likelihood have been considered, are as follows:

Risk	Mitigation
External Change of government policies / priorities due to new government in place Resource constraints in local authorities	Maintain regular contact and strong relationships with government departments and officials. Maintain diverse funding portfolio Multi-year partnerships, diversified range of services
Financial Inappropriate use or loss of funds Loss of key donors Unplanned financial shortfall or loss	Ensure ongoing review of financial procedures and controls to ensure they meet the charity's needs Maintain a diverse funding base, build surpluses into budgets, avoid over-reliance on a single funder, investment in fundraising team Close monitoring of forecast & contingency plans worked up
Operational Loss of staff, particularly of key individuals Insufficient sites available to deliver projects Procedures & system documentation lacking, causing inefficiencies & mismanagement	Encourage sharing of information across the organisation, create succession plans for managers, review salary and benefits policy on a regular basis. Broaden partnerships with landowners and local authorities and develop multi-year arrangements. Induction for all staff, policies & procedures in place across the organisation, scheme of delegation

TREES FOR CITIES

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2024

Fundraising

Trees for Cities' aim is to raise funds in a respectful way that is consistent with our values. The charity is a member of the Institute of Fundraising and is registered with the Fundraising Regulator. In all of our fundraising we work diligently to comply with the Code of Fundraising Practice and to uphold the standards it promotes. We have received one complaint in the year, via Trading Standards. This was fully resolved with the funder and no further action was taken. Trees for Cities is working hard to ensure that reporting to all funders is provided as per agreed schedules in order to prevent a similar issue arising.

Trees for Cities has a safeguarding policy which commits the charity to ensuring that all children and adults who use our services are not abused and that working practices minimise the risk of abuse. All Trees for Cities staff and volunteers have a duty to identify abuse and report it. All staff are given annual training on our safeguarding procedures by our safeguarding officer.

Trees for Cities does not contract out or outsource fundraising activities to third parties – all fundraising is undertaken in-house. Where a member of the public raises funds for the charity through a self-arranged event, Trees for Cities will ensure that any messaging and materials used are in line with organisational standards.

Structure, governance and management

The charity was constituted as a company limited by guarantee, set up on 24 November 1993, and is governed by its Memorandum and Articles of Association.

In the year Trees for Cities continued the Trees for Streets programme jointly with Start With Local, a social enterprise that is a design-led delivery agency working to help communities to thrive. We will continue to review the working arrangements for this programme as it evolves.

The board of trustees administers the charity. The trustees are directors for the purpose of company law. All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 9 to the accounts.

The board of trustees may use sub committees to consider some areas in more detail. The board remains the decision maker and considers all areas as recommended by the Charities Commission. Trees for Cities operates a finance sub-committee, chaired by the treasurer which reviews and makes recommendations to the board of trustees in relation to annual budgets, salaries, cash, investments, reserves, accounting policies and controls.

The Chief Executive is appointed by the trustees to manage the day to day running of the charity and delegates as necessary to the senior management team. The board of trustees are responsible for governance, and assist with strategy and policy.

The Chair of the board of trustees is appointed by the trustees.

The charity's trustees are:

I Bardswell
J Capon (Chair)
S Gray
M Hayer (appointed 4 April 2024)
A MacGillivray
B Miller
J Thrift
D Woodbine (Treasurer)
S Workman

A Shah served during the year and resigned on 24 May 2023.

TREES FOR CITIES

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2024

Trustee recruitment, induction and training

A Board Skills Audit is undertaken approximately every three years, in line with the development of the strategic plan. The audit is used to determine if any new skills and knowledge are required to deliver the new plan. The last audit was undertaken in May 2022 and a new audit will take place in July 2024 to prepare for our new strategic phase.

Should any gaps in skills or knowledge be identified and a new trustee position is required, a recruitment process will be undertaken. Recruitment is open to all sections of the community, and candidates are interviewed by existing trustees and appointed on merit based on a majority decision.

New trustees are made aware of their legal obligations, the content of the Memorandum and Articles of Association, the Charity's history, culture and philosophical approach, the current year's business and financial plan. New trustees also receive a copy of the most recent Annual Report and statutory accounts, and appropriate leaflets published by the Charity Commission with the opportunity to discuss them.

Remuneration policy for key management personnel

Trees for Cities is an equal opportunities employer and applies objective criteria to assess merit. The Board sets the terms and conditions for staff on an annual basis. A benchmarking process is undertaken every 1-2 years to assess each role in the external market, to ensure that the charity is paying all employees, including senior management, fairly and competitively for similar roles within the sector.

Data Protection – General Data Protection Regulations

The General Data Protection Regulations (GDPR) became law in May 2018. The regulations set out the responsibilities of all organisations in relation to the personal data that they collect and hold and are designed to enhance the rights of individuals in controlling their own data.

Trees for Cities places great importance on the security of supporter data and personal information. The charity is registered with the Information Commissioners Office and has introduced a programme that will enable demonstration of compliance with the spirit and intention of GDPR, with the required management structures in place to manage data risks and integrate governance of these risks into daily management.

For information on how the charity uses and protect personal data, please see our Privacy Policy: <https://www.treesforcities.org/privacy-policy>.

Information Security

The confidentiality, integrity and availability of information, in all its forms, are critical to the charity's work. In 2018 the information security policy was updated to bring it in line with GDPR legislation.

Anti-Fraud, Bribery and Corruption Policy

Robust internal financial controls and financial management are essential to protect the charity against increasingly prevalent threats from external fraudulent activities and from any internal risk of funding misappropriation. Trees for Cities' system of internal controls is based on an ongoing process designed to identify the principal risks, to evaluate the nature and extent of those risks, and to manage them effectively. The controls have been undergoing a full review, due to be completed in 2024.

The charity's anti-fraud, bribery and corruption policy specifies the controls and procedures required to prevent and detect fraud and dishonesty, investigate any allegations that arise, and take appropriate action where necessary. It also stipulates procedures for due diligence and verifying the end use of charitable funds to minimise exposure to risk when passing charitable funds to external partners.

TREES FOR CITIES

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2024

Sustainability

Trees for Cities is committed increasing its environmental sustainability. To help Trees for Cities achieve sustainability plans, a comprehensive Environmental Management System is being developed to set operational standards across the organisation. We have a Sustainability Committee that meets quarterly to review strategies, and further improve our operations to meet environmental targets, with the support of Sustainability Champions to drive company-wide improvement. To help create our sustainability targets and monitor progress, in 2023-24 an Eco Audit was completed, which highlighted that that we achieved zero Scope 2 emissions from our operational electricity use avoiding the emittance of 3 tons of CO2 annually, achieved a 70% recycling rate, as well as highlighting areas of improvements, including energy efficiency improvements which are being made at one of our premises. We'll continue to review our progress and implement improvement measures as we further develop our near term sustainability targets along with long term sustainability goals, as part of creating the as part of the 2025-2030 Organisational strategy.

Statement of responsibilities of the trustees

The trustees (who are also directors of Trees for Cities for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice 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 charity will continue in operation

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

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2024 was 9 (2023: 9). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

TREES FOR CITIES

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2024

Auditor

Sayer Vincent LLP continued as the charitable company's auditor during the year, as approved by the board of trustees.

The trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on date and signed on their behalf by

D Woodbine

Treasurer

Dated: 25 September 2024

TREES FOR CITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TREES FOR CITIES

Opinion

We have audited the financial statements of Trees for Cities (the 'charitable company') for the year ended 31 March 2024 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Trees for Cities' ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

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

TREES FOR CITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TREES FOR CITIES

obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The 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; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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 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 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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TREES FOR CITIES

accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to;
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

TREES FOR CITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TREES FOR CITIES

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. 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.

Fleur Holden (Senior statutory auditor)
07 October 2024

for and on behalf of Sayer Vincent LLP, Statutory Auditor
110 Golden Lane, LONDON, EC1Y 0TG

TREES FOR CITIES

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2024

	Note	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Income from:							
Donations	2	669,746	877,462	1,547,208	345,251	690,350	1,035,601
Charitable activities	3						
Urban forests - London		308,480	398,160	706,640	389,202	633,223	1,022,425
Urban forests - Other UK cities		436,221	1,052,624	1,488,845	957,821	1,893,734	2,851,555
Urban forests - International		-	-	-	37,920	7,500	45,420
Trees for Streets		284,435	76,347	360,782	162,635	449,590	612,225
Trees for schools		822,618	266,205	1,088,823	638,500	410,414	1,048,914
Other trading activities	4	9,261	-	9,261	19,458	-	19,458
Investments	5	25,357	-	25,357	12,437	-	12,437
Total income		2,556,118	2,670,798	5,226,916	2,563,224	4,084,811	6,648,035
Expenditure on:							
Raising funds	6a	442,421	58,423	500,844	402,062	56,753	458,815
Charitable activities							
Urban forests - London		340,408	797,817	1,138,225	383,472	534,652	918,124
Urban forests - Other UK cities		630,116	1,337,446	1,967,562	412,852	2,120,439	2,533,291
Urban forests - International		29,664	-	29,664	49,942	15,000	64,942
Trees for Streets		364,352	112,084	476,436	262,391	459,640	722,031
Trees for Schools		991,104	675,890	1,666,994	899,860	614,953	1,514,813
Total expenditure		2,798,065	2,981,660	5,779,725	2,410,579	3,801,437	6,212,016
Net income / (expenditure) before net gains / (losses) on investments		(241,947)	(310,862)	(552,809)	152,645	283,374	436,019
Net gain /(losses) on investments		16,261	-	16,261	(10,641)	-	(10,641)
Net movement in funds (being net (expenditure) / income for the year)		(225,686)	(310,862)	(536,548)	142,004	283,374	425,378
Reconciliation of funds:							
Total funds brought forward		1,351,028	486,862	1,837,890	1,209,024	203,488	1,412,512
Total funds carried forward		1,125,342	176,000	1,301,342	1,351,028	486,862	1,837,890

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 21a to the financial statements.

BALANCE SHEET

AS AT 31 MARCH 2024

	Note	£	2024 £	£	2023 £
Fixed assets:					
Tangible assets	13		27,645		15,147
Investments	14		388,723		339,462
			416,368		354,609
Current assets:					
Debtors	15	2,406,722		1,866,828	
Short term deposits		506,874		500,010	
Cash at bank and in hand		827,873		2,063,060	
			3,741,469	4,429,898	
Liabilities:					
Creditors: amounts falling due within one year	16	(2,856,495)		(2,946,617)	
Net current assets			884,974		1,483,281
Total net assets			1,301,342		1,837,890
The funds of the charity:	21a				
Restricted income funds			176,000		486,862
Unrestricted income funds:					
Designated funds		90,065		128,511	
General funds		1,035,277		1,222,517	
Total unrestricted funds			1,125,342		1,351,028
Total charity funds			1,301,342		1,837,890

Approved by the trustees on 25 September 2024 and signed on their behalf by

D Woodbine
Treasurer

TREES FOR CITIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	2024 £	£	2023 £	£
Cash flows from operating activities				
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(536,548)		425,378	
Depreciation charges	13,992		16,711	
(Gains)/losses on investments	(16,261)		10,641	
Dividends and interest from investments	(25,357)		(12,437)	
Loss on the disposal of fixed assets			1,553	
Increase in debtors	(539,894)		(719,576)	
(Decrease)/increase in creditors	(90,122)		889,351	
Net cash (used in)/provided by operating activities	(1,194,190)			611,621
Cash flows from investing activities:				
Dividends and interest from investments	25,357		12,437	
Proceeds from the sale of fixed assets	-		2,000	
Purchase of fixed assets	(26,490)		(20,000)	
Proceeds from sale of investments	192,000		137,606	
Purchase of investments	(225,000)		-	
Net cash (used in)/provided by investing activities	(34,133)			132,043
Change in cash and cash equivalents in the year	(1,228,323)			743,664
Cash and cash equivalents at the beginning of the year	2,563,070			1,819,406
Cash and cash equivalents at the end of the year	1,334,747			2,563,070

Analysis of cash and cash equivalents

	At 1 April 2023 £	Cash flows £	Other non-cash changes £	At 31 March 2024 £
Short term deposits	500,010	6,864	-	506,874
Cash at bank and in hand	2,063,060	(1,235,187)	-	827,873
Cash and cash equivalents	2,563,070	(1,228,323)	-	1,334,747

TREES FOR CITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

a) Statutory information

Trees for Cities is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address and principal place of business is Prince Consort Lodge, Kennington Park Place, London, SE11 4AS.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. Please refer to the trustees' annual report, specifically the financial review and the reserves policy where it sets out how the charity is operating within its reserves policy target levels of reserves.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

When donors specify that incoming resources given to the charity must be used in future accounting periods, the income is deferred to those periods.

When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that incoming resources are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

TREES FOR CITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies (continued)

f) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

g) Expenditure and irrecoverable VAT

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

Costs of raising funds are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support the activities of the charity.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Raising Funds	15.39%
Urban forests - London	27.26%
Urban forests - Other UK cities	20.93%
Urban forests - International	1.08%
Trees for Streets	5.72%
Trees for schools	29.62%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

TREES FOR CITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies (continued)

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

plant and machinery	3 years
fixtures, fittings and equipment	3-5 years
motor vehicles	3 years

l) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

m) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

n) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

p) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

q) Financial instruments

The charity only 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 their settlement value.

r) Pensions

The charity operates a defined contribution pension scheme. Contributions payable for the year are charged in the Statement of Financial Activities as they fall due.

s) Employee benefits

Termination benefits are recognised as an expense when the charity is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the charity has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

TREES FOR CITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

2 Income from donations

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Donations - individuals	195,772	-	195,772	178,210	25,194	203,404
Donations - trusts & foundations	76,403	8,420	84,823	30,859	2,500	33,359
Donations - corporate partners	275,571	842,242	1,117,813	59,984	602,973	662,957
Donations - schools	-	-	-	-	2,000	2,000
Grants - other	122,000	26,800	148,800	76,198	57,683	133,881
	669,746	877,462	1,547,208	345,251	690,350	1,035,601

3 Income from charitable activities

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Corporate partners	108,008	72,488	180,496	186,983	280,749	467,732
Grants	4,073	224,968	229,041	-	304,846	304,846
Local government	196,399	100,704	297,103	202,219	47,628	249,847
Urban forests - London	308,480	398,160	706,640	389,202	633,223	1,022,425
Corporate partners	435,777	-	435,777	922,821	-	922,821
Grants	-	1,052,624	1,052,624	-	1,893,734	1,893,734
Local government	444	-	444	35,000	-	35,000
Urban forests - Other UK cities	436,221	1,052,624	1,488,845	957,821	1,893,734	2,851,555
Corporate partners	-	-	-	37,920	-	37,920
Grants	-	-	-	-	7,500	7,500
Urban forests - International	-	-	-	37,920	7,500	45,420
Corporate partners	50,321	-	50,321	14,705	-	14,705
Grants	-	76,347	76,347	-	449,590	449,590
Local government	234,114	-	234,114	147,930	-	147,930
Trees for Streets	284,435	76,347	360,782	162,635	449,590	612,225
Corporate Partners	276,533	25,000	301,533	86,600	-	86,600
Grants	-	240,664	240,664	-	410,414	410,414
Schools	124,975	-	124,975	208,900	-	208,900
Local government	421,110	541	421,651	343,000	-	343,000
Trees for Schools	822,618	266,205	1,088,823	638,500	410,414	1,048,914
Total income from charitable activities	1,851,754	1,793,336	3,645,090	2,186,078	3,394,461	5,580,539

Four government grants were claimed for from the Forestry Commission for four Urban Tree Challenge Funds for the planting and maintenance of trees in the UK. These were allocated to our London and UK Urban Forests programmes, and totalled £913,573 (2022: £587,995).

TREES FOR CITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

4 Income from other trading activities

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Sponsorship of projects	9,261	-	9,261	19,458	-	19,458
	9,261	-	9,261	19,458	-	19,458

5 Income from investments

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Fixed interest securities	3,215	-	3,215	6,369	-	6,369
Bank interest	22,142	-	22,142	6,068	-	6,068
	25,357	-	25,357	12,437	-	12,437

TREES FOR CITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

6a Analysis of expenditure (current year)

	Charitable activities								2024 Total £	2023 Total £
	Raising funds £	Urban forests - London £	Urban forests - other cities £	Urban forests - international £	Trees for Streets £	Trees for Schools £	Governance costs £	Support costs £		
Staff costs (Note 9)	365,881	648,078	497,589	25,676	135,987	704,184	43,165	-	2,420,560	2,244,414
Depreciation	-	6,644	-	-	-	6,645	-	703	13,992	16,711
Fundraising costs	59,700	-	-	-	-	-	-	-	59,700	69,353
Direct activity costs - grants	-	26,100	790,296	-	43,076	-	-	-	859,472	1,373,773
Direct activity costs - internal delivery of projects	-	278,943	108,344	-	62,499	195,582	-	-	645,368	701,132
Direct activity costs - external delivery of projects	-	46,513	470,026	(1,240)	207,188	617,213	-	-	1,339,700	1,444,935
Audit	-	-	-	-	-	-	14,950	-	14,950	11,275
Facilities	-	-	-	-	-	-	-	159,543	159,543	135,291
HR	-	-	-	-	-	-	-	124,859	124,859	81,792
Rent	-	-	-	-	-	-	-	59,234	59,234	54,343
Other costs	771	-	-	-	-	-	9,163	72,413	82,347	78,997
	426,352	1,006,278	1,866,255	24,436	448,750	1,523,624	67,278	416,752	5,779,725	6,212,016
Support costs	64,138	113,607	87,226	4,501	23,838	123,442	-	(416,752)	-	-
Governance costs	10,354	18,340	14,081	727	3,848	19,928	(67,278)	-	-	-
Total expenditure 2024	500,844	1,138,225	1,967,562	29,664	476,436	1,666,994	-	-	5,779,725	
Total expenditure 2023	458,815	918,124	2,533,291	64,942	722,031	1,514,813	-	-		6,212,016

TREES FOR CITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

6b Analysis of expenditure (prior year)

	Charitable activities								2023 Total £
	Raising funds £	Urban forests - London £	Urban forests - other cities £	Urban forests - international £	Trees for Streets £	Schools £	Governance costs £	Support costs £	
Staff costs (Note 9)	328,311	552,992	470,749	38,806	126,121	687,933	39,502	-	2,244,414
Depreciation	-	7,805	-	-	-	7,806	-	1,100	16,711
Fundraising costs	69,353	-	-	-	-	-	-	-	69,353
Direct activity costs - grants	-	-	1,078,349	10,500	284,924	-	-	-	1,373,773
Direct activity costs - internal delivery of projects	-	234,050	213,260	-	70,615	183,207	-	-	701,132
Direct activity costs - external delivery of projects	-	22,748	685,355	8,581	217,443	510,808	-	-	1,444,935
Audit	-	-	-	-	-	-	11,275	-	11,275
Facilities	-	-	-	-	-	-	-	135,291	135,291
HR	-	-	-	-	-	-	-	81,792	81,792
Rent	-	-	-	-	-	-	-	54,343	54,343
Other costs	1,467	-	-	-	-	-	3,920	73,610	78,997
	399,131	817,595	2,447,713	57,887	699,103	1,389,754	54,697	346,136	6,212,016
Support costs	51,540	86,811	73,900	6,092	19,799	107,994	-	(346,136)	-
Governance costs	8,144	13,718	11,678	963	3,129	17,065	(54,697)	-	-
Total expenditure 2023	458,815	918,124	2,533,291	64,942	722,031	1,514,813	-	-	6,212,016

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

7 Grant making

	2024	2023
Cost	£	£
Urban Tree Challenge Fund - Round 1	11,636	42,039
Urban Tree Challenge Fund - Round 3	179,402	226,764
Urban Tree Challenge Fund - Round 4	192,575	175,745
Urban Tree Challenge Fund - Round 5	338,494	-
Green Recovery Challenge Fund - Forgotten Places	-	633,801
Green Recovery Challenge Fund - Trees for Streets	-	86,000
Mayor's Tree programme	43,076	198,924
Trees for Climate Action	68,189	-
GLA - Urban Tree Challenge Fund match	26,100	-
International grants	-	10,500
At the end of the year	859,472	1,373,773

The Urban Tree Challenge Fund is a multi year grant from the Forestry Commission and round one funding was passed to five partners (2023: 9), round three to eight partners (2023: 8), round four to 10 partners (2023: 9) for planting and/or maintenance. Round five was passed to seven partners for planting in 2023-24. The Greater London Authority also granted Urban Trees Challenge Fund money to pass to two London partners. The Mayor's Tree programme is a Greater London Authority multi year grant and funds were passed to four councils (2023: 9) in order to boost street tree planting activity. Trees for Climate Action is a multi year grant from the National Lottery Community Fund, funding engagement only projects. Funding was passed to one partner in 2023-24. The grants are part of our UK and Trees for Streets activities and support costs are allocated in note 6a and 6b. There was some overlap of partners between grants, with a total of 22 different council partners, and four other institutional partners being passed grants.

The grants were split as follows between council partners and other institutional partners:

	Number of council partners	Number of other institutional partners	Paid to council partners	Paid to other institutional partners
	No.	No.	£	£
Urban Tree Challenge Fund - Round 1	3	2	4,832	6,804
Urban Tree Challenge Fund - Round 3	6	2	158,054	21,348
Urban Tree Challenge Fund - Round 4	9	1	187,829	4,747
Urban Tree Challenge Fund - Round 5	7	-	338,494	-
Mayor's Tree programme	4	-	43,076	-
Trees for Climate Action	-	1	-	68,188
GLA - Urban Tree Challenge Fund match	2	-	26,100	-
Total	31	6	758,385	101,087

8 Net expenditure/(income) for the year

This is stated after charging / (crediting):

	2024	2023
	£	£
Depreciation	13,992	16,711
Operating lease rentals payable:		
Property	41,775	41,781
Other	-	5,548
Auditor's remuneration (excluding VAT):		
Audit	14,950	11,275
Other services	1,697	831

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

9 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2024 £	2023 £
Salaries and wages	2,102,917	1,949,663
Social security costs	207,534	187,344
Employer's contribution to defined contribution pension schemes	110,109	107,407
	2,420,560	2,244,414

Redundancy payments made or committed during the year amounted to £nil (2023: £0).

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2024 No.	2023 No.
£60,000 - £69,999	1	2
£70,000 - £79,999	-	1
£80,000 - £89,999	1	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £431,554 (2023: £390,408).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2023: £nil). No charity trustee received payment for professional or other services supplied to the charity (2023: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £1,012 (2023: £229) incurred by members relating to attendance at meetings of the trustees, and costs relating to board meetings and trustee gifts, totalling £6,418 (2023: £3,912)

10 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 62 (2023: 58).

Staff are split across the activities of the charity as follows (full time equivalent basis):

	2024 No.	2023 No.
Fundraising and public relations	7.9	8.0
Urban forests - London	15.8	14.0
Urban forests - UK Cities	11.4	11.5
Urban forests - International	0.5	0.5
Trees for Streets	3.3	3.0
Trees for Schools	16.9	17.0
	55.8	54.0

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

11 Related party transactions

There are no related party transactions to disclose for this financial year (2023: none).

12 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

13 Tangible fixed assets

	Motor vehicles £	Plant & machinery £	Fixtures, fittings & equipment £	Total 2024 £
Cost				
At the start of the year	55,401	18,022	6,348	79,771
Additions in year	26,490	-	-	26,490
At the end of the year	81,891	18,022	6,348	106,261
Depreciation				
At the start of the year	40,957	17,319	6,348	64,624
Charge for the year	13,289	703	-	13,992
At the end of the year	54,246	18,022	6,348	78,616
Net book value				
At the end of the year	27,645	-	-	27,645
At the start of the year	14,444	703	-	15,147

All of the above assets are used for charitable purposes.

14 Listed investments

	2024 £	2023 £
Fair value at the start of the year	339,462	487,709
Additions at cost	225,000	-
Disposal proceeds	(192,000)	(137,606)
Revaluation during the year	16,261	(10,641)
	388,723	339,462
Cash held by investment broker pending reinvestment	5,940	2,870
Fair value at the end of the year	394,663	342,332
Investments comprise:		
	2024 £	2023 £
UK fixed interest bonds	152,211	339,462
Investment funds	236,512	
Cash	5,940	2,870
	394,663	342,332

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

15 Debtors

	2024 £	2023 £
Trade debtors	2,086,187	1,180,289
Prepayments and accrued income	320,535	686,539
	2,406,722	1,866,828

16 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	178,751	122,565
Taxation and social security	110,682	198,782
Grant accruals	952,018	952,018
Other accruals	926,151	815,074
Deferred income (note 18)	281,783	649,244
Council sponsorship holdings	375,865	196,560
Other creditors	31,245	12,374
	2,856,495	2,946,617

Council sponsorship holdings is money received for our Trees for Streets programme from sponsors that will be passed to councils, less an administration fee, once the trees they relate to have been planted. This is done on an annual basis.

17 Deferred income

Deferred income comprises funding for projects being delivered in 2024-25, including urban forest projects £79,551 (2023: £134,300), environmental offsetting £nil (2023: £196,494), schools £194,232 (2023: £291,051), and other income £nil (2023: £7,399)

	2024 £	2023 £
Balance at the beginning of the year	649,244	890,538
Amount released to income in the year	(582,856)	(817,346)
Amount deferred in the year	215,395	576,052
Balance at the end of the year	281,783	649,244

18 Contingent liability

The charity has recognised the replanting of trees due to unforeseen events, such as extreme weather or vandalism, as a contingent liability. It is taken into account when planning our unrestricted reserves levels. As the amount cannot be estimated reliably and as the charity may not be liable for the costs, depending on the original planting delivery method, we have not included it as a provision.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

19 Pension scheme

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund as detailed below. Contributions of £17,320 (2023: £15,606) were outstanding at 31 March 2024.

	2024 £	2023 £
Contributions payable by the charity for the year	110,109	107,407

20a Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	27,645	-	-	27,645
Investments	388,723	-	-	388,723
Net current assets	3,475,405	90,065	176,000	3,741,470
Creditors: amounts falling due within one year	(2,856,495)	-	-	(2,856,495)
Net assets at 31 March 2024	1,035,278	90,065	176,000	1,301,343

20b Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	15,147	-	-	15,147
Investments	339,462	-	-	339,462
Net current assets	3,814,525	128,511	486,862	4,429,898
Creditors: amounts falling due within one year	(2,946,617)	-	-	(2,946,617)
Net assets at 31 March 2023	1,222,517	128,511	486,862	1,837,890

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

21a Movements in funds (current year)

	At 1 April 2023 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2024 £
Restricted funds:					
Urban forests - London	194,787	398,160	(506,853)	-	86,094
Urban forests - UK Cities	4,343	1,052,624	(1,056,967)	-	-
Trees for Streets	10,000	76,347	(86,347)	-	-
Trees for Schools	206,204	266,205	(422,409)	-	50,000
Donations and legacies	71,528	877,462	(909,084)	-	39,906
Total restricted funds	486,862	2,670,798	(2,981,660)	-	176,000
Unrestricted funds:					
Designated funds:					
Environmental offsetting	128,511	-	(38,446)	-	90,065
Total designated funds	128,511	-	(38,446)	-	90,065
General funds	1,222,517	2,556,118	(2,743,358)	-	1,035,277
Total unrestricted funds	1,351,028	2,556,118	(2,781,804)	-	1,125,342
Total funds	1,837,890	5,226,916	(5,763,464)	-	1,301,342

The narrative to explain the purpose of each fund is given at the foot of the note below.

21b Movements in funds (prior year)

	At 31 March 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 1 April 2023 £
Restricted funds:					
Urban forests - London	-	633,223	(438,436)	-	194,787
Urban forests - UK Cities	121,960	1,893,734	(2,011,351)	-	4,343
Urban forests - International	-	7,500	(7,500)	-	-
Trees for Streets	10,000	449,590	(449,590)	-	10,000
Trees for Schools	-	410,414	(204,210)	-	206,204
Donations and legacies	71,528	690,350	(690,350)	-	71,528
Total restricted funds	203,488	4,084,811	(3,801,437)	-	486,862
Unrestricted funds:					
Designated funds:					
Trees for Streets	55,300	-	(55,300)	-	-
Environmental offsetting	106,946	52,885	(31,320)	-	128,511
Total designated funds	162,246	52,885	(86,620)	-	128,511
General funds	1,046,778	2,510,339	(2,334,600)	-	1,222,517
Total unrestricted funds	1,209,024	2,563,224	(2,421,220)	-	1,351,028
Total funds	1,412,512	6,648,035	(6,222,657)	-	1,837,890

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

21 Movements in funds (continued)

Purposes of restricted funds

Restricted funds for all Urban Forests programmes relate to funding that has been received in advance for projects that have either been planned for 2024-25, or been delayed to from 2023-24 and will be delivered in 2024-25.

Restricted funds for Trees for Schools relate to funding that has been received in advance for projects that have either been planned for 2023-24, or been delayed to from 2022-23 and will be delivered in 2023-24.

Donations and legacy restricted funds comprise a donation in 2021-22 from UPS (£14,905). This is restricted to an electric vehicle purchase, which was carried out in 2023-24. The remaining balance is to cover depreciation costs in future years. It also includes £25,000 of core funding from the John Ellerman Foundation which covers an 18 month period, which we will allocate in 2024-25.

Purposes of designated funds

The designated fund relates to our offsetting work, setting aside money for future costs over five years relating to verification and monitoring for trees planted in 2021-22 and 2022-23.

22 Operating lease commitments payable as a lessee

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Land and buildings	
	2024	2023
	£	£
Less than one year	29,517	41,775
One to five years	15,000	39,517
	<u>44,517</u>	<u>81,292</u>

23 Legal status of the charity

The charity is a company limited by guarantee and is under the control of the board of Trustees. The liability of each member in the event of winding up is limited to £1.

TREES FOR CITIES

England & Wales - Charity number 1032154

Accounts

Charity Registration No. 1032154

Company Registration No. 02874642



TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023

TREES FOR CITIES (A COMPANY LIMITED BY GUARANTEE)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	I Bardswell (appointed 19 April 2022) J Capon (Chair) S Gray A MacGillivray B Miller J Thrift D Woodbine S Workman
Chief Executive	K Sheldon (appointed 1 February 2023) D Elliot (resigned 31 January 2023)
Charity number	1032154 (England and Wales)
Company number	02874642 (United Kingdom)
Principal address and Registered office	Prince Consort Lodge Kennington Park Place London SE11 4AS
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108-114 Golden Lane London EC1Y 0TL
Bankers	The Co-operative Bank p.l.c. (main day to day bankers) P.O. Box 101 1 Balloon Street Manchester M60 4EP

TREES FOR CITIES TRUSTEES' REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023 CONTENTS

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TREES FOR CITIES

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2023

The Trustees are pleased to present their report and accounts for the year ended 31 March 2023.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102

Our Mission

'To improve people's lives by planting trees in towns and cities'

We are the only UK charity working at a national and international scale to improve lives by planting trees in cities. We get stuck in with local communities to cultivate lasting change in their neighbourhoods – whether it's revitalizing forgotten spaces, creating healthier environments or getting people excited about growing, foraging and eating healthy food.

Objectives and Activities (including Achievements and Performance)

Our organisational goal is to create healthy, accessible, functional and resilient urban forests created for today and future generations.

Trees for Cities wants to enable and inspire a new generation of individuals and communities who are both resourced and motivated to plant, protect and promote urban trees. We do this by working closely with landowners, partners and funders to deliver transformational change in towns and cities – inspiring the next generation by greening schools, sharing ideas and knowledge and running inclusive community tree planting events across the UK.

Our objects, as set out in our governing document are:

"The Charity is established to advance the education of the public in the appreciation of trees and nature, particularly with regard to their social and environmental value by the planting, protection and promotion of trees and green spaces everywhere and in particular in towns and cities."

The public benefits that shape our annual activities continue to be environmental protection and improvement, education, and health.

In shaping our objectives for the year and planning our activities, the trustees have given consideration to the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

What we achieved in 2022-23:

- Planted 213,499 urban trees comprising:
 - 30,311 trees in London across 14 woodland, estate and park projects.
 - 182,344 trees, across 33 towns and cities across the UK, including in a number of 'forgotten places' enabled by Defra's Green Recovery Challenge Fund and the Forestry Commission's Urban Tree Challenge Fund programme.
 - 844 fruit trees in Nairobi, Kenya.
- In schools, we worked on 61 projects, carrying out build (30 projects) and/or engagement activities in Healthy Playgrounds, Edible Playgrounds, Planting Healthy Air, Trees for Schools, and Sustainable Drainage System (SuDS) projects. These were carried out in Bradford, Cardiff, Leicester and London.

TREES FOR CITIES

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2023

- Grew the Trees for Streets programme, increasing the number of Councils using the platform to 16. Growth was assisted by a grant from the Mayor of London. In total almost 1,600 trees were sponsored, including 822 through the Mayor of London grant.
- We engaged 8,716 people in London and the UK through our urban forests programme. We also engaged 24,558 pupils and 2,220 staff members in schools.

Plans for future periods

A selection of plans for 2023-24 include:

- Plant at least 153,000 urban trees comprising:
 - at least 30,000 trees across 15 community projects in London including estate greening projects, park projects and woodland creation projects.
 - at least 123,000 trees in 20 towns and cities across the UK comprising a planting mix of whips, standards and fruit trees. Further develop and expand the Coastal Urban Forest programme into towns and cities around the UK and secure a major national multi-year grant, building on the legacy of assets developed through the Green Recovery Challenge Fund.
- Develop, design and deliver at least 35 schools projects in 5 cities across the UK (London, Cardiff, Glasgow, Bradford, Portsmouth), comprising a mix of Healthy Playgrounds, Edible Playgrounds, Planting Healthy Air, Trees for Schools, and Sustainable Drainage System (SuDS) projects.
- Continue to on board new Councils for Trees for Streets to secure partnerships with 34 local authorities by the end of the year (18 new) to plant circa 2,875 street trees. Complete the delivery of the Mayor of London programme.

Financial Review

The Statement of financial activities (SoFA), Balance sheet and Statement of cash flows have been prepared in accordance with the Charities SORP FRS 102.

Trees for Cities has had a very successful year, delivering the largest income in our history and exceeding an ambitious planned budget. We have seen growth across all but one of our programmes, with the most substantial increases relating to our UK programme, which has been largely enabled by a multi year grant from Defra via the Green Recovery Challenge Fund administered by the National Lottery Heritage Fund for our Forgotten Places programme, the Urban Tree Challenge Fund and other large supporters such as the Queen's Green Canopy and Golden Acre Foods. In addition, the Trees for Streets programme continued to grow, more than doubling in size during the year.

Trees for Cities saw an increase in our total income of £2,732,916 (70%) to £6,648,035 (2021-22: £3,915,119). Due to the nature of some of our partnerships, differences arise between when income is recognised in the accounts and when those funds are spent, which can create a surplus or deficit in a given year. In 2021-22, we drew down on designated funds relating to our Schools Programme (£448,211), but we also received income in advance for our Trees for Streets and carbon offsetting programmes that we designated to use in future years (£162,246). In 2022-23, we received substantial amounts of restricted funding in advance, totalling £486,862, and reduced our designated funds slightly as these were drawn down. Therefore, whilst levels of activity increased in the year, they did not do so to the same extent as income.

TREES FOR CITIES

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2023

Donations increased in the year by £411,612 to £1,035,601 (2021-22: £623,989). This is split into individual donations, corporate donations and core grants. Individual donations reduced from £302,874 in 2021-22 to £203,404, a decrease of £99,470. This was mainly due to a large in memory donation and other one off donations in 2021-22 not being replicated in 2022-23, although the success of our Big Give campaigns, were replicated. We also saw increases of £497,136 in corporate donations, with two organisations donating restricted funds of £200,000 each, which related to schools projects, and other new corporate partners donating money to us.

Income for our **charitable activities** increased by £2,313,540 to £5,580,539 in year (2021-22: 3,266,999), with increases in almost every programme. The biggest increase in funding (£1,198,881) was in our **UK urban forest** work, mainly due to multi-year grant funding from DEFRA's Green Recovery Challenge Fund administered by the National Lottery Heritage Fund's and the Forestry Commission's Urban Tree Challenge Fund. **London urban forests**, increased by £273,946 to £905,266 (2021-22 £631,320), with increases across all types of income. **International urban forests** was unable to secure significant new grants in year, but we received corporate funding to enable us to carry out some work, resulting in a reduction from £95,020 in 2021-22 to £76,820 in 2022-23.

Trees for Streets, an online community street tree funding platform, continued to grow in the year, with income of £613,101 (2021-22 £268,334). We received grants from the Green Recovery Challenge Fund (£169,566) and the Mayor's Tree Programme (£240,024) and fees from sixteen councils (£147,930). We spent £722,031 in 2022-23 (2021-22: £324,171), using up designated funds from 2021-22.

In our **Trees for Schools** programme, income recognised in the year increased by £429,263 to £1,048,914 (2021-22: £619,651). Part of the reason for this is that designated funds (£448,211) were used up in 2021-22, which were included in income in 2020-21. Increased funding was also allocated to schools projects from restricted corporate donations (£401,481) (2021-22: £43,000).

Other trading activities have changed only slightly, increasing from £14,453 to £19,458.

Expenditure increased in year to £6,212,016 (2021-22: £4,041,686). This was driven mainly by increases in the UK Urban Forest programme, the Trees for Streets programme, charity wide increases to costs due to the increased size of the charity and inflation. The charity spent £458,814 on raising the charity's total income of £6,648,035. Therefore, for every £1 spent on fundraising, over £14 of revenues were generated.

Fundraising costs increased by £109,075 to £458,815 (2021-22: £349,740). This was mainly a result of investment in the individual giving team in order to boost future individual giving income, as set out in our individual giving strategic plan.

For Urban Forests in London, costs increased by £180,085 to £918,124 (2021-22 £738,039), due to three additional projects being delivered. For the UK programme, costs increased by £1,433,659 to £2,533,291 (2021-22: £1,099,632), this was largely driven by an increase of £731,930 in pass through of grant funds relating to the Green Recovery Challenge Fund and Urban Tree Challenge Fund. The remaining increases relate to increased internal and external costs relating to more internally delivered projects, as well as increased staff costs due to the expansion of the programme. The International programme expenditure reduced in year from £116,611 to £64,942, as we were unable to carry out as many grant funded activities in the year compared to 2021-22.

The Trees for Schools programme increased expenditure by £100,543, spending £1,514,036 (2021-22: £1,413,493). There has been a shift towards more external delivery of projects, reflected in reduced staff costs and increased contractor costs. Increases in costs are largely driven by increased overheads and inflation.

Support costs, as detailed in note 6a, increased by £76,540 to £346,136 (2021-22: £269,596) This was largely driven by increases in HR and IT costs as a result of organisation growth, to ensure delivery continues to be well supported, plus increases in organisation-wide events as COVID restrictions were fully lifted.

TREES FOR CITIES

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2023

Investment policy

Trees for Cities may invest funds at the discretion of the board (as per the Memorandum and Articles of Association). The trustees review the charity's cash levels and investment opportunities on an ongoing basis.

The investment objective for short-term investments (funds accessible within 12 months) is to allow funds to be readily available, and with the minimum risk.

In line with this objective, cash is held in bank accounts that allow instant access. During the year funds were held with The Co-operative Bank and CAF Bank. Cash was also held with Triodos Bank under a 33-day notice period, Shawbrook bank under a 60-day notice period, and with Shawbrook Bank and Triodos Bank under a 12 month fixed term. A new account was set up with the platform Flagstone, which enables organisations to place deposits on fixed and variable terms with a number of banks, without having to set up accounts with each bank individually. Funds were placed on deposit with six different banks with terms of up to 12 months.

Should the trustees consider that cash reserves sufficiently exceed the level required to finance the charity's forthcoming activities in a sustainable way, funds may be invested on a longer-term basis to generate further cash for the charity.

The investment objective for long-term investments (funds not accessible within 12 months) will be to generate a return in excess of inflation over the long-term, and to minimise risk by spreading investments across more than one asset class.

The trustees have set ethical criteria for long-term investments, primarily that Trees for Cities will not invest in companies whose actions run counter to the charity's own charitable objectives.

We hold a discretionary investment portfolio of 100% government backed bonds with Quilter Cheviot Limited Jersey, with a value of £339,463 at 31 March 2023. This investment is very low risk and the cash can be withdrawn with a few days notice.

Our investment risk appetite was reviewed by the trustees in 2022-23, as our bond investments were yielding insufficient funds to maintain real value, in light of the current high inflation environment. The trustees approved an increase in our risk appetite, and approved amounts to be invested over a period of at least five years, which should deliver capital growth even if some short term volatility is experienced. After a review of the market, taking into account risk and liquidity needs, the trustees authorised investing in a medium risk fund with Sarasin Investment Funds Limited from April 2023. Deposits with Quilter Cheviot Limited Jersey will be drawn down as they mature.

Reserves policy and going concern

Plans for 2023-24 and beyond anticipate further growth for Trees for Cities. We were able to secure over 50% of our planned income for 2023-24 by the end of August 2023 and expect to secure the balance over the remaining seven month period. Our current forecasts predict a surplus of unrestricted funds at the end of the year. We plan to hold reserves in the region of the ideal amount of £1,370,000 through the year and we will continue to monitor our financial performance and future reserves position.

Accordingly, we consider that the Charity has adequate resources to continue in operational existence for the foreseeable future and we believe that we continue to be a going concern.

Trees for Cities holds unrestricted reserves in order to:

- mitigate against unexpected reductions in income
- provide working capital
- allow for operational deficits when future planning
- assist with cash flow

TREES FOR CITIES

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2023

- purchase capital items
- allow for possible future expansion.

Our reserves policy is to hold no less than the cost of winding up the organisation in regards to meeting financial obligations such as redundancy, rent and contract payments.

The maximum level of unrestricted reserves that the organisation will hold will be the equivalent cost of six months of core operating expenditure (e.g. salaries, rent, contracts) plus the cost of winding up the organisation.

The planned level of unrestricted reserves that the organisation will hold will be the equivalent to the cost of three months of core operating expenditure (e.g. salaries, rent, contracts) plus the cost of winding up the organisation.

If the unrestricted reserves exceed the maximum level, the management team will put in place a plan to spend down the additional amount unless such an amount has been ring-fenced for future investment or expansion.

The amounts for 2023-24 of the above-mentioned reserve levels are:

- Minimum: £710,000
- Ideal: £1,370,000
- Maximum: £2,040,000

The management team and Trustees will monitor the unrestricted reserve level at quarterly intervals to ensure that it does not fall below the minimum level.

The amounts for each level will be recalculated at the start of each financial year.

The trustees' policy, after assessing the above requirements and calculating the costs of winding up, is to hold general unrestricted reserves of between £710,000 and £2,040,000. As at the end of 2022-23 unrestricted free reserves held by the charity were £1,207,370.

A designated fund of £128,511 has been set aside by the Trustees for verification and ongoing checks for our offsetting programme, funded by the fee paid by corporates for their offsetting. This will be spent over the first five years after the trees are planted.

At the end of 2022-23 total funds held by the charity were £1,837,890 (2021-22: £1,412,512). This consisted of restricted funds of £486,862 (2021-22: £203,488), designated funds of £128,511 (2021-22: £162,246) and general unrestricted funds of £1,222,517 (2021-22: £1,046,778). The charity's unrestricted free reserves were £1,207,370 (2021-22: £1,031,367). The difference between the unrestricted funds and the free reserves is due to our tangible assets which total £15,147 (2021-22: £15,411).

The Trustees are responsible for authorising the application of the charity's reserves. At all times they will have regard to restrictions placed on the application of these reserves and are responsible for ensuring that they are applied in accordance with the stated restrictions.

Principal risks and uncertainties

The trustees and senior management team identify and agree the key risks facing the charity at the start of each financial year and these are entered onto a risk register. Each risk is assessed according to its likelihood and potential impact, and appropriate actions and procedures are agreed.

At each board meeting the trustees review the risk register and agree future actions. Should any additional key risks be identified, the trustees will agree how they should be managed and if appropriate will be added to the risk register.

TREES FOR CITIES

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2023

Current principal risks in the risk register, once impact and likelihood have been considered, are as follows:

Risk	Mitigation
External Change of government or leadership of existing government	Maintain regular contact and strong relationships with government departments and officials. Maintain diverse funding portfolio
Financial Inappropriate use or loss of funds Loss of key donors	Ensure ongoing review of financial procedures and controls to ensure they meet the charity's needs Maintain a diverse funding base, build surpluses into budgets, avoid over-reliance on a single funder
Operational Loss of staff, particularly of key individuals Damage (and financial liability) to past projects due to weather, vandalism, lack of maintenance etc. Insufficient sites available to deliver projects Charity grows too quickly	Encourage sharing of information across the organisation, create succession plans for managers, review salary and benefits policy on a regular basis. Ensure reserves include sufficient funds to cover potential losses, ensure tree replacements requirements are clearly stipulated with partners for UK projects, monitor projects to pick up losses early, use climate resilient species where possible Broaden partnerships with landowners and local authorities and develop multi year arrangements. Regularly review structure, plans, resourcing and project delivery. Maintain open communications with funders

Fundraising

Trees for Cities' aim is to raise funds in a respectful way that is consistent with our values. The charity is a member of the Institute of Fundraising, and is registered with the Fundraising Regulator. In all of our fundraising we work diligently to comply with the Code of Fundraising Practice and to uphold the standards it promotes. We have received no complaints in the year.

Trees for Cities has a safeguarding policy in place which commits the charity to ensuring that all children and adults who use our services are not abused and that working practices minimise the risk of abuse. All Trees for Cities staff and volunteers have a duty to identify abuse and report it. All staff are given annual training on our safeguarding procedures by our safeguarding officer.

Trees for Cities does not contract out or outsource fundraising activities to third parties – all fundraising is undertaken in-house. Where a member of the public raises funds for the charity through a self-arranged event, Trees for Cities will ensure that any messaging and materials used are in line with organisational standards.

TREES FOR CITIES

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management

The charity was constituted as a company limited by guarantee, set up on 24 November 1993, and is governed by its Memorandum and Articles of Association.

In the year Trees for Cities continued the Trees for Streets programme jointly with Start With Local, a social enterprise that is a design led delivery agency working to help communities to thrive. We will continue to review the working arrangements for this programme as it evolves.

The board of trustees administers the charity. The trustees are directors for the purpose of company law. All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 9 to the accounts.

The board of trustees may use sub committees to consider some areas in more detail. The board remains the decision maker and considers all areas as recommended by the Charities Commission. Trees for Cities operates a finance sub-committee, chaired by the treasurer which reviews and makes recommendations to the board of trustees in relation to annual budgets, salaries, cash, investments, reserves, accounting policies and controls.

The Chief Executive is appointed by the trustees to manage the day to day running of the charity and delegates as necessary to the senior management team. The board of trustees are responsible for governance, and assist with strategy and policy.

The Chair of the board of trustees is appointed by the trustees.

The charity's trustees are:

I Bardswell (appointed 19 April 2022)
J Capon (Chair)
S Gray
A MacGillivray
B Miller
J Thrift
D Woodbine (Treasurer)
S Workman

A Shah served during the year and resigned on 24 May 2023.

Trustee recruitment, induction and training

A Board Skills Audit is undertaken approximately every three years, in line with the development of the strategic plan. The audit is used to determine if any new skills and knowledge are required to deliver the new plan. The last audit was undertaken in May 2022.

Should any gaps in skills or knowledge be identified and a new trustee position is required, a recruitment process will be undertaken. Recruitment is open to all sections of the community, and candidates are interviewed by existing trustees and appointed on merit based on a majority decision.

New trustees are made aware of their legal obligations, the content of the Memorandum and Articles of Association, the Charity's history, culture and philosophical approach, the current year's business and financial plan. New trustees also receive a copy of the most recent Annual Report and statutory accounts, and appropriate leaflets published by the Charity Commission with the opportunity to discuss them.

TREES FOR CITIES

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2023

Remuneration policy for key management personnel

Trees for Cities is an equal opportunities employer and applies objective criteria to assess merit. The Board sets the terms and conditions for staff on an annual basis. A benchmarking process is undertaken periodically to assess each role in the external market, to ensure that the charity is paying all employees, including senior management, fairly and competitively for similar roles within the sector.

Data Protection – General Data Protection Regulations

The General Data Protection Regulations (GDPR) became law in May 2018. The regulations set out the responsibilities of all organisations in relation to the personal data that they collect and hold, and are designed to enhance the rights of individuals in controlling their own data.

Trees for Cities places great importance on the security of supporter data and personal information. The charity is registered with the Information Commissioners Office and has introduced a programme that will enable demonstration of compliance with the spirit and intention of GDPR, with the required management structures in place to manage data risks and integrate governance of these risks into daily management.

For information on how the charity uses and protect personal data, please see our Privacy Policy: <https://www.treesforcities.org/privacy-policy>.

Information Security

The confidentiality, integrity and availability of information, in all its forms, are critical to the charity's work. In 2018 the information security policy was updated to bring it in line with GDPR legislation.

Anti-Fraud, Bribery and Corruption Policy

Strong internal and financial controls and robust financial management are essential to protect the charity against growing threats from external fraudulent activities and from any internal risk of funding misappropriation. Trees for Cities' system of internal controls is based on an ongoing process designed to identify the principal risks, to evaluate the nature and extent of those risks, and to manage them effectively. The controls are undergoing a full review in 2023.

The charity's anti-fraud, bribery and corruption policy specifies the controls and procedures required to prevent and detect fraud and dishonesty, investigate any allegations that arise, and take appropriate action where necessary. It also stipulates procedures for due diligence and verifying the end use of charitable funds to minimise exposure to risk when passing charitable funds to external partners.

Statement of responsibilities of the trustees

The trustees (who are also directors of Trees for Cities for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

- Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:
- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent

TREES FOR CITIES

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2023

- State whether applicable UK Accounting Standards and statements of recommended practice 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 charity will continue in operation

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

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2023 was 9 (2022: 8). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP continued as the charitable company's auditor during the year, as approved by the board of trustees.

The trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on date and signed on their behalf by

D Woodbine

Treasurer

Dated: 27 September 2023

TREES FOR CITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TREES FOR CITIES

Opinion

We have audited the financial statements of Trees for Cities (the 'charitable company') for the year ended 31 March 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Trees for Cities' ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

TREES FOR CITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TREES FOR CITIES

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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The 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; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

TREES FOR CITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TREES FOR CITIES

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to;
- Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

TREES FOR CITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TREES FOR CITIES

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. 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.

Fleur Holden (Senior statutory auditor)

9 October 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Trees for Cities

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2023

	Note	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Income from:							
Donations	2	345,251	690,350	1,035,601	377,263	246,726	623,989
Charitable activities	3						
Urban forests - London		389,202	633,223	1,022,425	404,294	227,026	631,320
Urban forests - Other UK cities		957,821	1,893,734	2,851,555	821,711	830,963	1,652,674
Urban forests - International		37,920	7,500	45,420	21,700	73,320	95,020
Trees for Streets		162,635	449,590	612,225	55,300	213,034	268,334
Trees for schools		638,500	410,414	1,048,914	519,751	99,900	619,651
Other trading activities	4	19,458	-	19,458	14,453	-	14,453
Investments	5	12,437	-	12,437	9,678	-	9,678
Total income		2,563,224	4,084,811	6,648,035	2,224,150	1,690,969	3,915,119
Expenditure on:							
Raising funds	6a	402,062	56,753	458,815	274,007	75,733	349,740
Charitable activities							
Urban forests - London		383,472	534,652	918,124	463,882	274,157	738,039
Urban forests - Other UK cities		412,852	2,120,439	2,533,291	268,772	830,860	1,099,632
Urban forests - International		49,942	15,000	64,942	30,993	85,618	116,611
Trees for Streets		262,391	459,640	722,031	31,352	292,819	324,171
Trees for Schools		899,860	614,953	1,514,813	1,260,513	152,980	1,413,493
Total expenditure		2,410,579	3,801,437	6,212,016	2,329,519	1,712,167	4,041,686
Net income / (expenditure) before net gains / (losses) on investments		152,645	283,374	436,019	(105,369)	(21,198)	(126,567)
Net losses on investments		(10,641)	-	(10,641)	(13,860)	-	(13,860)
Net movement in funds		142,004	283,374	425,378	(119,229)	(21,198)	(140,427)
Reconciliation of funds:							
Total funds brought forward		1,209,024	203,488	1,412,512	1,328,253	224,686	1,552,939
Total funds carried forward		1,351,028	486,862	1,837,890	1,209,024	203,488	1,412,512

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

Movements in funds are disclosed in Note 21a to the financial statements.

Trees for Cities

Company no. 02874642

Balance sheet

As at 31 March 2023

	Note	£	2023 £	£	2022 £
Fixed assets:					
Tangible assets	13		15,147		15,411
Investments	14		339,462		487,709
			<u>354,609</u>		<u>503,120</u>
Current assets:					
Debtors	15	1,866,828		1,147,252	
Short term deposits		500,010		250,000	
Cash at bank and in hand		2,063,060		1,569,406	
		<u>4,429,898</u>		<u>2,966,658</u>	
Liabilities:					
Creditors: amounts falling due within one year	16	(2,946,617)		(2,057,266)	
Net current assets			<u>1,483,281</u>		<u>909,392</u>
Total net assets			<u><u>1,837,890</u></u>		<u><u>1,412,512</u></u>
The funds of the charity:	21a				
Restricted income funds			486,862		203,488
Unrestricted income funds:					
Designated funds		128,511		162,246	
General funds		1,222,517		1,046,778	
		<u></u>		<u></u>	
Total unrestricted funds			<u>1,351,028</u>		<u>1,209,024</u>
Total charity funds			<u><u>1,837,890</u></u>		<u><u>1,412,512</u></u>

Approved by the trustees on 27 September 2023 and signed on their behalf by

D Woodbine
Treasurer

Trees for Cities

Statement of cash flows

For the year ended 31 March 2023

	2023 £	£	2022 £	£
Cash flows from operating activities				
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	425,378		(140,427)	
Depreciation charges	16,711		15,566	
Losses on investments	10,641		13,860	
Dividends and interest from investments	(12,437)		(9,678)	
Loss on the disposal of fixed assets	1,553		-	
Increase in debtors	(719,576)		(456,464)	
Increase in creditors	889,351		150,594	
Net cash provided by/(used in) operating activities	611,621		(426,549)	
Cash flows from investing activities:				
Dividends and interest from investments	12,437		9,678	
Proceeds from the sale of fixed assets	2,000		-	
Purchase of fixed assets	(20,000)		-	
Proceeds from sale of investments	137,606		135,000	
Purchase of investments	-		(184,831)	
Net cash provided by/(used in) investing activities	132,043		(40,153)	
Change in cash and cash equivalents in the year	743,664		(466,702)	
Cash and cash equivalents at the beginning of the year	1,819,406		2,286,108	
Cash and cash equivalents at the end of the year	2,563,070		1,819,406	

Analysis of cash and cash equivalents

	At 1 April 2022 £	Cash flows £	Other non-cash changes £	At 31 March 2023 £
Short term deposits	250,000	250,010	-	500,010
Cash at bank and in hand	1,569,406	493,654	-	2,063,060
Cash and cash equivalents	1,819,406	743,664	-	2,563,070

Trees for Cities

Notes to the financial statements

For the year ended 31 March 2023

1 Accounting policies

a) Statutory information

Trees for Cities is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address and principal place of business is Prince Consort Lodge, Kennington Park Place, London, SE11 4AS.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Please refer to the trustees' annual report, specifically the financial review and the reserves policy where it sets out how the charity is operating within its reserves policy target levels of reserves.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

When donors specify that incoming resources given to the charity must be used in future accounting periods, the income is deferred to those periods.

When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that incoming resources are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Trees for Cities

Notes to the financial statements

For the year ended 31 March 2023

1 Accounting policies (continued)

f) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

g) Expenditure and irrecoverable VAT

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

- Costs of raising funds are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.
- Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support the activities of the charity.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

□	Raising Funds	14.89%
□	Urban forests - London	25.08%
□	Urban forests - Other UK cities	21.35%
□	Urban forests - International	1.76%
□	Trees for Streets	5.72%
□	Trees for schools	31.20%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

Trees for Cities

Notes to the financial statements

For the year ended 31 March 2023

1 Accounting policies (continued)

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

□	plant and machinery	3 years
□	fixtures, fittings and equipment	3-5 years
□	motor vehicles	3 years

l) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

m) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

n) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

p) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

q) Financial instruments

The charity only 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 their settlement value.

r) Pensions

The charity operates a defined contribution pension scheme. Contributions payable for the year are charged in the Statement of Financial Activities as they fall due.

s) Employee benefits

Termination benefits are recognised as an expense when the charity is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the charity has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Trees for Cities

Notes to the financial statements

For the year ended 31 March 2023

2 Income from donations

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Donations - individuals	178,210	25,194	203,404	290,734	12,140	302,874
Donations - trusts & foundations	30,859	2,500	33,359	7,000	30,500	37,500
Donations - corporate partners	59,984	602,973	662,957	50,828	114,993	165,821
Donations - schools	-	2,000	2,000	-	-	-
Grants - furlough	-	-	-	6,701	-	6,701
Grants - other	76,198	57,683	133,881	22,000	89,093	111,093
	345,251	690,350	1,035,601	377,263	246,726	623,989

3 Income from charitable activities

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Corporate partners	186,983	280,749	467,732	234,794	-	234,794
Grants	-	304,846	304,846	-	227,026	227,026
Local government	202,219	47,628	249,847	169,500	-	169,500
Urban forests - London	389,202	633,223	1,022,425	404,294	227,026	631,320
Corporate partners	922,821	-	922,821	821,711	-	821,711
Grants	-	1,893,734	1,893,734	-	830,963	830,963
Local government	35,000	-	35,000	-	-	-
Urban forests - Other UK cities	957,821	1,893,734	2,851,555	821,711	830,963	1,652,674
Corporate partners	37,920	-	37,920	21,700	-	21,700
Grants	-	7,500	7,500	-	73,320	73,320
Urban forests - International	37,920	7,500	45,420	21,700	73,320	95,020
Corporate partners	14,705	-	14,705	-	-	-
Grants	-	449,590	449,590	-	213,034	213,034
Local government	147,930	-	147,930	55,300	-	55,300
Trees for Streets	162,635	449,590	612,225	55,300	213,034	268,334
Corporate Partners	86,600	-	86,600	230,251	-	230,251
Grants	-	410,414	410,414	-	63,700	63,700
Schools	208,900	-	208,900	92,250	36,200	128,450
Local government	343,000	-	343,000	197,250	-	197,250
Trees for Schools	638,500	410,414	1,048,914	519,751	99,900	619,651
Total income from charitable activities	2,186,078	3,394,461	5,580,539	1,822,756	1,444,243	3,266,999

Three government grants were claimed for from the Forestry Commission for three Urban Tree Challenge Funds for the planting and maintenance of trees in the UK. These were allocated to our London and UK Urban Forests programmes, and totalled £587,995 (2022: £281,298).

Trees for Cities

Notes to the financial statements

For the year ended 31 March 2023

4 Income from other trading activities

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Sponsorship of projects	19,458	-	19,458	14,453	-	14,453
	19,458	-	19,458	14,453	-	14,453

5 Income from investments

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Fixed interest securities	6,369	-	6,369	6,623	-	6,623
Bank interest	6,068	-	6,068	3,055	-	3,055
	12,437	-	12,437	9,678	-	9,678

Trees for Cities

Notes to the financial statements

For the year ended 31 March 2023

6a Analysis of expenditure (current year)

	Charitable activities								2023 Total £	2022 Total £
	Raising funds £	Urban forests - London £	Urban forests - other cities £	Urban forests - international £	Trees for Streets £	Trees for Schools £	Governance costs £	Support costs £		
Staff costs (Note 9)	328,311	552,992	470,749	38,806	126,121	687,933	39,502	-	2,244,414	1,862,636
Depreciation	-	7,805	-	-	-	7,806	-	1,100	16,711	15,566
Fundraising costs	69,353	-	-	-	-	-	-	-	69,353	41,279
Direct activity costs - grants	-	-	1,078,349	10,500	284,924	-	-	-	1,373,773	346,419
Direct activity costs - internal delivery of projects	-	234,050	213,260	-	70,615	183,207	-	-	701,132	418,065
Direct activity costs - external delivery of projects	-	22,748	685,355	8,581	217,443	510,808	-	-	1,444,935	1,076,454
Audit	-	-	-	-	-	-	11,275	-	11,275	8,200
Facilities	-	-	-	-	-	-	-	135,291	135,291	118,700
HR	-	-	-	-	-	-	-	81,792	81,792	34,368
Rent	-	-	-	-	-	-	-	54,343	54,343	57,375
Other costs	1,467	-	-	-	-	-	3,920	73,610	78,997	62,624
	399,131	817,595	2,447,713	57,887	699,103	1,389,754	54,697	346,136	6,212,016	4,041,686
Support costs	51,540	86,811	73,900	6,092	19,799	107,994	-	(346,136)	-	-
Governance costs	8,144	13,718	11,678	963	3,129	17,065	(54,697)	-	-	-
Total expenditure 2023	458,815	918,124	2,533,291	64,942	722,031	1,514,813	-	-	6,212,016	
Total expenditure 2022	349,740	738,039	1,099,632	116,611	324,171	1,413,493	-	-		4,041,686

Trees for Cities

Notes to the financial statements

For the year ended 31 March 2023

6b Analysis of expenditure (prior year)

	Charitable activities							2022 Total £	
	Raising funds £	Urban forests - London £	Urban forests - other cities £	Urban forests - international £	Trees for Streets £	Schools £	Governance costs £		Support costs £
Staff costs (Note 9)	261,928	479,409	201,019	58,166	113,405	715,182	33,527	-	1,862,636
Depreciation	-	7,233	-	-	-	7,233	-	1,100	15,566
Fundraising costs	41,279	-	-	-	-	-	-	-	41,279
Direct activity costs - grants	-	-	346,419	-	-	-	-	-	346,419
Direct activity costs - internal delivery of projects	-	149,938	20,928	58	44,833	202,308	-	-	418,065
Direct activity costs - external delivery of projects	-	19,060	496,715	48,390	146,441	365,848	-	-	1,076,454
Audit	-	-	-	-	-	-	8,200	-	8,200
Facilities	-	-	-	-	-	-	-	118,700	118,700
HR	-	-	-	-	-	-	-	34,368	34,368
Rent	-	-	-	-	-	-	-	57,375	57,375
Other costs	1,514	-	-	-	-	-	3,057	58,053	62,624
	304,721	655,640	1,065,081	106,614	304,679	1,290,571	44,784	269,596	4,041,686
Support costs	38,606	70,661	29,629	8,573	16,715	105,412	-	(269,596)	-
Governance costs	6,413	11,738	4,922	1,424	2,777	17,510	(44,784)	-	-
Total expenditure 2022	349,740	738,039	1,099,632	116,611	324,171	1,413,493	-	-	4,041,686

Trees for Cities

Notes to the financial statements

For the year ended 31 March 2023

7 Grant making

Cost	2023 £	2022 £
Urban Tree Challenge Fund - Round 1	42,039	74,939
Urban Tree Challenge Fund - Round 3	226,764	143,614
Urban Tree Challenge Fund - Round 4	175,745	-
Green Recovery Challenge Fund - Forgotten Places	633,801	127,866
Green Recovery Challenge Fund - Trees for Streets	86,000	-
Mayor's Tree programme	198,924	-
International grants	10,500	-
At the end of the year	1,373,773	346,419

The Urban Tree Challenge Fund is a multi year grant from the Forestry Commission and round one funding was passed to nine partners and round three to eight partners in both years for the planting and maintenance of trees in the UK. Round four was passed to nine partners for planting in 2022-23. The Green Recovery Challenge Fund was developed by Defra and its Arm's-Length Bodies. It is being delivered by The National Lottery Heritage Fund in partnership with Natural England, the Environment Agency and Forestry Commission. Funds were passed to nine partners in the year for the Forgotten Places grant and nine partners for the Trees for Streets grant. The Mayor's Tree programme is a Greater London Authority multi year grant and funds were passed to nine councils in order to boost street tree planting activity. The grants are part of our UK and Trees for Streets activities and support costs are allocated in note 6a and 6b. There was some overlap of partners between grants, with a total of 31 different council partners, and seven other institutional partners being passed grants.

The grants were split as follows between council partners and other institutional partners:

	Number of council partners No.	Number of other institutional partners No.	Paid to council partners £	Paid to other institutional partners £
Urban Tree Challenge Fund - Round 1	6	3	21,967	20,072
Urban Tree Challenge Fund - Round 3	6	2	202,694	24,070
Urban Tree Challenge Fund - Round 4	8	1	172,946	2,799
Green Recovery Challenge Fund - Forgotten Places	6	3	384,638	249,163
Green Recovery Challenge Fund - Trees for Streets	9	-	86,000	-
Mayor's Tree programme	9	-	198,924	-
International grants	-	1	-	10,500
Total	44	10	1,067,169	306,604

8 Net expenditure/(income) for the year

This is stated after charging / (crediting):

	2023 £	2022 £
Depreciation	16,711	15,566
Operating lease rentals payable:		
Property	41,781	40,518
Other	5,548	17,658
Auditor's remuneration (excluding VAT):		
Audit	11,275	8,200
Other services	831	4,486

Trees for Cities

Notes to the financial statements

For the year ended 31 March 2023

9 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2023 £	2022 £
Salaries and wages	1,949,663	1,609,828
Redundancy and termination costs	-	13,005
Social security costs	187,344	153,751
Employer's contribution to defined contribution pension schemes	107,407	86,052
	2,244,414	1,862,636

Redundancy payments made or committed during the year amounted to £nil (2022: £13,005).

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2023 No.	2022 No.
£60,000 - £69,999	2	1
£70,000 - £79,999	1	-
£80,000 - £89,999	1	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £390,408 (2022: £377,225).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £229 (2022: £nil) incurred by members relating to attendance at meetings of the trustees, and costs relating to board meetings and trustee gifts, totalling £3,912 (2022: £2,070)

10 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 58 (2022: 48).

Staff are split across the activities of the charity as follows (full time equivalent basis):

	2023 No.	2022 No.
Fundraising and public relations	8.0	7.0
Urban forests - London	14.0	12.0
Urban forests - UK Cities	11.5	5.0
Urban forests - International	0.5	1.0
Trees for Streets	3.0	3.0
Trees for Schools	17.0	18.0
	54.0	46.0

Trees for Cities

Notes to the financial statements

For the year ended 31 March 2023

11 Related party transactions

There are no related party transactions to disclose for this financial year (2022: none).

12 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

13 Tangible fixed assets

Cost	Motor vehicles £	Plant & machinery £	Fixtures, fittings & equipment £	Total £
At the start of the year	43,396	18,022	6,348	67,766
Additions in year	20,000	-	-	20,000
Disposals in year	(7,995)	-	-	(7,995)
At the end of the year	55,401	18,022	6,348	79,771
Depreciation				
At the start of the year	29,788	16,219	6,348	52,355
Charge for the year	15,611	1,100	-	16,711
Eliminated on disposal	(4,442)	-	-	(4,442)
At the end of the year	40,957	17,319	6,348	64,624
Net book value				
At the end of the year	14,444	703	-	15,147
At the start of the year	13,608	1,803	-	15,411

All of the above assets are used for charitable purposes.

14 Listed investments

	2023 £	2022 £
Fair value at the start of the year	487,709	451,738
Additions at cost	-	184,831
Disposal proceeds	(137,606)	(135,000)
Revaluation during the year	(10,641)	(13,860)
	339,462	487,709
Cash held by investment broker pending reinvestment	2,870	6,696
Fair value at the end of the year	342,332	494,405
Investments comprise:		
	2023 £	2022 £
UK fixed interest bonds	339,462	487,709
Cash	2,870	6,696
	342,332	494,405

Trees for Cities

Notes to the financial statements

For the year ended 31 March 2023

15 Debtors

	2023 £	2022 £
Trade debtors	1,180,289	743,978
Prepayments and accrued income	686,539	403,274
	1,866,828	1,147,252

16 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	122,565	77,688
Taxation and social security	198,782	81,979
Grant accruals	952,018	327,756
Other accruals	815,074	560,672
Deferred income (note 18)	649,244	890,538
Council sponsorship holdings	196,560	106,745
Other creditors	12,374	11,889
	2,946,617	2,057,266

Council sponsorship holdings is money received for our Trees for Streets programme from sponsors that will be passed to councils, less an administration fee, once the trees they relate to have been planted. This is done on an annual basis.

17 Deferred income

Deferred income comprises funding for projects being delivered in 2023-24, including urban forest projects £134,300 (2022: £226,483), environmental offsetting £196,494 (2022: £466,959), schools £291,051 (2022: £133,133), and other income £7,399 (2022: £96,461)

	2023 £	2022 £
Balance at the beginning of the year	890,538	1,248,638
Amount released to income in the year	(817,346)	(1,005,416)
Amount deferred in the year	576,052	647,316
Balance at the end of the year	649,244	890,538

18 Contingent liability

The charity has recognised the replanting of trees due to unforeseen events, such as extreme weather or vandalism, as a contingent liability. It is taken into account when planning our unrestricted reserves levels. As the amount cannot be estimated reliably and as the charity may not be liable for the costs, depending on the original planting delivery method, we have not included it as a provision.

Trees for Cities

Notes to the financial statements

For the year ended 31 March 2023

19 Pension scheme

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund as detailed below. Contributions of £15,606 (2022: £24,117) were outstanding at 31 March 2023.

	2023 £	2022 £
Contributions payable by the charity for the year	107,407	86,052

20a Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	15,147	-	-	15,147
Investments	339,462	-	-	339,462
Net current assets	3,814,525	128,511	486,862	4,429,898
Creditors: amounts falling due within one year	(2,946,617)	-	-	(2,946,617)
Net assets at 31 March 2023	1,222,517	128,511	486,862	1,837,890

20b Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	15,411	-	-	15,411
Investments	487,709	-	-	487,709
Net current assets	2,600,924	162,246	203,488	2,966,658
Creditors: amounts falling due within one year	(2,057,266)	-	-	(2,057,266)
Net assets at 31 March 2022	1,046,778	162,246	203,488	1,412,512

Trees for Cities

Notes to the financial statements

For the year ended 31 March 2023

21a Movements in funds (current year)

	At 1 April 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2023 £
Restricted funds:					
Urban forests - London	-	633,223	(438,436)	-	194,787
Urban forests - UK Cities	121,960	1,893,734	(2,011,351)	-	4,343
Urban forests - International	-	7,500	(7,500)	-	-
Trees for Streets	10,000	449,590	(449,590)	-	10,000
Trees for Schools	-	410,414	(204,210)	-	206,204
Donations and legacies	71,528	690,350	(690,350)	-	71,528
Total restricted funds	203,488	4,084,811	(3,801,437)	-	486,862
Unrestricted funds:					
Designated funds:					
Trees for Streets	55,300	-	(55,300)	-	-
Environmental offsetting	106,946	52,885	(31,320)	-	128,511
Total designated funds	162,246	52,885	(86,620)	-	128,511
General funds	1,046,778	2,510,339	(2,334,600)	-	1,222,517
Total unrestricted funds	1,209,024	2,563,224	(2,421,220)	-	1,351,028
Total funds	1,412,512	6,648,035	(6,222,657)	-	1,837,890

The narrative to explain the purpose of each fund is given at the foot of the note below.

21b Movements in funds (prior year)

	At 31 March 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2022 £
Restricted funds:					
Urban forests - London	10,000	227,026	(237,026)	-	-
Urban forests - UK Cities	72,500	830,963	(781,503)	-	121,960
Urban forests - International	-	73,320	(73,320)	-	-
Trees for Streets	79,785	213,034	(282,819)	-	10,000
Trees for Schools	-	99,900	(99,900)	-	-
Donations and legacies	62,401	246,726	(237,599)	-	71,528
Total restricted funds	224,686	1,690,969	(1,712,167)	-	203,488
Unrestricted funds:					
Designated funds:					
Schools - Edible playgrounds	448,211	-	(448,211)	-	-
Trees for Streets	-	55,300	-	-	55,300
Environmental offsetting	-	106,946	-	-	106,946
Total designated funds	448,211	162,246	(448,211)	-	162,246
General funds	880,042	2,061,904	(1,895,168)	-	1,046,778
Total unrestricted funds	1,328,253	2,224,150	(2,343,379)	-	1,209,024
Total funds	1,552,939	3,915,119	(4,055,546)	-	1,412,512

Trees for Cities

Notes to the financial statements

For the year ended 31 March 2023

21 Movements in funds (continued)

Purposes of restricted funds

Restricted funds for all Urban Forests programmes relate to funding that has been received in advance for projects that have either been planned for 2023-24, or been delayed to from 2022-23 and will be delivered in 2023-24.

The Trees for Streets restricted fund relate to unspent funds in the year for a donation towards the project. The funds will be spent in 2023-24

Restricted funds for Trees for Schools relate to funding that has been received in advance for projects that have either been planned for 2023-24, or been delayed to from 2022-23 and will be delivered in 2023-24.

Donations and legacy restricted funds comprise a donation in 2021-22 from UPS (£21,528). This is restricted to an electric vehicle purchase, and is planned to be spent in 2023-24. It also includes £50,000 (2022: £50,000) for money from the Postcode Green Trust which was awarded for the calendar year 2023 that will be allocated to core projects.

Purposes of designated funds

The designated fund relates to our offsetting work, setting aside money for future costs over five years relating to verification and monitoring for trees planted in 2021-22 and 2022-23.

22 Operating lease commitments payable as a lessee

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Land and buildings		Other	
	2023	2022	2023	2022
	£	£	£	£
Less than one year	41,775	41,775	-	7,416
One to five years	39,517	81,291	-	-
	81,292	123,066	-	7,416

23 Legal status of the charity

The charity is a company limited by guarantee and is under the control of the board of Trustees. The liability of each member in the event of winding up is limited to £1.

TREES FOR CITIES

England & Wales - Charity number 1032154

Accounts

Charity Registration No. 1032154

Company Registration No. 02874642 (England and Wales)



TREES FOR CITIES

TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022

TREES FOR CITIES (A COMPANY LIMITED BY GUARANT EE)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	B Bardswell J Capon (Chair) S Gray A MacGillivray B Miller A Shah J Thrift D Woodbine S Workman
Chief Executive	D Elliott
Charity number	1032154 (England and Wales)
Company number	02874642 (United Kingdom)
Principal address and Registered office	Prince Consort Lodge Kennington Park Place London SE11 4AS
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108-114 Golden Lane London London EC1Y 0TL
Bankers	The Co-operative Bank p.l.c. (main day to day bankers) P.O. Box 101 1 Balloon Street Manchester M60 4EP CAF Bank 25 Kings Hill Avenue Kings Hill, West Malling Kent ME19 4JQ Triodos Bank Deanery Road Bristol BS1 5AS

TREES FOR CITIES

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TREES FOR CITIES

TRUSTEES' REPORT

The Trustees are pleased to present their report and accounts for the year ended 31 March 2022.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102

Our Mission

'To improve people's lives by planting trees in towns and cities'

We are the only UK charity working at a national and international scale to improve lives by planting trees in cities. We get stuck in with local communities to cultivate lasting change in their neighbourhoods – whether it's revitalizing forgotten spaces, creating healthier environments or getting people excited about growing, foraging and eating healthy food.

Objectives and Activities (including Achievements and Performance)

Our organisational goal is to create healthy, accessible, functional and resilient urban forests created for today and future generations.

Trees for Cities wants to enable and inspire a new generation of individuals and communities who are both resourced and motivated to plant, protect and promote urban trees. We do this by working closely with landowners, partners and funders to deliver transformational change in towns and cities – inspiring the next generation by greening schools, sharing ideas and knowledge and running inclusive community tree planting events across the UK.

Our objects, as set out in our governing document are:

"The Charity is established to advance the education of the public in the appreciation of trees and nature, particularly with regard to their social and environmental value by the planting, protection and promotion of trees and green spaces everywhere and in particular in towns and cities."

The public benefits that shape our annual activities continue to be environmental protection and improvement, education, and health.

In shaping our objectives for the year and planning our activities, the trustees have given consideration to the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

What we achieved in 2021-22:

- We had a highly successful year, delivering projects with our highest annual budget in our history.
- Planted 27,397 trees in London across 11 woodland, estate and park projects.
- Planted almost 184,092 trees, in 35 towns and cities across the UK, including in a number of 'forgotten places' enabled by the Green Recovery Challenge Fund and the DEFRA Urban Tree Challenge Fund programme.
- Planted 54,654 trees internationally in Rwanda and Kenya as well as the delivery of three school-based organic gardens in Kenya.
- In schools, we delivered 25 Edible Playgrounds in Bradford, Cardiff, Leicester, Liverpool and London. Four Planting Healthy Air projects were delivered.

TREES FOR CITIES TRUSTEES' REPORT

- Fully launched the “Trees for Streets” programme, enabled by a grant from the Green Recovery Challenge Fund. Eight councils used the platform in 2021-22 with around 500 street trees sponsored as well as 230 funded through the grant.
- We engaged 21,410 people in London, the UK and internationally through our urban forests programme. We also engaged 24,380 pupils and 2,364 staff members in schools and launched an online Community Hub.

Covid-19 pandemic

During the year, covid restrictions were reduced compared to 2020-21. As such, from all the efforts in 2019-20 to be flexible in our approach, we were prepared for the restrictions that were in place and were able to deliver our work as planned in the year. As we have moved back towards pre-pandemic conditions, we have implemented hybrid working arrangements for the roles that allow for this. With continued uncertainties about the year ahead and beyond, the following existing strategic initiatives have been useful during the pandemic and we continue to employ them:

1. Increase focus on multi-annual planning via the securing of more and larger multi-annual grants and partnerships.
2. Ensure a strategic approach is taken to key funder relationships.
3. Grow and develop services and programmes to provide more funding options.
4. Aim to reassess our reserves policy and grow unrestricted where possible.
5. We have committed to multi year planning in our strategy process and will commit to this in our operational plans.

Plans for future periods

We launched a new strategy “The Turn of Trees” in June 2022. Following from this, a selection of our targets for 2022-23 are:

- **Plant:** Plant 175,000 across all projects, benefiting 130,000 more urban dwellers with 4,000 urban dwellers planting a tree for the first time and 7,000 more children benefiting from high quality green space.
- **Protect:** 90% of our standard trees and 80% of our woodlands to be in good health after an establishment period of three years. Give 5,000 urban dwellers increased knowledge and skills about planting and protecting urban trees. Enable community groups to take action to protect and enhance their local trees.
- **Promote:** 65% of people who plant with us will plan to take further action for urban trees, 15% more will be connecting with us through our communication platforms. A 25% increase in press and media outcomes will be being generated and spreading the word about urban trees and their benefits.

TREES FOR CITIES

TRUSTEES' REPORT

Financial Review

The Statement of financial activities (SoFA), Balance sheet and Statement of cash flows have been prepared in accordance with the Charities SORP FRS 102.

Trees for Cities has had a successful year, delivering the largest budget in our history. Our growth has been mainly in our UK programme, which has been largely enabled by a multi year grant from the National Lottery Heritage Fund via the Green Recovery Challenge Fund Forgotten Places grant and other large supporters such as the Queens' Green Canopy and the Esmée Fairburn Foundation. Our UK work was also boosted by an increase in our offsetting work due to a partnership with Ocado, which will continue into 2022-23. In addition, we fully launched the Trees for Streets programme, giving Trees for Cities a new revenue stream, that we plan to grow over the coming years.

Trees for Cities saw an increase in our total income of £1,125,287 (40%) to £3,915,119 (2020-21: £2,789,832). Due to the nature of some of our partnerships, differences arise between when income is recognised in the accounts and when those funds are spent, which can create a surplus or deficit in a given year. In 2020-21, we had planned drawdowns of quite significant amounts of reserves – the two largest of these being £400,021 from our designated funds relating to our Schools Programme, and £172,350 of unrestricted reserves received from the Guardian's 2019 Christmas charity appeal. In 2021-22, we again drew down on designated funds relating to our Schools Programme (£448,211), but we also received income in advance for our Trees for Streets and Environmental offsetting programmes that we have designated to use in future years. Therefore, whilst levels of activity increased in the year, they did not do so to the same extent as income.

Donations increased in the year by £79,478 to £623,989 (£2019-20: £544,511). This is split into individual donations, corporate donations and core grants. Individual donations increased from £172,019 in 2020-21 to £302,874 in 2021-22, an increase of £130,855. This was due to the success of our Big Give campaigns, a large one-off in memory donation, and an increase in payroll giving. We also saw increases in corporate donations, trust and foundation donations and core grants. Meanwhile, we received £6,701 of core grants relating to the furlough grant scheme in 2021-22, a reduction of £200,621 compared to 2020-21 as the scheme wound down and all our staff returned to work.

Income for our **charitable activities** increased by £1,061,281 to £3,266,999 in year, with increases in almost every programme. The biggest increase in funding (£861,212) was in our **UK Urban Forest** work, mainly due to multi year grant funding from the National Lottery Heritage Fund's Green Recovery Challenge Fund and DEFRA's Urban Tree Challenge fund, as well as an increase in our environmental offsetting programme (increasing by £227,916) . **London urban forests**, remained stable, increasing slightly to £631,320 (2020-21 £598,363), with some increases in grants, against reductions in corporate income. **International urban forests** received a grant from the Lund Trust, as well as some income from corporate partners meaning income increased from £5,000 in 2020-21 to £95,020 in 2021-22.

Trees for Streets, an online community street tree funding platform went live in the year with income of £268,334 (2020-21 £163,200). We received grants from the Green Recovery Challenge Fund (£213,034) and income from eight councils (£55,300). We spent £324,171 in 2021-22, using up restricted funds from 2020-21.

In our **Schools** programme, income recognised in the year reduced by £28,042 to £619,651 (2020-21: £647,693). The size of our programme and its funding base remained similar in 2021-22 compared to 2020-21, which is reflected in the income remaining stable.

Other trading activities have changed only slightly, reducing from £20,204 to £14,453. We have reclassified corporate volunteering days and environmental offsetting for 2021-22 and the comparative from 2020-21 as charitable activities as these are primary purpose activities, not non-charitable trading activities, and so the SoFA now fully reflects this.

Expenditure increased in year to £4,041,686 (2020-21: £3,423,236). This was driven by increases in the UK Urban Forests programme, as well as the new Trees for Streets programme, The charity spent £349,740 on raising the charity's total income of £3,915,119. Therefore, for every £1 spent on fundraising, over £11 of revenues were generated.

TREES FOR CITIES

TRUSTEES' REPORT

For Urban Forests, in London, due to covid restrictions being lifted, more projects were delivered by our teams and volunteers, instead of contractors that had to be used in 2020-21, which was the main contributing factor in reducing expenditure by £189,456 to £738,039 (2020-21: £927,495). For the UK programme, costs increased by £550,928 to £1,099,632 (2020-21: £548,704), this was largely driven by the increased numbers of trees planted – almost 200,000 compared to 130,000 in 2020-21 – mainly due to the Green Recovery Challenge Fund planting and increases in environmental offsetting planting mentioned above. The International programme expenditure increased in year from £15,083 to £116,611, as the grant funding meant we could plant more trees and the reduction in covid restrictions enabled more volunteering activities overseas too.

The Schools programme reduced expenditure by £103,758, spending £1,413,493 (2020-21: £1,517,251). The reduction is mainly due to a decrease in the size of the delivery team through streamlining delivery.

Support costs, as detailed in note 7a, increased by £31,218 to £269,596 (2020-21: £238,378). This was largely driven by increases in IT costs as our staff numbers have increased, plus increases in organisation-wide events as we could hold these again, and facilities costs as more people returned to the office.

Investment policy

Trees for Cities may invest funds at the discretion of the board (as per the Memorandum and Articles of Association). The trustees review the charity's cash levels, and investment opportunities on an ongoing basis.

The investment objective for short-term investments (funds accessible within 12 months) is to allow funds to be readily available, and with the minimum risk.

In line with this objective, cash is held in bank accounts that allow instant access. During the year funds were held with The Co-operative Bank and CAF Bank. Cash was also held with Triodos Bank under a 33-day notice period, Shawbrook bank under a 60-day notice period, and with Shawbrook Bank and Triodos Bank under a 12 month fixed term.

Should the trustees consider that cash reserves sufficiently exceed the level required to finance the charity's forthcoming activities in a sustainable way, funds may be invested on a longer-term basis to generate further cash for the charity.

The investment objective for long-term investments (funds not accessible within 12 months) will be to generate a return in excess of inflation over the long-term, and to minimise risk by spreading investments across more than one asset class.

The trustees have set ethical criteria for long-term investments, primarily that Trees for Cities will not invest in companies whose actions run counter to the charity's own charitable objectives.

We hold a discretionary investment portfolio of 100% government backed bonds with Quilter Cheviot Limited Jersey, with a value of £487,709 at 31 March 2022. This investment is very low risk and the cash can be withdrawn with a few days notice. Our investment risk level will be reviewed in 2022-23 in light of the current high inflation environment.

Reserves policy and going concern

Plans for 2022-23 and beyond anticipate further growth for Trees for Cities. We were able to secure over 60% of our planned income for 2022-23 by the end of July and expect to secure the balance over the remaining eight month period. Our current forecasts predict a surplus of unrestricted funds at the end of the year. Whilst the external environment is uncertain due to a potential recession and high inflation, we have identified this as a principal risk and are taking steps to reduce its impact as detailed in the principal risks and uncertainties section. We plan to hold reserves in the region of the ideal amount of £1,140,000 through the year and we will continue to monitor our financial performance and future reserves position.

TREES FOR CITIES TRUSTEES' REPORT

Accordingly, we consider that the Charity has adequate resources to continue in operational existence for the foreseeable future and we believe that we continue to be a going concern.

Trees for Cities holds unrestricted reserves in order to:

- mitigate against unexpected reductions in income
- provide working capital
- allow for operational deficits when future planning
- assist with cash flow
- purchase capital items
- allow for possible future expansion.

Our reserves policy is hold no less than the cost of winding up the organisation in regards to meeting financial obligations such as redundancy, rent and contract payments.

The maximum level of unrestricted reserves that the organisation will hold will be the equivalent cost of six months of core operating expenditure (e.g. salaries, rent, contracts) plus the cost of winding up the organisation.

The planned level of unrestricted reserves that the organisation will hold will be the equivalent to the cost of three months of core operating expenditure (e.g. salaries, rent, contracts) plus the cost of winding up the organisation.

If the unrestricted reserves exceed the maximum level, the management team will put in place a plan to spend down the additional amount unless such an amount has been ring-fenced for future investment or expansion.

The amounts for 2022-23 of the above-mentioned reserve levels are:

- Minimum: £590,000
- Ideal: £1,140,000
- Maximum: £1,690,000

The management team and Trustees will monitor the unrestricted reserve level at quarterly intervals to ensure that it does not fall below the minimum level.

The amounts for each level will be recalculated at the start of each financial year.

The trustees' policy, after assessing the above requirements and calculating the costs of winding up, is to hold general unrestricted reserves of between £590,000 and £1,690,000. As at the end of 2021-22 general unrestricted reserves held by the charity were £1,046,778.

A designated fund of £106,946 has been set aside by the Trustees for verification and ongoing checks for our offsetting programme, funded by the fee paid by corporates for their offsetting. This will be spent over the first five years after the trees are planted. A designated fund of £55,300 has also been set aside for the Trees for Streets programme, as this was fully grant funded in 2021-22. This represents income from councils and will be used to fund the continuing work of the programme.

At the end of 2021-22 total funds held by the charity were £1,412,512 (2020-21: £1,552,939). This consisted of restricted funds of £203,488 (2020-21: £224,686), designated funds of £162,246 (2020-21: £448,211) and general unrestricted funds of £1,046,778 (2020-21: £880,042). The charity's unrestricted free reserves were £1,031,367 (2020-21: £849,065). The difference between the unrestricted funds and the free reserves is due to our tangible assets which total £15,411 (2020-21: £30,977).

The Trustees are responsible for authorising the application of the charity's reserves. At all times they will have regard to restrictions placed on the application of these reserves and are responsible for ensuring that they are applied in accordance with the stated restrictions.

TREES FOR CITIES

TRUSTEES' REPORT

Principal risks and uncertainties

The trustees and senior management team identify and agree the key risks facing the charity at the start of each financial year and these are entered onto a risk register. Each risk is assessed according to its likelihood and potential impact, and appropriate actions and procedures are agreed.

At each board meeting the trustees review the risk register and agree future actions. Should any additional key risks be identified, the trustees will agree how they should be managed and if appropriate will be added to the risk register.

Current principal risks in the risk register, once impact and likelihood have been considered, are as follows:

Risk	Mitigation
External Significant recession within the next 12 months and a high inflation environment	Focus on multi annual planning and partnerships, diverse sources of income, grow and develop different services and programmes, review increase in prices regularly & adjust budgets accordingly
Financial Inappropriate use or loss of funds Loss of key donors	Ensure ongoing review of financial procedures and controls to ensure they meet the charity's needs Maintain a diverse funding base, build surpluses into budgets, avoid over-reliance on a single funder
Operational Loss of staff, particularly of key individuals Damage (and financial liability) to past projects due to weather, vandalism, lack of maintenance etc. Charity grows too quickly	Encourage sharing of information across the organisation, create succession plans for managers, review salary and benefits policy on a regular basis. Ensure reserves include sufficient funds to cover potential losses, ensure tree replacements requirements are clearly stipulated with partners for UK projects, monitor projects to pick up losses early, use climate resilient species where possible Regularly review structure, plans, resourcing and project delivery. Maintain open communications with funders

Fundraising

Trees for Cities' aim is to raise funds in a respectful way that is consistent with our values. The charity is a member of the Institute of Fundraising, and is registered with the Fundraising Regulator. In all of our fundraising we work diligently to comply with the Code of Fundraising Practice and to uphold the standards it promotes. We have received no complaints in the year.

Trees for Cities has a safeguarding policy in place which commits the charity to ensuring that all children and adults who use our services are not abused and that working practices minimise the risk of abuse. All Trees for Cities staff and volunteers have a duty to identify abuse and report it. All staff are given annual training on our safeguarding procedures by our safeguarding officer.

TREES FOR CITIES

TRUSTEES' REPORT

TfC does not contract out or outsource fundraising activities to third parties – all fundraising is undertaken in-house. Where a member of the public raises funds for the charity through a self-arranged event, TfC will ensure that any messaging and materials used are in line with organisational standards.

Structure, governance and management

The charity was constituted as a company limited by guarantee, set up on 24 November 1993, and is governed by its Memorandum and Articles of Association.

In the year Trees for Cities continued the Trees for Streets programme jointly with Start With Local, a social enterprise that is a design led delivery agency working to help communities to thrive. We will continue to review the working arrangements for this programme as it evolves.

The board of trustees administers the charity. The trustees are directors for the purpose of company law. All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 10 to the accounts.

In the year, Trees for Cities set up a finance sub-committee, chaired by the treasurer which reviews and makes recommendations to the board of trustees in relation to annual budgets, salaries, cash, investments, reserves, accounting policies and controls.

The Chief Executive is appointed by the trustees to manage the day to day running of the charity and delegates as necessary to the senior management team. The board of trustees are responsible for governance, and assist with strategy and policy.

The Chair of the board of trustees is appointed by the trustees.

The charity's trustees are:

B Bardswell (appointed 19 April 2022)
J Capon (Chair)
S Gray
A MacGillivray
B Miller
A Shah
J Thrift
D Woodbine (Treasurer)
S Workman

S Chapleau served during the year and resigned on 23 September 2021.

Trustee recruitment, induction and training

A Board Skills Audit is undertaken approximately every three years, in line with the development of the strategic plan. The audit is used to determine if any new skills and knowledge are required to deliver the new plan.

Should any gaps in skills or knowledge be identified and a new trustee position is required, a recruitment process will be undertaken. Recruitment is open to all sections of the community, and candidates are interviewed by existing trustees and appointed on merit based on a majority decision.

New trustees are made aware of their legal obligations, the content of the Memorandum and Articles of Association, the Charity's history, culture and philosophical approach, the current year's business and financial plan. New trustees also receive a copy of the most recent Annual Report and statutory accounts, and appropriate leaflets published by the Charity Commission with the opportunity to discuss them.

Remuneration policy for key management personnel

Trees for Cities is an equal opportunities employer and applies objective criteria to assess merit. The Board sets the terms and conditions for staff on an annual basis. A benchmarking process is undertaken periodically to assess each role in the external market, to ensure that the charity is paying all employees, including senior management, fairly and competitively for similar roles within the sector.

Data Protection – General Data Protection Regulations

The General Data Protection Regulations (GDPR) became law in May 2018. The regulations set out the responsibilities of all organisations in relation to the personal data that they collect and hold, and are designed to enhance the rights of individuals in controlling their own data.

Trees for Cities places great importance on the security of supporter data and personal information. The charity is registered with the Information Commissioners Office and has introduced a programme that will enable demonstration of compliance with the spirit and intention of GDPR, with the required management structures in place to manage data risks and integrate governance of these risks into daily management.

For information on how the charity uses and protect personal data, please see our Privacy Policy: <https://www.treesforcities.org/privacy-policy>.

Information Security

The confidentiality, integrity and availability of information, in all its forms, are critical to the charity's work. In 2018 the information security policy was updated to bring it in line with GDPR legislation.

Anti-Fraud, Bribery and Corruption Policy

Strong internal and financial controls and robust financial management are essential to protect the charity against growing threats from external fraudulent activities and from any internal risk of funding misappropriation. Trees for Cities' system of internal controls is based on an ongoing process designed to identify the principal risks, to evaluate the nature and extent of those risks, and to manage them effectively. The controls will undergo a full review in 2022/23.

The charity's anti-fraud, bribery and corruption policy specifies the controls and procedures required to prevent and detect fraud and dishonesty, investigate any allegations that arise, and take appropriate action where necessary. It also stipulates procedures for due diligence and verifying the end use of charitable funds to minimise exposure to risk when passing charitable funds to external partners.

Statement of responsibilities of the trustees

The trustees (who are also directors of Trees for Cities for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

- Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:
- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent

TREES FOR CITIES

TRUSTEES' REPORT

- State whether applicable UK Accounting Standards and statements of recommended practice 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 charity will continue in operation

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

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2022 was 8 (2021: 9). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP continued as the charitable company's auditor during the year, as approved by the board of trustees.

The trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on date and signed on their behalf by

D Woodbine
Treasurer

Dated: 14 September 2022

TREES FOR CITIES

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TREES FOR CITIES

Opinion

We have audited the financial statements of Trees for Cities (the 'charitable company') for the year ended 31 March 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Trees for Cities' ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

TREES FOR CITIES

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TREES FOR CITIES

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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The 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; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

TREES FOR CITIES

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TREES FOR CITIES

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to
- Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

TREES FOR CITIES

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TREES FOR CITIES

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. 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.

Fleur Holden (Senior statutory auditor)

5 October 2022

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

TREES FOR CITIES

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2022

		Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
	Note	£	£	£	£	£	£
Income from:							
Donations	2	377,263	246,726	623,989	443,720	100,791	544,511
Charitable activities	3						
Urban forests - London		404,294	227,026	631,320	384,844	213,519	598,363
Urban forests - Other UK cities		821,711	830,963	1,652,674	547,262	244,200	791,462
Urban forests - International		21,700	73,320	95,020	-	5,000	5,000
Trees for Streets		55,300	213,034	268,334	-	163,200	163,200
Schools		519,751	99,900	619,651	305,794	341,899	647,693
Other trading activities	4	14,453	-	14,453	20,204	-	20,204
Investments	5	9,678	-	9,678	12,118	-	12,118
Other	6	-	-	-	7,281	-	7,281
Total income		2,224,150	1,690,969	3,915,119	1,721,223	1,068,609	2,789,832
Expenditure on:							
Raising funds	7a	274,007	75,733	349,740	283,580	47,708	331,288
Charitable activities							
Urban forests - London		463,882	274,157	738,039	717,031	210,464	927,495
Urban forests - Other UK cities		268,772	830,860	1,099,632	249,490	299,214	548,704
Urban forests - International		30,993	85,618	116,611	10,058	5,025	15,083
Trees for Streets		31,352	292,819	324,171	-	83,415	83,415
Schools		1,260,513	152,980	1,413,493	1,159,734	357,517	1,517,251
Total expenditure		2,329,519	1,712,167	4,041,686	2,419,893	1,003,343	3,423,236
Net income / (expenditure) before net gains / (losses) on investments		(105,369)	(21,198)	(126,567)	(698,670)	65,266	(633,404)
Net gains / (losses) on investments		(13,860)	-	(13,860)	2,603	-	2,603
Net movement in funds		(119,229)	(21,198)	(140,427)	(696,067)	65,266	(630,801)
Reconciliation of funds:							
Total funds brought forward		1,328,253	224,686	1,552,939	2,024,320	159,420	2,183,740
Total funds carried forward		1,209,024	203,488	1,412,512	1,328,253	224,686	1,552,939

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 21a to the financial statements.

TREES FOR CITIES

Company no. 02874642

BALANCE SHEET AS AT 31 MARCH 2022

	Note	£	2022 £	£	2021 £
Fixed assets:					
Tangible assets	14		15,411		30,977
Investments	15		487,709		451,738
			<u>503,120</u>		<u>482,715</u>
Current assets:					
Debtors	16	1,147,252		690,788	
Cash at bank and in hand		1,819,406		2,286,108	
			<u>2,966,658</u>	<u>2,976,896</u>	
Liabilities:					
Creditors: amounts falling due within one year	17	(2,057,266)		(1,906,672)	
			<u>909,392</u>		<u>1,070,224</u>
Net current assets					
			<u>1,412,512</u>		<u>1,552,939</u>
Total net assets			<u><u>1,412,512</u></u>		<u><u>1,552,939</u></u>
The funds of the charity:	21a				
Restricted income funds			203,488		224,686
Unrestricted income funds:					
Designated funds		162,246		448,211	
General funds		1,046,778		880,042	
			<u>1,209,024</u>		<u>1,328,253</u>
Total unrestricted funds			<u>-</u>		<u>-</u>
Total charity funds			<u><u>1,412,512</u></u>		<u><u>1,552,939</u></u>

Approved by the trustees on 14 September 2022 and signed on their behalf by

D Woodbine
Treasurer

TREES FOR CITIES

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021		
	£	£		
Cash flows from operating activities				
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(140,427)	(630,801)		
Depreciation charges	15,566	15,642		
Losses/(gains) on investments	13,860	(2,603)		
Dividends and interest from investments	(9,678)	(12,118)		
Profit on the disposal of fixed assets	-	(7,281)		
(Increase)/decrease in debtors	(456,464)	678,300		
Increase in creditors	150,594	683,039		
Net cash (used in)/provided by operating activities	(426,549)	724,178		
Cash flows from investing activities:				
Dividends and interest from investments	9,678	12,118		
Proceeds from the sale of fixed assets	-	9,925		
Purchase of fixed assets	-	(11,295)		
Proceeds from sale of investments	135,000	76,496		
Purchase of investments	(184,831)	(41,915)		
Net cash (used in)/provided by investing activities	(40,153)	45,329		
Change in cash and cash equivalents in the year	(466,702)	769,507		
Cash and cash equivalents at the beginning of the year	2,286,108	1,516,601		
Cash and cash equivalents at the end of the year	1,819,406	2,286,108		
Analysis of cash and cash equivalents				
	At 1 April 2021	Cash flows	Other non-cash changes	At 31 March 2022
	£	£	£	£
Cash at bank and in hand	2,286,108	(466,702)	-	1,819,406

TREES FOR CITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

a) Statutory information

Trees for Cities is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address and principal place of business is Prince Consort Lodge, Kennington Park Place, London, SE11 4AS.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. Please refer to the trustees' annual report, specifically the financial review and the reserves policy where it sets out how the charity is operating within its reserves policy target levels of reserves.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

When donors specify that incoming resources given to the charity must be used in future accounting periods, the income is deferred to those periods.

When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that incoming resources are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

TREES FOR CITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

Accounting policies (continued)

f) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

g) Expenditure and irrecoverable VAT

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

- Costs of raising funds are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.
- Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support the activities of the charity.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

• Raising Funds	11.99%
• Urban forests - London	21.94%
• Urban forests - Other UK cities	9.20%
• Urban forests - International	2.66%
• Trees for Streets	5.19%
• Schools	32.73%
• Support costs	14.50%
• Governance costs	1.80%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

TREES FOR CITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

Accounting policies (continued)

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- | | |
|------------------------------------|-----------|
| • plant and machinery | 3 years |
| • fixtures, fittings and equipment | 3-5 years |
| • motor vehicle | 3 years |

l) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

m) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

n) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

p) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

q) Financial instruments

The charity only 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 their settlement value.

r) Pensions

The charity operates a defined contribution pension scheme. Contributions payable for the year are charged in the Statement of Financial Activities as they fall due.

s) Employee benefits

Termination benefits are recognised as an expense when the charity is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Termination benefits for voluntary redundancies are recognised as an expense if the charity has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

TREES FOR CITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

2 Income from donations

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Donations - individuals	290,734	12,140	302,874	169,619	2,400	172,019
Donations - trusts & foundations	7,000	30,500	37,500	-	-	-
Donations - corporate partners	50,828	114,993	165,821	63,421	47,597	111,018
Grants - furlough	6,701	-	6,701	207,322	-	207,322
Grants - other	22,000	89,093	111,093	3,358	50,794	54,152
	377,263	246,726	623,989	443,720	100,791	544,511

3 Income from Charitable activities

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Corporate partners	234,794	-	234,794	291,844	4,994	296,838
Grants	-	227,026	227,026	-	146,426	146,426
Local government	169,500	-	169,500	93,000	62,099	155,099
Urban forests - London	404,294	227,026	631,320	384,844	213,519	598,363
Corporate partners	821,711	-	821,711	547,262	-	547,262
Grants	-	830,963	830,963	-	244,200	244,200
Urban forests - Other UK cities	821,711	830,963	1,652,674	547,262	244,200	791,462
Corporate partners	21,700	-	21,700	-	-	-
Grants	-	73,320	73,320	-	5,000	5,000
Urban forests - International	21,700	73,320	95,020	-	5,000	5,000
Grants	-	213,034	213,034	-	163,200	163,200
Local government	55,300	-	55,300	-	-	-
Trees for Streets	55,300	213,034	268,334	-	163,200	163,200
Corporate Partners	230,251	-	230,251	285,594	30,000	315,594
Grants	-	63,700	63,700	200	178,599	178,799
Schools	92,250	36,200	128,450	20,000	130,550	150,550
Local government	197,250	-	197,250	-	2,750	2,750
Schools	519,751	99,900	619,651	305,794	341,899	647,693
Total income from charitable activities	1,822,756	1,444,243	3,266,999	1,237,900	967,818	2,205,718

Two government grants were claimed for from the Forestry Commission for two Urban Tree Challenge Funds for the planting and maintenance of trees in the UK. These were allocated to our London and UK Urban Forests programmes, and totalled £281,298 (2020-21: £107,607).

TREES FOR CITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

4 Income from other trading activities

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Sponsorship of projects	14,453	-	14,453	20,204	-	20,204
	<u>14,453</u>	<u>-</u>	<u>14,453</u>	<u>20,204</u>	<u>-</u>	<u>20,204</u>
	14,453	-	14,453	20,204	-	20,204

5 Income from investments

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Fixed interest securities	6,623	-	6,623	7,256	-	7,256
Bank interest	3,055	-	3,055	4,862	-	4,862
	<u>9,678</u>	<u>-</u>	<u>9,678</u>	<u>12,118</u>	<u>-</u>	<u>12,118</u>
	9,678	-	9,678	12,118	-	12,118

6 Other income

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Gain on disposal of tangible fixed assets		-	-	7,281	-	7,281
	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,281</u>	<u>-</u>	<u>7,281</u>
	-	-	-	7,281	-	7,281

TREES FOR CITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

7a Analysis of expenditure (current year)

	Charitable activities									
	Raising funds	Urban forests - London	Urban forests - other cities	Urban forests - international	Trees for Streets	Schools	Governance costs	Support costs	2022 Total	2021 Total
	£	£	£	£	£	£	£	£	£	£
Staff costs (Note 10)	261,928	479,409	201,019	58,166	113,405	715,182	33,527	-	1,862,636	1,783,565
Depreciation	-	7,233	-	-	-	7,233	-	1,100	15,566	15,642
Fundraising costs	41,279	-	-	-	-	-	-	-	41,279	44,409
Direct activity costs - grants	-	-	346,419	-	-	-	-	-	346,419	82,048
Direct activity costs - internal delivery of projects	-	149,938	20,928	58	44,833	202,308	-	-	418,065	421,390
Direct activity costs - external delivery of projects	-	19,060	496,715	48,390	146,441	365,848	-	-	1,076,454	827,375
Audit	-	-	-	-	-	-	8,200	-	8,200	7,800
Facilities	-	-	-	-	-	-	-	118,700	118,700	110,897
HR	-	-	-	-	-	-	-	34,368	34,368	30,892
Rent	-	-	-	-	-	-	-	57,375	57,375	58,190
Other costs	1,514	-	-	-	-	-	3,057	58,053	62,624	41,028
	304,721	655,640	1,065,081	106,614	304,679	1,290,571	44,784	269,596	4,041,686	3,423,236
Support costs	38,606	70,661	29,629	8,573	16,715	105,412	-	(269,596)	-	-
Governance costs	6,413	11,738	4,922	1,424	2,777	17,510	(44,784)	-	-	-
Total expenditure 2022	349,740	738,039	1,099,632	116,611	324,171	1,413,493	-	-	4,041,686	
Total expenditure 2021	331,288	927,494	548,705	15,083	83,416	1,517,250	-	-		3,423,236

TREES FOR CITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

7b Analysis of expenditure (prior year)

	Charitable activities								
	Raising funds £	Urban forests - London £	Urban forests - other cities £	Urban forests - international £	Trees for Streets £	Schools £	Governance costs £	Support costs £	2021 Total £
Staff costs (Note 10)	245,993	519,774	111,922	11,521	9,385	852,368	32,602	-	1,783,565
Depreciation	-	7,623	-	-	-	7,622	-	397	15,642
Fundraising costs	44,409	-	-	-	-	-	-	-	44,409
Direct activity costs - grants	-	-	82,048	-	-	-	-	-	82,048
Direct activity costs - internal delivery of projects	-	237,974	1,903	72	1,103	180,338	-	-	421,390
Direct activity costs - external delivery of projects	-	78,917	334,915	1,645	71,425	340,473	-	-	827,375
Audit	-	-	-	-	-	-	7,800	-	7,800
Facilities	-	-	-	-	-	-	-	110,897	110,897
HR	-	-	-	-	-	-	-	30,892	30,892
Rent	-	-	-	-	-	-	-	58,190	58,190
Other costs	1,506	-	-	-	-	-	1,520	38,002	41,028
	291,908	844,288	530,788	13,238	81,913	1,380,801	41,922	238,378	3,423,236
Support costs	33,490	70,761	15,237	1,569	1,278	116,043	-	(238,378)	-
Governance costs	5,890	12,445	2,680	276	225	20,406	(41,922)	-	-
Total expenditure 2021	331,288	927,494	548,705	15,083	83,416	1,517,250	-	-	3,423,236

TREES FOR CITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

8 Grant making

Cost	2022 £	2021 £
Urban Tree Challenge Fund - Round 1	74,939	82,048
Urban Tree Challenge Fund - Round 3	143,614	-
Green Recovery Challenge Fund - Forgotten Places	127,866	-
At the end of the year	346,419	82,048

The Urban Tree Challenge Fund is a multi year grant from the Forestry Commission and round one funding was passed to nine partners in both years for the planting and maintenance of trees in the UK, and round three was passed to eight partners for planting in 2021-22. The Green Recovery Challenge Fund is a multi year grant from the National Lottery Heritage Fund and funds were passed to nine partners in the year . The grants are part of our UK activities and support costs are allocated in note 7a and 7b.

9 Net (income) / expenditure for the year

This is stated after charging / (crediting):

	2022 £	2021 £
Depreciation	15,566	15,642
Profit on disposal of fixed assets		(7,281)
Operating lease rentals payable:		
Property	40,518	50,005
Other	17,658	15,323
Auditor's remuneration (excluding VAT):		
Audit	8,200	7,800
Other services	4,486	1,520

TREES FOR CITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

10 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	1,609,828	1,576,127
Redundancy and termination costs	13,005	-
Social security costs	153,751	134,212
Employer's contribution to defined contribution pension schemes	86,052	73,226
	1,862,636	1,783,565

Redundancy payments made or committed during the year amounted to £13,005 (2021: £nil).

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2022 No.	2021 No.
£60,000 - £69,999	1	1
£70,000 - £79,999	-	-
£80,000 - £89,999	1	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £377,225 (2021: £384,885).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2021: £nil) incurred by members relating to attendance at meetings of the trustees, and costs relating to board meetings and trustee gifts, totalling £2,070 (2021: £35)

11 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 48 (2021: 50).

Staff are split across the activities of the charity as follows (full time equivalent basis):

	2022 No.	2021 No.
Fundraising and public relations	7.0	6.0
Urban forests - London	12.0	15.0
Urban forests - UK Cities	5.0	2.0
Urban forests - International	1.0	1.0
Trees for Streets	3.0	-
Schools	18.0	24.0
	46.0	48.0

TREES FOR CITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

12 Related party transactions

There are no related party transactions to disclose for this financial year (2020: none).

13 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

14 Tangible fixed assets

Cost	Motor vehicles £	Plant & machinery £	Fixtures, fittings & equipment £	Total £
At the start of the year	43,396	18,022	6,348	67,766
Additions in year	-	-	-	-
Disposals in year	-	-	-	-
At the end of the year	43,396	18,022	6,348	67,766
Depreciation				
At the start of the year	15,322	15,119	6,348	36,789
Charge for the year	14,466	1,100	-	15,566
Eliminated on disposal	-	-	-	-
At the end of the year	29,788	16,219	6,348	52,355
Net book value				
At the end of the year	13,608	1,803	-	15,411
At the start of the year	28,074	2,903	-	30,977

All of the above assets are used for charitable purposes.

15 Listed investments

	2022 £	2021 £
Fair value at the start of the year	451,738	483,716
Additions at cost	184,831	41,915
Disposal proceeds	(135,000)	(76,496)
Revaluation during the year	(13,860)	2,603
	487,709	451,738
Cash held by investment broker pending reinvestment	6,696	51,319
Fair value at the end of the year	494,405	503,057
Investments comprise:		
	2022 £	2021 £
UK fixed interest bonds	487,709	451,738
Cash	6,696	51,319
	494,405	503,057

TREES FOR CITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

16 Debtors

	2022 £	2021 £
Trade debtors	743,978	542,226
Prepayments and accrued income	403,274	148,562
	1,147,252	690,788

17 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	77,688	211,743
Taxation and social security	81,979	87,072
Accruals	888,428	339,372
Deferred income (note 18)	890,538	1,248,638
Council sponsorship holdings	106,745	-
Other creditors	11,889	19,847
	2,057,266	1,906,672

Council sponsorship holdings is money received for our Trees for Streets programme from sponsors that will be passed to councils, less an administration fee, once the trees they relate to have been planted. This is done on an annual basis.

18 Deferred income

Deferred income comprises funding for projects being delivered in 2022-23, including urban forest projects £226,483 (2021: £229,326), environmental offsetting £466,959 (2021: £761,130), schools £133,133 (2021: £236,460), and other income £96,461 (2021: £21,722)

	2022 £	2021 £
Balance at the beginning of the year	1,248,638	752,920
Amount released to income in the year	(1,005,416)	(610,187)
Amount deferred in the year	647,316	1,105,905
Balance at the end of the year	890,538	1,248,638

19 Contingent liability

The charity has recognised the replanting of trees due to unforeseen events, such as extreme weather or vandalism, as a contingent liability. It is taken into account when planning our unrestricted reserves levels. As the amount cannot be estimated reliably and as the charity may not be liable for the costs, depending on the original planting delivery method, we have not included it as a provision.

TREES FOR CITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

20 Pension scheme

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund as detailed below. Contributions of £24,117 (2021: £9,558) were outstanding at 31 March 2022.

	2022 £	2021 £
Contributions payable by the charity for the year	86,052	73,226

21a Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	15,411	-	-	15,411
Investments	487,709	-	-	487,709
Net current assets	2,600,924	162,246	203,488	2,966,658
Creditors: amounts falling due within one year	(2,057,266)	-	-	(2,057,266)
Net assets at 31 March 2022	1,046,778	162,246	203,488	1,412,512

21b Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	30,977	-	-	30,977
Investments	451,738	-	-	451,738
Net current assets	2,303,999	448,211	224,686	2,976,896
Creditors: amounts falling due within one year	(1,906,672)	-	-	(1,906,672)
Net assets at 31 March 2021	880,042	448,211	224,686	1,552,939

TREES FOR CITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

22a Movements in funds (current year)

	At 1 April 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2022 £
Restricted funds:					
Urban forests - London	10,000	227,026	(237,026)	-	-
Urban forests - UK Cities	72,500	830,963	(781,503)	-	121,960
Urban forests - International	-	73,320	(73,320)	-	-
Trees for Streets	79,785	213,034	(282,819)	-	10,000
Schools	-	99,900	(99,900)	-	-
Donations and legacies	62,401	246,726	(237,599)	-	71,528
Total restricted funds	224,686	1,690,969	(1,712,167)	-	203,488
Unrestricted funds:					
Designated funds:					
Schools - Edible playgrounds	448,211	-	(448,211)	-	-
Trees for Streets	-	55,300	-	-	55,300
Environmental offsetting	-	106,946	-	-	106,946
Total designated funds	448,211	162,246	(448,211)	-	162,246
General funds	880,042	2,061,904	(1,895,168)	-	1,046,778
Total unrestricted funds	1,328,253	2,224,150	(2,343,379)	-	1,209,024
Total funds	1,552,939	3,915,119	(4,055,546)	-	1,412,512

The narrative to explain the purpose of each fund is given at the foot of the note below.

22b Movements in funds (prior year)

	At 31 March 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2021 £
Restricted funds:					
Urban forests - London	-	213,519	(203,519)	-	10,000
Urban forests - UK Cities	117,500	244,200	(289,200)	-	72,500
Urban forests - International	-	5,000	(5,000)	-	-
Trees for Streets	-	163,200	(83,415)	-	79,785
Schools	-	341,899	(341,899)	-	-
Donations and legacies	41,920	100,791	(80,310)	-	62,401
Total restricted funds	159,420	1,068,609	(1,003,343)	-	224,686
Unrestricted funds:					
Designated funds:					
Schools - Edible playgrounds	848,232	-	(400,021)	-	448,211
Total designated funds	848,232	-	(400,021)	-	448,211
General funds	1,176,088	1,721,223	(2,017,269)	-	880,042
Total unrestricted funds	2,024,320	1,721,223	(2,417,290)	-	1,328,253
Total funds	2,183,740	2,789,832	(3,420,633)	-	1,552,939

TREES FOR CITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

22 Movements in funds (continued)

Purposes of restricted funds

Restricted funds for UK Cities relate to the Green Recovery Challenge Fund grant from the National Lottery Heritage Fund. The funds relate to unspent funds for amounts claimed that have been covered by match funding. These will be spent in 2022-23.

The Trees for Streets restricted fund relate to unspent funds in the year for a donation towards the project. The funds will be spent in 2022-23.

Donations and legacy restricted funds comprise a donation in 2021-22 from UPS (£21,528). This is restricted to an electric vehicle purchase, and is planned to be spent in 2022-23. It also includes £50,000 (2020-21: £27,500) for money from the Postcode Green Trust which was awarded for the calendar year 2022 which will be allocated to core projects.

Purposes of designated funds

Two designated fund have been set aside by the Trustees. One for Trees for Streets, relating to surplus funds for the programme from 2021-22, which will be used to fund spend in 2022-23. The other is for our offsetting work, setting aside money for future costs over five years relating to verification and monitoring for trees planted in 2021-22.

23 Operating lease commitments payable as a lessee

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Land and buildings		Other	
	2022	2021	2022	2021
	£	£	£	£
Less than one year	41,775	41,775	7,416	16,053
One to five years	81,291	29,192	-	6,742
	123,066	70,967	7,416	22,795

24 Legal status of the charity

The charity is a company limited by guarantee and is under the control of the board of Trustees. The liability of each member in the event of winding up is limited to £1.

TREES FOR CITIES

England & Wales - Charity number 1032154

Accounts



WE ARE
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**TREES
FOR
CITIES**

**ANNUAL REPORT
2020-21**

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MISSION STATEMENT

Trees for Cities is the only UK charity working at a national and international scale to improve lives by planting trees in cities. We get stuck in with local communities to cultivate lasting change in their neighbourhoods – whether it's revitalising forgotten spaces, creating healthier environments or getting people excited about growing, foraging and eating healthy food.



MESSAGE FROM THE CEO



Each of us will have personal stories of how we got ourselves through this unique year of challenge and change. For me, night time rambles around the grounds of Alexandra Palace became my liberation from the four walls of lockdown. The daredevil willows precariously overhanging the lake, the proud

and cities play in cleaning our air, regulating heat, absorbing greenhouse gas emissions, buffering noise – to list just some of their ‘ecosystem services’. But equally important is to acknowledge the critical part they play in creating places that we rely on so much for escape, exercise, play, socialising, and more. Trees

roots held us firm. Despite all of the challenges, our team of staff and Trustees – with the amazing steadfast support of our partners, funders and supporters – found a way to deliver almost all of our projects and achieve so much, whilst not retreating or retracting. Like all organisations we were forced to

“ TREES PROVIDE CULTURAL AND HISTORICAL LINKS, STEADINESS IN TIMES OF CHAOS, AND A DEEP CONNECTION TO THE SEASONS... AND THEY SHOW US HOW, HOWEVER HARSH THE WINTER, THE GREEN SHOOTS WILL RETURN: A LESSON NEVER MORE CRUCIAL THAN IN THE YEAR GONE. ”

poplars parading the avenues, the grandmother planes keeping watch over the entrance... the trees on my walk became so familiar, so dependable that they took on the role of trusted companions. Whatever challenges the day threw up, the trees could always be relied upon to provide a gentle sense of welcome and calm.

We are learning so much about the role that trees in our towns

provide cultural and historical links, steadiness in times of chaos, and a deep connection to the seasons – the less tangible benefits that enrich our daily lives. And they show us how, however harsh the winter, the green shoots will return: a lesson never more crucial than in the year gone.

I could not be prouder to have seen how Trees for Cities pushed on through the storms of the pandemic; our strong

innovate and to adapt, and whilst the future will no doubt look somewhat different, we are very well positioned to drive further forward and to bring more and more green into our urban places and spaces. A huge thank you to everyone who has supported us through this period – please do stay on the journey with us.

**DAVID ELLIOTT,
CHIEF EXECUTIVE**



A RENEWED RELATIONSHIP WITH OUR URBAN GREEN SPACES

Now more than ever, the Covid-19 pandemic is highlighting the essential role that high-quality green spaces play in our daily lifestyles, particularly in urban settings – never before has the value of urban green space and nature been more apparent for our physical and mental health. The act of planting an urban tree is a positive force for everyone involved.

As a tree-planting organisation with local communities and people at its heart, we have seen the direct benefits that urban green spaces bring to the people and communities we work with through this unprecedented time. Despite the challenges, we continued to bring together thousands of volunteers in socially distanced events, from communities across the UK who all recognised the vital need to connect with nature and bring the multiple benefits of urban trees to their towns and cities.

OUR HIGHLIGHTS

ECOSIA AND TREES FOR CITIES JOIN FORCES FOR THE NHS!

To show our appreciation for the incredible efforts made by NHS key workers, Trees for Cities and Ecosia teamed up on a brand new campaign to #GrowYourLove for the NHS and plant trees in and around NHS hospitals in the UK.

Coronavirus has put NHS workers under huge stress and the impacts will be felt long term. Through this campaign we wanted to support the mental health and wellbeing of NHS workers and improve their access to urban nature. The first trees went in the ground at Hillingdon hospital in partnership with Hillingdon Council in November 2020, with more planned across the UK!

These new trees are designed to support the mental health and wellbeing of NHS workers and will act as a living monument and gesture of thanks from the general public for the efforts of key workers who have helped fight Covid-19.

This was also Ecosia's first involvement in a planting project in the UK, and Trees for Cities was thrilled to be part of it! We delivered the trees with local volunteers and community groups during our planting season together with NHS Forest.

Thanks to this fantastic campaign, we're able to plant 2020 trees to benefit the NHS!



2020 - 2021

167,174

TREES PLANTED IN SEASON

2,479

VOLUNTEERS GOT STUCK IN

28,343

SCHOOL CHILDREN
ENGAGED WITH NATURE

53 27

PROJECTS IN

CITIES IN THE
UK AND AROUND
THE WORLD



1,285,073

TOTAL TREES PLANTED
TO PRESENT DATE BY
TREES FOR CITIES

NEW YOUTH PANEL - SOWING THE SEEDS OF GENERATION TREE

This year, Trees for Cities founded its first-ever Youth Panel and Youth Ambassador Programme designed to enable and inspire the next generation to plant and protect urban trees and deliver a key goal of the organisation's Theory of Change and Generation Tree Strategy.

This new initiative consisted of a group of dedicated children and young adults who came together over a six month period to develop skills, confidence and knowledge alongside one of the UK's leading environmental charities, dedicated to improving people's lives through planting trees in cities.

As well as giving young people a voice on how we promote and protect urban green spaces for future generations, their contributions will also help to establish a new Trees for Cities legacy that will support other young people to create a step-change in how our trees and green spaces serve our urban societies.



5 panellists were surveyed, which represents roughly half of the youth panel.

TREES FOR CITIES ON BBC COUNTRYFILE

On Sunday 29 November, we were thrilled that our planting project in Bradford in partnership with Bradford Council was featured on BBC's Countryfile. The Tree for Every Child project will see £250K invested in planting approximately 55,000 trees over the next two years across the district – the equivalent of a tree for every primary school child. This was only made possible due to the players of the People's Postcode Lottery, The Dulverton Trust, The Prince of Wales's Charitable Fund and The Arbor Day Foundation.



FOCUS

UNITING COMMUNITIES



THE RACECOURSE ESTATE PROJECT...

38

NEW LARGE
TREES

216

CLIMBING
AND GROUND
COVER
PLANTS

325

WHIPS OR
YOUNG TREES

4,000

BULBS



FLAGSHIP GREENING AT THE RACECOURSE ESTATE

We're continuing to deliver our pioneering flagship project in Ealing, West London, which aims to breathe green life back into the Racecourse Housing Estate and engage the local community through volunteering opportunities on the estate.

With the fantastic support of the National Lottery Community Fund and London Borough of Ealing Council, we have continued to work with estate residents and the wider community. We have engaged individual residents, schools and their families at planting workshops and outdoor activities as well as worked alongside key community hubs on the estate.

Due to Covid-19, when it came to planting, we deviated from our usual large community gatherings and instead engaged small

groups of individuals or family units in educational planting workshops. Whilst this meant residents were not able to meet in large groups, we discovered that this new approach allowed for a deeper understanding and higher quality engagement with each volunteer. We are so proud to have worked with the local residents and provided many an opportunity to enjoy getting outside and connecting with nature again.

“ THE BEST THING ABOUT PLANTING TREES IS BEING OUTDOORS, IT'S GOOD FOR THE ENVIRONMENT, AND BEING ACTIVE IN THE LOCAL COMMUNITY WHICH GIVES THE OPPORTUNITY TO MEET PEOPLE AND AN INCREASED SENSE OF COMMUNITY. ”

Racecourse volunteer

PLANTING WITH VETERANS IN HULL

The minimum canopy cover target for UK towns and cities is 20% but Hull has a comparably low percentage for a city at 13.2%. In response to this, Trees for Cities has been working with the PATT Foundation and their campaign 'One Hull of a Forest' to help make Hull grow green and healthy as a city by increasing the number of trees and reaping the benefits they bring to the local area.

As a result of the campaign, Trees for Cities and the PATT Foundation, with helping hands from the Green Task Force who support veterans with nature based therapy, planted a whopping 3,750 trees at Alderman Cogan primary school where the head teacher was inspired to transform the school grounds.



Alderman Cogan's head teacher, Amanda Devaney, said:

“ IT'S A MASSIVE ACHIEVEMENT FOR THE SCHOOL TO BE ABLE TO LEAVE SUCH A LEGACY FOR THE CHILDREN HERE AND HAVE SUCH A MASSIVE IMPACT ON THE COMMUNITY AND THE ENVIRONMENT AROUND. ”

As the woodland matures, it would become a huge benefit for those at Alderman Cogan. There will be fresher and healthier air from the trees planted for the staff and the students. They'll have shade in the summer and, most importantly for the pupils, they will have a new play area to let loose and have fun!



THANK YOU TO OUR AMAZING VOLUNTEERS

“ AS A RESULT OF THE GREENING ACTIVITIES, THE PROJECT HAS BEEN PERFECT FOR BRINGING PEOPLE TOGETHER WHILE SIMULTANEOUSLY DEVELOPING AND ENCOURAGING THE USE OF THE GREEN SPACES AROUND US. IT'S BEEN A GREAT PROJECT TO BE INVOLVED IN! ”

I WANTED TO MEET LIKE-MINDED MEMBERS OF MY LOCAL COMMUNITY WHO SHARE AN INTEREST IN MAKING THE AREA IN WHICH WE LIVE GREENER AND MORE SUSTAINABLE. I ALSO WANTED TO DEVELOP A SENSE OF BELONGING AND COMMUNITY COHESION AS A RESULT OF THE PROJECT ”

Leanne, local resident

“ IT WAS LOVELY TO MEET YOU [TREES FOR CITIES] ON SATURDAY AT THE TREE PLANTING ON BEDE ESTATE. IT WAS A FANTASTIC EVENT AND I AM SO PLEASED TO SEE THE POSITIVE IMPACT IT HAS HAD ON THE ESTATE ALREADY. ”

Francesca, local resident

FOCUS

CONNECTING THE NEXT GENERATION TO NATURE



GROWING AMONG TREES

Trees for Cities were proud to lead on a new report 'Growing among Trees' a consortium project funded by the Department for Education as part of the Children in Nature programme. Partnering with Sensory Trust, Nature Nurture CIC, The Garden Classroom, Intelligent Health and Green Schools Project, Trees for Cities piloted the programme with nine schools in Islington and Reading from September 2019 to August 2020 to connect children with nature in urban schools.

The purpose of this project was to create a model for efficient, effective, transformational change in urban schools, which gives pupils the opportunity for

everyday connection with trees and woods. We offered a range of independently evaluated woodland activities aiming to demonstrate the effectiveness in strengthening connections with nature, improving mental health and wellbeing among schoolchildren as a result.

“ I NOW FEEL CONFIDENT TO LEAD OUTDOOR LEARNING SESSIONS WITH GROUPS OF YOUNG PEOPLE. MY NEW UNDERSTANDING OF NATURE CONNECTION THEORIES AND IDEAS HAS EQUIPPED ME TO DELIVER A MUCH BROADER RANGE OF OUTDOOR LEARNING OPPORTUNITIES. ”

Secondary school teacher



EDIBLE PLAYGROUNDS - A SANCTUARY THROUGH THE PANDEMIC

The staff at Thorpe Primary in Bradford were looking to develop outdoor learning on their grounds and felt that an Edible Playground would provide many opportunities for this as well as connecting with the local community. However, Covid-19 lockdowns meant that plans had to be put on hold, but the brand new Edible Playground remained open for key worker and vulnerable children throughout the pandemic. It was used for many activities such as building minibeast hotels and various art works with key worker children. They also got stuck in with planting vegetables and seeds and enjoyed picnics in the garden!

Since re-opening to all children in September 2020, each class has spent time in the

garden and enjoyed lots of sessions learning about nature and growing food. Staff are keen to ensure that similar activities and learning are continued. Year 5 recently harvested onions and lettuces and look forward to digging up and eating the rest of the vegetables they are growing too.



“ BEING ABLE TO USE THIS AREA DURING LOCKDOWN WAS BENEFICIAL TO CHILDREN AND STAFF IN TERMS OF THEIR MENTAL HEALTH AND WELLBEING. THIS CONTINUED WHEN ALL CHILDREN RETURNED TO SCHOOL WITH STAFF PLANNING ACTIVITIES IN THE GARDEN AROUND WELLBEING AND RESILIENCE. HAVING SOME BEDS/PLANTERS ON THE PLAYGROUND HAS ENABLED CHILDREN TO BECOME INVOLVED DURING PLAYTIMES AND LUNCHTIMES. ”

Secondary school teacher



FOCUS

THE TRANSFORMATIONAL BENEFITS OF URBAN TREES



PLANTING FOR THE NHS AT HILLINGDON HOSPITAL

Together with London Borough of Hillingdon and our partner Ecosia, Trees for Cities developed a project aimed at connecting two distinct areas of Colham Green in Hillingdon to improve public access to woodlands and increase usability of both green spaces. The initial phase of planting commenced in November with the planting of 500 trees near Hillingdon Hospital NHS Trust with children from local schools and members of the community.

The introduction of new trees has transformed this vacant space both visually and environmentally. It has increased biodiversity and habitat for wildlife, while also providing areas of shade, visual interest and served to soften the boundary of the park. The existing wooded area also saw the introduction of wet-woodland species to help alleviate flooding and new wide walking trails were created to make the space more accessible and to be enjoyed throughout the year.



In addition to extending and improving the woodland area, 14 fruit trees were also introduced to make an orchard in the recreation area, further adding to biodiversity and improving aesthetics. The orchard will provide opportunities for the local community to learn how to grow and harvest food and by selecting historically grown species, it will also connect Colham Green to its horticultural past.



BEDE ESTATE TOWER HAMLETS

Residents of Bede Estate had a fantastic appetite to see improvements to the estate's green spaces, expressing their interest in food growing and greening the outdoor communal areas. Together with EastendHomes and local residents, Trees for Cities enriched amenity spaces by tree planting and introducing vegetable beds for the community to enjoy, while also increasing the area's biodiversity and creating a green corridor connecting neighbouring open spaces.

By planting mixed native hedgerows, species of native trees and installing features such as loggeries, bug houses and insect boxes we will also be introducing food sources and habitat for wildlife. As part of the project 120 volunteers got stuck in to plant a small orchard and 50 standard trees in areas of highest priority around the estate.

By bringing people together we will increase their skills and knowledge about creating and caring for vegetable growing areas, tree planting and the importance of biodiversity. The project will help to improve social cohesion through local environmental improvement as well as increase canopy cover within the borough, supporting local residents and the Bede Estate community to take a key role in enriching their estate.



EDIBLE AIREDALE

Airedale General Hospital, on the outskirts of Keighley celebrated its 50th year of operation in 2020. As well as plans to modernise the General Hospital, the Airedale NHS Trust was keen to develop the grounds of the hospital to provide more meaningful and functional space. The aim was to make the spaces surrounding the buildings greener, less reliant of mechanical maintenance, raise biodiversity and create a more visually appealing immediate landscape.

Trees for Cities and YORGreenCIC worked in partnership to plant 2,650 with 200 volunteers mixed woodland whips on Airedale General Hospital's grounds. The hospital serves a wide area of the surrounding population, including nearby Keighley, which has several Lower Super Output Areas (LSOAs) in the bottom 10% for indices of multiple deprivation nationwide.



The majority of the planting involved introducing light demanding fruiting species to extend existing planting and encourage the harvesting of the fruits, as part of the recuperation process for patients, including the harvest in Hospital menus. The 'forest food' planting will increase tree cover, provide shade for the seating areas, encouraging rest and relaxation.

PARTNER WITH US

We believe in creating positive change for our partners, our communities and our environment. Whether businesses aim to enhance their sustainability strategy, engage consumers and employees through their values, or create a lasting green legacy, our corporate partnerships team works with businesses to deliver bespoke solutions which are both rewarding and impactful.

Call us on **020 7587 1320**

or email us at **CORPORATE@TREESFORCITIES.ORG**

OTHER PARTNERSHIPS

We're always keen to hear from landowners, trusts and foundations who might be interested to partner on a project.

Get in touch to find out more: **INFO@TREESFORCITIES.ORG**



IN PARTNERSHIP

WITH OCADO

Ocado, the online supermarket that has committed to being the nation's most sustainable grocer will be planting at least 100,000 trees in towns and cities around the UK with Trees for Cities. Through the partnership, Ocado will be making an initial donation of over half a million pounds to the charity to offset CO2 emissions. These trees will also bring a multitude of benefits, including tackling the climate crisis, cleaning our air, protecting against flood risk and creating habitats for wildlife, as well as the incalculable aesthetic, cultural and historical value they bestow on society.

**AFTER
ATTENDING
AN URBAN TREE
MAINTENANCE
EVENT,**



**CORPORATE VOLUNTEERS
FELT MORE CONFIDENT
IN MAINTAINING AND
PROTECTING URBAN
TREES.**

On a scale of 1 to 5, where 1 = not confident at all and 5 = **completely** confident. A sample of **36-40** corporate volunteers scored, **on average**, **2.88** before and **3.75** after attending an urban tree maintenance event.



IN PARTNERSHIP

WITH INVESTEC

Investec Bank & Trees for Cities have been working together since 2010. During this time, their dedicated staff have put in countless volunteer hours to plant trees and look after green spaces. During lockdown, this team effort went virtual as Investec staff working from home got engaged in wildlife friendly gardening, litter picking, and other ways of helping the local environment. In addition, Investec also contributed towards one of our 'Planting Healthy Air for Schools' projects last year, helping pupils at Christ Church Bentinck Primary School in Westminster breathe cleaner air and enjoy spending more time outside the classroom.

We are grateful for nearly ten years of partnership and look forward to continuing to work together, creating greener and healthier towns and cities across the UK.



Increase in average Nature Connectedness Index scores from **64.5** to **78.7** out of 100, for **35-39** corporate volunteers



TREES FOR STREETS

Trees for Streets is the national street tree sponsorship scheme, a Trees for Cities project that's funded by the government's Green Recovery Challenge Fund, and City Bridge Trust, and a proud part of the Greater London Authority's London Urban Forest Plan.

We're on a mission to green the streets of the UK by funding the planting of more than 250,000 additional street trees nationwide over the next 10 years, by supplementing council tree planting budgets through public sponsorship.

Trees for Streets is a tech for good project centred around an app that makes it easy for anyone to sponsor a tree in their street or neighbourhood, empowering them to make a difference to the world immediately on their doorstep. We do this by hosting tree sponsorship schemes on behalf of local councils, and delivering local promotion and engagement activity to bring these schemes to life.

So far, Trees for Streets has partnered with Bedford Borough Council, City of Bradford Metropolitan District Council, and Cambridge City Council as well as the London Boroughs of Croydon, Haringey, Harrow, Hillingdon and Tower Hamlets, to host their tree sponsorship schemes. Since the app went live this spring, tree sponsorship requests have been rolling in from local residents keen to have new trees planted across these areas.



OUR FINANCIAL SUMMARY

£1,290,916 CORPORATE PARTNERS

Income from corporate partners decreased largely due to the Covid-19 lockdowns impacting the delivery of projects. Our major partnership with Investec continues and we have also welcomed Ocado as a partner.

£19,399 OTHER

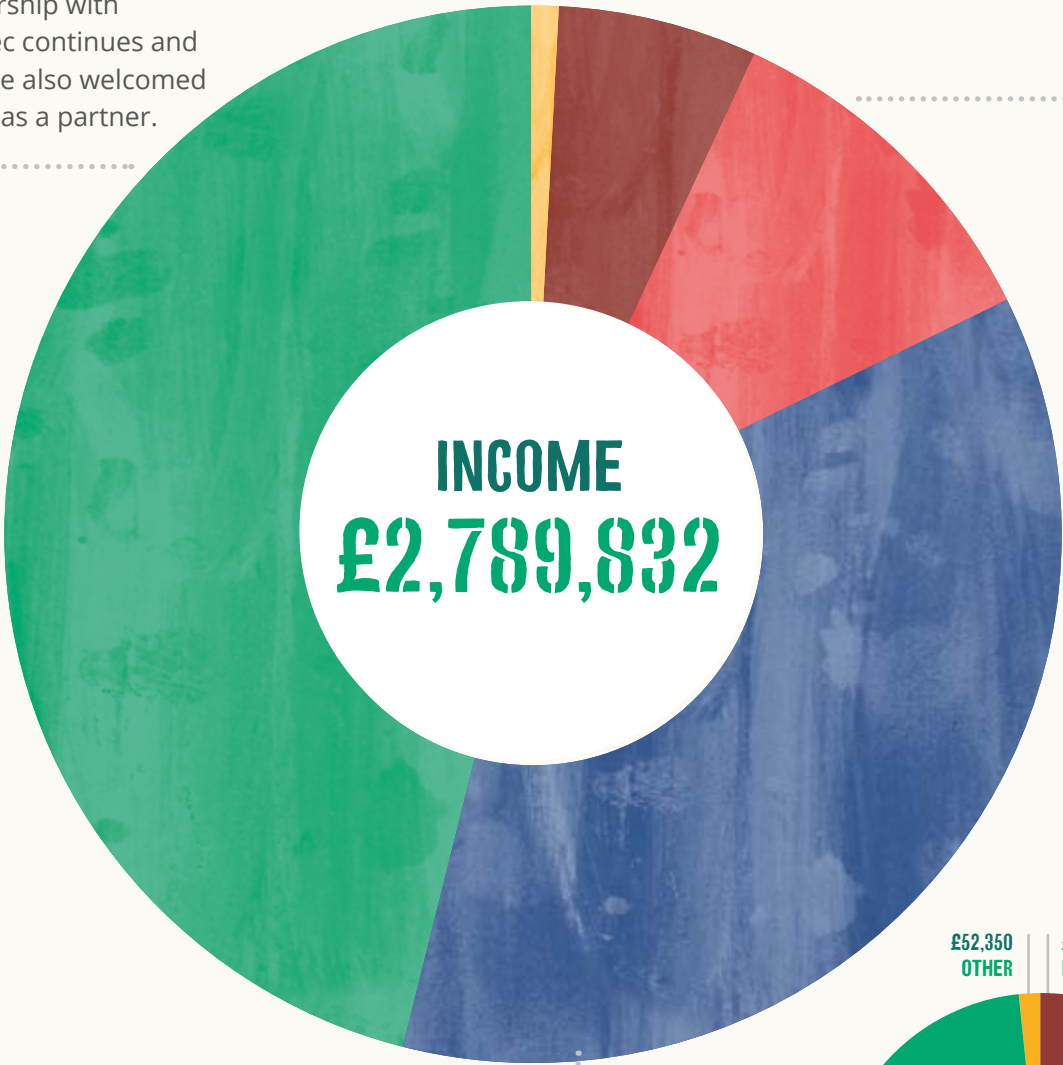
We received £19,399 from investment income.

£172,019 INDIVIDUALS

Despite the Covid-19 pandemic, our individual donations remained fairly stable, largely thanks to our Direct Debit donors, major donors, and exploring campaigns like The Big Give. We also engaged more people than ever before, growing and strengthening our community through this challenging year.

£308,399 LOCAL GOVERNMENT, LANDOWNERS AND SCHOOLS

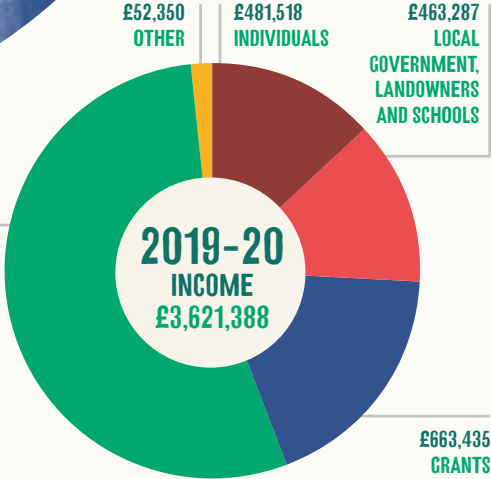
This includes funding from our Edible Playgrounds schools, local authorities and Greater London Authority, as well as landowners.



£999,099 GRANTS

We have a strong track record in fundraising from trusts and foundations.

£1,960,798 CORPORATE PARTNERS



£ 83,415

TREES FOR STREETS

Launched in April 2021, we have already worked with 3 councils and 5 London Boroughs

**£15,083
URBAN FORESTS
INTERNATIONAL**

We worked with the Centre for Community Development to plant 4,000 trees in 5 schools across Nairobi.

**£331,288
RAISING FUNDS**

Our fundraising teams have kept busy, enabling businesses and individuals to connect with our cause.

**£ 1,476,199
URBAN FORESTS**

We worked on over 50 projects across the UK and significantly contributed to the urban greenery in Leeds by planting over 40,000 trees

**EXPENDITURE
£3,423,236**

In 2019-20 we spent
90P IN EVERY £1
on our charitable objectives

**£ 1,517,251
SCHOOLS**

EDIBLE PLAYGROUNDS

We built 26 Edible Playgrounds in 8 cities, engaging over 25,000 students.

**£34,379
INTERNATIONAL PLANTING**

**£289,086
RAISING FUNDS**

**£1,869,274
EDIBLE
PLAYGROUNDS**

**2019-20
EXPENDITURE
£3,311,521**

**£1,118,782
URBAN FORESTS**

TC Group, The Courtyard, Shoreham Road, Upper Beeding, Steyning, West Sussex, BN44 3TN. These summarised accounts have been extracted from the full audited accounts, which you can find on page 28.



SUPPORTERS AND PARTNERS

£10,000 AND ABOVE

Allen and Overy Foundation
Arbor Day Foundation
Bloomberg L.P.
Bulb
City Bridge Trust
Clear Channel UK Ltd
DocuSign International (U.K.) Inc.
Dulverton Trust
Fedex
Forestry Commission

Greater London Authority
Grange Primary School
Hermes Investment Management
IG Index Ltd
Impact on Urban Health
Investec Bank plc
London Borough of Ealing
London Borough of Hillingdon
London Borough of Redbridge
London Borough of Tower Hamlets

London Community Foundation
MOJU Ltd
Narendra Karnani
National Lottery Community Fund
National Lottery Heritage Fund -
Green Recovery Challenge Fund
Natural England
Ninety One UK LTD
Nissan
npower

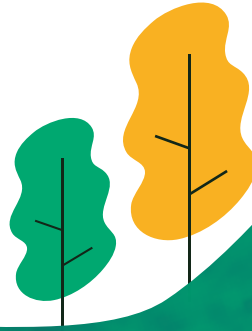
UNDER £9,999

Abbey Mead Primary Academy
Agria Pet Insurance
AHMM
Alpha UK (Apha Financial
Markets Consulting)
Apprintable Ltd
Ashmole Primary School
AT&T
Avanton
BDP Imports Ltd
Bell Lane Primary
Betty Rathbone
Black and Blum
Blackheath Primary School
BlackRock Gives
CESA Limited t/a Foodservice
Equipment Association
Chapman Charitable Trust
Chris Huggins
Clarity Environmental
Coed Glas Primary School
Compass Pathways
Coop Academy Princeville
Cyril Jackson Primary

D. S. Smith Charitable Foundation
Dash Brands Ltd
Deanesfield Primary School
Dewentwater Primary School
Dorothy Perkins
D'Oyly Carte Charitable Trust
EastendHomes
ecosia
Education Services
Ekornes Ltd
Electric Blue Charging Ltd
Euromonitor
Faith Primary School
Fowler Smith and Jones Trust
Gagosian Gallery
Gagosin
Gale Pryor
Gemma and Chris McGough
Charitable Foundation
Get Elm
Gilbert Colvin Primary School
Green Park
GreenZone Cleaning and
Support Services Ltd

Ground Control Limited
Gus and Louise Black
Hartley Primary School
Heathfield Primary and
Nursery School
Heathrow Community Fund
Herrick Primary School
Holyhead Primary Academy
John Spedan Lewis
JustGiving.com
Keighley Big Local Partnership
Kensington Primary School,
L B of Newham
King George V Primary School
Koffi Company
Lisa Anderson
London Borough of Enfield
London Borough of Lambeth
London Marathon Events Limited
Lordship Lane Primary School
Mary and Joel Mitchell
Metal Developments Ltd
(Woodwarm Stoves)
Metropolitan Public

We are hugely grateful to the following organisations and individuals for their generosity. It is their support that enables us to cultivate lasting change in towns and cities.



Ocado Retail Limited
Players of People's
Postcode Lottery – awarded funds
from Postcode Green Trust
Raymond James Investment
Services Limited
RSM UK Foundation Ltd
Savills Investment
Sunnyhill Primary School
The Peter Stebbings

Memorial Charity
The Prince of Wales's
Charitable Fund
The Sir Peter O'Sullivan
Charitable Trust
Towerbrook Foundation Ltd
Tower Hill Trust
UPS
Ysgol Gymraeg Pwll Coch

Gardens Association
Moorland Primary School
MV Credit
O.C.O. Technology Ltd
ONEX Partners Advisor UK LLP
Our Lady and St George's
Primary School
Overbuy plc
P M Bennison Heating Ltd
Parkside Primary School
Perseid Lower School
Petts Hill Primary School
Prof Selena Gray
Pulsitos - The Roasted Pulse Co Ltd
Red Inc Paper
Respect Your Elders Tree Surgery
Riddlesden St Mary's School
RSM UK Group LLP
Sacred Heart, Liverpool
Salus Lodge (5369)
Sir John Lillie Primary School
Sky UK Ltd
Smudge & Friends Pet
Care Ltd (Scrumbles)

Sonnen UK
Space Doctors
Span Trust
St Clement & St James CE Primary
St John and St James Church
of England School
St John Evangelist RC
Primary School
St Marys Fields School
Stow Lower Marsh LLP
Sunningdale School
Sustrans
Tableau Foundation
The Belvedere Trust
The Chartered Institute of
Public Finance & Accountancy
The Childwick Trust
The Daniell Trust CIO
The Nineveh Charitable Trust
The Random House Group Ltd
The SMB Charitable Trust
The Tanner Trust
The TK Maxx and
Homesense Foundation

TSG Building Services PLC
Turncloud
UNICREDIT LDN
Veluba
Viridian Nutrition
Whistle Punks (UK) Ltd
Winsor Primary School
Woodgrange Infants School
WPJ Heating
Wycliffe CofE Primary
Yoga Therapies Ltd



TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

Charity Registration No. 1032154. Company Registration No. 02874642
(England and Wales). Trees for Cities (a company limited by guarantee)



LEGAL AND ADMINISTRATIVE INFORMATION

TRUSTEES

J Capon (Chair)
D Woodbine (Treasurer)
S Gray
A MacGillivray
B Miller
A Shah
J Thrift
S Workman

CHIEF EXECUTIVE

D Elliott

CHARITY NUMBER

1032154

COMPANY NO.

02874642

PRINCIPAL ADDRESS & REGISTERED OFFICE

Prince Consort Lodge
Kennington Park Place
London, SE11 4AS

AUDITOR

Sayer Vincent LLP
Chartered Accountants
and Statutory Auditor
Invicta House
108-114, Golden Lane
London EC1Y 0TL

BANKERS

The Co-operative
Bank p.l.c. (main
day to day bankers),
P.O. Box 101,
1 Balloon Street,
Manchester,
M60 4EP

CAF Bank,
25 Kings Hill Avenue,
Kings Hill,
West Malling,
Kent, ME19 4JQ

Triodos Bank,
Deanery Road,
Bristol, BS1 5AS

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The Trustees are pleased to present their report and accounts for the year ended 31 March 2021.

Legal and administrative information set out on page 19 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102

OUR MISSION

'Planting trees and greening cities worldwide'

We are the only UK charity working at a national and international scale to improve lives by planting trees in cities. We get stuck in with local communities to cultivate lasting change in their neighbourhoods – whether it's revitalising forgotten spaces, creating healthier environments or getting people excited about growing, foraging and eating healthy food.

OUR GUIDING PRINCIPLES

In parallel with our mission, all of our work is grounded within the following guiding principles:

- **People-led:** Although our reach is global, we value the importance of a local focus. We always work through and within local communities to strengthen them and empower their members.
- **Quality:** Both the quantity and quality and location of the trees we plant are at the forefront of our planning so that we constantly strive to maximise the impact of our projects to the environment and society.
- **Delivery:** We are an organisation that gets things done. What we talk about, we do – effectively, efficiently and on-time.

OBJECTIVES AND ACTIVITIES (INCLUDING ACHIEVEMENTS AND PERFORMANCE)

Trees for Cities works with local communities to deliver tree planting projects. Our aim is to create high quality green spaces in the more socially and environmentally deprived parts of cities and towns, enhance social

cohesion, and beautify our cities through tree planting and community and education initiatives.

Our objects, as set out in our governing document are:

"The Charity is established to advance the education of the public in the appreciation of trees and nature, particularly with regard to their social and environmental value by the planting, protection and promotion of trees and green spaces everywhere and in particular in towns and cities."

The public benefits that shape our annual activities continue to be environmental protection and improvement, education, and health.

In shaping our objectives for the year and planning our activities, the trustees have given consideration to the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

WHAT WE ACHIEVED IN 2020-21:

- Planted around 29,000 trees London across 12 woodland, estate and park projects.
- Planted more than 130,000 trees in 24 towns and cities across the UK, including in a number of 'forgotten places' and completed the second year of the DEFRA Urban Tree Challenge Fund programme.
- Produced a strategy paper for our international work.
- In schools, we delivered 25 Edible Playgrounds in Birmingham, Cardiff, Leicester, Liverpool, London, Nottingham and Sunderland, and carried out engagement work virtually with 50 Edible Playground schools. Four Planting Healthy Air projects were delivered, including an Active Green Playground project, which combines elements from Planting Healthy Air and Edible Playgrounds in its design.
- Received grants from the Green Recovery Challenge Fund and City Bridge Trust to design, build and launch 'Trees for Streets' - an online community street tree funding platform. The website was launched in November, with e-commerce

functionality going live in April 2020

- Despite the various restrictions in place in year, we engaged 2,479 volunteers in London, the UK and internationally through our tree planting and greening activities.

COVID-19 PANDEMIC

Over the year, despite the three national lockdowns and continuous restrictions, we were able to adapt our approaches and deliver the significant majority of planned activities and objectives. As such, we had no unplanned drawdowns of our unrestricted reserves.

During the year, we continued to successfully work from home for the roles that allowed for this, and used the Government's furlough scheme where appropriate.

Due to the outside nature of our work, our tree planting projects were able to be carried out during the planting season, despite the restrictions. However, we ceased in-house project delivery operations during the January – March 2021 lockdown to ensure the safety of our staff. The limitations on engaging with volunteers (community and corporate) resulted in the largest impact to the delivery of our project work, meaning an increase in delivery of projects through contractors.

Our schools work was affected by schools closures at the start of the financial year, but we were still able to deliver 25 Edible Playgrounds, against the 28 planned. Much of our engagement activities moved online, so that we could continue to deliver this in part.

Since restrictions have relaxed in the new financial year, all staff have returned to work from furlough. Whilst our offices are open, this is on a limited basis and we have measures in place to ensure any risks from the virus are mitigated. This has included restricting working hours for those using public transport, maintaining a limit on the number of people who visit our offices and ensuring all office surfaces are deep cleaned on a regular basis. We have undertaken a detailed review of all health and safety measures practiced at all project planting sites, ensuring all equipment is thoroughly cleaned and that social distancing measures are understood and acted on by all staff and volunteers. We will continue to monitor these measures over the coming months.

With continued uncertainties about the year ahead and beyond, the following existing

strategic initiatives have been useful during the pandemic and we continue to employ them:

1. Increase focus on multi-annual planning via the securing of more and larger multi-annual grants and partnerships.
2. Ensure a strategic approach is taken to key funder relationships.
3. Grow and develop services and programmes to provide more funding options.
4. Aim to reassess our reserves policy and grow unrestricted where possible.
5. We have committed to multi year planning in our strategy process and will commit to this in our operational plans.

During the year, we secured new multi year funding from corporate, local government and central government sources. This has helped us to create an ambitious plan for 2021-22 which will deliver our highest annual income in our history.

PLANS FOR FUTURE PERIODS

A selection of our plans for 2021-22 are:

- Plant 30,000 trees in London across 14 community projects in woodlands, estates and parks.
- Plant 150,000 trees across projects in at least 15 UK cities and towns, with a continued focus on further developing our 'forgotten places' programme and deliver the Esmée Fairbairn 60th anniversary planting programme across 6 UK cities.
- Implement the new strategic direction for our international programme
- Develop, design and deliver 25 Edible Playground and 5 Planting Healthy Air projects in primary schools across the UK, including the first year of the new Cardiff City Edible Playground programme.
- Continue the delivery of our 'Generation Tree' strategy, including continuing with the Trees for Streets community funding platform, aiming to achieve a self-sustaining model by the end of the year, and fully launching a new 'community hub'.

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

FINANCIAL REVIEW

The Statement of financial activities (SoFA), Balance sheet and Statement of cash flows have been prepared in accordance with the Charities SORP FRS 102.

Trees for Cities saw a decrease in our total income of £831,555 (23%) to £2,789,832 (2019-20: £3,621,387). Due to the nature of some of our partnerships, differences arise between when income is recognised in the accounts and when those funds are spent, which can create a surplus or deficit in a given year. As such, whilst our income reduced in 2020-21, this was offset by planned drawdowns of reserves – the two largest of these being £400,021 from our designated funds relating to our Schools Programme, and £172,350 of unrestricted reserves received from the Guardian's 2019 Christmas charity appeal. As such, levels of activity did not drop significantly and were in line with our plan.

Donations reduced in the year by £394,698 to £544,511 (2019-20: £939,209). This is split into individual donations, corporate donations and core grants. Individual donations reduced from £479,454 in 2019-20 to £172,019 in 2020-21, a reduction of £307,435. This relates to two large one off donations in 2019-20 – the Guardian Christmas appeal (£250,000) and a legacy fund – that were not repeated in 2020-21. Once these are taken into account, we have seen some growth in our individual donations. Corporate donations reduced by £237,238 to £111,018, mainly due to two of our largest corporate donors going into administration in the year. Meanwhile, we received £207,322 of core grants relating to the furlough grant scheme in 2020-21.

Income for our **charitable activities** reduced slightly in year. The biggest movements in funding were in our UK Urban Forests and our Schools work. In addition, we added a new programme – Trees for Streets.

In **London urban forests**, there were increases in funding from corporate partners, strategic partnerships with councils and other grants. Overall income increased by £48,270 to £570,466 (2019-20: £522,196).

For **UK urban forests**, income increased by £204,920 to £589,471 (2019-20: £384,551), £176,000 of this relates to increased numbers of trees planted with funding from npower, with the remaining increase coming from a mixture of in year and multi year grants.

Trees for Streets, an online community street tree funding platform was developed in the year and has been included as a new programme. We received grants from the Green Recovery Challenge Fund (£113,200) and City Bridge Trust (£50,000), with a further £382,000 secured for 2021-22. In addition to grant funding in 2021-22, we anticipate income from councils and individuals and aim to have a self sustaining model by the end of the year. We spent £83,415 in 2020-21, with unspent funds being allocated to restricted reserves.

In our **Schools** programme, income recognised in the year reduced by £727,214 to £647,693 (2019-20: £1,347,907). Funding from Bulb reduced by £547,111 to £199,979 as our partnership came to an end. Clear Channel contributed £130,000 to Edible Playgrounds in 2019-20, whilst funds received from them for 2020-21 was allocated to London Urban Forests. Income from schools reduced as the number of projects delivered also dropped. The size of our Edible Playground delivery programme reduced from 41 schools in 2019-20 to 25 in 2020-21, and so less funding was required for this. In addition designated funds from Bulb of £400,021 were released as planned in order to deliver projects.

Other trading activities reduced slightly in the year from £290,108 in 2019-20 to £250,092 in 2020-21. Within this, our Corporate Volunteering reduced by £150,661 to £27,897 (2019-20: £178,558) due to the restrictions in year meaning we were unable to hold these events physically. However, this has been offset by an increase of £112,956 for environmental offsetting to £201,991 (2019-20: £89,035).

Expenditure slightly increased in year to £3,423,236 (2019-20: £3,311,520). This was driven by increases in our London and UK Urban Forests programme, as well as our new Trees for Streets programme, and offset by reductions in our Schools programme.

The charity spent £331,288 on raising the charity's total income of £2,789,832. Therefore, for every £1 spent on fundraising, over £8 of revenues were generated.

For Urban Forests, the restrictions in place in year meant that our costs delivery of urban forests projects increased as some work had to be carried out by contractors that would ordinarily be delivered by volunteers. In London, in addition, some projects that were not fully complete

in 2019-20 due to delays relating to the pandemic, incurred expenditure in 2020-21. As such, in London, costs increased by £147,239 to £927,495 (2019-20: £780,256). For the UK programme, costs increased by £210,178 to £548,704 (2019-20: £338,526), this was largely driven by the increased numbers of trees planted – around 130,000 compared to 45,000 in 2019-20 – which was driven mainly by increases in environmental offsetting planting.

The Schools programme reduced expenditure by £352,023, spending £1,517,251 (2019-20: £1,869,274). We built fewer Edible Playgrounds in 2020-21 (25) compared to 2019-20 (41), which was the main driver for the reduction.

Support costs, as detailed in note 7a, reduced by £37,506 to £238,378 (2019-20: £275,884). This was largely driven by reductions in facilities costs as our offices were not in full use during the year, and reductions in HR costs as organisation wide meetings were not possible and there was low staff turnover in the year.

INVESTMENT POLICY

Trees for Cities may invest funds at the discretion of the board (as per the Memorandum and Articles of Association).

The trustees review the charity's cash levels, and investment opportunities on an ongoing basis.

The investment objective for short-term investments (funds accessible within 12 months) is to allow funds to be readily available, and with the minimum risk.

In line with this objective, cash is held in bank accounts that allow instant access. During the year funds were held with The Co-operative Bank and CAF Bank. Cash was also held with Triodos Bank under a 33-day notice period.

Should the trustees consider that cash reserves sufficiently exceed the level required to finance the charity's forthcoming activities in a sustainable way, funds may be invested on a longer-term basis to generate further cash for the charity.

The investment objective for long-term investments (funds not accessible within 12 months) will be to generate a return in an excess of inflation over the long-term, and to minimise risk by spreading investments across more than one asset class.

The trustees have set ethical criteria for long-term investments, primarily that Trees for Cities will not invest in companies whose actions run counter to the charity's own charitable objectives.

We hold a discretionary investment portfolio of 100% government backed bonds with Quilter Cheviot Limited Jersey, with a value of £451,738 at 31 March 2021. This investment is very low risk and the cash can be withdrawn with a few days notice.

RESERVES POLICY AND GOING CONCERN

Trees for Cities holds unrestricted reserves in order to:

- mitigate against unexpected reductions in income
- provide working capital
- allow for operational deficits when future planning
- assist with cash flow
- purchase capital items
- allow for possible future expansion.

Our reserves policy is hold no less than the cost of winding up the organisation in regards to meeting financial obligations such as redundancy, rent and contract payments.

The maximum level of unrestricted reserves that the organisation will hold will be the equivalent cost of six months of core operating expenditure (e.g. salaries, rent, contracts) plus the cost of winding up the organisation.

The planned level of unrestricted reserves that the organisation will hold will be the equivalent to the cost of three months of core operating expenditure (e.g. salaries, rent, contracts) plus the cost of winding up the organisation.

If the unrestricted reserves exceed the maximum level, the management team will put in place a plan to spend down the additional amount unless such an amount has been ring-fenced for future investment or expansion.

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

The amounts for 2021-22 of the above-mentioned reserve levels are:

Minimum:	£490,000
Planned:	£960,000
Maximum:	£1,420,000

The management team and Trustees will monitor the unrestricted reserve level at quarterly intervals to ensure that it does not fall below the minimum level.

The amounts for each level will be recalculated at the start of each financial year.

The Trustees are responsible for authorising the application of the charity's reserves. At all times they will have regard to restrictions placed on the application of these reserves and are responsible for ensuring that they are applied in accordance with the stated restrictions.

We have been able to secure two thirds of our planned income by the midyear point, and expect to secure the remaining amount over the second six month period. We will continue to monitor our financial performance and future reserves position.

Accordingly, we consider that the Charity has adequate resources to continue in operational existence for the foreseeable future and we believe that we continue to be a going concern.

The trustees' policy, after assessing the above requirements and calculating the costs of winding up, is to hold general unrestricted reserves of between £490,000 and £1,420,000. As at the end of 2020-21 general unrestricted reserves held by the charity were £880,042.

A designated fund has been set aside by the Trustees for future food growing in schools. The £448,211 fund as at 31 March 2021 has been funded by our corporate partner Bulb and is planned to be expended by the end of 2021-22.

At the end of 2020-21 total funds held by the charity were £1,552,939 (2019-20: £2,183,740). This consisted of restricted funds of £224,686 (2019-20: £152,420), designated funds of £448,211 (2019-20: £848,232) and general unrestricted funds of £880,042 (2019-20: £1,176,088). The charity's unrestricted free reserves were £849,065 (2019-20: £1,138,120). The difference between the unrestricted funds and the free reserves is due to our tangible assets which total £30,977 (2020: £37,968).

The Trustees are responsible for authorising the application of the charity's reserves. At all times they will have regard to restrictions placed on the application of these reserves and are responsible for ensuring that they are applied in accordance with the stated restrictions.

PRINCIPAL RISKS AND UNCERTAINTIES

The trustees and senior management team identify and agree the key risks facing the charity at the start of each financial year and these are entered onto a risk register. Each risk is assessed according to its likelihood and potential impact, and appropriate actions and procedures are agreed.

At each board meeting the trustees review the risk register and agree future actions. Should any additional key risks be identified, the trustees will agree how they should be managed and if appropriate will be added to the risk register.

Current principal risks in the risk register, once impact and likelihood have been considered, are as follows:

RISK

Not meeting current and future budgetary requirements leading to unplanned drawdowns of reserves.

Business continuity risk from loss of key members of staff without adequate replacement/succession plans and/or poor staff retention levels.

Fraud, misuse of charitable funds & cyber security.

Business interruption following a disaster event/pandemic.

Health & safety policy not implemented correctly.

Projects not completed due to constraints with development, fundraising and/or delivery.

MITIGATION

Focus on multi annual planning and partnerships, diverse sources of income, grow and develop different services and programmes.

Encourage sharing of information across the organisation, review salary and benefits policy on a regular basis.

Ensure ongoing review of financial procedures and controls to ensure they meet the charity's needs.

Remote working is possible for all office-based staff. Offsite back ups are being implemented.

Health & safety audit complete & actions being implemented. Health & safety consultants hired on a retained basis.

Alternative delivery methods available if volunteers are unable to be used for delivery. Detailed assessment of tree supply options being undertaken to mitigate increase supply risk from biosecurity measures and Brexit.

FUNDRAISING

Trees for Cities' aim is to raise funds in a respectful way that is consistent with our values. The charity is a member of the Institute of Fundraising, and is registered with the Fundraising Regulator. In all of our fundraising we work diligently to comply with the Code of Fundraising Practice and to uphold the standards it promotes. We have received no complaints in the year.

Trees for Cities has a safeguarding policy in place which commits the charity to ensuring that all children and adults who use our services are not abused and that working practices minimise the risk of abuse. All Trees for Cities staff and volunteers have a duty to identify abuse and report it. All staff are given annual training on our safeguarding procedures by our safeguarding officer.

TfC does not contract out or outsource fundraising activities to third parties – all fundraising is undertaken in-house. Where a member of the public raises funds for the charity through a self-arranged event, TfC will ensure that any messaging and materials used are in line with organisational standards

STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity was constituted as a company limited by guarantee, set up on 24 November 1993, and is governed by its Memorandum and Articles of Association.

In the year Trees for Cities commenced the Trees for Streets programme jointly with Start With Local. Whilst this has been subject to the usual Trees for Cities governance arrangements, we will be considering the most effective vehicle for this work in 2021-22.

The board of trustees administers the charity. The trustees are directors for the purpose of company law. All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 10 to the accounts.

The Chief Executive is appointed by the trustees to manage the day to day running of the charity and delegates as necessary to the senior management team. The board of trustees are responsible for governance, and assist with strategy and policy.

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

The Chair of the board of trustees is appointed by the trustees.

The charity's trustees are:

J Capon (Chair)

S Gray

A MacGillivray

(appointed 12 January 2021)

B Miller

A Shah

J Thrift

(appointed 12 January 2021)

D Woodbine (Treasurer)

S Workman

C Harper-Harris served during the year and resigned on 21 November 2020.

S Chapleau served during the year and resigned on 23 September 2021.

TRUSTEE RECRUITMENT, INDUCTION AND TRAINING

A Board Skills Audit is undertaken approximately every three years, in line with the development of the strategic plan. The audit is used to determine if any new skills and knowledge are required to deliver the new plan.

Should any gaps in skills or knowledge be identified and a new trustee position is required, a recruitment process will be undertaken. Recruitment is open to all sections of the community, and candidates are interviewed by existing trustees and appointed on merit based on a majority decision.

New trustees are made aware of their legal obligations, the content of the Memorandum and Articles of Association, the Charity's history, culture and philosophical approach, the current year's business and financial plan. New trustees also receive a copy of the most recent Annual Report and statutory accounts, and appropriate leaflets published by the Charity Commission with the opportunity to discuss them.

REMUNERATION POLICY FOR KEY MANAGEMENT PERSONNEL

Trees for Cities is an equal opportunities employer and applies objective criteria to assess merit. The Board sets the terms and conditions for staff on an annual basis. A benchmarking process is undertaken periodically to assess each role in the external market, to ensure that the charity is paying all employees, including senior management, fairly and competitively for similar roles within the sector.

DATA PROTECTION - GENERAL DATA PROTECTION REGULATIONS

The General Data Protection Regulations (GDPR) became law in May 2018. The regulations set out the responsibilities of all organisations in relation to the personal data that they collect and hold, and are designed to enhance the rights of individuals in controlling their own data.

Trees for Cities places great importance on the security of supporter data and personal information. The charity is registered with the Information Commissioners Office and has introduced a programme that will enable demonstration of compliance with the spirit and intention of GDPR, with the required management structures in place to manage data risks and integrate governance of these risks into daily management.

For information on how the charity uses and protect personal data, please see our Privacy Policy: www.treesforcities.org/privacy-policy.

INFORMATION SECURITY

The confidentiality, integrity and availability of information, in all its forms, are critical to the charity's work. In 2018 the information security policy was updated to bring it in line with GDPR legislation.

ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY

Strong internal and financial controls and robust financial management are essential to protect the charity against growing threats from external fraudulent activities and from any internal risk of funding misappropriation. Trees for Cities' system of internal controls is based on an ongoing process designed to identify the principal risks, to evaluate the nature and extent of those risks, and to manage them effectively.

The charity's anti-fraud, bribery and corruption policy specifies the controls and procedures required to prevent and detect fraud and dishonesty, investigate any allegations that arise, and take appropriate action where necessary. It also stipulates procedures for due diligence and verifying the end use of charitable funds to minimise exposure to risk when passing charitable funds to external partners.

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The trustees (who are also directors of Trees for Cities for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice 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 charity will continue in operation

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

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2021 was 9 (2020: 8). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity. Statement of disclosure of information to auditors

AUDITOR

Sayer Vincent LLP was appointed as the charitable company's auditor during the year, replacing TC Group. The trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime. The trustees' annual report has been approved by the trustees on **3 December 2021** and signed on their behalf by:



D Woodbine, treasurer. Dated: 3 Dec 2021.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TREES FOR CITIES

OPINION

We have audited the financial statements of Trees for Cities (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Trees for Cities' ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The 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; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TREES FOR CITIES (CONTINUED)

CAPABILITY OF THE AUDIT IN DETECTING IRREGULARITIES

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.



Fleur Holden (Senior statutory auditor) Dated: 3 Dec 2021
for and on behalf of Sayer Vincent LLP, Statutory Auditor,
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

STATEMENT OF FINANCIAL ACTIVITIES

(INC. INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021)

		Unrestricted funds	Restricted funds	Total 2021	Unrestricted funds	Restricted funds	Restated Total 2020
INCOME FROM:	Notes	£	£	£	£	£	£
Donations	2	443,720	100,791	544,511	503,653	435,556	939,209
Charitable activities	3						
Urban forests – London		356,947	213,519	570,466	92,107	430,089	522,196
Urban forests – Other UK cities		345,271	244,200	589,471	172,755	211,796	384,551
Urban forests – International		-	5,000	5,000	31,500	26,500	58,000
Trees for Streets		-	163,200	163,200	-	-	-
Schools		305,794	341,889	647,693	867,855	507,052	1,374,907
Other trading activities	4	250,092	-	250,092	284,952	5,156	290,108
Investments	5	12,118	-	12,118	18,229	-	18,229
Other	6	7,281	-	7,281	34,187	-	34,187
Total income		1,721,223	1,068,609	2,789,832	2,005,238	1,616,149	3,621,387

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

		Unrestricted	Restricted	2021 Total	Unrestricted	Restricted	2020 Restated Total
EXPENDITURE ON:	Notes	£	£	£	£	£	£
Raising funds	7A	283,580	47,708	331,288	228,789	60,296	289,085
Charitable activities							
Urban forests – London		717,031	210,464	927,495	258,826	521,430	780,256
Urban forests – Other UK cities		249,490	299,214	548,704	56,505	282,021	338,526
Urban forests – International		10,058	5,025	15,083	1,379	33,000	34,379
Trees for Streets		-	83,415	83,415	-	-	-
Schools		1,159,734	357,517	1,517,251	1,129,292	739,982	1,869,274
Total expenditure		<u>2,419,893</u>	<u>1,003,343</u>	<u>3,423,236</u>	<u>1,674,791</u>	<u>1,636,729</u>	<u>3,311,520</u>
Net income / (expenditure) before net gains / (losses) on investments		<u>(698,670)</u>	<u>65,266</u>	<u>(633,404)</u>	<u>330,447</u>	<u>(20,580)</u>	<u>309,867</u>
Net gains/(losses) on investments		2,603	-	2,603	(12,902)	-	(12,902)
Net movement in funds		<u>(696,067)</u>	<u>65,266</u>	<u>(630,801)</u>	<u>317,545</u>	<u>(20,580)</u>	<u>296,965</u>
Reconciliation of funds:							
Total funds brought forward as previously reported		2,024,320	159,420	2,183,740	1,706,775	105,000	1,811,775
Prior year adjustment	24	-	-	-	-	75,000	75,000
Total funds brought forward as restated		<u>2,024,320</u>	<u>159,420</u>	<u>2,183,740</u>	<u>1,706,775</u>	<u>180,000</u>	<u>1,886,775</u>
Total funds carried forward		<u>1,328,253</u>	<u>224,686</u>	<u>1,552,939</u>	<u>2,024,320</u>	<u>159,420</u>	<u>2,183,740</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 21a to the financial statements.

BALANCE SHEET

AT 31 MARCH 2021

Company no. 02874642

		2021		2020 Restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	14		30,977		37,968
Investments	15		451,738		483,716
			<u>482,715</u>		<u>521,684</u>
Current assets					
Debtors	16	690,788		1,369,088	
Cash at bank and in hand		2,286,108		1,516,601	
		<u>2,976,896</u>		<u>2,885,689</u>	
Liabilities					
Creditors: amounts falling due within one year	17	(1,906,672)		(1,223,633)	
Net current assets			<u>1,070,224</u>		<u>1,662,056</u>
Total net assets			<u>1,552,939</u>		<u>2,183,740</u>
The funds of the charity:					
Restricted income funds	21		224,686		159,420
Unrestricted income funds:					
Designated funds		448,211		848,232	
General funds		880,042		1,176,088	
Total unrestricted funds			<u>1,328,253</u>		<u>2,024,320</u>
Total charity funds			<u>1,552,939</u>		<u>2,183,740</u>

Approved by the trustees on 3 December 2021
and signed on their behalf by:



D Woodbine, Treasurer

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

Notes	2021		2020	
	£	£	£	£
Cash flows from operating activities				
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(630,801)		296,965	
Depreciation charges	15,642		17,939	
(Gains)/losses on investments	(2,603)		12,902	
Dividends, interest and rent from investments	(12,118)		(18,229)	
Profit on the disposal of fixed assets	(7,281)		(34,187)	
(Increase)/decrease in debtors	678,300		(748,080)	
Increase/(decrease) in creditors	683,039		398,944	
Net cash provided by operating activities		724,178		(73,746)
Cash flows from investing activities				
Dividends, interest and rents from investments	12,118		18,229	
Proceeds from the sale of fixed assets	9,925		56,584	
Purchase of fixed assets	(11,295)		(50,003)	
Proceeds from sale of investments	76,496		42,000	
Purchase of investments	(41,915)		(538,618)	
Net cash provided by investing activities		45,329		(471,808)
Change in cash and cash equivalents in the year		769,507		(545,554)
Cash and cash equivalents at the beginning of the year		1,516,601		2,062,155
Cash and cash equivalents at the end of the year		2,286,108		1,516,601
Analysis of cash and cash equivalents	At 1 April 2020	Cash flows	Other non-cash changes	At 31 March 2021
Cash at bank and in hand	1,516,601	769,507	-	2,286,108

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

1.1 STATUTORY INFORMATION

Trees for Cities is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address and principal place of business is Prince Consort Lodge, Kennington Park Place, London, SE11 4AS.

1.2 BASIS OF PREPARATION

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

1.3 PUBLIC BENEFIT ENTITY

The charity meets the definition of a public benefit entity under FRS 102.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.4 GOING CONCERN

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. Please refer to the trustees' annual report, specifically the financial review and the reserves policy where it sets out how the charity is operating within its reserves policy target levels of reserves.

1.5 INCOME

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

When donors specify that incoming resources given to the charity must be used in future accounting periods, the income is deferred to those periods.

When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that incoming resources are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

1.6 FUND ACCOUNTING

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1.7 EXPENDITURE AND IRRECOVERABLE VAT

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

- Costs of raising funds are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.
- Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support the activities of the charity.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1.8 GRANTS PAYABLE

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

1.9 ALLOCATION OF SUPPORT COSTS

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Raising Funds	11.10%
Urban forests - London	23.40%
Urban forests - Other UK cities	5.10%
Urban forests - International	0.50%
Trees for Streets	0.40%
Schools	38.50%
Support costs	19.20%
Governance costs	1.80%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

1.10 OPERATING LEASES

Rental charges are charged on a straight line basis over the term of the lease.

1.11 TANGIBLE FIXED ASSETS

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Plant and machinery	3 years
Fixtures, fittings and equipment	3-5 years
Motor vehicles	3 years

1.12 LISTED INVESTMENTS

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

1.13 DEBTORS

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.14 SHORT TERM DEPOSITS

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

1.15 CASH AT BANK AND IN HAND

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.16 CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.17 FINANCIAL INSTRUMENTS

The charity only 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 their settlement value.

1.18 PENSIONS

The charity operates a defined contribution pension scheme. Contributions payable for the year are charged in the Statement of Financial Activities as they fall due.

1.19 EMPLOYEE BENEFITS

Termination benefits are recognised as an expense when the charity is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the charity has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

	Unrestricted	Restricted	2021 Total	Unrestricted	Restricted	2020 Total
	£	£	£	£	£	£
2 INCOME FROM DONATIONS						
Donations						
Individuals	169,619	2,400	172,019	439,118	40,336	479,454
Trusts & foundations	-	-	-	11,988	65,000	76,988
Corporate partners	63,421	47,597	111,018	45,036	303,220	348,256
Grants						
Furlough	207,322	-	207,322	-	-	-
Other	3,358	50,794	54,152	7,511	27,000	34,511
	<u>443,720</u>	<u>100,791</u>	<u>544,511</u>	<u>503,653</u>	<u>435,556</u>	<u>939,209</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

	Unrestricted	Restricted	2021 Total	Unrestricted	Restricted	2020 Total
	£	£	£	£	£	£
3 INCOME FROM CHARITABLE ACTIVITIES						
Corporate partners	263,947	4,994	268,941	92,107	103,333	195,440
Grants	-	146,426	146,426	-	127,419	127,419
Local government	93,000	62,099	155,099	-	199,337	199,337
Urban forests - London	356,947	213,519	570,466	92,107	430,089	522,196
Corporate partners	345,271	-	345,271	172,755	-	172,755
Grants	-	244,200	244,200	-	211,796	211,796
Urban forests - Other UK cities	345,271	244,200	589,471	172,755	211,796	384,551
Corporate partners	-	-	-	31,500	26,500	58,000
Grants	-	5,000	5,000	-	-	-
Urban forests - International	-	5,000	5,000	31,500	26,500	58,000
Grants	-	163,200	163,200	-	-	-
Trees for Streets	-	163,200	163,200	-	-	-
Corporate Partners	285,594	30,000	315,594	802,405	106,000	908,405
Grants	200	178,599	178,799	65,450	144,852	210,302
Schools	20,000	130,550	150,550	-	176,200	176,200
Local Government	-	2,750	2,750	-	80,000	80,000
Schools	305,794	341,899	647,693	867,855	507,052	1,374,907
Total income from charitable activities	1,008,012	967,818	1,975,830	1,164,217	1,175,437	2,339,654

A government grant was received from the Forestry Commission for the Urban Tree Challenge Fund for the planting and maintenance of trees in the UK. This was allocated to our London and UK Urban Forests programmes, and totalled £107,607 (2019-20: £131,894). A government grant was also received from Natural England for "Growing Among Trees" in Schools. This totalled £34,668 in 2020-21 (2019-20: £80,912)

	Unrestricted	Restricted	2021 Total	Unrestricted	Restricted	2020 Total
	£	£	£	£	£	

4 OTHER TRADING ACTIVITIES

Environmental offsetting	201,991	-	201,991	89,035	-	89,035
Corporate volunteering	27,897	-	27,897	178,558	-	178,558
Sponsorship of projects	20,204	-	20,204	17,359	5,156	22,515
	<u>250,092</u>	<u>-</u>	<u>250,092</u>	<u>284,952</u>	<u>5,156</u>	<u>290,108</u>

5 INCOME FROM INVESTMENTS

Fixed interest securities	7,256	-	7,256	9,801	-	9,801
Bank interest	4,862	-	4,862	8,429	-	8,429
	<u>12,118</u>	<u>-</u>	<u>12,118</u>	<u>18,230</u>	<u>-</u>	<u>18,230</u>

6 OTHER INCOME

Gain on disposal of tangible fixed assets	7,281	-	7,281	34,187	-	34,187
	<u>7,281</u>	<u>-</u>	<u>7,281</u>	<u>34,187</u>	<u>-</u>	<u>34,187</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

7 ANALYSIS OF EXPENDITURE

A - CURRENT YEAR

	CHARITABLE ACTIVITIES			
	Raising funds	Urban forests - London	Urban forests - other cities	Urban forests - international
	£	£	£	£
Staff costs (Note 10)	245,993	519,774	111,922	11,521
Depreciation	-	7,623	-	-
Fundraising costs	44,409	-	-	-
Direct activity costs				
Grants	-	-	82,048	-
Internal delivery of projects	-	237,974	1,903	72
External delivery of projects	-	78,917	334,915	1,645
Audit	-	-	-	-
Facilities	-	-	-	-
HR	-	-	-	-
Rent	-	-	-	-
Other costs	1,506	-	-	-
	291,908	844,288	530,788	13,238
Support costs	33,490	70,761	15,237	1,569
Governance costs	5,890	12,445	2,680	276
Total expenditure 2021	331,288	927,494	548,705	15,083
Total expenditure 2020	289,085	780,256	338,526	34,379

B - PRIOR YEAR

Staff costs (Note 10)	193,037	465,608	91,456	10,452
Depreciation	-	6,516	-	-
Fundraising costs	58,322	-	-	-
Direct activity costs				
Grants	-	-	113,913	-
Internal delivery of projects	-	216,084	17,022	212
External delivery of projects	-	1,854	98,419	21,690
Audit	-	-	-	-
Facilities	-	-	-	-
HR	-	-	-	-
Rent	-	-	-	-
Other costs	332	-	-	-
	251,691	690,062	320,810	32,354
Support costs	32,610	78,654	15,449	1,766
Governance costs	4,784	11,540	2,267	259
Total expenditure 2020	289,085	780,256	338,526	34,379

Trees for Streets	Schools	Governance costs	Support costs	Total 2021	Total 2020
£	£	£	£	£	£
9,385	852,368	32,602	-	1,783,565	1,663,136
-	7,622	-	397	15,642	17,939
-	-	-	-	44,409	58,322
-	-	-	-	82,048	113,913
1,103	180,338	-	-	421,390	533,248
71,425	340,473	-	-	827,375	643,173
-	-	7,800	-	7,800	9,500
-	-	-	110,897	110,897	127,342
-	-	-	30,892	30,892	63,660
-	-	-	58,190	58,190	39,115
-	-	1,520	38,002	41,028	42,172
81,913	1,380,801	41,922	238,378	3,423,236	3,311,520
1,278	116,043	-	(238,378)	-	-
225	20,406	(41,922)	-	-	-
83,416	1,517,250	-	-	3,423,236	-
34,379	1,869,274	-	-	-	3,311,520
-	872,585	29,998	-	-	1,663,136
-	6,516	-	4,907	-	17,939
-	-	-	-	-	58,322
-	-	-	-	-	113,913
-	299,930	-	-	-	533,248
-	521,210	-	-	-	643,173
-	-	9,500	-	-	9,500
-	-	-	127,342	-	127,342
-	-	-	63,660	-	63,660
-	-	-	39,115	-	39,115
-	-	980	40,860	-	42,172
-	1,700,241	40,478	275,884	-	3,311,520
-	147,405	-	(275,884)	-	-
-	21,628	(40,478)	-	-	-
-	1,869,274	-	-	-	3,311,520

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

8 GRANT MAKING

	2021 £	2020 £
Cost		
Urban Tree Challenge Fund	82,048	113,913
At the end of the year	82,048	113,913

The Urban Tree Challenge Fund is a multi year grant from the Forestry Commission and was passed to nine partners in both years for the planting and maintenance of trees in the UK. The grant is part of our UK activities and support costs are allocated in note 7a and 7b.

9 NET (INCOME) / EXPENDITURE FOR THE YEAR

This is stated after charging / (crediting):

	2021 £	2020 £
Cost		
Depreciation	15,642	17,939
Profit on disposal of fixed assets	(7,281)	(34,187)
Operating lease rentals payable:		
Property	50,005	32,350
Other	15,323	15,969
Auditor's remuneration (excluding VAT):		
Audit	7,800	9,500
Other services	1,520	747

10 ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	1,576,127	1,455,189
Redundancy and termination costs	-	13,635
Social security costs	134,212	128,576
Employer's contribution to defined contribution pension schemes	73,226	65,736
	1,783,565	1,663,136

Redundancy payments made or committed during the year amounted to £0(2020: £13,635).

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2021 £	2020 £
Cost		
£60,000 - £69,999	1	1
£70,000 - £79,999	-	-
£80,000 - £89,999	1	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £384,885 (2020: £353,158).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £0 (2020: £233) incurred by no (2020: 1) members relating to attendance at meetings of the trustees.

11 STAFF NUMBERS

The average number of employees (head count based on number of staff employed) during the year was 50 (2020: 51).

Staff are split across the activities of the charity as follows (full time equivalent basis):

	2021 No.	2020 No.
Fundraising and public relations	6.0	5.0
Urban forests - London	15.0	13.0
Urban forests - UK Cities	2.0	3.0
Urban forests - International	1.0	1.0
Schools	24.0	25.0
	48.0	47.0

12 RELATED PARTY TRANSACTIONS

There are no related party transactions to disclose for this financial year (2020: none).

13 TAXATION

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

14 TANGIBLE FIXED ASSETS

Cost	Motor vehicles £	Plant & machinery £	Fixtures, fittings & equipment £	Total £
At the start of the year	48,999	14,722	53,616	117,337
Additions in year	7,995	3,300	-	11,295
Disposals in year	(13,598)	-	(47,268)	(60,866)
At the end of the year	43,396	18,022	6,348	67,766
Depreciation				
At the start of the year	11,031	14,722	53,616	79,369
Charge for the year	15,245	397	-	15,642
Eliminated on disposal	(10,954)	-	(47,268)	(58,222)
At the end of the year	15,322	15,119	6,348	36,789
Net book value At the end of the year	28,074	2,903	-	30,977
At the start of the year	37,968	-	-	37,968

All of the above assets are used for charitable purposes.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

15 LISTED INVESTMENTS

	2021 £	2020 £
Fair value at the start of the year	483,716	-
Additions at cost	41,915	538,618
Disposal proceeds	(76,496)	(42,000)
Revaluation during the year	2,603	(12,902)
	451,738	483,716
Cash held by investment broker pending reinvestment	51,319	10,800
Fair value at the end of the year	503,057	494,516
Investments comprise:		
UK fixed interest bonds	451,738	483,716
Cash	51,319	10,800
	503,057	494,516

16 DEBTORS

	2021 £	2020 £
Trade debtors	542,226	959,423
Prepayments and accrued income	148,562	409,665
	690,788	1,369,088

17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	211,743	111,712
Taxation and social security	87,072	110,927
Other creditors	19,847	11,313
Accruals	339,372	236,761
Deferred income (note 18)	1,248,638	752,920
	1,906,672	1,223,633

18 DEFERRED INCOME

Deferred income comprises funding for projects being delivered in 2021-22, including urban forest projects (£304,326), environmental offsetting (£761,130), edible playgrounds (£236,460), and other income (£21,722)

	2021 £	2020 £
Balance at the beginning of the year	752,920	272,448
Amount released to income in the year	(610,187)	(272,448)
Amount deferred in the year	1,105,905	752,920
Balance at the end of the year	1,248,638	752,920

19 PENSION SCHEME

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund as detailed below. Contributions of £9,558 (2020: £10,922) were outstanding at 31 March 2021.

	2021 £	2020 £
Contributions payable by the charity for the year	73,226	65,736

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

A - CURRENT YEAR

	General unrestricted £	Designated £	Restricted £	Total £
Tangible fixed assets	30,977	-	-	30,977
Investments	451,738	-	-	451,738
Net current assets	2,352,189	400,021	224,686	2,976,896
Creditors: amounts falling due within one year	(1,906,672)	-	-	(1,906,672)
Net assets at 31 March 2021	928,232	400,021	224,686	1,552,939

B - PRIOR YEAR - RESTATED

Tangible fixed assets	37,968	-	-	37,968
Investments	483,716	-	-	483,716
Net current assets	1,029,805	848,232	1,007,652	2,885,689
Creditors: amounts falling due within one year	(1,223,633)	-	-	(1,223,633)
Net assets at 31 March 2020	327,856	848,232	1,007,652	2,183,740

21 MOVEMENTS IN FUNDS

A - CURRENT YEAR

	At 1 April 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2021 £
Restricted funds:					
Urban forests - London	-	213,519	(203,519)	-	10,000
Urban forests - UK Cities	117,500	244,200	(289,200)	-	72,500
Urban forests - International	-	5,000	(5,000)	-	-
Trees for Streets	-	163,200	(83,415)	-	79,785
Schools	-	341,899	(341,899)	-	-
Other trading activities	-	-	-	-	-
Donations and legacies	41,920	100,791	(80,310)	-	62,401
Total restricted funds	159,420	1,068,609	(1,003,343)	-	224,686
Unrestricted funds:					
Designated funds:					
Schools - Edible playgrounds	848,232	-	(400,021)	-	448,211
Total designated funds	848,232	-	(400,021)	-	448,211
General funds	1,176,088	1,721,223	(2,017,269)	-	880,042
Total unrestricted funds	2,024,320	1,721,223	(2,417,290)	-	1,328,253
Total funds	2,183,740	2,789,832	(3,420,633)	-	1,552,939

The narrative to explain the purpose of each fund is given at the foot of the note below.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

21 ANALYSIS OF NET ASSETS BETWEEN FUNDS

B - PRIOR YEAR - RESTATED	At 1 April 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2020 £
Restricted funds:					
Urban forests - London	-	430,089	(430,089)	-	-
Urban forests - UK Cities	152,500	211,796	(246,796)	-	117,500
Urban forests - International	-	26,500	(26,500)	-	-
Schools	-	507,052	(507,052)	-	-
Other trading activities	-	5,156	(5,156)	-	-
Donations and legacies	27,500	435,556	(421,136)	-	41,920
Total restricted funds	180,000	1,616,149	(1,636,729)	-	159,420
Unrestricted funds:					
Designated funds:					
Schools - Edible playgrounds	1,031,142	-	(182,910)	-	848,232
Total designated funds	1,031,142	-	(182,910)	-	848,232
General funds	675,633	2,005,238	(1,504,783)	-	1,176,088
Total unrestricted funds	1,706,775	2,005,238	(1,687,693)	-	2,024,320
Total funds	2,917,917	3,621,387	(3,507,332)	-	3,031,972

PURPOSES OF RESTRICTED FUNDS

Restricted funds for London projects relate to money from the Postcode Green Trust which was awarded for the calendar year 2021.

Restricted funds for UK Cities relate to a grant from the Dulverton Trust that will be spent over the course of three years, spending £35,000 per year, with the final year of spend being 2021-22. It also includes £37,500 (2019-20: £47,500 - restated) for money from the Postcode Green Trust which was awarded for the calendar year 2021.

The Trees for Streets restricted fund relates to a grant from the National Heritage Memorial Fund for the set up of the Trees for Streets platform which was granted in 2020-21. The total grant awarded was £495,800, with £113,200 available to spend in 202-21. The funds in the reserves of £79,785 are the 2020-21 unspent funds as at 31 March 2021. The funding is due to be spent by 31 March 2022.

Donations and legacy restricted funds comprise donations in 2020-21 from Savills (£12,298), RSM (£8,184) and an in-memory donation from 2019-20 for £14,420. These are restricted to our urban forest programmes, and are planned to be spent in 2021-22. It also includes £27,500 (2019-20: £27,500 - restated) for money from the Postcode Green Trust which was awarded for the calendar year 2021 which will be allocated to core projects.

A designated fund has been set aside by the Trustees for future food growing in schools. The £448,211 fund at 31 March 2021 (2020: £848,232) has been funded by our corporate partner Bulb. It is anticipated that it will all be spent by 31 March 2022.

22 OPERATING LEASE COMMITMENTS PAYABLE AS A LESSEE

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Land & Buildings		Other	
	2021	2020	2021	2020
Less than one year	41,775	45,750	16,053	15,323
One to five years	29,192	64,667	6,742	20,723
	70,967	110,417	22,795	36,046

23 LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and is under the control of the board of Trustees.
The liability of each member in the event of winding up is limited to £1.

24 IMPACT OF PRIOR YEAR ADJUSTMENTS

A grant of £100,000 from the Postcode Green Trust has been received each year on a calendar year basis from 2018 to 2021. In previous financial statements, this amount has been split between the financial years on a pro rata basis, deferring £75,000 each financial year. With a change in policy, this has been reviewed and this income is now recognised in full each financial year, in the month the funds are received. This treatment has been applied retrospectively, meaning that the restricted funds at 31 March 2019 and 31 March 2020 are £75,000 higher compared to our previously published financial statements, as income in previous years has increased by £75,000.

Reserves position	Unrestricted funds £	Restricted funds £	Total funds £
Total funds at 31 March 2019 as previously stated	1,706,775	105,000	1,811,775
Adjustments to deferred income	-	75,000	75,000
Total funds as at 31 March 2019 as restated	1,706,775	180,000	1,886,775
Total funds at 31 March 2020 as previously stated	2,024,320	84,420	2,108,740
Adjustments to deferred income	-	75,000	75,000
Total Funds as at 31 March 2020 as restated	2,024,320	159,420	2,183,740
Impact on income and expenditure 2019-20			
Net income as previously reported	317,545	(20,580)	296,965
Adjustment to deferred income 2018-19	-	(75,000)	(75,000)
Adjustments to deferred income 2019-20	-	75,000	75,000
Net income as restated	317,545	(20,580)	296,965

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