

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

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<b>Trustees</b>	B Bardswell J Capon (Chair) S Gray A MacGillivray B Miller A Shah J Thrift D Woodbine S Workman
<b>Chief Executive</b>	D Elliott
<b>Charity number</b>	1032154 (England and Wales)
<b>Company number</b>	02874642 (United Kingdom)
<b>Principal address and Registered office</b>	Prince Consort Lodge Kennington Park Place London SE11 4AS
<b>Auditor</b>	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108-114 Golden Lane London London EC1Y 0TL
<b>Bankers</b>	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

## CONTENTS

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	Page
Trustees' report	3
Independent auditor's report	12
Statement of financial activities	16
Balance sheet	17
Statement of cash flows	18
Notes to the accounts	19

# TREES FOR CITIES

## TRUSTEES' REPORT

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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

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- 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

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### 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

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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

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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
<b>External</b> 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
<b>Financial</b> 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
<b>Operational</b> 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

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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

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- 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**

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#### **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**

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#### **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

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#### 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](http://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**

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

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 £
<b>Fixed assets:</b>					
Tangible assets	14		15,411		30,977
Investments	15		487,709		451,738
			<u>503,120</u>		<u>482,715</u>
<b>Current assets:</b>					
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>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	17	(2,057,266)		(1,906,672)	
			<u>909,392</u>		<u>1,070,224</u>
<b>Net current assets</b>					
			<u>1,412,512</u>		<u>1,552,939</u>
<b>Total net assets</b>			<u><u>1,412,512</u></u>		<u><u>1,552,939</u></u>
<b>The funds of the charity:</b>	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>
<b>Total charity funds</b>			<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		
	£	£		
<b>Cash flows from operating activities</b>				
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		
<b>Net cash (used in)/provided by operating activities</b>	<b>(426,549)</b>	<b>724,178</b>		
<b>Cash flows from investing activities:</b>				
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)		
<b>Net cash (used in)/provided by investing activities</b>	<b>(40,153)</b>	<b>45,329</b>		
<b>Change in cash and cash equivalents in the year</b>	<b>(466,702)</b>	<b>769,507</b>		
Cash and cash equivalents at the beginning of the year	2,286,108	1,516,601		
<b>Cash and cash equivalents at the end of the year</b>	<b>1,819,406</b>	<b>2,286,108</b>		
<b>Analysis of cash and cash equivalents</b>				
	At 1 April 2021	Cash flows	Other non-cash changes	At 31 March 2022
	£	£	£	£
<b>Cash at bank and in hand</b>	2,286,108	(466,702)	-	<b>1,819,406</b>

# TREES FOR CITIES

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

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#### **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

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#### 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

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#### 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	<b>302,874</b>	169,619	2,400	172,019
Donations - trusts & foundations	7,000	30,500	<b>37,500</b>	-	-	-
Donations - corporate partners	50,828	114,993	<b>165,821</b>	63,421	47,597	111,018
Grants - furlough	6,701	-	<b>6,701</b>	207,322	-	207,322
Grants - other	22,000	89,093	<b>111,093</b>	3,358	50,794	54,152
	<u>377,263</u>	<u>246,726</u>	<u><b>623,989</b></u>	<u>443,720</u>	<u>100,791</u>	<u>544,511</u>

#### 3 Income from Charitable activities

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

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	-	<b>14,453</b>	20,204	-	20,204
	<u>14,453</u>	<u>-</u>	<u><b>14,453</b></u>	<u>20,204</u>	<u>-</u>	<u>20,204</u>
	<b>14,453</b>	<b>-</b>	<b>14,453</b>	<b>20,204</b>	<b>-</b>	<b>20,204</b>

#### 5 Income from investments

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

#### 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>
	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,281</b>	<b>-</b>	<b>7,281</b>



# 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	-	<b>1,862,636</b>	1,783,565
Depreciation	-	7,233	-	-	-	7,233	-	1,100	<b>15,566</b>	15,642
Fundraising costs	41,279	-	-	-	-	-	-	-	<b>41,279</b>	44,409
Direct activity costs - grants	-	-	346,419	-	-	-	-	-	<b>346,419</b>	82,048
Direct activity costs - internal delivery of projects	-	149,938	20,928	58	44,833	202,308	-	-	<b>418,065</b>	421,390
Direct activity costs - external delivery of projects	-	19,060	496,715	48,390	146,441	365,848	-	-	<b>1,076,454</b>	827,375
Audit	-	-	-	-	-	-	8,200	-	<b>8,200</b>	7,800
Facilities	-	-	-	-	-	-	-	118,700	<b>118,700</b>	110,897
HR	-	-	-	-	-	-	-	34,368	<b>34,368</b>	30,892
Rent	-	-	-	-	-	-	-	57,375	<b>57,375</b>	58,190
Other costs	1,514	-	-	-	-	-	3,057	58,053	<b>62,624</b>	41,028
	<b>304,721</b>	<b>655,640</b>	<b>1,065,081</b>	<b>106,614</b>	<b>304,679</b>	<b>1,290,571</b>	<b>44,784</b>	<b>269,596</b>	<b>4,041,686</b>	<b>3,423,236</b>
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)	-	-	-
<b>Total expenditure 2022</b>	<b>349,740</b>	<b>738,039</b>	<b>1,099,632</b>	<b>116,611</b>	<b>324,171</b>	<b>1,413,493</b>	<b>-</b>	<b>-</b>	<b>4,041,686</b>	
Total expenditure 2021	<b>331,288</b>	<b>927,494</b>	<b>548,705</b>	<b>15,083</b>	<b>83,416</b>	<b>1,517,250</b>	<b>-</b>	<b>-</b>		<b>3,423,236</b>

# 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	-	<b>1,783,565</b>
Depreciation	-	7,623	-	-	-	7,622	-	397	<b>15,642</b>
Fundraising costs	44,409	-	-	-	-	-	-	-	<b>44,409</b>
Direct activity costs - grants	-	-	82,048	-	-	-	-	-	<b>82,048</b>
Direct activity costs - internal delivery of projects	-	237,974	1,903	72	1,103	180,338	-	-	<b>421,390</b>
Direct activity costs - external delivery of projects	-	78,917	334,915	1,645	71,425	340,473	-	-	<b>827,375</b>
Audit	-	-	-	-	-	-	7,800	-	<b>7,800</b>
Facilities	-	-	-	-	-	-	-	110,897	<b>110,897</b>
HR	-	-	-	-	-	-	-	30,892	<b>30,892</b>
Rent	-	-	-	-	-	-	-	58,190	<b>58,190</b>
Other costs	1,506	-	-	-	-	-	1,520	38,002	<b>41,028</b>
	<b>291,908</b>	<b>844,288</b>	<b>530,788</b>	<b>13,238</b>	<b>81,913</b>	<b>1,380,801</b>	<b>41,922</b>	<b>238,378</b>	<b>3,423,236</b>
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)	-	-
<b>Total expenditure 2021</b>	<b>331,288</b>	<b>927,494</b>	<b>548,705</b>	<b>15,083</b>	<b>83,416</b>	<b>1,517,250</b>	<b>-</b>	<b>-</b>	<b>3,423,236</b>

# 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
	<b>1,862,636</b>	<b>1,783,565</b>

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
	<b>46.0</b>	<b>48.0</b>

# 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	<b>67,766</b>
Additions in year	-	-	-	-
Disposals in year	-	-	-	-
At the end of the year	43,396	18,022	6,348	<b>67,766</b>
<b>Depreciation</b>				
At the start of the year	15,322	15,119	6,348	<b>36,789</b>
Charge for the year	14,466	1,100	-	<b>15,566</b>
Eliminated on disposal	-	-	-	-
At the end of the year	29,788	16,219	6,348	<b>52,355</b>
<b>Net book value</b>				
<b>At the end of the year</b>	13,608	1,803	-	<b>15,411</b>
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	<b>451,738</b>	483,716
Additions at cost	<b>184,831</b>	41,915
Disposal proceeds	<b>(135,000)</b>	(76,496)
Revaluation during the year	<b>(13,860)</b>	2,603
	<b>487,709</b>	451,738
Cash held by investment broker pending reinvestment	<b>6,696</b>	51,319
Fair value at the end of the year	<b>494,405</b>	503,057
Investments comprise:		
	2022 £	2021 £
UK fixed interest bonds	487,709	451,738
Cash	6,696	51,319
	<b>494,405</b>	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
	<b>1,147,252</b>	<b>690,788</b>

#### 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
	<b>2,057,266</b>	<b>1,906,672</b>

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	<b>890,538</b>	<b>1,248,638</b>

#### 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	<b>86,052</b>	73,226

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

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

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

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	30,977	-	-	<b>30,977</b>
Investments	451,738	-	-	<b>451,738</b>
Net current assets	2,303,999	448,211	224,686	<b>2,976,896</b>
Creditors: amounts falling due within one year	(1,906,672)	-	-	<b>(1,906,672)</b>
<b>Net assets at 31 March 2021</b>	<b>880,042</b>	<b>448,211</b>	<b>224,686</b>	<b>1,552,939</b>

# 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 £
<b>Restricted funds:</b>					
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
<b>Total restricted funds</b>	<b>224,686</b>	<b>1,690,969</b>	<b>(1,712,167)</b>	<b>-</b>	<b>203,488</b>
<b>Unrestricted funds:</b>					
<b>Designated funds:</b>					
Schools - Edible playgrounds	448,211	-	(448,211)	-	-
Trees for Streets	-	55,300	-	-	55,300
Environmental offsetting	-	106,946	-	-	106,946
<b>Total designated funds</b>	<b>448,211</b>	<b>162,246</b>	<b>(448,211)</b>	<b>-</b>	<b>162,246</b>
<b>General funds</b>	<b>880,042</b>	<b>2,061,904</b>	<b>(1,895,168)</b>	<b>-</b>	<b>1,046,778</b>
<b>Total unrestricted funds</b>	<b>1,328,253</b>	<b>2,224,150</b>	<b>(2,343,379)</b>	<b>-</b>	<b>1,209,024</b>
<b>Total funds</b>	<b>1,552,939</b>	<b>3,915,119</b>	<b>(4,055,546)</b>	<b>-</b>	<b>1,412,512</b>

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 £
<b>Restricted funds:</b>					
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
<b>Total restricted funds</b>	<b>159,420</b>	<b>1,068,609</b>	<b>(1,003,343)</b>	<b>-</b>	<b>224,686</b>
<b>Unrestricted funds:</b>					
<b>Designated funds:</b>					
Schools - Edible playgrounds	848,232	-	(400,021)	-	448,211
<b>Total designated funds</b>	<b>848,232</b>	<b>-</b>	<b>(400,021)</b>	<b>-</b>	<b>448,211</b>
<b>General funds</b>	<b>1,176,088</b>	<b>1,721,223</b>	<b>(2,017,269)</b>	<b>-</b>	<b>880,042</b>
<b>Total unrestricted funds</b>	<b>2,024,320</b>	<b>1,721,223</b>	<b>(2,417,290)</b>	<b>-</b>	<b>1,328,253</b>
<b>Total funds</b>	<b>2,183,740</b>	<b>2,789,832</b>	<b>(3,420,633)</b>	<b>-</b>	<b>1,552,939</b>



# 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
	<b>123,066</b>	<b>70,967</b>	<b>7,416</b>	<b>22,795</b>

#### 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.