

COMMUNITY FOREST TRUST

England & Wales · Charity number 1072706

Details

Other names	COMMUNITY FORESTS NORTH WEST LIMITED, CITY OF TREES, COMMUNITY FORESTS NORTHWEST THE RED ROSE FOREST TRUST
Status	Registered
Legal form	Charitable company
Company number	03598556
Registered	1998-12-02
Register	View on the Charity Commission register

Contact

Address	Mitchell Charlesworth Ltd The Plaza 100 Old Hall Street Liverpool L3 9QJ
Phone	07483 317111
Email	info@cf-trust.org
Website	www.cf-trust.org

Activities

Objects: TO PROMOTE FOR THE BENEFIT OF THE PUBLIC GENERALLY ANY CHARITABLE PURPOSE WITHIN NORTH WEST OF ENGLAND AND BEYOND CONNECTED WITH THE ENHANCEMENT AND IMPROVEMENT, MAINTENANCE AND PROTECTION OF THE ENVIRONMENT AND LANDSCAPE

Activities: The Community Forest Trust works to support the development of community forestry initiatives including City of Trees, The Mersey Forest, and White Rose Forest. Projects include mitigating climate change through the provision of high quality green infrastructure.

Classification

- **How:** Makes Grants To Organisations, Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, Disability, Environment/conservation/heritage, Economic/community Development/employment
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** NORTH WEST OF ENGLAND
- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-06-30	£8,920,887	£6,160,142	£6,278,369	44
2024-06-30	£11,584,005	£10,638,312	£3,517,625	36
2023-06-30	£9,806,445	£11,781,897	£2,375,128	55
2022-03-31	£7,397,236	£5,462,620	£4,350,580	37
2021-03-31	£3,143,109	£2,814,947	£2,415,964	29

Trustees

Name	Role	Appointed
ALISON BALL	Chair	2020-12-04
Angela Main		2024-12-12
BENJAMIN WILLIAMS		2020-12-04
Clare Shaw		2024-06-24
Jane Worthington-Cobb		2024-12-12
Kieran Wilcock		2025-09-29
PROF ALAN SIMSON		2014-05-22
Thomas Kirkman		2025-09-29
Tom Lindley		2024-12-12
VICTORIA MERTON		2017-03-29

COMMUNITY FOREST TRUST

England & Wales - Charity number 1072706

Accounts

Charity Registration No. 1072706

Company Registration No. 03598556 (England and Wales)

COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
LEGAL AND ADMINISTRATIVE INFORMATION**

Trustees

Mrs Alison Ball (Chair)
Ms Victoria Merton
Prof Alan Simson
Mr Benjamin Williams
Ms Clare Shaw
Mr C Thomson - Smith
Ms Angela Main (Appointed 12 December 2024)
Ms Jane Worthington-Cobb (Appointed 12 December 2024)
Mr Tom Lindley (Appointed 12 December 2024)
Mr Thomas Kirkman (Appointed 29 September 2025)
Mr Kieran Wilcock (Appointed 29 September 2025)

Secretary Ms C Morgan (Appointed 23 June 2025)

Charity number 1072706

Company number 03598556

Registered office

14th Floor The Plaza
100 Old Hall Street
Liverpool
England
L3 9QJ

Auditor

Mitchell Charlesworth (Audit) Limited
Suites C,D,E, & F
14th Floor The Plaza
100 Old Hall Street
Liverpool
L3 9QJ

Bankers

Triodos Bank
Deanery Road
Bristol
BS1 5AS

The Co-operative Bank
70-72 Cross Street
Manchester
M2 4JG

Flagstone Investment Management
1st Floor Clareville House
26-27 Oxenden Street
London
SW1Y 4EL

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COMPANY LIMITED BY GUARANTEE
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COMMUNITY FOREST TRUST COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 JUNE 2025

The trustees of Community Forest Trust (CFT), who are also directors of the Company, present their annual report and accounts for the period ended 30 June 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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) (effective 1 January 2019)".

Chair's Report

Driven by our mission of **supporting, enabling and championing the work of England's 15 Community Forests**, we have supported the planting of over 3million trees. This has been achieved through direct service delivery to community forests and as a result of support we provide to the England Community Forest (ECF) Network.

We played a key role in securing commitment from UK Government Department DEFRA for the next 5-year phase of the Trees for Climate Programme, starting in April 2026. This will support ongoing tree planting by the ECF network alongside partners National Trust and Woodland Trust.

Alongside this, we have enabled the delivery of a number of high-profile projects such as the Northen Forest and the Royal Mail Woodland.

As well as supporting tree planting, we provided help and advice to develop Forest Plans - key strategic documents which set out the long-term tree strategy for each Community Forest.

Following a decision by Tees Valley Combined Authority to no longer host Tees Community Forest, we agreed to, from the summer of 2025, become the Accountable Body for the forest. Our support will enable continuity for this Community Forest, securing staff expertise and sustaining tree planting programmes in the Tees area.

We would like to thank key funding partners including Stonewater and One Tree Planted for their support during the year, which enabled us to sustain our support to the forests and make a contribution to tree planting across England.

CFT's three-year Business Plan ran to March 2025. In June, CFT welcomed its new Chief Executive, Claire Morgan, who will lead the development of a new Business Plan for the organisation, to be launched in April 2026. Trustees would like to take this opportunity to thank the outgoing Chief Executive Charles Vivian, for all that he did during his tenure from Spring 2022.

Over this period there were some changes to membership of the CFT Trustee group. We welcomed four new trustees but were deeply saddened by the death of Gerry Tucker, our Finance Trustee, who passed away on 3rd April 2025.

COMMUNITY FOREST TRUST COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2025

Objectives and activities

The objects of the Charity are to promote for the benefit of the public generally any charitable purpose within the NW of England and beyond connected with the enhancement and improvement, maintenance and protection of the environment and landscape and in particular to:

- Promote, provide and enhance woodland for the benefit of the public; Promote the general improvement of agriculture and of industry and commerce, particularly in relation to woodland or forestry products;
- Promote and provide for the improvement of derelict land or harmful sites;
- Provide or help to provide for the general public facilities in the interests of social welfare for recreation and leisure time occupation particularly involving the enjoyment of land and woodland as a public amenity (and in furtherance to help provide safe and convenient routes and modes of transport for the public, for safe cycling, and for the development of facilities including nature trails, reserves and sanctuaries, horse and cycle footways, parkland and visitor facilities and car parks);
- Promote community participation in healthy recreation by providing facilities for playing particular sports;
- Educate the public in environmental matters, in ecology and provide better appreciation of the environments and ways of better serving, protecting and improving the same and education and training in all matters relating to the environment and its interaction with the social and economic wellbeing of the community;
- Promote the arts within the woodland and natural environments;
- Promote for the benefit of the public the ecology and use of the natural environment and all species living in it;
- Promote for the benefit of the public the conservation, enhancement, and improvement of the environment and to educate the public in the importance of sustainable development in relation to all the activities of the Charity. For the purpose of this clause the phrase 'sustainable development shall mean development that meets the needs of the present without compromising the ability of future generations to meet their own needs and in applying this definition regard shall be had to the following factors, to social progress, which recognises the needs of everyone; effective protection of the environment; prudent use of natural resources and maintenance of high and stable levels of economic growth and employment; and
- In pursuit of its objects the Charity shall endeavour to engage the participation of all sectors of the community in its activities."

Delivering on CFT's purpose

Throughout the period CFT continued to provide its core services:

1. Community Forest Trust (core activities)

Forest Recruitment and Employment: CFT recruits and employs staff to support and enable the Forests to deliver their work and projects. CFT works with key local authority stakeholders such as Kirklees, Swindon and Cheshire West and Chester Councils and organisations such as the Forest of Mercia and employs around 50 team members across the ECF network.

Finance Support: CFT continues to provide finance function services to several of the Community Forests.

Fundraising: One Tree Planted: CFT has a multi-year grant from One Tree Planted, a global not-for-profit reforestation charity, who committed to pay CFT \$1 for every tree planted over a 3-year period from the year 2022- 2025. In 2022/23, the first year of the agreement, the ECF network planted 1.2million trees. For the successive two years the challenging global macro-economic environment impacted One Tree Planted and the number of trees that were able to be funded in Year 3 of the agreement (1 April 2024 until 31 March 2025) was reduced to 375k trees planted across the Community Forests.

Land Acquisition and Holding: CFT continues to hold land which includes Griffin Wood, managed by the Mersey Forest Team and Lightshaw Meadows, where we are in discussions to host a memorial woodland.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2025

Events Management: CFT continued to support the organising of the annual England Community Forest conference, which again was a highly successful and informative day. As part of the event, CFT hosted the Annual Awards recognising achievements from across the Community Forests.

2. The Mersey Forest

We have continued to support a number of projects for the Mersey Forest, including the Royal Mail Woodland (Middlefield Farm). This is a joint Mersey Forest, CFT and Royal Mail project as part of the Queen's Green Canopy initiative. Royal Mail acquired a 9 hectare site in the Mersey Forest and tree planting was completed in 2024 season. A naming ceremony and a formal opening took place in March 2025. At the launch, CFT worked with the Mersey Forest team to host the King's representatives, local dignitaries and members of the community.

CFT continues to be the accountable body for a number of programmes run by the Mersey Forest team including the Urban Tree Challenge Fund, Landfill Communities Fund and several health, natural flood management and community projects.

3. Raise: Cumbria Community Forest

In 2023, CFT became the accountable body for Raise: Cumbria Community Forest. CFT continues to hold and manage Raise funding, as well as supporting the Forest Director and team.

4. Northern Forest

This is one of the flagship programmes of the UK Government's 25 Year Environment Plan. CFT, in partnership with the Woodland Trust and the Northern Forest's four Community Forests, continues to play a key role in the development of the Northern Forest initiative. CFT is Co-Chair of the Partnership and the Accountable Body for the government funding to the Community Forests who facilitate planting and landowner engagement. Planting to date for the four Community Forests has delivered 250 hectares and over 11,000 standard trees. The programme focuses on parks, farms and new community woodland sites, providing opportunities for volunteering and school planting events.

The Northern Forest Partnership celebrated the 10 millionth tree being planted in June 2025. Alongside this, an Impact Report was released which together received significant press coverage.

Forward Look

Alongside our new CEO, the trustees look forward to working on refreshing the CFT vision and developing a supporting Business Plan. These will be launched in April 2026.

As well as consolidating our service offering to the Community Forests, we will maintain our programme support function for the DEFRA Trees for Climate tree planting programme and support the partners in successful delivery of the programme.

We will continue working with our existing partners within the sector, funders and new partners to support Community Forestry across England.

The past 5 years has been a huge contribution by Community Forests to woodland creation across England. They have planted over 8 million trees across 2,720 local schemes equating to 35% of all government-funded tree planting since 2020. CFT is excited to continue supporting, enabling and championing the Community Forests to deliver significant impact on community access to nature, flood prevention, carbon sequestration and nature recovery.

Alison Ball

Chair, Community Forest Trust

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2025

Mission, Vision and Values

Mission

Our mission is to champion and support the work of community forestry organisations across England and communicate the wide range of benefits that trees and woods deliver.

Vision

Our vision is for a strong, resilient network of community forestry organisations across England that enhance the environment for both people and wildlife.

Values

- We are passionate about the power of trees to transform urban environments
- We aim to be innovative, share knowledge and collaborate to achieve best practice in the field of community forestry.
- We see community forestry as a way to achieve widespread, environmental, social and economic benefits
- We act as an advocate for Community Forests and aim to listen, be responsive and work in close partnership

Statement of Public Benefit

In meeting these objects, the Charity's public benefit aims to maintain, complete and apply for funding that supports projects as detailed above. The Charity has met its objectives by sticking to the guidelines of the grants applied for.

In setting out policy and planning these activities the trustees have given consideration to the Charity Commission's general guidance on public benefit.

The Charities Act identifies thirteen charitable purposes as being for the public benefit, Community Forest Trust meets the public benefit principles by focusing on three of those charitable purposes

- the advancement of education;
- the advancement of health or the saving of lives; and
- the advancement of environmental protection or improvement

Achievements and performance

Financial review

At the end of the financial year, unrestricted funds stand at £435,522 group (2024: £379,325) and £263,177 charity (2024: £277,331), for the continuing business of CFT.

Investment Policies

The Charity has a policy of keeping any surplus funds in short term deposits, which can be accessed readily.

This also spreads the banking risk as the guaranteed amount under FSCS has been increased to £120K per bank from 1 December 2025. An on-line cash investment platform assists the monitoring of these accounts with a view to achieving best interest rates for amounts held on deposit whilst at the same time ensuring cash flow requirements are met. The invested funds held on deposit achieved an average of 3.95% in the year ended 30 June 2025 (2024: 2.3%).

COMMUNITY FOREST TRUST COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2025

Reserves Policy and Going Concern

Unrestricted reserves are considered to be that part of the Trust's funds which are freely available for its general purpose after it has met its commitments and covered its other planned expenditure. These unrestricted funds are needed to bridge the gap between the spending and receiving of income and to cover administrative, fundraising and support costs without which the Trust could not function. A designated fund is maintained as a reserve policy in the event of the organisation closing down. This fund would allow a professional and orderly close down if that contingency was ever to be realised. The reserve fund stands at £105,362 (2024: £71,151)

The level of unrestricted funds is monitored and reviewed by the Trustees during the year. The Trustees consider a financial projection prior to reviewing financial reserve levels for the following year and the preparation and approval of an annual budget. Financial forecasts are updated for each Board meeting, held quarterly, in the year to 30th June 2025 the Trust continued to address the need to develop reserves and its available funds were retained in its current bank account, with a view to investing surplus cash in short term deposit accounts to maximise the return an income. Since the year and there has been no unexpected expenditure, and the visibility of the Charity remains financially sound.

Plans for Future Periods

Our future activities are likely to include

- Support to England's Community Forests and the Trees for Climate Programme
- Continued direct support to City of Trees, Mersey Forest, Raise Cumbria, Tees Community Forest
- Development of the Northern Forest in partnership with the Woodland Trust following the end of the Grow Back Greener funding programme
- Continued work with the Local Nature Partnerships and the Catchment Partnerships
- Further development and delivery of natural flood management
- Development of the Natural Health Service
- Continuation of work to secure sustainable funding streams
- Further partnership working with the forestry initiatives and with new partners
- Improving the quality of CFT's online presence and communications
- The continued advocacy for urban and community forestry at a national level

Mersey forest foundation received a grant of £1.94 million in January 2022, which is to be used over the next 32 years. This is for biodiversity and infrastructure contribution. Priority is to be given to planting within the Bold Forest Park Area and for Bold Forest Park Infrastructure Contribution. It shall be used for initiatives and projects to improve parks in the Bold Forest Park including but not limited to sites such as Clock Face Country Park, Maypole Farm, Griffin Wood and the links between them.

Structure, governance and management

The directors of the charitable company (the Charity) are its trustees for the purpose of charity law. The Trustees serving during the year and since the year end were as follows:

Mrs Alison Ball (Chair)

Ms Victoria Merton

Prof Alan Simson

Mr Benjamin Williams

Mrs Debbie Beaven

(Resigned 31 January 2025)

Ms J Morgan

(Resigned 31 December 2025)

Ms Clare Shaw

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2025

Mr C Thomson - Smith	
Mr G Tucker	(Resigned 3 April 2025)
Ms Angela Main	(Appointed 12 December 2024)
Ms Jane Worthington-Cobb	(Appointed 12 December 2024)
Mr Tom Lindley	(Appointed 12 December 2024)
Prof David Shaw	(Resigned 23 August 2024)
Mr Thomas Kirkman	(Appointed 29 September 2025)
Mr Kieran Wilcock	(Appointed 29 September 2025)

Key Personnel

Key management personnel, in addition to the Board, are as follows:

Chief Executive & company secretary: Mr C Vivian (resigned 11 July 2025)

Chief Executive & company secretary: Ms C Morgan (appointed 23 June 2025)

Finance Manager: Mr B Buggy

Structure and Governing Documents

Community Forest Trust is a company limited by guarantee governed by its Memorandum and Articles of Association dated July 1998, amended 22nd May 2013 and was incorporated on 15th July 1998. It was registered as a charity with the Charity Commission on 2nd December 1998.

Community Forest Trust's members are the trustees and the liability of the members is limited and each member agrees to pay £1 in the event that the Charity is dissolved.

Organisational Structure

Community Forest Trust is the holding company for several organisations:

The subsidiary trading company, Community Forest Trust (Trading) Limited was set up and incorporated on 29th October 2012 with an unpaid share capital allotted of £1. The holder of this share is Community Forest Trust. The Company number is 08272345. The trustees, who are also Directors for the purpose of company law who served during the year, and to date, are:

Mr P Nolan (Chair)

The primary objective of the subsidiary Community Forest Trust (Trading) Limited is to have unlimited capacity under section 31 of the Companies Act 2006. Notwithstanding the generality of this provision and for the avoidance of doubt the company's objects include carrying on business as a general commercial company to raise funds including donating with the benefit of gift aid any profits and carry out any other activities which may be considered to be for the benefit of the Charity. Community Forest Trust (Trading) Limited has remained dormant since its incorporation to date and was dissolved on 19 August 2025.

A second subsidiary organisation - Community Forest Land Trust was set up as a company limited by guarantee, incorporated on 29th October 2013 and was granted charitable status on 28th February 2014. Community Forest Trust is the sole member. The Company number is 08752839 and Charity number is 1155979. The trustees, who are also directors for the purpose of company law who served during the year, and to date, are:

Mr P Nolan (Chair)

Mr D McAleavy

Prof D Shaw

Dr U Jhathakur (appointed 30 January 2025)

Mr R Pearson

Mr J Nicoll (appointed 12 December 2024)

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2025

The primary objective of the subsidiary charity Community Forest Land Trust as laid out in its Memorandum and Articles of Association is to promote for the benefit of the public generally any charitable purpose within the North West of England or elsewhere as the Trustees shall determine connected with the enhancement and improvement, maintenance and protection of the environment and landscape. Community Forest Land Trust Limited commenced financial activities in March 2014.

A third subsidiary organisation - Mersey Forest Foundation was set up as a company limited by guarantee, incorporated on 30th July 2014 and was granted charitable status on 9th March 2015. Community Forest Trust is the sole member. The Company number is 09153749 and the Charity number is 1160790. The trustees, who are also directors for the purpose of company law who served during the year, and to date, are:

Mr P Nolan (Chair)
Mr D McAleavy
Dr U Jhathakur (appointed 30 January 2025)
Prof D Shaw
Mr R Pearson
Mr J Nicoll (appointed 12 December 2024)

The primary objective of the subsidiary charity Mersey Forest Trust Limited as laid out in its Memorandum and Articles of Association is to promote for the benefit of the public generally any charitable purpose within the North West of England or elsewhere as the Trustees shall determine connected with the enhancement and improvement, maintenance and protection of the environment and landscape. Mersey Forest Foundation commenced financial activities in July 2014.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2025

Appointment of Trustees

The current trustees were appointed (and may be removed) by the Board of Community Forest Trust. There should be a minimum of five trustees and are recruited to ensure that the board of trustees has the requisite range of experience and skills to effectively manage the Trust. Induction processes include sitting on the Board for 2 meetings prior to being appointed by a majority vote. Documents are circulated to prospective trustees and their input is valued. Training is offered where required.

Organisation

The board of trustees administers the Charity and meets quarterly. Information is prepared and presented by the interim chief executive, forest director, finance manager, and several project development officers. A precis of the reports from Mersey Forest Foundation and Community Forest Land Trust are presented to the quarterly board meetings of Community Forest Trust.

Related parties and co-operation with other organisations.

Risk Management

The monitoring and management of risk is a dynamic process and the Charity faces some level of risk in the activities, events and contracts that it engages in.

The trustees have a risk management strategy which comprises:

- ongoing review of the principal risks and uncertainties that the Charity may face.
- the establishment of policies, systems and procedures to mitigate those risks identified in the annual review; and
- the implementation of procedures designed to minimise or manage any potential impact the Charity should those risks materialise.

Governance risks - eg inappropriate organisational structure, difficulties recruiting trustees with relevant skills, conflict of interest.

Financial risks - eg accuracy and timeliness of financial information, adequacy of reserves and cash flow, diversity of income sources.

External risks - eg public perception and adverse publicity, demographic changes, government policy.

Compliance with law and regulation - eg breach of trust law and regulatory requirements of particular activities such as fund-raising.

The Charity's review of its risk management will continue to help ensure:

- the Charity's aims are achieved more effectively;
- significant risks are known and monitored enabling trustees to make a more effective contribution;
- and there is improved forward planning.

Auditor

Mitchell Charlesworth (Audit) Limited have agreed to offer themselves for reappointment as auditors of the Charity.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2025

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

Small Companies Provisions

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

The trustees' report was approved by the Board of Trustees.

Mr Kieran Wilcock

Trustee

Dated: 31 March 2026

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
STATEMENT OF TRUSTEES' RESPONSIBILITIES**

FOR THE YEAR ENDED 30 JUNE 2025

The trustees, who are also the directors of Community Forest Trust for the purpose of company law, are responsible for preparing the Trustees' 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF COMMUNITY FOREST TRUST**

Opinion

We have audited the financial statements of Community Forest Trust (the 'charity') and its subsidiaries for the year ended 30 June 2025 which comprise the consolidated statement of financial activities, the consolidated and parent balance sheet, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and charitable company's affairs as at 30 June 2025 and of the group's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group of charity's 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 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 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 our audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF COMMUNITY FOREST TRUST**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF COMMUNITY FOREST TRUST**

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Anita Mason BA (Hons) BFP FCA (Senior Statutory Auditor)
For and on behalf of Mitchell Charlesworth (Audit) Limited

31 March 2026

Accountants
Statutory Auditor

14th Floor The Plaza
100 Old Hall Street
Liverpool
L3 9QJ

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE**
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING THE CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2025

		Unrestricted funds general 2025	Unrestricted funds - designated 2025	Restricted funds 2025	Total 2025	Unrestricted funds general 2024	Unrestricted funds - designated 2024	Restricted funds 2024	Total 2024
	Notes	£	£	£	£	£	£	£	£
Income from:									
Donations and legacies	4	142,948	-	-	142,948	49,055	-	2,500	51,555
Charitable activities	5	707,373	-	7,934,267	8,641,640	641,676	-	10,616,774	11,258,450
Investments	6	136,299	-	-	136,299	86,903	-	-	86,903
Continuing operations		986,620	-	7,934,267	8,920,887	777,634	-	10,619,274	11,396,908
Discontinued operations - City of Trees divestment		-	-	-	-	27,855	-	159,242	187,097
Total income		986,620	-	7,934,267	8,920,887	805,489	-	10,778,516	11,584,005
Expenditure on:									
Charitable activities	7	896,122	-	5,264,020	6,160,142	703,840	-	9,603,562	10,307,042
Continuing operations		896,122	-	5,264,020	6,160,142	703,840	-	9,603,562	10,307,042
Discontinued operations - City of Trees divestment		-	-	-	-	228,802	-	102,468	331,270
Total resources expended		896,122	-	5,264,020	6,160,142	932,282	-	9,706,030	10,638,312

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE**
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING THE CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2025

	Unrestricted funds general 2025 £	Unrestricted funds - designated 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds general 2024 £	Unrestricted funds - designated 2024 £	Restricted funds 2024 £	Total 2024 £
Net incoming resources before transfers	90,498	-	2,670,247	2,760,745	(126,793)	-	1,072,486	945,693
Gross transfers between funds	(34,301)	34,211	90	-	200,947	-	(56,774)	144,173
Net income for the year/ Net movement in funds	56,197	34,211	2,670,337	2,760,745	74,154	-	1,015,712	1,089,866
Fund balances at 1 July 2024	379,325	222,523	2,915,777	3,517,625	305,171	222,523	1,900,065	2,427,759
Fund balances at 30 June 2025	435,522	256,734	5,586,113	6,278,369	379,325	222,523	2,915,777	3,517,625

The statement of financial activities includes all gains and losses recognised in the year.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
CONSOLIDATED BALANCE SHEET**

AS AT 30 JUNE 2025

		2025		2024	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		141,606		142,693
Current assets					
Debtors	18	2,752,418		6,785,746	
Cash at bank and in hand		9,560,419		5,488,581	
		<u>12,312,837</u>		<u>12,274,327</u>	
Creditors: amounts falling due within one year	20	<u>(6,176,074)</u>		<u>(8,899,395)</u>	
Net current assets			<u>6,136,763</u>		<u>3,374,932</u>
Total assets less current liabilities			<u><u>6,278,369</u></u>		<u><u>3,517,625</u></u>
Income funds					
Restricted funds	24		5,586,113		2,915,777
Unrestricted funds - designated	24		256,734		222,523
Unrestricted funds - general			435,522		379,325
			<u>6,278,369</u>		<u>3,517,625</u>

The financial statements were approved by the Trustees on 31 March 2026

Mr Kieran Wilcock
Trustee

Company Registration No. 03598556

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
CHARITY BALANCE SHEET**

AS AT 30 JUNE 2025

		2025		2024	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	14		128,549		129,636
Investments	15		1		1
			<u>128,550</u>		<u>129,637</u>
Current assets					
Debtors	19	2,763,805		6,774,885	
Cash at bank and in hand		7,437,725		3,428,422	
		<u>10,201,530</u>		<u>10,203,307</u>	
Creditors: amounts falling due within one year	21	<u>(4,256,773)</u>		<u>(6,949,941)</u>	
Net current assets			<u>5,944,757</u>		<u>3,253,366</u>
Total assets less current liabilities			<u><u>6,073,307</u></u>		<u><u>3,383,003</u></u>
Income funds					
Restricted funds	25		5,566,453		2,896,206
Unrestricted funds - designated			243,677		209,466
Unrestricted funds - general			263,177		277,331
			<u>6,073,307</u>		<u>3,383,003</u>

The financial statements were approved by the Trustees on 31 March 2026

Mr Kieran Wilcock
Trustee

Company Registration No. 03598556

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
CONSOLIDATED STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 30 JUNE 2025

	Notes	£	2025 £	£	2024 £
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	28		3,935,828		(2,044,891)
Investing activities					
Purchase of tangible fixed assets		(289)		(2,130)	
Investment income received		136,299		86,903	
Net cash generated from investing activities			136,010		84,773
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			4,071,838		(1,960,118)
Cash and cash equivalents at beginning of year			5,488,581		7,448,699
Cash and cash equivalents at end of year			9,560,419		5,488,581
Relating to:					
Cash at bank and in hand			9,560,419		5,488,581

COMMUNITY FOREST TRUST COMPANY LIMITED BY GUARANTEE NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

1 Accounting policies

Charity information

Community Forest Trust is an incorporated company limited by guarantee incorporated in England and Wales. The registered office is 14th Floor The Plaza, 100 Old Hall Street, Liverpool, England, L3 9QJ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2025

1 Accounting policies

(Continued)

Donated Services and Facilities

Donated professional services and donated facilities are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Deferred income

Income from donations and grants, including capital grants, and contract income is included in income when these are receivable except when the donor specifies that donations and grants given to the Charity must be used in future accounting periods, the income is deferred until these periods.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

1.5 Expenditure

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 as expenditure on charitable activities including grants payable and other administration costs to further the purposes of the Charity.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land	Not depreciated
Fixtures and fittings	10% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are measured at transaction price excluding transaction costs.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2025

1 Accounting policies (Continued)

1.9 Debtors

Debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid at the end of the year.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2025

1 Accounting policies

(Continued)

1.12 Taxation

Taxation and VAT

Community Forest Trust, Community Forest Land Trust and Mersey Forest Foundation are recognised as charities by HM Revenue & Customs and accordingly are potentially exempt from taxation in respect of income or gains applied exclusively to charitable purposes. Community Forest Trust is registered for VAT and can reclaim input VAT only where the expenditure is purchases out of vatable income. The subsidiaries are not VAT registered. All irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Corporation Tax

As a registered charity, the Company benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income or gains falling within those exemptions.

1.13 Creditors

Creditors and accruals are recognised where the Charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

1.14 Pension costs

The company operates a defined contribution scheme for all eligible employees. The pension costs charged represent the contributions payable. Differences between contributions payable in the year end contributions paid are shown as either accruals or prepayments in the balance sheet.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.16 Group Financial Statements

The financial statements consolidate the results of the Charity and its subsidiaries on a line by line basis. A separate Statement of Financial Activities, and income and expenditure account, for the Charity itself are not presented because the Charity had taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

1.17 Fund Accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity. Designated funds are unrestricted funds of the Charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Charity's work.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2025

2 Critical accounting estimates and judgements

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period of the revision and future periods where the revision affects both current and future periods.

Accruals

A provision is made in the accounts for any goods / services received in the year where payments are not processed until after the year-end date.

Deferred and accrued Income

A provision is based on the timing of differences for income received and earned. If income has been received relating to work performed in subsequent periods then amounts will be deferred. For work done in the financial period but not invoiced until after the financial period, income will be accrued.

3 Legal Status

The Charity is a company limited by guarantee and has no share capital, In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

4 Donations and legacies

	Unrestricted funds general 2025 £	Total 2025 £	Unrestricted funds general 2024 £	Restricted funds 2024 £	Total 2024 £
Donations and gifts	142,948	142,948	52,274	2,500	54,774
Donations and gifts					
UBU Environment	-	-	4,200	-	4,200
Barcham Trees	-	-	2,000	-	2,000
Stonewater	105,050	105,050	32,000	-	32,000
Other	37,898	37,898	14,074	2,500	16,574
	<u>142,948</u>	<u>142,948</u>	<u>52,274</u>	<u>2,500</u>	<u>54,774</u>

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2025

4	Donations and legacies	(Continued)			
	Analysis by operation:				
	Continuing operations	142,948	142,948	49,055	2,500
	Discontinuing operations	-	-	3,219	-
		<u>142,948</u>	<u>142,948</u>	<u>52,274</u>	<u>2,500</u>
		<u>142,948</u>	<u>142,948</u>	<u>52,274</u>	<u>2,500</u>
5	Charitable activities				
				Charitable Activities 2025	Charitable Activities 2024
				£	£
	Other charitable income			30,401	127,707
	Service contract income			676,972	513,699
	CFT projects			252,790	882,790
	City of Trees			-	183,878
	DEFRA grants			6,781,846	8,146,745
	Mersey Forest			573,597	1,574,207
	Raise: Cumbria Community Forest			51,840	-
	Trees of Yorkshire			274,194	13,302
				<u>8,641,640</u>	<u>11,442,328</u>
				<u>8,641,640</u>	<u>11,442,328</u>
	Analysis by fund				
	Unrestricted funds - general			707,373	666,312
	Restricted funds			7,934,267	10,776,016
				<u>8,641,640</u>	<u>11,442,328</u>
				<u>8,641,640</u>	<u>11,442,328</u>
	Analysis by operation:				
	Continuing operations			8,641,640	11,258,450
	Discontinuing operations			-	183,878
				<u>8,641,640</u>	<u>11,442,328</u>
				<u>8,641,640</u>	<u>11,442,328</u>

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2025

6 Investments

	Unrestricted funds general 2025 £	Unrestricted funds general 2024 £
Interest receivable	136,299	86,903

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2025

7 Charitable activities

	Charitable Activities 2025	Charitable Activities 2024
	£	£
CFT projects	701,772	569,838
City of Trees	-	331,270
Mersey Forest	1,159,387	1,489,776
Mersey Forest Foundation project cost and grants payable	43,484	10,696
Community Forest Land Trust subcontractor and general costs	2,215	955
Trees of Yorkshire	137,034	59,876
Raise: Cumbria Community Forest	574,115	337,397
Tees CF	9,209	-
	<u>2,627,216</u>	<u>2,799,808</u>
Grant funding of activities (see note 8)	3,247,492	7,540,233
Share of support costs (see note 9)	262,114	277,152
Share of governance costs (see note 9)	23,320	21,119
	<u>6,160,142</u>	<u>10,638,312</u>
Analysis by fund		
Unrestricted funds - general	896,122	932,282
Restricted funds	5,264,020	9,706,030
	<u>6,160,142</u>	<u>10,638,312</u>
Analysis by operation:		
Continuing operations	6,160,142	10,307,042
Discontinuing operations	-	331,270
	<u>6,160,142</u>	<u>10,638,312</u>

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2025

8 Grants payable

	Charitable Activities 2025	Charitable Activities 2024
	£	£
Grants to institutions:		
CFT Projects	2,599,246	5,329,056
Mersey Forest	54,767	1,535,046
White Rose Forest	11,021	-
Raise: Cumbria Community Forest	582,458	676,131
	<u>3,247,492</u>	<u>7,540,233</u>

9 Support costs

	Support costs	Governance costs	2025	Support costs	Governance costs	2024
	£	£	£	£	£	£
Depreciation	1,375	-	1,375	2,851	-	2,851
Accommodation & Administration	260,739	-	260,739	274,301	-	274,301
Audit fees	-	9,696	9,696	-	9,045	9,045
Accountancy	-	13,624	13,624	-	12,074	12,074
	<u>262,114</u>	<u>23,320</u>	<u>285,434</u>	<u>277,152</u>	<u>21,119</u>	<u>298,271</u>
Analysed between						
Charitable activities	<u>262,114</u>	<u>23,320</u>	<u>285,434</u>	<u>277,152</u>	<u>21,119</u>	<u>298,271</u>

Support costs include the cost of premises, management, fundraising & marketing and governance. These costs are collectively called the support costs and have been allocated as shown above.

Support costs have been allocated as a proportion of the number of financial transactions recorded in the financial year. The exception to this is that support costs for the subsidiaries have been allocated in relation to the number of hours allocated to active projects.

Governance costs relate to the direct running of the Charity allowing the Charity to operate and generate the information required for public accountability.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2025

10 Net movement in funds	2025	2024
	£	£
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	7,260	6,615
Independent examiner's fees paid for work carried out in relation to subsidiaries	2,436	2,430
	<u> </u>	<u> </u>

11 Employees

The average monthly number of employees during the year was:

2025	2024
Number	Number
44	36
<u> </u>	<u> </u>

Employment costs

	2025	2024
	£	£
Wages and salaries	1,405,008	1,078,938
Social security costs	154,349	107,421
Other pension costs	85,225	63,393
	<u> </u>	<u> </u>
	<u>1,644,582</u>	<u>1,249,752</u>

There was one employee whose annual remuneration was between £60,000 and £69,999 (2024: None).
There was one employee whose annual remuneration was between £70,000 and £79,999 (2024: None).
There were no employees whose annual remuneration was between £100,000 and £109,999 (2024: 1).

12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2025

13 Tangible fixed assets - group

	Freehold land	Fixtures and fittings	Total
	£	£	£
Cost			
At 1 July 2024	139,245	28,385	167,630
Additions	-	289	289
	<u>139,245</u>	<u>28,674</u>	<u>167,919</u>
At 30 June 2025	139,245	28,674	167,919
	<u>139,245</u>	<u>28,674</u>	<u>167,919</u>
Depreciation and impairment			
At 1 July 2024	-	24,938	24,938
Depreciation charged in the year	-	1,375	1,375
	<u>-</u>	<u>26,313</u>	<u>26,313</u>
At 30 June 2025	-	26,313	26,313
	<u>-</u>	<u>26,313</u>	<u>26,313</u>
Carrying amount			
At 30 June 2025	139,245	2,361	141,606
	<u>139,245</u>	<u>2,361</u>	<u>141,606</u>
At 30 June 2024	139,245	3,448	142,693
	<u>139,245</u>	<u>3,448</u>	<u>142,693</u>

Middlefield Farm was acquired in 2006 for £78,079 and was revalued by P Wilson & Co Chartered Surveyors on 31 March 2007 at £91,750. The land is now called Griffin Wood.

The land at Viridor Wood was acquired in 2000, for £350,367 and revalued by P W Smith BSc FRICS FAAV on 31 March 2000 at £1,250. The land at Horrocks Hill and Hurst Farm was acquired during 2002, for £317,642, and was revalued by P Wilson & Company on 31 March 2002 at £750 and £1,100 respectively. The land at Horrocks Hill is now called Horrocks Wood. Similarly, the land at Hurst Farm is now called Hurst Wood.

999-year leases were granted to the Minister of Agriculture Fisheries and Food (acting on behalf of Forest Enterprise) over each piece of land. The leases place onerous obligations on use, consistent with the aims and objectives of the Trust.

The land at Lightshaw Meadows was purchased for £109,927 and £1,351 for the costs of purchasing the access strip to the Meadow. The majority of this land has been leased to Lancashire Wildlife Trust on a 999-year lease so has been revalued accordingly to reflect the remaining land held by CFT at the year end (£31,338).

The land owned by the subsidiary Community Forest Land Trust, was purchased in June 2014 for £13,057 and remains at cost.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2025

14 Tangible fixed assets - charity

	Freehold land	Fixtures and fittings	Total
	£	£	£
Cost			
At 1 July 2024	126,188	28,385	154,573
Additions	-	289	289
	<u>126,188</u>	<u>28,674</u>	<u>154,862</u>
At 30 June 2025	126,188	28,674	154,862
	<u>126,188</u>	<u>28,674</u>	<u>154,862</u>
Depreciation and impairment			
At 1 July 2024	-	24,938	24,938
Depreciation charged in the year	-	1,375	1,375
	<u>-</u>	<u>26,313</u>	<u>26,313</u>
At 30 June 2025	-	26,313	26,313
	<u>-</u>	<u>26,313</u>	<u>26,313</u>
Carrying amount			
At 30 June 2025	126,188	2,361	128,549
	<u>126,188</u>	<u>2,361</u>	<u>128,549</u>
At 30 June 2024	126,188	3,448	129,636
	<u>126,188</u>	<u>3,448</u>	<u>129,636</u>

15 Fixed asset investments - charity

	Other investments
	£
Cost or valuation	
At 1 July 2024 & 30 June 2025	1
	<u>1</u>
Carrying amount	
At 30 June 2025	1
	<u>1</u>
At 30 June 2024	1
	<u>1</u>

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2025

16 Subsidiaries

Details of the charity's subsidiaries at 30 June 2025 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Community Forest Land Trust	England & Wales	To promote and support the development of community forestry and green infrastructure	Company Limited by Guarantee	100.00	
Mersey Forest Foundation	England & Wales	To promote and support the Mersey Forest	Company Limited by Guarantee	100.00	
Community Forest Trust (Trading) Limited	England & Wales	Dormant. Company dissolved on 19 August 2025	Ordinary £1	100.00	

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Community Forest Land Trust	(4,437)	19,312
Mersey Forest Foundation	74,879	185,752
Community Forest Trust (Trading) Limited		1

17 Financial instruments - group

	2025	2024
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	12,305,786	12,270,451
Carrying amount of financial liabilities		
Measured at amortised cost	4,011,356	6,791,531
Financial instruments - parent	2025	2024
Carrying amount of financial assets		
Debt instruments measured at amortised cost	10,190,870	10,200,877
Equity instruments measured at cost less impairment	1	1
	<u>10,190,871</u>	<u>10,200,878</u>
Carrying amount of financial liabilities		
Measured at amortised cost	3,981,342	6,773,389
	<u>3,981,342</u>	<u>6,773,389</u>

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2025

18 Debtors - group	2025	2024
Amounts falling due within one year:	£	£
Trade debtors	692,007	1,529,405
Other debtors	-	9,139
Prepayments and accrued income	2,060,411	5,247,201
	<u>2,752,418</u>	<u>6,785,745</u>
	<u><u>2,752,418</u></u>	<u><u>6,785,745</u></u>
19 Debtors - charity	2025	2024
Amounts falling due within one year:	£	£
Trade debtors	708,823	1,529,267
Amounts owed by fellow group undertakings	4,526	-
Other debtors	-	9,139
Prepayments and accrued income	2,050,456	5,236,479
	<u>2,763,805</u>	<u>6,774,885</u>
	<u><u>2,763,805</u></u>	<u><u>6,774,885</u></u>
20 Creditors: amounts falling due within one year - group	2025	2024
	£	£
Other taxation and social security	100,351	39,762
Deferred income	2,064,368	2,068,102
Trade creditors	264,753	533,913
Other creditors	47,408	18,144
Accruals	3,699,194	6,239,474
	<u>6,176,074</u>	<u>8,899,395</u>
	<u><u>6,176,074</u></u>	<u><u>8,899,395</u></u>

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2025**

21 Creditors: amounts falling due within one year - charity

	2025	2024
	£	£
Other taxation and social security	100,351	39,762
Deferred income	175,081	136,790
Trade creditors	249,881	524,549
Other creditors	47,408	18,144
Accruals	3,684,052	6,230,696
	<u>4,256,773</u>	<u>6,949,941</u>

22 Deferred income - group

Deferred income is included in the financial statements as follows:

	2025	2024
	£	£
Deferred income is included within:		
Current liabilities	2,064,368	2,068,102
Deferred income at 1 July 2024	2,068,102	2,227,641
Released from previous periods	(3,734)	(159,539)
Deferred income at 30 June 2025	<u>2,064,368</u>	<u>2,068,102</u>

Deferred income - charity

	2025	2024
	£	£
Deferred income is included within:		
Current liabilities	<u>175,081</u>	<u>136,790</u>
Movement in the year:		
Deferred income at 1 July 2024	136,790	288,168
Released from previous periods	(136,790)	(151,378)
Resources deferred in the year	175,081	-
Deferred income at 30 June 2025	<u>175,081</u>	<u>136,790</u>

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2025

23 Designated funds - group

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	Balance at 1 July 2023	Balance at 1 July 2024	Transfers	Balance at 30 June 2025
	£	£	£	£
Land & Property fund	139,245	139,245	-	139,245
Reserves policy	71,151	71,151	34,211	105,362
MF - Newlands	12,127	12,127	-	12,127
	<u>222,523</u>	<u>222,523</u>	<u>34,211</u>	<u>256,734</u>

Land & Property – the land that has been purchased out of grant monies has a corresponding designated fund. The total land purchased/valued comes to £139,245 so this is the same value in this designated fund. Unless more property is purchased, or existing land revalued this fund will not move in value.

Reserves policy – this is to fund 3 months of operational activities for CFT core services. This is held in case of an unforeseen event occurring, CFT will have funding to run 3 months of operational activity and an orderly wind up. It also covers 6 months worth of insurance and subscriptions costs.

MF Newlands – Historic reserves linked to the Newlands project to be designated to the Mersey Forest.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2025

23 Designated funds - group

(Continued)

Designated funds - charity

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	Balance at 1 July 2023	Balance at 1 July 2024	Transfers	Balance at 30 June 2025
	£	£	£	£
Land & Property fund	126,188	126,188	-	126,188
Reserves policy	71,151	71,151	34,211	105,362
Mersey Forest - Newlands	12,127	12,127	-	12,127
	<u>209,466</u>	<u>209,466</u>	<u>34,211</u>	<u>243,677</u>

Land & Property - the land has been purchased out of grant monies has a corresponding designated fund. The total land purchased / valued comes to £126,188, so this the same value in this designated fund. Unless more property is purchased, or existing land revalued this fund will not move in value.

Reserves policy - this is to fund 3 months of operational activities for CFT core services. This is held in case of an unforeseen event occurring, CFT will have funding to run 3 months of operational activity and an orderly wind up. It also covers 6 months worth of insurance and subscriptions costs.

MF Newlands - Historic reserves linked to the Newlands project to be designated to the Mersey Forest.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2025

24 Analysis of Charitable Funds (group)

The consolidated income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds				
	Balance at 1 July 2023	Incoming resources	Resources expended	Transfers	Balance at 1 July 2024	Incoming resources	Resources expended	Transfers	Balance at 30 June 2025
	£	£	£	£	£	£	£	£	£
Unrestricted fund	305,171	805,489	(932,282)	200,947	379,325	986,620	(896,121)	(34,301)	435,522
Designated fund	222,523	-	-	-	222,523	-	-	34,211	256,734
Restricted fund	1,900,064	10,778,516	(9,706,030)	(56,774)	2,915,776	7,934,267	(5,264,020)	90	5,586,113
	<u>2,427,758</u>	<u>11,584,005</u>	<u>(10,638,312)</u>	<u>144,173</u>	<u>3,517,624</u>	<u>8,920,887</u>	<u>(6,160,141)</u>	<u>-</u>	<u>6,278,369</u>

The transfer of funds out of unrestricted and restricted reserves in 2024 relates to moving City of Trees income and expenditure to other debtors.

The transfer of funds in 2025 from unrestricted to designated funds relates to increasing the amount of designated funds available for future use.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2025

24 Analysis of Charitable Funds (group)

(Continued)

Restricted funds:

	Movement in funds				Movement in funds				
	Balance at 1 July 2023	Incoming resources	Resources expended	Transfers	Balance at 1 July 2024	Incoming resources	Resources expended	Transfers	Balance at 30 June 2025
	£	£	£	£	£	£	£	£	£
CFT	594,406	6,022,036	(5,496,775)	-	1,119,667	3,633,060	(2,701,408)	(75,000)	1,976,319
City of Trees	-	159,242	(102,468)	(56,774)	-	-	-	-	-
Mersey Forest	1,006,154	2,783,968	(3,024,823)	-	765,299	2,849,708	(1,206,910)	75,000	2,483,097
White Rose Forest	104,338	13,302	(59,876)	-	57,764	120,511	(148,054)	-	30,221
Raise: Cumbria Community Forest	152,112	1,789,308	(1,013,527)	-	927,893	1,288,962	(1,156,573)	-	1,060,282
Subsidiary: Mersey Forest Foundation	43,054	10,660	(8,560)	-	45,154	42,026	(42,026)	90	45,243
Tees CF	-	-	-	-	-	-	(9,049)	-	(9,049)
	<u>1,900,064</u>	<u>10,778,516</u>	<u>(9,706,029)</u>	<u>(56,774)</u>	<u>2,915,777</u>	<u>7,934,267</u>	<u>(5,264,020)</u>	<u>90</u>	<u>5,586,113</u>

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2025

24 Analysis of Charitable Funds (group)

(Continued)

City of Trees - City of Trees is delivering a green recovery and tackling the climate emergency head on, through planting trees and restoring woodlands for the people and wildlife of Greater Manchester. At 30 June 2023, City of Trees divested. The resources expended figure includes the donation creditor balance to be transferred to City of Trees.

Mersey Forest – Growing and creating woodland across Cheshire and Mersey side and tackling climate emergency through woodland creation

White Rose Forest - is the community forest for North and West Yorkshire, working in partnership with local authorities, landowners, businesses and communities to increase woodland across the region and improve our natural environment.

Raise: Cumbria Community Forest - Cumbria Community Coast Forest (CCCF) joined CFT in April 2023. The income stream for CCCF is from Trees for Climate capital and revenue.

CFT - Deliver core services to support and enable to community forests, CFT administers the Northern Forest, One Trees Planted and Northern Gas Network.

Tees CF - Tees Community Forest works with local and national partners across the Tees Valley, providing free guidance and support to landowners and land managers to help plan, fund, and plant new woodland of all size in both rural and urban settings, unlocking countless benefits for people and planet. The closing balance as at 30 June 2025 is in a deficit position of £9,049 as Tees joined CFT in July 2025 and incurred legal costs relating to this transfer prior to the year-end.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2025

25 Analysis of Charitable Funds (Charity)

The consolidated income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds				Balance at 30 June 2025 £
	Balance at 1 July 2023 £	Incoming resources £	Resources expended £	Transfers £	Balance at 1 July 2024 £	Incoming resources £	Resources expended £	Transfers £	
Unrestricted fund	243,334	757,719	924,668	200,947	277,331	914,747	(894,690)	(34,211)	263,177
Designated fund	209,466	-	-	-	209,466	-	-	34,211	243,677
Restricted fund	1,857,011	10,793,438	9,697,469	(56,774)	2,896,206	7,892,241	(5,221,994)	-	5,566,453
	<u>2,309,811</u>	<u>11,551,157</u>	<u>10,622,137</u>	<u>144,173</u>	<u>3,383,003</u>	<u>8,806,988</u>	<u>(6,116,684)</u>	<u>-</u>	<u>6,073,307</u>

The transfer of funds out of unrestricted and restricted reserves in 2024 relates to moving City of Trees income and expenditure to other debtors.

The transfer of funds in 2025 from unrestricted to designated funds relates to increasing the amount of designated funds available for future use.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2025

25 Analysis of Charitable Funds (Charity)

(Continued)

Restricted funds:

	Movement in funds				Movement in funds				
	Balance at 1 July 2023	Incoming resources	Resources expended	Transfers	Balance at 1 July 2024	Incoming resources	Resources expended	Transfers	Balance at 30 June 2025
	£	£	£	£	£	£	£	£	£
CFT	594,405	6,022,036	(5,496,776)	-	1,119,665	3,633,060	(2,701,408)	(75,000)	1,976,317
City of Trees	-	159,242	(102,468)	(56,774)	-	-	-	-	-
Mersey Forest	1,006,155	2,809,551	(3,024,822)	-	790,884	2,849,708	(1,206,910)	75,000	2,508,682
White Rose Forest	104,339	13,302	(59,876)	-	57,765	120,511	(148,054)	-	30,222
Raise: Cumbria Community Forest	152,112	1,789,308	1,013,528	-	927,892	1,288,962	(1,156,573)	-	1,060,281
Tees CF	-	-	-	-	-	-	(9,049)	-	(9,049)
	<u>1,857,011</u>	<u>10,793,439</u>	<u>(9,697,470)</u>	<u>(56,774)</u>	<u>2,896,206</u>	<u>7,892,241</u>	<u>(5,212,945)</u>	<u>-</u>	<u>5,566,453</u>

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2025

25 Analysis of Charitable Funds (Charity)

(Continued)

City of Trees - City of Trees is delivering a green recovery and tackling the climate emergency head on, through planting trees and restoring woodlands for the people and wildlife of Greater Manchester. The resources expended figure includes the donation creditor balance to be transferred to City of Trees.

Mersey Forest – Growing and creating woodland across Cheshire and Mersey side and tackling climate emergency through woodland creation

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Tees CF - Tees Community Forest works with local and national partners across the Tees Valley, providing free guidance and support to landowners and land managers to help plan, fund, and plant new woodland of all size in both rural and urban settings, unlocking countless benefits for people and planet. The closing balance as at 30 June 2025 is in a deficit position of £9,049 as Tees joined CFT in July 2025 and incurred legal costs relating to this transfer prior to the year-end.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2025

26 Related party transactions

Some of the trustees have been nominated by the organisations who created and/or fund the Charity. A significant number of transactions, particularly relating to funding, are therefore related party transactions. It is not practical to list these in the notes to the financial statements.

The Trustees did not receive remuneration during the financial period (2024: £Nil) but expenses were paid to the Trustees during the financial year totalling £3,636 (2024: £615).

Key management, consisted of the 4 individuals (2024: 4 individuals) who worked the equivalent of 4.0 full time equivalent on the management of the Charity (2024: 4 FTE). The costs of the key personnel on the management of the Charity is paid during the period gross £214,976 (2024: £254,709).

The Charity has taken advantage of the exemption in Financial Reporting Standard 102 Paragraph 33.1A from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared.

During the year, Community Forest Trust incurred sales of £36,830 from Mersey Forest Foundation. Community Forest Trust also paid Mersey Forest Foundation £10,000 during the year for expenses.

There was a balance due to Community Forest Trust at the year-end from both Community Forest Land Trust and Mersey Forest Foundation for £2,263 each.

During the year, Community Forest Trust entered into a commercial arrangement with Roger Pearson, a trustee of Community Forest Land Trust and Mersey Forest Foundation, who provided consultancy services to the charity through a company he is director of, Abbeystead Partners Ltd. The total value of these services amounted to £99,879 during the financial year. The transactions were conducted at arms length.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2025

27 Analysis of net assets between funds - group

	Unrestricted funds 2025 £	Designated funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Designated funds 2024 £	Restricted funds 2024 £	Total 2024 £
Fund balances at 30 June 2025 are represented by:								
Tangible assets	-	141,606	-	141,606	-	142,693	-	142,693
Current assets/(liabilities)	435,522	115,128	5,586,113	6,136,763	379,325	79,830	2,915,777	3,374,932
	<u>435,522</u>	<u>256,734</u>	<u>5,586,113</u>	<u>6,278,369</u>	<u>379,325</u>	<u>222,523</u>	<u>2,915,777</u>	<u>3,517,625</u>

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2025

28 Cash generated from operations	2025	2024
	£	£
Surplus for the year	2,760,745	1,089,865
Adjustments for:		
Investment income recognised in statement of financial activities	(136,299)	(86,903)
Depreciation and impairment of tangible fixed assets	1,375	2,851
Movements in working capital:		
Decrease/(increase) in debtors	4,033,328	(3,849,780)
(Decrease)/increase in creditors	(2,719,586)	958,614
(Decrease) in deferred income	(3,735)	(159,538)
	<u> </u>	<u> </u>
Cash generated from/(absorbed by) operations	<u><u>3,935,828</u></u>	<u><u>(2,044,891)</u></u>

COMMUNITY FOREST TRUST

England & Wales - Charity number 1072706

Accounts

Charity Registration No. 1072706

Company Registration No. 03598556 (England and Wales)

COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
LEGAL AND ADMINISTRATIVE INFORMATION**

Trustees	Mrs Alison Ball (Chair) Ms Victoria Merton Prof Alan Simson Mr Benjamin Williams Mrs Debbie Beaven Ms J Morgan Ms C Shaw Mr C Thomson - Smith Mr G Tucker	(Appointed 24 June 2024) (Appointed 24 June 2024)
Secretary	Mr C Vivian	(Appointed 2 September 2024)
Charity number	1072706	
Company number	03598556	
Registered office	14th Floor The Plaza 100 Old Hall Street Liverpool England L3 9QJ	
Auditor	Mitchell Charlesworth (Audit) Limited Suites C, D, E & F 14th Floor, The Plaza 100 Old Hall Street Liverpool England L3 9QJ	
Bankers	Triodos Bank Deanery Road Bristol BS1 5AS The Co-operative Bank Olympic House Delf House Skelmersdale WN8 6WT Flagstone Investment Management 1st Floor Clareville House 26-27 Oxenden Street London SW1Y 4EL	

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
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COMMUNITY FOREST TRUST COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 JUNE 2024

The trustees of Community Forest Trust (CFT), who are also directors of the Company, present their annual report and accounts for the period ended 30 June 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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) (effective 1 January 2019)".

Chair's Report

The last 12 months have been another eventful, busy and significant year for CFT and the England's Community Forests Network. Driven by our mission of **supporting, enabling and championing the work of England's Community Forests**, we have supported them to plant over 2.5m trees and continued to lead on and enable a number of high-profile delivery projects such as the Northern Forest and the Royal Mail Woodland.

We have also played, and continue to, a leading role in the Spending Review Submission to Government to secure the next programme of funding to follow the Trees for Climate Programme. The ambition is for another 5-year funding programme, to double the levels of output and funding and to do this in partnership with the National Trust and the Woodland Trust.

Following the divestment of the City of Trees (CoT) at the end of the last financial year in support of their ambition to become an independent charity, we have become the Accountable Body for Raise: Cumbria Community Forest. This was to support this new Community Forest at a time of a local government reorganisation that was inhibiting their ability to secure funding, grow the team and deliver their pipeline. This represents another great example of the value of CFT in being a flexible and unrestricted vehicle to support the Forests.

Finally over this calendar year we have seen a changing of the guard across the CFT Trustee group. We have said farewell to Alison Gilbody, Dave Shaw and Christine Burt and soon Debbie Beaven. We have welcomed Gerry Tucker as our new Finance Trustee and Clare Shaw as our new HR Trustee. We have 6 other potential Trustees who have all attended Trustee Meetings and the ECF Conference this year and who we look forward to welcoming to the Board in December 2024.

CFT's current Business Plan runs to March 2025 and at the time of completing these accounts and writing this report there is some uncertainty about the business model, funding of and focus for CFT going forwards. Work will shortly commence to create some clarity for the next 3-5 year period. Arguably the need for CFT has never been higher.

Objectives and activities

The objects of the Charity are to promote for the benefit of the public generally any charitable purpose within the NW of England and beyond connected with the enhancement and improvement, maintenance and protection of the environment and landscape and in particular to:

- Promote, provide and enhance woodland for the benefit of the public; Promote the general improvement of agriculture and of industry and commerce, particularly in relation to woodland or forestry products;
- Promote and provide for the improvement of derelict land or harmful sites;
- Provide or help to provide for the general public facilities in the interests of social welfare for recreation and leisure time occupation particularly involving the enjoyment of land and woodland as a public amenity (and in furtherance to help provide safe and convenient routes and modes of transport for the public, for safe cycling, and for the development of facilities including nature trails, reserves and sanctuaries, horse and cycle footways, parkland and visitor facilities and car parks); Community Forest Trust Business Plan 2022 - 2025 9 Confidential
- Promote community participation in healthy recreation by providing facilities for playing particular sports;
- Educate the public in environmental matters, in ecology and provide better appreciation of the environments and ways of better serving, protecting and improving the same and education and training in all matters relating to the environment and its interaction with the social and economic wellbeing of the community;
- Promote the arts within the woodland and natural environments;
- Promote for the benefit of the public the ecology and use of the natural environment and all species living in it;

COMMUNITY FOREST TRUST COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

- Promote for the benefit of the public the conservation, enhancement, and improvement of the environment and to educate the public in the importance of sustainable development in relation to all the activities of the Charity. For the purpose of this clause the phrase 'sustainable development' shall mean development that meets the needs of the present without compromising the ability of future generations to meet their own needs and in applying this definition regard shall be had to the following factors, to social progress, which recognises the needs of everyone; effective protection of the environment; prudent use of natural resources and maintenance of high and stable levels of economic growth and employment; and
- In pursuit of its objects the Charity shall endeavour to engage the participation of all sectors of the community in its activities."

Delivering on CFT's purpose

Throughout the period CFT continued to provide its core services, expanding in some and increasing its influence at policy level:

1. Community Forest Trust (core activities)

Forest Recruitment and Employment: CFT recruits and employs staff to support and enable the Forests to deliver their work and projects. One such project is the Trees for Climate Programme. CFT works with key Local Authority stakeholders such as Kirklees, Swindon and Cheshire West and Chester Councils and Forests like the Forest of Mercia.

Fundraising - One Tree Planted: CFT was awarded a multi-year grant from One Tree Planted, a global not-for-profit reforestation charity. One Tree Planted were due to pay \$1 a tree which could be worth up to \$4.5million over a 3-year period. In the first year of the planting season the ECF network planted 1.2million trees. However, the challenging global macro-economic environment has impacted One Tree Planted and the trees they will fund for year 2 of the agreement has been reduced from 1.5million trees to 375k trees. CFT has continued to administer this agreement and manage this relationship throughout 2023/2024.

Land Acquisition and Holding: CFT continues to hold a limited amount of land – Griffen Wood and following the divestment from City of Trees, Lightshaw Meadows. City of Trees have offered to maintain Lightshaw Meadows in the short term but CFT will need to find a permanent management solution.

2. The Mersey Forest

We have continued to support a number of projects for the Mersey Forest. Arguably the most notable of these is the **Royal Mail Woodland (Middlefield Farm)**. This is a joint Mersey Forest, CFT and Royal Mail project as part of the Queen's Green Canopy initiative. Royal Mail have acquired a 9 hectare site in the Mersey Forest and the Mersey Forest Team and CFT are creating a new Royal Mail Wood on the site. Planting was completed in the 23/24 season and a naming ceremony and a formal opening is planned for March 2025.

3. Northern Forest

This is one of the flagship 25 year programmes: CFT, in partnership with the Woodland Trust and the Northern Forest's four Community Forests, is playing a key role in the development of the Northern Forest initiative. CFT is the Accountable Body for the Community Forest delivery roles and for a major portion of the government funding to facilitate planting and landowner engagement. Planting to date has delivered 200 hectares and over 7000 standard trees delivered. The programme is focusing on parks, farms and new community woodland sites, providing opportunities for volunteering and schools planting events.

Over 200,000 trees have been planted, exceeding the target, and a healthy pipeline of schemes will carry this programme strongly into the coming years. CoT delivered Northern Forest planting projects across Greater Manchester, involving a range of community groups and schools across all 10 districts of Greater Manchester. New areas of woodland and community orchards were planted. The other planting partners of the program are Cheshire West and Chester Council, Kirklees Council and Humber Council.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2024

4. Raise: Cumbria Community Forest

In 2023, CFT became the Accountable Body for Raise: Cumbria Community Forest. As mentioned above this is a very good example of the way CFT can support and enable the Community Forests. Raise was a new Community Forest, launched as a commitment to Defra under the Trees for Climate Programme. It was initially hosted within two Local Authorities but they were undergoing a reorganisation and this was delaying the flow of funding and support necessary to get Raise off the ground. CFT have stepped in and became the Accountable Body which requires CFT to hold the Raise funding and support the Management Team. Weekly meetings are held to review pipeline and sites and review operational and financial performance.

Forward Look

The past 4 years have been unprecedented for tree planting. Never before has there been so much focus on and funding for woodland creation and never before has the need for trees been greater as we face nature and climate emergencies. The Community Forests have risen to the challenge planting over 52% of the trees in England last season whilst only covering 20% of the Country. CFT has played a key role in supporting and enabling the Forests to do this.

However this chapter is drawing to an end. The Nature for Climate Programme ends in March 2025 and at the time of writing there is some uncertainty about the funding programme to follow with the spending pressures on the new Government. CFT is playing a pivotal role in negotiating this with Government and the signs are of a settlement that will allow the Forests to continue at a level of delivery at least in line with the current levels. CFT also has a role to play in helping the Forests to navigate this period of uncertainty including retaining staff, maintaining delivery momentum and building new partnerships.

Change brings opportunity and one thing this does highlight is the critical importance of the emerging Green Finance agenda and finding ways to reduce the ECFs dependence on the public purse. CFT is leading this work for the ECFs which has the potential to be transformation for ECFs and the sector as a whole.

Whilst we are in a period of transition, the Forest continue to punch above their weight in terms of delivery and their partnership with CFT and the services and support it provides is becoming increasingly important. I am confident exciting times lie ahead.

Alison Ball

Chair, Community Forest Trust

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2024**

Mission, Vision and Values

Mission

Our mission is to champion and support the work of community forestry organisations across England and communicate the wide range of benefits that trees and woods deliver.

Vision

Our vision is for a strong, resilient network of community forestry organisations across England that enhance the environment for both people and wildlife.

Values

- We are passionate about the power of trees to transform urban environments
- We aim to be innovative, share knowledge and collaborate to achieve best practice in the field of community forestry.
- We see community forestry as a way to achieve widespread, environmental, social and economic benefits
- We act as an advocate for community forests and aim to listen, be responsive and work in close partnership

During the period to June 2023 Community Forest Trust directly supported the delivery of The Mersey Forest, City of Trees (previously Red Rose Forest), White Rose Forest and Heywoods. Community Forest Trust also promoted and advocated the benefits and opportunities for delivery on behalf of the sector to strengthen the case for future funding and resources aligned to the Government's 25-year Environment Plan.

Statement of Public Benefit

In meeting these objects, the Charity's public benefit aims to maintain, complete and apply for funding that supports projects as detailed above. The Charity has met its objectives by sticking to the guidelines of the grants applied for.

In setting out policy and planning these activities the trustees have given consideration to the Charity Commission's general guidance on public benefit.

The Charities Act identifies thirteen charitable purposes as being for the public benefit. Community Forest Trust meets the public benefit principles by focusing on three of those charitable purposes:

- the advancement of education;
- the advancement of health or the saving of lives; and
- the advancement of environmental protection or improvement.

Achievements and performance

Financial review

At the end of the financial year, unrestricted funds stand at £379,325 group (2023: £305,171) and £277,331 charity (2023: £243,334), for the continuing business of CFT.

Investment Policies

The Charity has a policy of keeping any surplus funds in short term deposits, which can be accessed readily.

This also spreads the banking risk as the guaranteed amount under FSCS remains at £85K per bank. An on-line cash investment platform assists the monitoring of these accounts with a view to achieving best interest rates for amounts held on deposit whilst at the same time ensuring cash flow requirements are met. Due to wider economic circumstances deposit rates continue to be depressed during the period to June 2023. The invested funds held on deposit achieved an average of 2.3% (2023: 3%)

COMMUNITY FOREST TRUST COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

Reserves Policy and Going Concern

Reserves are considered to be that part of the Trust's funds which are freely available for its general purpose after it has met its commitments and covered its other planned expenditure. These unrestricted funds are needed to bridge the gap between the spending and receiving of income and to cover administrative, fundraising and support costs without which the Trust could not function. A designated fund is maintained as a reserve policy in the event of the organisation closing down. This fund would allow a professional and orderly close down if that contingency was ever to be realised. The reserve fund remains at £71,151 (2023: £71,151).

The level of unrestricted funds is monitored and reviewed by the Trustees during the year. The Trustees consider a financial projection prior to reviewing financial reserve levels for the following year and the preparation and approval of an annual budget. Financial forecasts are updated for each Board meeting, held quarterly. In the year to 30th June 2024 the Trust continued to address the need to develop reserves and its available funds were retained in its current bank account, with a view to investing surplus cash in short term deposit accounts to maximise the return on income. Since the year end there has been no unexpected expenditure, and the viability of the Charity remains financially sound.

Plans for Future Periods

Our future activities are likely to include:

- Support to England's Community Forests and the Trees for Climate Programme
- Continued direct support to City of Trees, Mersey Forest, White Rose Forest and HEYwoods
- Development of the Northern Forest in partnership with the Woodland Trust
- Continued work with the Local Nature Partnerships and the Catchment Partnerships
- Further development and delivery of urban catchment forestry
- Development of the Natural Health Service
- Continuation of work to secure sustainable funding streams
- Further partnership working with the forestry initiatives and with new partners
- Improving the quality of CFT's online presence and communications
- The continued advocacy for urban and community forestry at a national level

Mersey forest foundation received a grant of £1.94 million in January 2022, which is to be used over the next 32 years. This is for biodiversity and infrastructure contribution. Priority is to be given to planting within the Bold Forest Park Area and for Bold Forest Park Infrastructure Contribution. It shall be used for initiatives and projects to improve parks in the Bold Forest Park including but not limited to sites such as Clock Face Country Park, Maypole Farm, Griffin Wood and the links between them.

Structure, governance and management

The directors of the charitable company (the Charity) are its trustees for the purpose of charity law. The Trustees serving during the year and since the year end were as follows:

Mrs Alison Ball (Chair)	
Mrs Alison Gilbody	(Resigned 16 December 2023)
Ms Victoria Merton	
Mrs Christine Burt	(Resigned 24 May 2024)
Prof David Shaw	(Resigned 23 August 2024)
Prof Alan Simson	
Mr Benjamin Williams	
Mrs Debbie Beaven	
Ms J Morgan	
Ms C Shaw	(Appointed 24 June 2024)
Mr C Thomson - Smith	
Mr G Tucker	(Appointed 24 June 2024)

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2024

Key Personnel

Key management personnel, in addition to the Board, are as follows:

Chief Executive & company secretary: Mr C Vivian

Finance Manager: Mr B Buggy

Structure and Governing Documents

Community Forest Trust is a company limited by guarantee governed by its Memorandum and Articles of Association dated July 1998, amended 22nd May 2013 and was incorporated on 15th July 1998. It was registered as a charity with the Charity Commission on 2nd December 1998.

Community Forest Trust's members are the trustees and the liability of the members is limited and each member agrees to pay £1 in the event that the Charity is dissolved.

Organisational Structure

Community Forest Trust is the holding company for several organisations:

The subsidiary trading company, Community Forest Trust (Trading) Limited was set up and incorporated on 29th October 2012 with an unpaid share capital allotted of £1. The holder of this share is Community Forest Trust. The Company number is 08272345. The trustees, who are also Directors for the purpose of company law who served during the year, and to date, are:

Mr P Nolan (Chair)

The primary objective of the subsidiary Community Forest Trust (Trading) Limited is to have unlimited capacity under section 31 of the Companies Act 2006. Notwithstanding the generality of this provision and for the avoidance of doubt the company's objects include carrying on business as a general commercial company to raise funds including donating with the benefit of gift aid any profits and carry out any other activities which may be considered to be for the benefit of the Charity. Community Forest Trust (Trading) Limited has remained dormant since its incorporation to date.

A second subsidiary organisation - Community Forest Land Trust was set up as a company limited by guarantee, incorporated on 29th October 2013 and was granted charitable status on 28th February 2014. Community Forest Trust is the sole member. The Company number is 08752839 and Charity number is 1155979. The trustees, who are also directors for the purpose of company law who served during the year, and to date, are:

Mr P Nolan (Chair)

Mr D McAleavy

Prof D Shaw

Mr R Rogers (resigned 13 October 2023)

Mr R Pearson

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2024

The primary objective of the subsidiary charity Community Forest Land Trust as laid out in its Memorandum and Articles of Association is to promote for the benefit of the public generally any charitable purpose within the North West of England or elsewhere as the Trustees shall determine connected with the enhancement and improvement, maintenance and protection of the environment and landscape. Community Forest Land Trust Limited commenced financial activities in March 2014.

A third subsidiary organisation - Mersey Forest Foundation was set up as a company limited by guarantee, incorporated on 30th July 2014 and was granted charitable status on 9th March 2015. Community Forest Trust is the sole member. The Company number is 09153749 and the Charity number is 1160790. The trustees, who are also directors for the purpose of company law who served during the year, and to date, are:

Mr P Nolan (Chair)
Mr D McAleavy
Mr R Rogers (resigned 13 October 2023)
Prof D Shaw
Mr R Pearson

The primary objective of the subsidiary charity Mersey Forest Trust Limited as laid out in its Memorandum and Articles of Association is to promote for the benefit of the public generally any charitable purpose within the North West of England or elsewhere as the Trustees shall determine connected with the enhancement and improvement, maintenance and protection of the environment and landscape. Mersey Forest Foundation commenced financial activities in July 2014.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2024

Appointment of Trustees

The current trustees were appointed (and may be removed) by the Board of Community Forest Trust. There should be a minimum of five trustees and are recruited to ensure that the board of trustees has the requisite range of experience and skills to effectively manage the Trust. Induction processes include sitting on the Board for 2 meetings prior to being appointed by a majority vote. Documents are circulated to prospective trustees and their input is valued. Training is offered where required.

Organisation

The board of trustees administers the Charity and meets quarterly. Information is prepared and presented by the interim chief executive, forest director, finance manager, and several project development officers. A precis of the reports from Mersey Forest Foundation and Community Forest Land Trust are presented to the quarterly board meetings of Community Forest Trust.

Related parties and co-operation with other organisations.

Risk Management

The monitoring and management of risk is a dynamic process and the Charity faces some level of risk in the activities, events and contracts that it engages in.

The trustees have a risk management strategy which comprises:

- ongoing review of the principal risks and uncertainties that the Charity may face.
- the establishment of policies, systems and procedures to mitigate those risks identified in the annual review; and
- the implementation of procedures designed to minimise or manage any potential impact the Charity should those risks materialise.

Governance risks - eg inappropriate organisational structure, difficulties recruiting trustees with relevant skills, conflict of interest.

Financial risks - eg accuracy and timeliness of financial information, adequacy of reserves and cash flow, diversity of income sources.

External risks - eg public perception and adverse publicity, demographic changes, government policy.

Compliance with law and regulation - eg breach of trust law and regulatory requirements of particular activities such as fund-raising.

The Charity's review of its risk management will continue to help ensure:

- the Charity's aims are achieved more effectively;
- significant risks are known and monitored enabling trustees to make a more effective contribution;
- and there is improved forward planning.

Auditor

Mitchell Charlesworth (Audit) Limited have agreed to offer themselves for reappointment as auditors of the Charity.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2024

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

Small Companies Provisions

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

The trustees' report was approved by the Board of Trustees.

Mrs Alison Ball (Chair)

Chair

Dated: 31 March 2025

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
STATEMENT OF TRUSTEES' RESPONSIBILITIES**

FOR THE YEAR ENDED 30 JUNE 2024

The trustees, who are also the directors of Community Forest Trust for the purpose of company law, are responsible for preparing the Trustees' 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF COMMUNITY FOREST TRUST**

Opinion

We have audited the financial statements of Community Forest Trust (the 'charity') and its subsidiaries for the year ended 30 June 2024 which comprise the consolidated statement of financial activities, the consolidated and parent balance sheet, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and charitable company's affairs as at 30 June 2024 and of the group's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group of charity's 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 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 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 our audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF COMMUNITY FOREST TRUST**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF COMMUNITY FOREST TRUST**

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Louise Casey ACA (Senior Statutory Auditor)
for and on behalf of Mitchell Charlesworth (Audit) Limited

31 March 2025

Accountants
Statutory Auditor

14th Floor The Plaza
100 Old Hall Street
Liverpool
L3 9QJ

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING THE CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2024**

	Notes	12 months to 30 June				15 months to 30 June			
		Unrestricted funds general 2024	Unrestricted funds - designated 2024	Restricted funds 2024	Total 2024	Unrestricted funds general 2023	Unrestricted funds - designated 2023	Restricted funds 2023	Total as restated 2023
		£	£	£	£	£	£	£	£
Income from:									
Donations and legacies	4	49,055	-	2,500	51,555	42,720	-	-	42,720
Charitable activities	5	641,676	-	10,616,774	11,258,450	390,960	-	5,665,125	6,056,085
Investments	6	86,903	-	-	86,903	41,359	-	-	41,359
Continuing operations		777,634	-	10,619,274	11,396,908	475,039	-	5,665,125	6,140,164
Discontinued operations - City of Trees divestment		27,855	-	159,242	187,097	349,002	-	3,317,279	3,666,281
Total income		805,489	-	10,778,516	11,584,005	824,041	-	8,982,404	9,806,445
Expenditure on:									
Charitable activities	7	703,480	-	9,603,562	10,307,042	361,981	-	5,449,202	5,811,183
Continuing operations		703,480	-	9,603,562	10,307,042	361,981	-	5,449,202	5,811,183
Discontinued operations - City of Trees divestment		228,802	-	102,468	331,270	96,709	-	3,036,598	3,133,307
Donation to City of Trees following divestment		-	-	-	-	582,746	-	2,254,661	2,837,407
Total resources expended		932,282	-	9,706,030	10,638,312	1,041,436	-	10,740,461	11,781,897

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE**
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING THE CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2024

	12 months to 30 June				15 months to 30 June			
	Unrestricted funds general 2024 £	Unrestricted funds - designated 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds general 2023 £	Unrestricted funds - designated 2023 £	Restricted funds 2023 £	Total as restated 2023 £
Net (outgoing)/incoming resources before transfers	(126,793)	-	1,072,486	945,693	(217,395)	-	(1,758,057)	(1,975,452)
Gross transfers between funds	200,947	-	(56,774)	144,173	99,795	(128,975)	81,810	52,630
Net income/(expenditure) for the year/ Net movement in funds	74,154	-	1,015,712	1,089,866	(117,600)	(128,975)	(1,676,247)	(1,922,822)
Fund balances at 1 July 2023	305,171	222,523	1,900,065	2,427,759	422,771	351,498	3,576,311	4,350,580
Fund balances at 30 June 2024	379,325	222,523	2,915,777	3,517,625	305,171	222,523	1,900,064	2,427,758

The statement of financial activities includes all gains and losses recognised in the year.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
CONSOLIDATED BALANCE SHEET**

AS AT 30 JUNE 2024

		2024		2023
	Notes	£	£	As restated £
Fixed assets				
Tangible assets	13		142,693	143,412
Current assets				
Debtors	18	6,785,746	2,935,967	
Investments	20	-	85,000	
Cash at bank and in hand		5,488,581	7,363,699	
		<u>12,274,327</u>	<u>10,384,666</u>	
Creditors: amounts falling due within one year	21	<u>(8,899,395)</u>	<u>(8,100,320)</u>	
Net current assets			<u>3,374,932</u>	<u>2,284,346</u>
Total assets less current liabilities			<u><u>3,517,625</u></u>	<u><u>2,427,758</u></u>
Income funds	25			
Restricted funds			2,915,777	1,900,064
Unrestricted funds - designated	24		222,523	222,523
Unrestricted funds - general			379,325	305,171
			<u><u>3,517,625</u></u>	<u><u>2,427,758</u></u>

The financial statements were approved by the Trustees on 31 March 2025

Mrs Alison Ball (Chair)
Trustee

Company Registration No. 03598556

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
CHARITY BALANCE SHEET**

AS AT 30 JUNE 2024

		2024		2023
	Notes	£	£	As restated £
Fixed assets				
Tangible assets	14		129,636	130,355
Investments			1	1
			<u>129,637</u>	<u>130,356</u>
Current assets				
Debtors	19	6,774,885	2,926,798	
Investments	20	-	85,000	
Cash at bank and in hand		3,428,422	5,319,797	
			<u>10,203,307</u>	<u>8,331,595</u>
Creditors: amounts falling due within one year	22	<u>(6,949,941)</u>	<u>(6,152,141)</u>	
Net current assets			<u>3,253,366</u>	<u>2,179,455</u>
Total assets less current liabilities			<u><u>3,383,003</u></u>	<u><u>2,309,811</u></u>
Income funds				
Restricted funds	26		2,896,206	1,857,011
Unrestricted funds - designated			209,466	209,466
Unrestricted funds - general			277,331	243,334
			<u>3,383,003</u>	<u>2,309,811</u>

The financial statements were approved by the Trustees on 31 March 2025

Mrs Alison Ball (Chair)
Trustee

Company Registration No. 03598556

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
CONSOLIDATED STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 30 JUNE 2024

	Notes	£	2024 £	£	2023 £
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	31		(2,044,891)		1,472,586
Investing activities					
Purchase of tangible fixed assets		(2,130)		(621)	
Investment income received		86,903		41,359	
Net cash generated from investing activities			84,773		40,738
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(1,960,118)		1,513,324
Cash and cash equivalents at beginning of year			7,448,699		5,935,375
Cash and cash equivalents at end of year			5,488,581		7,448,699
Relating to:					
Cash at bank and in hand			5,488,581		7,363,699
Short term deposits included in current asset investments			-		85,000

COMMUNITY FOREST TRUST COMPANY LIMITED BY GUARANTEE NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

1 Accounting policies

Charity information

Community Forest Trust is an incorporated company limited by guarantee incorporated in England and Wales. The registered office is 14th Floor The Plaza, 100 Old Hall Street, Liverpool, England, L3 9QJ.

1.1 Reporting period

The financial statements have been prepared for the year 1 July 2023 to 30 June 2024. In comparison, the period covered in the last set of accounts was 1 April 2022 to 30 June 2023.

1.2 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.3 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.5 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2024

1 Accounting policies

(Continued)

Donated Services and Facilities

Donated professional services and donated facilities are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Deferred income

Income from donations and grants, including capital grants, and contract income is included in income when these are receivable except when the donor specifies that donations and grants given to the Charity must be used in future accounting periods, the income is deferred until these periods.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

1.6 Expenditure

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 as expenditure on charitable activities including grants payable and other administration costs to further the purposes of the Charity.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land	Not depreciated
Fixtures and fittings	10% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.8 Fixed asset investments

Fixed asset investments are measured at transaction price excluding transaction costs.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2024

1 Accounting policies (Continued)

1.10 Debtors

Debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid at the end of the year.

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2024

1 Accounting policies

(Continued)

1.13 Taxation

Taxation and VAT

Community Forest Trust, Community Forest Land Trust and Mersey Forest Foundation are recognised as charities by HM Revenue & Customs and accordingly are potentially exempt from taxation in respect of income or gains applied exclusively to charitable purposes.

Community Forest Trust is registered for VAT and can reclaim input VAT only where the expenditure is purchases out of vatable income. The subsidiaries are not VAT registered. All irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Corporation Tax

As a registered charity, the Company benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income or gains falling within those exemptions.

1.14 Creditors

Creditors and accruals are recognised where the Charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

1.15 Pension costs

The company operates a defined contribution scheme for all eligible employees. The pension costs charged represent the contributions payable. Differences between contributions payable in the year end contributions paid are shown as either accruals or prepayments in the balance sheet.

1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.17 Group Financial Statements

The financial statements consolidate the results of the Charity and its subsidiaries on a line by line basis. A separate Statement of Financial Activities, and income and expenditure account, for the Charity itself are not presented because the Charity had taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

1.18 Fund Accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity. Designated funds are unrestricted funds of the Charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Charity's work.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2024

2 Critical accounting estimates and judgements

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period of the revision and future periods where the revision affects both current and future periods.

Accruals

A provision is made in the accounts for any goods / services received in the year where payments are not processed until after the year-end date.

Deferred and accrued Income

A provision is based on the timing of differences for income received and earned. If income has been received relating to work performed in subsequent periods then amounts will be deferred. For work done in the financial period but not invoiced until after the financial period, income will be accrued.

3 Legal Status

The Charity is a company limited by guarantee and has no share capital, In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

4 Donations and legacies

	Unrestricted funds general 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds general 2023 £	Total 2023 £
Donations and gifts	52,274	2,500	51,555	319,812	319,812
Donations and gifts					
UBU Environment	4,200	-	4,200	14,000	14,000
Peel L&P	-	-	-	12,766	12,766
Barcham Trees	2,000	-	2,000	27,630	27,630
Together Financial Services	-	-	-	100,000	100,000
Stonewater	32,000	-	32,000	48,150	48,150
Footasylum	-	-	-	78,304	78,304
Other	14,074	2,500	13,355	38,962	38,962
	<u>52,274</u>	<u>2,500</u>	<u>51,555</u>	<u>319,812</u>	<u>319,812</u>

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2024

4	Donations and legacies	(Continued)			
	Analysis by operation:				
	Continuing operations	49,055	2,500	51,555	42,720
	Discontinuing operations	3,219	-	3,219	277,092
		<u>52,274</u>	<u>2,500</u>	<u>54,774</u>	<u>319,812</u>
		<u><u>52,274</u></u>	<u><u>2,500</u></u>	<u><u>54,774</u></u>	<u><u>319,812</u></u>
5	Charitable activities				
				Charitable Activities 2024	Charitable Activities 2023
				£	£
	Other charitable income			127,977	322,328
	Service contract income			513,699	140,542
	CFT projects			882,790	1,313,501
	City of Trees			159,242	1,611,156
	DEFRA grants			8,146,745	3,452,894
	Mersey Forest			1,574,207	2,259,037
	Raise: Cumbria Community Forest			-	200,000
	Trees of Yorkshire			13,302	145,816
				<u>11,417,692</u>	<u>9,445,274</u>
				<u><u>11,417,692</u></u>	<u><u>9,445,274</u></u>
	Analysis by fund				
	Unrestricted funds - general			641,676	462,870
	Restricted funds			10,776,016	8,982,404
				<u>11,417,692</u>	<u>9,445,274</u>
				<u><u>11,417,692</u></u>	<u><u>9,445,274</u></u>
	Analysis by operation:				
	Continuing operations			11,258,450	6,056,085
	Discontinuing operations			159,242	3,389,189
				<u>11,417,692</u>	<u>9,445,274</u>
				<u><u>11,417,692</u></u>	<u><u>9,445,274</u></u>

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2024

6 Investments

	Unrestricted funds general 2024 £	Unrestricted funds general 2023 £
Interest receivable	86,903	41,359

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2024

7 Charitable activities

	Charitable Activities 2024	Charitable Activities 2023
	£	£
CFT projects	569,838	438,921
City of Trees	331,270	2,791,373
Mersey Forest	1,489,776	1,028,462
Mersey Forest Foundation project cost and grants payable	10,696	1,217
Community Forest Land Trust subcontractor and general costs	955	427
Trees of Yorkshire	59,876	166,709
Raise: Cumbria Community Forest	337,397	40,668
City of Trees Divestment	-	2,837,407
	<u>2,799,808</u>	<u>7,305,184</u>
Grant funding of activities (see note 8)	7,540,233	4,306,342
Share of support costs (see note 9)	277,152	153,303
Share of governance costs (see note 9)	21,119	17,068
	<u>10,638,312</u>	<u>11,781,897</u>
Analysis by fund		
Unrestricted funds - general	932,282	1,041,436
Restricted funds	9,706,030	10,740,461
	<u>10,638,312</u>	<u>11,781,897</u>
Analysis by operation:		
Continuing operations	10,307,042	5,811,183
Discontinuing operations	331,270	5,970,714
	<u>10,638,312</u>	<u>11,781,897</u>

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2024

8 Grants payable

	Charitable Activities 2024	Charitable Activities 2023
	£	£
Grants to institutions:		
CFT Projects	5,329,056	2,220,168
City of Trees	-	428,324
Mersey Forest	1,535,046	1,650,630
White Rose Forest	-	2,628
Raise: Cumbria Community Forest	676,131	4,592
	<u>7,540,233</u>	<u>4,306,342</u>

9 Support costs

	Support costs	Governance costs	2024	Support costs	Governance costs	2023
	£	£	£	£	£	£
Depreciation	2,851	-	2,851	5,185	-	5,185
Accommodation & Administration	274,301	-	274,301	148,118	-	148,118
Audit fees	-	9,045	9,045	-	9,540	9,540
Accountancy	-	12,074	12,074	-	7,528	7,528
	<u>277,152</u>	<u>21,119</u>	<u>298,271</u>	<u>153,303</u>	<u>17,068</u>	<u>170,371</u>
Analysed between						
Charitable activities	<u>277,152</u>	<u>21,119</u>	<u>298,271</u>	<u>153,303</u>	<u>17,068</u>	<u>170,371</u>

Support costs include the cost of premises, management, fundraising & marketing and governance. These costs are collectively called the support costs and have been allocated as shown above.

Support costs have been allocated as a proportion of the number of financial transactions recorded in the financial year. The exception to this is that support costs for the subsidiaries have been allocated in relation to the number of hours allocated to active projects.

Governance costs relate to the direct running of the Charity allowing the Charity to operate and generate the information required for public accountability.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2024

10	Net movement in funds	2024	2023
		£	£
	Net movement in funds is stated after charging/(crediting)		
	Fees payable to the company's auditor for the audit of the company's financial statements	6,615	9,540
	Independent examiner's fees paid for work carried out in relation to subsidiaries	2,430	2,240
		<u> </u>	<u> </u>

11 Employees

The average monthly number of employees during the year was:

2024	2023
Number	Number
36	55
<u> </u>	<u> </u>

Employment costs

	2024	2023
	£	£
Wages and salaries	1,078,938	1,693,195
Social security costs	107,421	165,772
Other pension costs	63,393	78,486
Salford Council personnel	-	65,759
	<u> </u>	<u> </u>
	<u>1,249,752</u>	<u>2,003,212</u>

There were no employees whose annual remuneration was between £60,000 and £69,999 (2023: 4).

There were no employees whose annual remuneration was between £70,000 and £79,999 (2023: 1).

There was 1 employee whose annual remuneration was between £100,000 and £109,999 (2023: None).

12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2024

13 Tangible fixed assets - group

	Freehold land	Fixtures and fittings	Total
	£	£	£
Cost			
At 1 July 2023	139,245	26,254	165,499
Additions	-	2,132	2,132
	<u>139,245</u>	<u>28,386</u>	<u>167,631</u>
At 30 June 2024	139,245	28,386	167,631
	<u>139,245</u>	<u>28,386</u>	<u>167,631</u>
Depreciation and impairment			
At 1 July 2023	-	22,087	22,087
Depreciation charged in the year	-	2,851	2,851
	<u>-</u>	<u>24,938</u>	<u>24,938</u>
At 30 June 2024	-	24,938	24,938
	<u>-</u>	<u>24,938</u>	<u>24,938</u>
Carrying amount			
At 30 June 2024	139,245	3,448	142,693
	<u>139,245</u>	<u>3,448</u>	<u>142,693</u>
At 30 June 2023	139,245	4,167	143,412
	<u>139,245</u>	<u>4,167</u>	<u>143,412</u>

Middlefield Farm was acquired in 2006 for £78,079 and was revalued by P Wilson & Co Chartered Surveyors on 31 March 2007 at £91,750. The land is now called Griffin Wood.

The land at Viridor Wood was acquired in 2000, for £350,367 and revalued by P W Smith BSc FRICS FAAV on 31 March 2000 at £1,250. The land at Horrocks Hill and Hurst Farm was acquired during 2002, for £317,642, and was revalued by P Wilson & Company on 31 March 2002 at £750 and £1,100 respectively. The land at Horrocks Hill is now called Horrocks Wood. Similarly, the land at Hurst Farm is now called Hurst Wood.

999-year leases were granted to the Minister of Agriculture Fisheries and Food (acting on behalf of Forest Enterprise) over each piece of land. The leases place onerous obligations on use, consistent with the aims and objectives of the Trust.

The land at Lightshaw Meadows was purchased for £109,927 and £1,351 for the costs of purchasing the access strip to the Meadow. The majority of this land has been leased to Lancashire Wildlife Trust on a 999-year lease so has been revalued accordingly to reflect the remaining land held by CFT at the year end (£31,338).

The land owned by the subsidiary Community Forest Land Trust, was purchased in June 2014 for £13,057 and remains at cost.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2024

14 Tangible fixed assets - charity

	Freehold land	Fixtures and fittings	Total
	£	£	£
Cost			
At 1 July 2023	126,188	26,254	152,442
Additions	-	2,132	2,132
	<u>126,188</u>	<u>28,386</u>	<u>154,574</u>
At 30 June 2024	126,188	28,386	154,574
	<u>126,188</u>	<u>28,386</u>	<u>154,574</u>
Depreciation and impairment			
At 1 July 2023	-	22,087	22,087
Depreciation charged in the year	-	2,851	2,851
	<u>-</u>	<u>24,938</u>	<u>24,938</u>
At 30 June 2024	-	24,938	24,938
	<u>-</u>	<u>24,938</u>	<u>24,938</u>
Carrying amount			
At 30 June 2024	126,188	3,448	129,636
	<u>126,188</u>	<u>3,448</u>	<u>129,636</u>
At 30 June 2023	126,188	4,167	130,355
	<u>126,188</u>	<u>4,167</u>	<u>130,355</u>

15 Fixed asset investments - charity

	Other investments
	£
Cost or valuation	
At 1 July 2023 & 30 June 2024	1
	<u>1</u>
Carrying amount	
At 30 June 2024	1
	<u>1</u>
At 30 June 2023	1
	<u>1</u>

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2024

16 Subsidiaries

Details of the charity's subsidiaries at 30 June 2024 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Community Forest Land Trust	England & Wales	To promote and support the development of community forestry and gree infrastructure	Company Limited by Guarantee	100.00	
Mersey Forest Foundation	England & Wales	To promote and support the Mersey Forest	Company Limited by Guarantee	100.00	
Community Forest Trust (Trading) Limited	England & Wales	Dormant	Ordinary £1	100.00	

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Community Forest Land Trust	(2,629)	23,749
Mersey Forest Foundation	19,302	110,873
Community Forest Trust (Trading) Limited	-	1

17 Financial instruments - group

	2024	2023
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	12,270,451	10,296,813
Carrying amount of financial liabilities		
Measured at amortised cost	6,791,531	5,751,225
Financial instruments - parent	2024	2023
Carrying amount of financial assets		
Debt instruments measured at amortised cost	10,200,877	8,330,271
Equity instruments measured at cost less impairment	1	1
	<u>10,200,878</u>	<u>8,330,272</u>
Carrying amount of financial liabilities		
Measured at amortised cost	6,773,389	5,742,518
	<u>6,773,389</u>	<u>5,742,518</u>

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2024

18 Debtors - group	2024	2023
Amounts falling due within one year:	£	£
Trade debtors	1,529,406	476,328
Other debtors	9,139	3
Prepayments and accrued income	5,247,201	2,459,635
	<u>6,785,746</u>	<u>2,935,966</u>
	<u><u>6,785,746</u></u>	<u><u>2,935,966</u></u>
19 Debtors - charity	2024	2023
Amounts falling due within one year:	£	£
Trade debtors	1,529,267	476,328
Other debtors	9,139	3
Prepayments and accrued income	5,236,479	2,450,467
	<u>6,774,885</u>	<u>2,926,798</u>
	<u><u>6,774,885</u></u>	<u><u>2,926,798</u></u>
20 Current asset investments	2024	2023
	£	£
Unlisted investments	-	85,000
	<u>-</u>	<u>85,000</u>
	<u><u>-</u></u>	<u><u>85,000</u></u>
21 Creditors: amounts falling due within one year - group	2024	2023
	£	As restated £
Other taxation and social security	39,762	121,454
Deferred income	2,068,102	2,227,641
Trade creditors	533,913	686,286
Other creditors	18,144	2,536,907
Accruals	6,239,474	2,528,032
	<u>8,899,395</u>	<u>2,528,032</u>
	<u><u>8,899,395</u></u>	<u><u>2,528,032</u></u>

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2024

22 Creditors: amounts falling due within one year - charity

	2024	2023
	£	As restated £
Other taxation and social security	39,762	121,454
Deferred income	136,790	288,168
Trade creditors	524,549	685,908
Other creditors	18,144	2,536,907
Accruals	6,230,696	2,519,704
	<u>6,949,941</u>	<u>6,152,141</u>

23 Deferred income - group

Deferred income is included in the financial statements as follows:

	2024	2023
	£	£
Deferred income is included within:		
Current liabilities	2,068,102	2,227,641
Deferred income at 1 July 2023	2,227,641	2,363,351
Released from previous periods	(159,539)	(380,668)
Resources deferred in the year	-	244,958
	<u>2,068,102</u>	<u>2,227,641</u>

Deferred income - charity

	2024	2023
	£	£
Deferred income is included within:		
Current liabilities	<u>136,790</u>	<u>288,168</u>
Movement in the year:		
Deferred income at 1 July 2023	288,168	423,878
Released from previous periods	(151,378)	(380,668)
Resources deferred in the year	-	244,958
	<u>136,790</u>	<u>288,168</u>

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2024

24 Designated funds - group

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	Balance at 1 April 2022	Transfers	Balance at 1 July 2023	Balance at 30 June 2024
	£	£	£	£
Land & Property fund	139,245	-	139,245	139,245
Salary fund	42,753	(42,753)	-	-
Reserves policy	169,500	(98,349)	71,151	71,151
MF - Newlands	-	12,127	12,127	12,127
	<u>351,498</u>	<u>(128,975)</u>	<u>222,523</u>	<u>222,523</u>

Land & Property – the land that has been purchased out of grant monies has a corresponding designated fund. The total land purchased/valued comes to £139,245 so this is the same value in this designated fund. Unless more property is purchased, or existing land revalued this fund will not move in value.

Salary fund – a reserve to enable CFT as an employer to offer better terms of employment for example to give enhanced parental pay or sick pay over and above the statutory levels. To date 2 female employees from enhanced maternity pay.

Reserves policy – this is to fund 3 months of operational activities for CFT core services. This is held in case of an unforeseen event occurring, CFT will have funding to run 3 months of operational activity and an orderly wind up.

MF Newlands – Historic reserves linked to the Newlands project to be designated to the Mersey Forest.

A proportion of designated reserves for Community Forest Trust were transferred to general unrestricted reserves during the previous financial year following a reassessment of reserves as a result of the City of Trees divestment.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2024

24 Designated funds - group

(Continued)

Designated funds - charity

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	Balance at 1 April 2022	Transfers	Balance at 1 July 2023	Balance at 30 June 2024
	£	£	£	£
Land & Property fund	126,188	-	126,188	126,188
Salary fund	42,753	(42,753)	-	-
Reserves policy	169,500	(98,349)	71,151	71,151
Mersey Forest - Newlands	-	12,127	12,127	12,127
	<u>338,441</u>	<u>(128,975)</u>	<u>209,466</u>	<u>209,466</u>

Land & Property – the land that has been purchased out of grant monies has a corresponding designated fund. The total land purchased/valued comes to £126,188 so this is the same value in this designated fund. Unless more property is purchased, or existing land revalued this fund will not move in value.

Salary fund – a reserve to enable CFT as an employer to offer better terms of employment for example to give enhanced parental pay or sick pay over and above the statutory levels. To date 2 female employees from enhanced maternity pay.

Reserves policy – this is to fund 3 months of operational activities for CFT core services. This is held in case of unforeseen event occurring, CFT will have funding to run 3 months of operational activity and an orderly wind up.

MF Newlands – Historic reserves linked to the Newlands project to be designated to the Mersey Forest.

A proportion of designated reserves for Community Forest Trust were transferred to general unrestricted reserves during the previous financial year following a reassessment of reserves as a result of the City of Trees divestment.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2024

25 Analysis of Charitable Funds

As restated

The consolidated income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds				
	Balance at 1 April 2022	Incoming resources	Resources expended	Transfers	Balance at 1 July 2023	Incoming resources	Resources expended	Transfers	Balance at 30 June 2024
	£	£	£	£	£	£	£	£	£
Unrestricted fund	422,771	824,041	(1,041,436)	99,795	305,171	805,489	(932,282)	200,947	379,325
Designated fund	351,498	-	-	(128,975)	222,523	-	-	-	222,523
Restricted fund	3,576,311	8,982,404	(10,740,461)	81,810	1,900,064	10,778,516	(9,706,030)	(56,774)	2,915,777
	<u>4,350,580</u>	<u>9,806,445</u>	<u>(11,781,897)</u>	<u>52,630</u>	<u>2,427,758</u>	<u>11,584,005</u>	<u>(10,638,312)</u>	<u>144,173</u>	<u>3,517,625</u>

The transfer of funds this year out of unrestricted and restricted reserves relates to moving City of Trees income and expenditure to other debtors. See note 30 for explanation as to why comparative figures have been restated.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2024

25 Analysis of Charitable Funds

(Continued)

Restricted funds:

	Movement in funds				Movement in funds				Balance at 30 June 2024 £
	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 1 July 2023 £	Incoming resources £	Resources expended £	Transfers £	
CFT	615,417	2,682,235	(2,557,141)	(146,105)	594,406	6,022,036	(5,496,775)	-	1,119,667
City of Trees	1,973,980	3,317,279	(5,291,259)	-	-	159,242	(102,468)	(56,774)	-
Mersey Forest	770,923	2,637,075	(2,677,464)	275,620	1,006,154	2,783,968	(3,024,823)	-	765,299
White Rose Forest	172,937	145,815	(166,709)	(47,705)	104,338	13,302	(59,876)	-	57,764
Raise: Cumbria Community Forest	-	200,000	(47,888)	-	152,112	1,789,308	(1,013,527)	-	927,893
Subsidiary: Mersey Forest Foundation	43,054	-	-	-	43,054	10,660	(8,560)	-	45,154
	<u>3,576,311</u>	<u>8,982,404</u>	<u>(10,740,461)</u>	<u>81,810</u>	<u>1,900,064</u>	<u>10,778,516</u>	<u>(9,706,029)</u>	<u>(56,774)</u>	<u>2,915,777</u>

City of Trees - City of Trees is delivering a green recovery and tackling the climate emergency head on, through planting trees and restoring woodlands for the people and wildlife of Greater Manchester. At 30 June 2023, City of Trees divested. The resources expended figure includes the donation creditor balance to be transferred to City of Trees.

Mersey Forest – Growing and creating woodland across Cheshire and Mersey side and tackling climate emergency through woodland creation

White Rose Forest - is the community forest for North and West Yorkshire, working in partnership with local authorities, landowners, businesses and communities to increase woodland across the region and improve our natural environment.

Raise: Cumbria Community Forest - Cumbria Community Coast Forest (CCCF) joined CFT in April 2023. The income stream for CCCF is from Trees for Climate capital and revenue.

CFT - Deliver core services to support and enable to community forests, CFT administers the Northern Forest, One Trees Planted and Northern Gas Network

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2024

26 Analysis of Charitable Funds (Charity)

As restated

The consolidated income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds				Balance at 30 June 2024 £
	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 1 July 2023 £	Incoming resources £	Resources expended £	Transfers £	
Unrestricted fund	399,037	780,197	(1,035,696)	99,795	243,334	757,719	(924,668)	200,947	277,331
Designated fund	338,441	-	-	(128,975)	209,466	-	-	-	209,466
Restricted fund	3,533,257	8,982,405	(10,740,461)	81,810	1,857,011	10,793,438	(9,697,469)	(56,774)	2,896,206
	<u>4,270,735</u>	<u>9,762,602</u>	<u>(11,776,157)</u>	<u>52,630</u>	<u>2,309,811</u>	<u>11,551,157</u>	<u>(10,622,137)</u>	<u>144,173</u>	<u>3,383,003</u>

The transfer of funds this year out of unrestricted and restricted reserves relates to moving City of Trees income and expenditure to other debtors.
See note 30 for explanation as to why comparative figures have been restated.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2024

26 Analysis of Charitable Funds (Charity)

(Continued)

Restricted funds:

	Movement in funds				Movement in funds				Balance at 30 June 2024 £
	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 1 July 2023 £	Incoming resources £	Resources expended £	Transfers £	
CFT	615,416	2,682,235	(2,557,141)	(146,105)	594,405	6,022,036	(5,496,776)	-	1,119,665
City of Trees	1,973,980	3,317,279	(5,291,259)		-	159,242	(102,468)	(56,774)	-
Mersey Forest	770,923	2,637,076	(2,677,464)	275,620	1,006,155	2,809,551	(3,024,822)	-	790,884
White Rose Forest	172,938	145,815	(166,709)	(47,705)	104,339	13,302	(59,876)	-	57,765
Raise: Cumbria Community Forest	-	200,000	47,888		152,112	1,789,308	(1,013,528)		927,892
	<u>3,533,257</u>	<u>8,982,405</u>	<u>(10,740,461)</u>	<u>81,810</u>	<u>1,857,011</u>	<u>10,793,439</u>	<u>(9,697,470)</u>	<u>(56,774)</u>	<u>2,896,206</u>

City of Trees - City of Trees is delivering a green recovery and tackling the climate emergency head on, through planting trees and restoring woodlands for the people and wildlife of Greater Manchester. The resources expended figure includes the donation creditor balance to be transferred to City of Trees.

Mersey Forest – Growing and creating woodland across Cheshire and Mersey side and tackling climate emergency through woodland creation

White Rose Forest - is the community forest for North and West Yorkshire, working in partnership with local authorities, landowners, businesses and communities to increase woodland across the region and improve our natural environment.

Raise: Cumbria Community Forest - Cumbria Community Coast Forest (CCCF) joined CFT in April 2023. The income stream for CCCF is from Trees for Climate capital and revenue.

CFT - Deliver core services to support and enable to community forests, CFT administers the Northern Forest, One Trees Planted and Northern Gas Network.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2024

27 Related party transactions

Some of the trustees have been nominated by the organisations who created and/or fund the Charity. A significant number of transactions, particularly relating to funding, are therefore related party transactions. It is not practical to list these in the notes to the financial statements.

The Trustees did not receive remuneration during the financial period (2023: £Nil) but expenses were paid to the Trustees during the financial year totalling £615 (2023: £Nil).

Key management, consisted of the 4 individuals (2023: 5 individuals) who worked the equivalent of 4.0 full time equivalent on the management of the Charity (2023: 4.6 FTE). The costs of the key personnel on the management of the Charity is paid during the period gross £254,709 (2023: £239,359).

The Charity has taken advantage of the exemption in Financial Reporting Standard 102 Paragraph 33.1A from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared.

During the year, Mersey Forest Foundation made donations to Community Forest Trust, the parent charity, of £25,584.

During the year, Community Forest Trust entered into a commercial arrangement with Roger Pearson, a trustee of Community Forest Land Trust and Mersey Forest Foundation, who provided consultancy services to the charity through a company he is director of, Abbeystead Partners Ltd. The total value of these services amounted to £44,367 during the financial year. The transactions were conducted at arms length.

City of Trees Divestment

At 30 June 2023, City of Trees divested.

The divestment is considered a discontinued operation as City of Trees is a charitable activity of the company.

The income and expenditure relating to City of Trees has been split into the discontinued operations - City of Trees divestment line in the statement of financial activities and split further in notes 4 to 7 of the financial statements.

At 30 June 2024, City of Trees owes Community Forest Trust £9,139 (2023: balance owed to City of Trees of £2,490,828) for its share of restricted and unrestricted reserves.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2024

28 Analysis of net assets between funds - group

As restated

	Unrestricted funds 2024 £	Designated funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Designated funds 2023 £	Restricted funds 2023 £	Total 2023 £
Fund balances at 30 June 2024 are represented by:								
Tangible assets	-	142,693	-	142,693	-	143,412	-	143,412
Current assets/(liabilities)	379,325	79,830	2,915,777	3,374,932	305,171	79,111	1,900,064	2,284,346
	<u>379,325</u>	<u>222,523</u>	<u>2,915,777</u>	<u>3,517,625</u>	<u>305,171</u>	<u>222,523</u>	<u>1,900,064</u>	<u>2,427,758</u>

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2024

29 Operating lease commitments - group & charity

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024	2023
	£	£
Within one year	-	5,142
Between two and five years	-	1,463
	<u>-</u>	<u>6,605</u>
	<u>-</u>	<u>6,605</u>

30 Prior year restatement

The prior year figures have been re-stated to recognise transfers between restricted reserves projects after the charity performed a reconciliation exercise.

A transfer of £29,180 was also made from unrestricted reserves to restricted reserves to cover a £29,180 deficit after making the above transfers.

A transfer of £52,630 was made out of the City of Trees restricted fund to other creditors as City of Trees divested at 30 June 2023 leaving a balance of £nil in restricted funds for City of Trees.

31 Cash generated from operations

	2024	2023
	£	£
Surplus/(deficit) for the year	1,089,865	(1,975,452)
Adjustments for:		
Investment income recognised in statement of financial activities	(86,903)	(41,359)
Depreciation and impairment of tangible fixed assets	2,851	5,185
Movements in working capital:		
(Increase) in debtors	(3,849,780)	(62,529)
Increase in creditors	958,614	3,682,451
(Decrease) in deferred income	(159,538)	(135,710)
Cash (absorbed by)/generated from operations	<u>(2,044,891)</u>	<u>1,472,586</u>

COMMUNITY FOREST TRUST

England & Wales - Charity number 1072706

Accounts

Charity Registration No. 1072706

Company Registration No. 03598556 (England and Wales)

COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
LEGAL AND ADMINISTRATIVE INFORMATION**

Trustees	Mrs Alison Ball (Chair) Mrs Alison Gilbody Ms Victoria Merton Mrs Christine Burt Prof David Shaw Prof Alan Simson Mr Benjamin Williams Mrs Debbie Beaven
Secretary	Mr Sarfraz Ali
Charity number	1072706
Company number	03598556
Registered office	Unit 3 Discovery Works Third Avenue Trafford Park Manchester M17 1BW
Auditor	BWM Suite 5.1 12 Tithebarn Street Liverpool L2 2DT
Bankers	Triodos Bank Deanery Road Bristol BS1 5AS The Co-operative Bank Olympic House Delf House Skelmersdale WN8 6WT Flagstone Investment Management 1st Floor Clareville House 26-27 Oxenden Street London SW1Y 4EL

COMMUNITY FOREST TRUST COMPANY LIMITED BY GUARANTEE CONTENTS

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Charity balance sheet	19
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COMMUNITY FOREST TRUST COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE PERIOD ENDED 30 JUNE 2023

The trustees of Community Forest Trust (CFT), who are also directors of the Company, present their annual report and accounts for the period ended 30 June 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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) (effective 1 January 2019)".

Chair's Report

As Chair it gives me great pleasure to report on another successful year for CFT. We have made great progress with our mission and strategic goals – *supporting, enabling and championing the work of England's Community Forests*. During this period we secured over £3million of funding for the Forests, supported them to plant over 1.3m trees and continued to lead on and enable a number of high profile delivery projects such as the Northern Forest and the Royal Mail Woodland.

In addition we supported the City of Trees (CoT) in their ambition to become an independent charity. CFT extended the accounting period of April 2022 to March 2023 to end on 30th June 2023 the date at which CFT divested CoT. The financial statements presented are, therefore, for 15 months and are presented to show the continued and discontinued operations of CFT. CFT continues to have a strong future, supporting England's Community Forests with a common purpose of enhancing and protecting the environment, and in delivering against its purpose.

Objectives and activities

The objects of the Charity are to promote for the benefit of the public generally any charitable purpose within the NW of England and beyond connected with the enhancement and improvement, maintenance and protection of the environment and landscape and in particular to:

- Promote, provide and enhance woodland for the benefit of the public; Promote the general improvement of agriculture and of industry and commerce, particularly in relation to woodland or forestry products;
- Promote and provide for the improvement of derelict land or harmful sites;
- Provide or help to provide for the general public facilities in the interests of social welfare for recreation and leisure time occupation particularly involving the enjoyment of land and woodland as a public amenity (and in furtherance to help provide safe and convenient routes and modes of transport for the public, for safe cycling, and for the development of facilities including nature trails, reserves and sanctuaries, horse and cycle footways, parkland and visitor facilities and car parks); Community Forest Trust Business Plan 2022 - 2025 9 Confidential
- Promote community participation in healthy recreation by providing facilities for playing particular sports;
- Educate the public in environmental matters, in ecology and provide better appreciation of the environments and ways of better serving, protecting and improving the same and education and training in all matters relating to the environment and its interaction with the social and economic wellbeing of the community;
- Promote the arts within the woodland and natural environments;
- Promote for the benefit of the public the ecology and use of the natural environment and all species living in it;

COMMUNITY FOREST TRUST COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2023

- Promote for the benefit of the public the conservation, enhancement, and improvement of the environment and to educate the public in the importance of sustainable development in relation to all the activities of the Charity. For the purpose of this clause the phrase 'sustainable development' shall mean development that meets the needs of the present without compromising the ability of future generations to meet their own needs and in applying this definition regard shall be had to the following factors, to social progress, which recognises the needs of everyone; effective protection of the environment; prudent use of natural resources and maintenance of high and stable levels of economic growth and employment; and
- In pursuit of its objects the Charity shall endeavour to engage the participation of all sectors of the community in its activities."

Delivering on CFT's purpose

Throughout the period CFT continued to provide its core services, expanding in some and increasing its influence at policy level:

1. Community Forest Trust (core activities)

One Tree Planted: CFT was awarded a multi-year grant from One Tree Planted, a global not-for-profit reforestation charity. One Tree Planted will pay \$1 a tree which could be worth up to \$4.5million over a 3 year period. In the first year of the planting season the ECF network planted 1.2million trees. However, the challenging global macro-economic environment has impacted One Tree Planted and the trees they will fund for year 2 of the agreement has been reduced from 1.5million trees to 375k trees.

Natural Course: CFT continued work on a three-year LIFE+ project across The Mersey Forest and City of Trees areas. The project focuses on the use of Urban Catchment Forestry to deliver integrated water management solutions and multiple ecosystem services in urban areas. A series of case studies for Crompton Moor, Smithills, Rochdale and New Mills are included on the Natural Course website.

Six leaky dams were installed in the Old Brook water course on Crompton Moor to slow the flow of water and to help reduce flood risk down catchment. BBC's Countryfile programme covered the installation of one of the leaky dams and interviewed team members from City of Trees and partner organisations.

Forest Employment: CFT employs staff to support and enable the Forests to deliver their work and projects. One such project is the Trees for Climate Programme. CFT works with key Local Authority stakeholders such as Kirklees, Gateshead, Swindon and Newcastle Council.

2. The Mersey Forest

Urban GreenUP: This five-year €10million Horizon 2020 European funded project started in June 2017. The Mersey Forest Team is working with colleagues at Liverpool City Council and the University of Liverpool to deliver a £3.4million programme of interventions in the city. During 2019/20 a number of 'Nature Based Solutions' were installed across the city, including 150 large street trees along The Strand with sustainable urban drainage systems, a pollinator roof at the Royal Court Theatre and a number of appearances of the PopUp Forest. The year-long baseline environmental monitoring concluded in 2023 and the results are being analysed by the Mersey Forest and partners.

Urban Tree Challenge Fund: £2.2million from The Urban Tree Challenge Fund was secured to plant large urban trees across Merseyside and North Cheshire within The Mersey Forest over a 2 year period. The partners managed to deliver over 5,600 standard trees across St. Helens, Knowsley, Liverpool, and Sefton at the end of claim 2. The Urban Tree Challenge fund planted 890 standards in Greater Manchester.

Green Recovery: Green Recovery will boost nature recovery and connect more people to nature in Merseyside and Cheshire. CFT has received £1,326,700 to deliver 'More From Trees' over 2 and half years of the programme. The Green Recovery programme came to an end in June 2023

COMMUNITY FOREST TRUST COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2023

The programme has improved biodiversity by creating new green corridors in Liverpool city centre, developed a specialist tree nursery for native tree species, improved habitats for a range of species, and deployed natural flood management in two catchments in Cheshire.

The programme has also created a new green task force of retrained military veterans, and offers a range of nature-based activities to improve the health and well-being of local people.

'More from Trees' is one of ninety nature projects across England that have been awarded grants ranging from £68,100 to £1,950,000. Among them they aim to create and retain more than 1,000 green jobs, backed by the Government's £80million Green Recovery Challenge Fund.

Royal Mail Woodland (Middlefield Farm): This is a joint Mersey Forest, CFT and Royal Mail project as part of the Queen's Green Canopy initiative. Royal Mail have acquired a 9 hectare site in the Mersey Forest and the Mersey Forest Team and CFT are creating a new Royal Mail Wood on the site. Planting is due to commence in the 23/24 season.

3. Northern Forest

This is one of the flagship 25 year programmes: CFT, in partnership with the Woodland Trust and the Northern Forest's four Community Forests, is playing a key role in the development of the Northern Forest initiative. CFT is the Accountable Body for the Community Forest delivery roles and for a major portion of the government funding to facilitate planting and landowner engagement. Planting to date has delivered 110 hectares and over 2700 standard trees delivered. The programme is focusing on parks, farms and new community woodland sites, providing opportunities for volunteering and schools planting events.

Over 150,000 trees were planted, exceeding the target, and a healthy pipeline of schemes will carry this programme strongly into the coming years. CoT delivered Northern Forest planting projects across Greater Manchester, involving a range of community groups and schools across all 10 districts of Greater Manchester. New areas of woodland and community orchards were planted. The other planting partners of the program are Cheshire West and Chester Council, Kirklees Council and Humber Council.

4. Manchester City of Trees (Discontinued operations)

City of Trees (CoT) was a key Forest and part of the CFT structure, employing 28 members of staff who have been TUPE'd over to the new charitable trust.

On the 30th June 2023 CFT divested CoT as part of an agreed strategy allowing it to operate as a standalone charity, developing a stronger local presence and brand and generating more funds to support and scale its work and impact.

At the time of the divestment, reserves for CoT totalled £2,837,407 of which £2,254,661 were restricted and £582,746 unrestricted. These values are being transferred to CoT in accordance with the terms of the Transfer Agreement.

During the year CFT managed the funding streams for projects run by the CoT, more details can be found below. Following the divestment all of these will be funded directly by CoT's new charity.

Trafford Countryside Management Partnership: involves a wide range of organisations in resourcing, managing, and using Trafford's Countryside, as well as supporting volunteer days on the 250 hectares of land the partnership being managed. CoT secured additional funding for site improvements, including a Veolia Landfill Tax funded project at Wellacre. This will involve path, signage and waymarking improvements as well as habitat enhancement works such as woodland wildflower planting. Following the divestment CFT will no longer be involved in this partnership.

Oglesby Charitable foundation: Supports the CoT movement with a grant of £295K per annum, which funds the activity of the CoT core team and the employment of a Green Job Project Manager. Oglesby funds helped achieve a pathway to green jobs with the kickstart program and local initiative with Trafford Housing Association. Following the divestment this fund will be transferred to CoT.

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Fundraising activities: CoT have had great success in engaging corporate sponsors through numerous fundraising activities such as CSR day and Trees100 club. The income, which is unrestricted, exceeded £200K in the reporting period. Key partners being footlocker and Stonewater Housing.

Urban Tree Challenge Fund (UTCf): Urban trees offer a range of benefits, including temperature moderation, flood risk mitigation, and improved wellbeing – particularly when in close proximity to large populations. The UTCf contribute to delivering these benefits through the targeted planting thousands of large and small trees and in urban and peri-urban areas.

The UTCf supports planting of large 'standard' trees and street trees, making an immediate impact to communities and ensuring other organisations who provide planting for smaller trees can continue to do so. The fund aims to level-up access to nature, planting trees in socially deprived urban areas with low canopy cover. Following the divestment CFT will no longer operate the Urban Tree Challenge Fund and this will be transferred to CoT.

Kickstart: Helps access Government funding to create job placements for young people. The scheme was launched by the Department for Work & Pensions (DWP), the Kickstart Scheme has created high quality 6-month work placements for young people aged 16 to 24 who are deemed to be at risk of long-term unemployment due to the Coronavirus pandemic. The Scheme funds 100% of the National Minimum Wage for 25 hours per week, plus associated National Insurance contributions and minimum automatic enrolment contributions.

NHS Social Prescribing: Social prescribing provides much needed help and support in local communities, whilst sharing learning across the city region and nationally. Green social prescribing projects are selected by a panel led by Greater Manchester Health and Social Care Partnership. The projects are rooted in the community – being run and staffed by volunteers and used by local people.

The aim is to engage with individuals most at risk of developing poor mental health and create the activities and support they need, whilst making the most of the natural environment. Social prescribing schemes have continued to expand at pace during the Covid-19 outbreak and become an essential part of the emergency response effort.

Post divestment of CoT, CFT will operate business as usual and will continue to support the Mersey Forest and CFT core activities. In April 2023 Cumbria Community Forest (CCF) started operating within the CFT structure having moved from the Cumbria County Council. Capital and revenue from the Trees for Climate programme will flow via CFT to CCF from 2023 onwards in addition to other CCF funding streams for example £100K from the Nuclear Decommission Authority.

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Forward Look

The climate emergency is the cause of our generation. To go some way towards addressing it, the UK has pledged to be carbon neutral by 2050. 25% of the carbon sink to deliver this ambition will be delivered through tree planting with 30,000 hectares of trees being delivered every year from 2024 to 2050. These are levels of afforestation never before seen in our history and England's Community Forests (ECFs) have a huge part to play in delivering this.

The ECFs biggest current commitment is the Trees for Climate Programme with a target to plant 6,700 hectares of new woodland between 2020 and 2025. The levels of planting nearly double year on year during this period, breaking all annual planting records, before levelling off in the final year. This requires rapid evolution, bold innovation, delivery excellence, pathological focus and unwavering optimism across the ECFs. And to add to the urgency, beyond the environmental imperative, the social and economic impact founding principles of the ECFs are also becoming ever more critical once again.

This is where CFT has such a significant role to play. CFT's charitable purpose and mission (to champion, support and enable the work of England's Community Forests) focus on supporting and enabling the ECFs to achieve their goals. With its roots in the North West, CFT is being asked to support the ECFs more broadly as they enter the most ambitious years of their current planting programmes. It is important to note that beyond the Trees for Climate Programme, CFT is the accountable body for a number of other significant woodland creation initiatives eg: Grow Back Greener and One Tree Planted and these represent very important income streams to CFT.

Alison Ball

Chair, Community Forest Trust

COMMUNITY FOREST TRUST COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2023

Mission, Vision and Values

Mission

Our mission is to champion and support the work of community forestry organisations across England and communicate the wide range of benefits that trees and woods deliver.

Vision

Our vision is for a strong, resilient network of community forestry organisations across England that enhance the environment for both people and wildlife.

Values

- We are passionate about the power of trees to transform urban environments
- We aim to be innovative, share knowledge and collaborate to achieve best practice in the field of community forestry.
- We see community forestry as a way to achieve widespread, environmental, social and economic benefits
- We act as an advocate for community forests and aim to listen, be responsive and work in close partnership

During the period to June 2023 Community Forest Trust directly supported the delivery of The Mersey Forest, City of Trees (previously Red Rose Forest), White Rose Forest and HEYwoods. Community Forest Trust also promoted and advocated the benefits and opportunities for delivery on behalf of the sector to strengthen the case for future funding and resources aligned to the Government's 25-year Environment Plan.

Statement of Public Benefit

In meeting these objects, the Charity's public benefit aims to maintain, complete and apply for funding that supports projects as detailed above. The Charity has met its objectives by sticking to the guidelines of the grants applied for.

In setting out policy and planning these activities the trustees have given consideration to the Charity Commission's general guidance on public benefit.

The Charities Act identifies thirteen charitable purposes as being for the public benefit. Community Forest Trust meets the public benefit principles by focusing on three of those charitable purposes:

- the advancement of education;
- the advancement of health or the saving of lives; and
- the advancement of environmental protection or improvement.

Achievements and performance

Financial review

The current period of activity in the core funds stand at £334,351 group (2022: £422,771) and £272,513 charity (2022: £399,038), at the year end for the continuing business of CFT.

Investment Policies

The Charity has a policy of keeping any surplus funds in short term deposits, which can be accessed readily. This also spreads the banking risk as the guaranteed amount under FSCS remains at £85K per bank. An on-line cash investment platform assists the monitoring of these accounts with a view to achieving best interest rates for amounts held on deposit whilst at the same time ensuring cash flow requirements are met. Due to wider economic circumstances deposit rates continue to be depressed during the period to June 2023. The invested funds held on deposit achieved an average of 3% (2022: 1%)

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COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2023**

Reserves Policy and Going Concern

Unrestricted Reserves are considered to be that part of the Trust's funds which are freely available for its general purpose after it has met its commitments and covered its other planned expenditure. These unrestricted funds are needed to bridge the gap between the spending and receiving of income and to cover administrative, fundraising and support costs without which the Trust could not function. A designated fund is maintained as a reserve policy and 3 months of operating cost are held in the event of unforeseen event arising. The reserve fund has reduced to £71,151 (2022: £169,500) as a result of the reduced level of employees and costs to close.

The level of unrestricted funds is monitored and reviewed by the Trustees during the year. The Trustees consider a financial projection prior to reviewing financial reserve levels for the following year and the preparation and approval of an annual budget. Financial forecasts are updated for each Board meeting, held quarterly. In the year to 30th June 2023 the Trust continued to address the need to develop reserves and its available funds were retained in its current bank account, with a view to investing surplus cash in short term deposit accounts to maximise the return on income. Since the year end there has been no material unexpected expenditure, and the viability of the Charity remains financially sound.

Plans for Future Periods

Our future activities are likely to include:

- Support to England's Community Forests and the Trees for Climate Programme
- Continued direct support to City of Trees, Mersey Forest, White Rose Forest and HEYwoods
- Development of the Northern Forest in partnership with the Woodland Trust
- Continued work with the Local Nature Partnerships and the Catchment Partnerships
- Further development and delivery of urban catchment forestry
- Development of the Natural Health Service
- Continuation of work to secure sustainable funding streams
- Further partnership working with the forestry initiatives and with new partners
- Improving the quality of CFT's online presence and communications
- The continued advocacy for urban and community forestry at a national level

Mersey forest foundation received a grant of £1.94 million in January 2022, which is to be used over the next 32 years. This is for biodiversity and infrastructure contribution. Priority is to be given to planting within the Bold Forest Park Area and for Bold Forest Park Infrastructure Contribution. It shall be used for initiatives and projects to improve parks in the Bold Forest Park including but not limited to sites such as Clock Face Country Park, Maypole Farm, Griffin Wood and the links between them.

Structure, governance and management

The directors of the charitable company (the Charity) are its trustees for the purpose of charity law. The Trustees serving during the year and since the year end were as follows:

Mrs Alison Ball (Chair)

Mrs Alison Gilbody

Ms Victoria Merton

Ms Karen Hands

(Resigned 3 October 2023)

Mr William Baldwin-Cantello

(Resigned 28 November 2023)

Mrs Christine Burt

Prof David Shaw

Prof Alan Simson

Mr Benjamin Williams

Mrs Debbie Beaven

Ms Joanne Harrison

(Resigned 5 April 2022)

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2023**

Key Personnel

Key management personnel, in addition to the Board, are as follows:

Chief Executive: Mr C Vivian
Company Secretary: Mr S Ali
Finance Manager: Mr S Ali

Structure and Governing Documents

Community Forest Trust is a company limited by guarantee governed by its Memorandum and Articles of Association dated July 1998, amended 22nd May 2013 and was incorporated on 15th July 1998. It was registered as a charity with the Charity Commission on 2nd December 1998.

Community Forest Trust's members are the trustees and the liability of the members is limited and each member agrees to pay £1 in the event that the Charity is dissolved.

Organisational Structure

Community Forest Trust is the holding company for several organisations:

The subsidiary trading company, Community Forest Trust (Trading) Limited was set up and incorporated on 29th October 2012 with an unpaid share capital allotted of £1. The holder of this share is Community Forest Trust. The Company number is 08272345. The trustees, who are also Directors for the purpose of company law who served during the year, and to date, are:

Mr P Nolan (Chair)

The primary objective of the subsidiary Community Forest Trust (Trading) Limited is to have unlimited capacity under section 31 of the Companies Act 2006. Notwithstanding the generality of this provision and for the avoidance of doubt the company's objects include carrying on business as a general commercial company to raise funds including donating with the benefit of gift aid any profits and carry out any other activities which may be considered to be for the benefit of the Charity. Community Forest Trust (Trading) Limited has remained dormant since its incorporation to date.

A second subsidiary organisation - Community Forest Land Trust was set up as a company limited by guarantee, incorporated on 29th October 2013 and was granted charitable status on 28th February 2014. Community Forest Trust is the sole member. The Company number is 08752839 and Charity number is 1155979. The trustees, who are also directors for the purpose of company law who served during the year, and to date, are:

Mr P Nolan (Chair)
Mr D McAleavy
Mr R Rogers
Prof D Shaw
Mr R Pearson

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
*FOR THE PERIOD ENDED 30 JUNE 2023***

The primary objective of the subsidiary charity Community Forest Land Trust as laid out in its Memorandum and Articles of Association is to promote for the benefit of the public generally any charitable purpose within the North West of England or elsewhere as the Trustees shall determine connected with the enhancement and improvement, maintenance and protection of the environment and landscape. Community Forest Land Trust Limited commenced financial activities in March 2014.

A third subsidiary organisation - Mersey Forest Foundation was set up as a company limited by guarantee, incorporated on 30th July 2014 and was granted charitable status on 9th March 2015. Community Forest Trust is the sole member. The Company number is 09153749 and the Charity number is 1160790. The trustees, who are also directors for the purpose of company law who served during the year, and to date, are:

Mr P Nolan (Chair)
Mr D McAleavy
Mr R Rogers
Prof D Shaw
Mr R Pearson

The primary objective of the subsidiary charity Mersey Forest Trust Limited as laid out in its Memorandum and Articles of Association is to promote for the benefit of the public generally any charitable purpose within the North West of England or elsewhere as the Trustees shall determine connected with the enhancement and improvement, maintenance and protection of the environment and landscape. Mersey Forest Foundation commenced financial activities in July 2014.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2023**

Appointment of Trustees

The current trustees were appointed (and may be removed) by the Board of Community Forest Trust. There should be a minimum of five trustees and are recruited to ensure that the board of trustees has the requisite range of experience and skills to effectively manage the Trust. Induction processes include sitting on the Board for 2 meetings prior to being appointed by a majority vote. Documents are circulated to prospective trustees and their input is valued. Training is offered where required.

Organisation

The board of trustees administers the Charity and meets quarterly. Information is prepared and presented by the interim chief executive, forest director, finance manager, and several project development officers. A precis of the reports from Mersey Forest Foundation and Community Forest Land Trust are presented to the quarterly board meetings of Community Forest Trust.

Related parties and co-operation with other organisations.

Risk Management

The monitoring and management of risk is a dynamic process and the Charity faces some level of risk in the activities, events and contracts that it engages in.

The trustees have a risk management strategy which comprises:

- ongoing review of the principal risks and uncertainties that the Charity may face.
- the establishment of policies, systems and procedures to mitigate those risks identified in the annual review; and
- the implementation of procedures designed to minimise or manage any potential impact the Charity should those risks materialise.

Governance risks - eg inappropriate organisational structure, difficulties recruiting trustees with relevant skills, conflict of interest.

Financial risks - eg accuracy and timeliness of financial information, adequacy of reserves and cash flow, diversity of income sources.

External risks - eg public perception and adverse publicity, demographic changes, government policy.

Compliance with law and regulation - eg breach of trust law and regulatory requirements of particular activities such as fund-raising.

The Charity's review of its risk management will continue to help ensure:

- the Charity's aims are achieved more effectively;
- significant risks are known and monitored enabling trustees to make a more effective contribution;
- and there is improved forward planning.

Auditor

BWM have agreed to offer themselves for reappointment as auditors of the Charity.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2023**

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

Small Companies Provisions

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

The trustees' report was approved by the Board of Trustees.

Mrs Alison Ball (Chair)

Chair

Dated: 14 February 2024

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE PERIOD ENDED 30 JUNE 2023**

The trustees, who are also the directors of Community Forest Trust for the purpose of company law, are responsible for preparing the Trustees' 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 charity 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 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

COMMUNITY FOREST TRUST COMPANY LIMITED BY GUARANTEE INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF COMMUNITY FOREST TRUST

Opinion

We have audited the financial statements of Community Forest Trust (the 'charity') and its subsidiaries for the period ended 30 June 2023 which comprise the consolidated statement of financial activities, the consolidated and parent balance sheet, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and charitable company's affairs as at 30 June 2023 and of the group's incoming resources and application of resources, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group of charity's 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 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 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 our audit:

- the information given in the trustees' report for the financial period for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

COMMUNITY FOREST TRUST COMPANY LIMITED BY GUARANTEE INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF COMMUNITY FOREST TRUST

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF COMMUNITY FOREST TRUST**

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Louise Casey ACA (Senior Statutory Auditor)
for and on behalf of BWM**

12 March 2024

**Chartered Accountants
Statutory Auditor**

Suite 5.1
12 Tithebarn Street
Liverpool
L2 2DT

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING THE CONSOLIDATED INCOME AND EXPENDITURE
ACCOUNT**

FOR THE PERIOD ENDED 30 JUNE 2023

	Notes	15 months to 30 June				12 months to 31 March			
		Unrestricted funds general 2023	Unrestricted funds - designated 2023	Restricted funds 2023	Total 2023	Unrestricted funds general 2022	Unrestricted funds - designated 2022	Restricted funds 2022	Total as restated 2022
		£	£	£	£	£	£	£	£
Income from:									
Donations and legacies	4	42,720	-	-	42,720	54,951	-	10,000	64,951
Charitable activities	5	390,960	-	5,665,125	6,056,085	10,694	-	3,272,203	3,282,897
Investments	6	41,359	-	-	41,359	6,255	-	-	6,255
Continuing operations		475,039	-	5,665,125	6,140,164	71,900	-	3,282,203	3,354,103
Discontinued operations - City of Trees divestment		349,002	-	3,317,279	3,666,281	200,221	-	4,244,743	4,444,964
Total income		824,041	-	8,982,404	9,806,445	272,121	-	7,526,946	7,799,067
Expenditure on:									
Charitable activities	7	361,981	-	5,449,202	5,811,183	51,025	-	2,755,665	2,806,690
Continuing operations		361,981	-	5,449,202	5,811,183	51,025	-	2,755,665	2,806,690
Discontinued operations - City of Trees divestment		96,709	-	3,036,598	3,133,307	24,446	-	3,033,315	3,057,761
Donation to City of Trees following divestment		582,746	-	2,254,661	2,837,407	-	-	-	-
Total resources expended		1,041,436	-	10,740,461	11,781,897	75,471	-	5,788,980	5,864,451

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE**
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING THE CONSOLIDATED INCOME AND EXPENDITURE
ACCOUNT**

FOR THE PERIOD ENDED 30 JUNE 2023

	15 months to 30 June				12 months to 31 March			
	Unrestricted funds general 2023 £	Unrestricted funds - designated 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds general 2022 £	Unrestricted funds - designated 2022 £	Restricted funds 2022 £	Total as restated 2022 £
Net (outgoing)/incoming resources before transfers	(217,395)	-	(1,758,057)	(1,975,452)	196,650	-	1,737,966	1,934,616
Gross transfers between funds	128,975	(128,975)	-	-	-	-	-	-
Net (expenditure)/income for the year/ Net movement in funds	(88,420)	(128,975)	(1,758,057)	(1,975,452)	196,650	-	1,737,966	1,934,616
Fund balances at 1 April 2022	422,771	351,498	3,576,311	4,350,580	226,121	351,498	1,838,345	2,415,964
Fund balances at 30 June 2023	<u>334,351</u>	<u>222,523</u>	<u>1,818,254</u>	<u>2,375,128</u>	<u>422,771</u>	<u>351,498</u>	<u>3,576,311</u>	<u>4,350,580</u>

The statement of financial activities includes all gains and losses recognised in the period.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
CONSOLIDATED BALANCE SHEET**

AS AT 30 JUNE 2023

	Notes	£	2023 £	£	2022 as restated £
Fixed assets					
Tangible assets	13		143,412		147,975
Investments	15		-		200,000
			<u>143,412</u>		<u>347,975</u>
Current assets					
Debtors	19	2,935,967		2,873,439	
Investments	21	85,000		375,000	
Cash at bank and in hand		7,363,699		5,360,375	
			<u>10,384,666</u>	<u>8,608,814</u>	
Creditors: amounts falling due within one year	22	(8,152,950)		(4,606,209)	
Net current assets			<u>2,231,716</u>		<u>4,002,605</u>
Total assets less current liabilities			<u><u>2,375,128</u></u>		<u><u>4,350,580</u></u>
Income funds					
Restricted funds	26		1,818,254		3,576,311
Unrestricted funds - designated	25		222,523		351,498
Unrestricted funds - general			334,351		422,771
			<u>2,375,128</u>		<u>4,350,580</u>

The financial statements were approved by the Trustees on 14 February 2024

Mrs Alison Ball (Chair)
Trustee

Company Registration No. 03598556

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
CHARITY BALANCE SHEET**

AS AT 30 JUNE 2023

	Notes	£	2023 £	£	2022 as restated £
Fixed assets					
Tangible assets	14		130,355		134,918
Investments	16		1		200,001
			<u>130,356</u>		<u>334,919</u>
Current assets					
Debtors	20	2,926,798		2,872,313	
Investments	21	85,000		375,000	
Cash at bank and in hand		5,319,797		3,345,601	
			<u>8,331,595</u>	<u>6,592,914</u>	
Creditors: amounts falling due within one year	23	(6,204,771)		(2,657,098)	
Net current assets			<u>2,126,824</u>		<u>3,935,816</u>
Total assets less current liabilities			<u><u>2,257,180</u></u>		<u><u>4,270,735</u></u>
Income funds					
Restricted funds	27		1,775,201		3,533,257
Unrestricted funds - designated			209,466		338,440
Unrestricted funds - general			272,513		399,038
			<u>2,257,180</u>		<u>4,270,735</u>

The financial statements were approved by the Trustees on 14 February 2024

Mrs Alison Ball (Chair)
Trustee

Company Registration No. 03598556

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2023**

	Notes	£	2023 £	£	2022 £
Cash flows from operating activities					
Cash generated from operations	32		1,472,586		3,624,483
Investing activities					
Purchase of tangible fixed assets		(621)		(1,076)	
Investment income received		41,359		6,252	
Net cash generated from investing activities			40,738		5,176
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			1,513,324		3,629,659
Cash and cash equivalents at beginning of period			5,935,375		2,305,716
Cash and cash equivalents at end of period			7,448,699		5,935,375
Relating to:					
Cash at bank and in hand			7,363,699		5,360,375
Short term deposits included in current asset investments			85,000		375,000
Long term deposits included in fixed asset investments			-		200,000

COMMUNITY FOREST TRUST COMPANY LIMITED BY GUARANTEE NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

1 Accounting policies

Charity information

Community Forest Trust is an incorporated company limited by guarantee incorporated in England and Wales. The registered office is Unit 3, Discovery works Third Avenue, Trafford Park, Manchester, M17 1BW.

1.1 Reporting period

The financial statements have been prepared for the period 1 April 2022 to 30 June 2023. In comparison, the year covered in the last set of accounts was 1 April 2021 to 31 March 2022.

1.2 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.3 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.5 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2023**

1 Accounting policies

(continued)

Donated Services and Facilities

Donated professional services and donated facilities are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Deferred income

Income from donations and grants, including capital grants, and contract income is included in income when these are receivable except when the donor specifies that donations and grants given to the Charity must be used in future accounting periods, the income is deferred until these periods.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

1.6 Expenditure

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 as expenditure on charitable activities including grants payable and other administration costs to further the purposes of the Charity.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Not depreciated
Fixtures and fittings	10% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.8 Fixed asset investments

Fixed asset investments are measured at transaction price excluding transaction costs.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Debtors

Debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid at the end of the year.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2023**

1 Accounting policies (continued)

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.13 Taxation

Taxation and VAT

Community Forest Trust, Community Forest Land Trust and Mersey Forest Foundation are recognised as charities by HM Revenue & Customs and accordingly are potentially exempt from taxation in respect of income or gains applied exclusively to charitable purposes.

Community Forest Trust is registered for VAT and can reclaim input VAT only where the expenditure is purchases out of taxable income. The subsidiaries are not VAT registered. All irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Corporation Tax

As a registered charity, the Company benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income or gains falling within those exemptions.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2023**

1 Accounting policies (continued)

1.14 Creditors

Creditors and accruals are recognised where the Charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

1.15 Pension costs

The company operates a defined contribution scheme for all eligible employees. The pension costs charged represent the contributions payable. Differences between contributions payable in the year end contributions paid are shown as either accruals or prepayments in the balance sheet.

1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.17 Group Financial Statements

The financial statements consolidate the results of the Charity and its subsidiaries on a line by line basis. A separate Statement of Financial Activities, and income and expenditure account, for the Charity itself are not presented because the Charity had taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

1.18 Fund Accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity. Designated funds are unrestricted funds of the Charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Charity's work.

2 Critical accounting estimates and judgements

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period of the revision and future periods where the revision affects both current and future periods.

Accruals

A provision is made in the accounts for any goods / services received in the year where payments are not processed until after the year-end date.

Deferred and accrued Income

A provision is based on the timing of differences for income received and earned. If income has been received relating to work performed in subsequent periods then amounts will be deferred. For work done in the financial period but not invoiced until after the financial period, income will be accrued.

3 Legal Status

The Charity is a company limited by guarantee and has no share capital, In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2023

4 Donations and legacies

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £	Restricted funds 2022 £	Total 2022 £
Donations and gifts	319,812	175,776	10,000	185,776
Donations and gifts				
UBU Environment	14,000	-	-	-
Peel L&P	12,766	-	-	-
Barcham Trees	27,630	-	-	-
Together Financial Services	100,000	-	-	-
Stonewater	48,150	63,500	-	63,500
Karl Vella Group	-	-	10,000	10,000
Footasylum	78,304	40,375	-	40,375
Energy systems catapult	-	5,000	-	5,000
Pentland Brands	-	11,920	-	11,920
Other	38,962	54,981	-	54,981
	<u>319,812</u>	<u>175,776</u>	<u>10,000</u>	<u>185,776</u>
Analysis by operation:				
Continuing operations	42,720	54,951	10,000	
Discontinuing operations	277,092	120,825	-	
	<u>319,812</u>	<u>175,776</u>	<u>10,000</u>	

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2023

5 Charitable activities

	Charitable Activities 2023	Charitable Activities 2022 as restated
	£	£
Other charitable income	322,328	27,289
Service contract income	140,542	62,801
CFT projects	1,313,501	209,523
City of Trees	1,611,156	2,692,896
DEFRA grants	3,452,894	2,933,822
Mersey Forest	2,259,037	1,384,466
Cumbria Coastal Forest	200,000	-
Trees of Yorkshire	145,816	296,239
	<u>9,445,274</u>	<u>7,607,036</u>
Analysis by fund		
Unrestricted funds - general	462,870	90,090
Restricted funds	8,982,404	7,516,946
	<u>9,445,274</u>	<u>7,607,036</u>
Analysis by operation:		
Continuing operations	6,056,085	3,282,897
Discontinuing operations	3,389,189	4,324,139
	<u>9,445,274</u>	<u>7,607,036</u>

6 Investments

	Unrestricted funds general 2023	Unrestricted funds general 2022
	£	£
Interest receivable	41,359	6,255
	<u>41,359</u>	<u>6,255</u>

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2023

7 Charitable activities

	Charitable Activities 2023	Charitable Activities 2022 as restated
	£	£
CFT projects	438,921	169,650
City of Trees	2,791,373	2,824,690
Mersey Forest	1,028,462	453,988
Mersey Forest Foundation project cost and grants payable	1,217	1,951
Community Forest Land Trust subcontractor and general costs	427	658
Trees of Yorkshire	166,709	155,356
Cumbria Coastal Forest	40,668	-
City of Trees Divestment	2,837,407	-
	<u>7,305,184</u>	<u>3,606,293</u>
Grant funding of activities (see note 8)	4,306,342	2,184,439
Share of support costs (see note 9)	153,303	52,845
Share of governance costs (see note 9)	17,068	20,874
	<u>11,781,897</u>	<u>5,864,451</u>
Analysis by fund		
Unrestricted funds - general	1,041,436	75,471
Restricted funds	10,740,461	5,788,980
	<u>11,781,897</u>	<u>5,864,451</u>
Analysis by operation:		
Continuing operations	5,811,183	2,806,690
Discontinuing operations	5,970,714	3,057,761
	<u>11,781,897</u>	<u>5,864,451</u>

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2023

8 Grants payable

	Charitable Activities 2023	Charitable Activities 2022 as restated
	£	£
Grants to institutions:		
CFT Projects	2,220,168	98,457
City of Trees	428,324	208,625
Mersey Forest	1,650,630	748,696
Trees for Yorkshire	2,628	1,128,661
Cumbria Coastal Forest	4,592	-
	<u>4,306,342</u>	<u>2,184,439</u>

9 Support costs

	Support costs	Governance costs	2023 Support costs		Governance costs	2022
	£	£	£	£	£	£
Depreciation	5,185	-	5,185	4,272	-	4,272
Accommodation & Administration	148,118	-	148,118	48,573	-	48,573
Audit fees	-	9,540	9,540	-	5,500	5,500
Accountancy	-	7,528	7,528	-	15,374	15,374
	<u>153,303</u>	<u>17,068</u>	<u>170,371</u>	<u>52,845</u>	<u>20,874</u>	<u>73,719</u>
Analysed between						
Charitable activities	<u>153,303</u>	<u>17,068</u>	<u>170,371</u>	<u>52,845</u>	<u>20,874</u>	<u>73,719</u>

Support costs include the cost of premises, management, fundraising & marketing and governance. These costs are collectively called the support costs and have been allocated as shown above.

Support costs have been allocated as a proportion of the number of financial transactions recorded in the financial year. The exception to this is that support costs for the subsidiaries have been allocated in relation to the number of hours allocated to active projects.

Governance costs relate to the direct running of the Charity allowing the Charity to operate and generate the information required for public accountability.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2023**

10 Net movement in funds	2023	2022
	£	£
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	9,540	5,500
Independent examiner's fees paid for work carried out in relation to subsidiaries	2,240	3,900
	<u> </u>	<u> </u>

11 Employees

The average monthly number of employees during the period was:

2023	2022
Number	Number
55	37
<u> </u>	<u> </u>

Employment costs

	2023	2022
	£	£
Wages and salaries	1,693,195	1,037,777
Social security costs	165,772	96,497
Other pension costs	78,486	64,028
Salford Council personnel	65,759	60,538
	<u> </u>	<u> </u>
	2,003,212	1,258,840
	<u> </u>	<u> </u>

There were 4 employees whose annual remuneration was between £60,000 and £69,999 (2022: None).

There was 1 employee whose annual remuneration was between £70,000 and £79,999 (2022: None).

12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2023**

13 Tangible fixed assets - group

	Freehold land and buildings	Fixtures and fittings	Total
	£	£	£
Cost			
At 1 April 2022	139,245	25,632	164,877
Additions	-	622	622
	<u>139,245</u>	<u>26,254</u>	<u>165,499</u>
At 30 June 2023	139,245	26,254	165,499
	<u>139,245</u>	<u>26,254</u>	<u>165,499</u>
Depreciation and impairment			
At 1 April 2022	-	16,902	16,902
Depreciation charged in the period	-	5,185	5,185
	<u>-</u>	<u>22,087</u>	<u>22,087</u>
At 30 June 2023	-	22,087	22,087
	<u>-</u>	<u>22,087</u>	<u>22,087</u>
Carrying amount			
At 30 June 2023	139,245	4,167	143,412
	<u>139,245</u>	<u>4,167</u>	<u>143,412</u>
At 31 March 2022	139,245	8,730	147,975
	<u>139,245</u>	<u>8,730</u>	<u>147,975</u>

Middlefield Farm was acquired in 2006 for £78,079 and was revalued by P Wilson & Co Chartered Surveyors on 31 March 2007 at £91,750. The land is now called Griffin Wood.

The land at Viridor Wood was acquired in 2000, for £350,367 and revalued by P W Smith BSc FRICS FAAV on 31 March 2000 at £1,250. The land at Horrocks Hill and Hurst Farm was acquired during 2002, for £317,642, and was revalued by P Wilson & Company on 31 March 2002 at £750 and £1,100 respectively. The land at Horrocks Hill is now called Horrocks Wood. Similarly, the land at Hurst Farm is now called Hurst Wood.

999-year leases were granted to the Minister of Agriculture Fisheries and Food (acting on behalf of Forest Enterprise) over each piece of land. The leases place onerous obligations on use, consistent with the aims and objectives of the Trust.

The land at Lightshaw Meadows was purchased for £109,927 and £1,351 for the costs of purchasing the access strip to the Meadow. The majority of this land has been leased to Lancashire Wildlife Trust on a 999-year lease so has been revalued accordingly to reflect the remaining land held by CFT at the year end (£31,338).

The land owned by the subsidiary Community Forest Land Trust, was purchased in June 2014 for £13,057 and remains at cost.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2023

14 Tangible fixed assets - charity

	Freehold land and buildings	Fixtures and fittings	Total
	£	£	£
Cost			
At 1 April 2022	126,188	25,632	151,820
Additions	-	622	622
	<u>126,188</u>	<u>26,254</u>	<u>152,442</u>
At 30 June 2023	126,188	26,254	152,442
	<u>126,188</u>	<u>26,254</u>	<u>152,442</u>
Depreciation and impairment			
At 1 April 2022	-	16,902	16,902
Depreciation charged in the period	-	5,185	5,185
	<u>-</u>	<u>22,087</u>	<u>22,087</u>
At 30 June 2023	-	22,087	22,087
	<u>-</u>	<u>22,087</u>	<u>22,087</u>
Carrying amount			
At 30 June 2023	126,188	4,167	130,355
	<u>126,188</u>	<u>4,167</u>	<u>130,355</u>
At 31 March 2022	126,188	8,730	134,918
	<u>126,188</u>	<u>8,730</u>	<u>134,918</u>

15 Fixed asset investments - group

	Long term deposits
	£
Cost or valuation	
At 1 April 2022	200,000
Disposals	(200,000)
	<u>-</u>
At 30 June 2023	-
	<u>-</u>
Carrying amount	
At 30 June 2023	-
	<u>-</u>
At 31 March 2022	200,000
	<u>200,000</u>

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2023

16 Fixed asset investments - charity

	Other investments £	Long term deposits £	Total £
Cost or valuation			
At 1 April 2022	1	200,000	200,001
Disposals	-	(200,000)	(200,000)
	<u>1</u>	<u>-</u>	<u>1</u>
At 30 June 2023	1	-	1
	<u>1</u>	<u>-</u>	<u>1</u>
Carrying amount			
At 30 June 2023	1	-	1
	<u>1</u>	<u>-</u>	<u>1</u>
At 31 March 2022	1	200,000	200,001
	<u>1</u>	<u>200,000</u>	<u>200,001</u>
		2023	2022
Other investments comprise:	Notes	£	£
Investments in subsidiaries	17	<u>1</u>	<u>1</u>

17 Subsidiaries

Details of the charity's subsidiaries at 30 June 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Community Forest Land Trust	England & Wales	To promote and support the development of community forestry and green infrastructure	Company Limited by Guarantee	100.00	
Mersey Forest Foundation	England & Wales	To promote and support the Mersey Forest	Company Limited by Guarantee	100.00	
Community Forest Trust (Trading) Limited	England & Wales	Dormant	Ordinary £1	100.00	
Name of undertaking	Profit/(Loss)	Capital and Reserves			
	£	£			
Community Forest Land Trust	3,438	26,378			
Mersey Forest Foundation	34,665	91,571			
Community Forest Trust (Trading) Limited	-	1			

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2023

18	Financial instruments - group	2023	2022
		£	£
	Carrying amount of financial assets		
	Debt instruments measured at amortised cost	10,296,813	8,782,266
		<u> </u>	<u> </u>
	Carrying amount of financial liabilities		
	Measured at amortised cost	5,803,854	2,180,838
		<u> </u>	<u> </u>
	Financial instruments - parent	2023	2022
	Carrying amount of financial assets		
	Debt instruments measured at amortised cost	8,330,271	6,365,450
		<u> </u>	<u> </u>
	Carrying amount of financial liabilities		
	Measured at amortised cost	5,795,148	1,769,369
		<u> </u>	<u> </u>
19	Debtors - group	2023	2022
			as restated
	Amounts falling due within one year:	£	£
	Trade debtors	476,329	2,012,288
	Other debtors	3	-
	Prepayments and accrued income	2,459,635	861,151
		<u> </u>	<u> </u>
		2,935,967	2,873,439
		<u> </u>	<u> </u>
20	Debtors - charity	2023	2022
			as restated
	Amounts falling due within one year:	£	£
	Trade debtors	476,328	2,012,196
	Other debtors	3	-
	Prepayments and accrued income	2,450,467	860,117
		<u> </u>	<u> </u>
		2,926,798	2,872,313
		<u> </u>	<u> </u>
21	Current asset investments	2023	2022
		£	£
	Unlisted investments	85,000	375,000
		<u> </u>	<u> </u>

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2023

22 Creditors: amounts falling due within one year - group

	2023	2022
	£	as restated £
Other taxation and social security	121,454	62,019
Deferred income	2,227,641	2,363,351
Trade creditors	686,286	756,901
Other creditors	2,589,537	431
Accruals and deferred income	2,528,032	1,423,507
	<u>8,152,950</u>	<u>4,606,209</u>

23 Creditors: amounts falling due within one year - charity

	2023	2022
	£	as restated £
Other taxation and social security	121,454	62,019
Deferred income	288,168	423,878
Trade creditors	685,908	756,901
Other creditors	2,589,537	431
Accruals	2,519,704	1,413,869
	<u>6,204,771</u>	<u>2,657,098</u>

24 Deferred income - group

Deferred income is included in the financial statements as follows:

	2023	2022
	£	£
Deferred income is included within:		
Current liabilities	<u>2,227,641</u>	<u>2,363,351</u>

Movements in the period:

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2023

24 Deferred income - group	(continued)	
Deferred income at 1 April 2022	2,363,351	323,478
Released from previous periods	(380,668)	(7,064)
Resources deferred in the period	244,958	2,046,937
	<u>2,227,641</u>	<u>2,363,351</u>
Deferred income at 30 June 2023	<u>2,227,641</u>	<u>2,363,351</u>
Deferred income - charity		
	2023	2022
	£	£
Deferred income is included within:		
Current liabilities	288,168	423,878
	<u>288,168</u>	<u>423,878</u>
Movement in the year:		
Deferred income at 1 April 2022	423,878	323,478
Released from previous periods	(380,668)	(7,064)
Resources deferred in the year	244,958	107,464
	<u>288,168</u>	<u>423,878</u>
Deferred income at 30 June 2023	<u>288,168</u>	<u>423,878</u>

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2023**

25 Designated funds - group

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2021 £	Balance at 1 April 2022 £	Transfers £	Balance at 30 June 2023 £
Land & Property fund	139,245	139,245	-	139,245
Salary fund	42,753	42,753	(42,753)	-
Reserves policy	169,500	169,500	(98,349)	71,151
MF - Newlands	-	-	12,127	12,127
	<u>351,498</u>	<u>351,498</u>	<u>(128,975)</u>	<u>222,523</u>

Land & Property – the land that has been purchased out of grant monies has a corresponding designated fund. The total land purchased/valued comes to £139,245 so this is the same value in this designated fund. Unless more property is purchased, or existing land revalued this fund will not move in value.

Salary fund – a reserve to enable CFT as an employer to offer better terms of employment for example to give enhanced parental pay or sick pay over and above the statutory levels. To date 2 female employees from enhanced maternity pay.

Reserves policy – this is to fund 3 months of operational activities for CFT core services. This is held in unforeseen event occurring, CFT will have funding to run 3 months of operational activity and an orderly wind up.

MF Newlands – Historic reserves linked to the Newlands project to be designated to the Mersey Forest.

A proportion of designated reserves for Community Forest Trust were transferred to general unrestricted reserves during the financial year following a reassessment of reserves as a result of the City of Trees divestment.

Designated funds - charity

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2021 £	Balance at 1 April 2022 £	Transfers £	Balance at 30 June 2023 £
Land & Property fund	126,188	126,188	-	126,188
Salary fund	42,753	42,753	(42,753)	-
Reserves policy	169,500	169,500	(98,349)	71,151
Mersey Forest - Newlands	-	-	12,127	12,127
	<u>338,441</u>	<u>338,441</u>	<u>(128,975)</u>	<u>209,466</u>

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2023**

25 Designated funds - group

(continued)

Land & Property – the land that has been purchased out of grant monies has a corresponding designated fund. The total land purchased/valued comes to £126,188 so this is the same value in this designated fund. Unless more property is purchased, or existing land revalued this fund will not move in value.

Salary fund – a reserve to enable CFT as an employer to offer better terms of employment for example to give enhanced parental pay or sick pay over and above the statutory levels. To date 2 female employees from enhanced maternity pay.

Reserves policy – this is to fund 3 months of operational activities for CFT core services. This is held in case of unforeseen event occurring, CFT will have funding to run 3 months of operational activity and an orderly wind up.

MF Newlands – Historic reserves linked to the Newlands project to be designated to the Mersey Forest.

A proportion of designated reserves for Community Forest Trust were transferred to general unrestricted reserves during the financial year following a reassessment of reserves as a result of the City of Trees divestment.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE PERIOD ENDED 30 JUNE 2023

26 Analysis of Charitable Funds

The consolidated income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds				
	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 30 June 2023 £
Unrestricted fund	226,121	272,121	(75,470)	422,771	824,041	(1,041,436)	128,975	334,351
Designated fund	351,498	-	-	351,498	-	-	(128,975)	222,523
Restricted fund	1,838,345	7,526,946	(5,788,980)	3,576,311	8,982,404	(10,740,461)	-	1,818,254
	<u>2,415,964</u>	<u>7,799,067</u>	<u>(5,864,450)</u>	<u>4,350,580</u>	<u>9,806,445</u>	<u>(11,781,897)</u>	<u>-</u>	<u>2,375,128</u>

The transfer of funds this year between unrestricted and designated and funds relates to a transfer of Community Forest's designated reserves to unrestricted reserves.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE PERIOD ENDED 30 JUNE 2023

26 Analysis of Charitable Funds

(continued)

Restricted funds:

	Movement in funds			Movement in funds				
	Balance at 1 April 2021	Incoming resources	Resources expended	Balance at 1 April 2022	Incoming resources	Resources expended	Transfers	Balance at 30 June 2023
	£	£	£	£	£	£	£	£
CFT	674,001	209,523	(268,107)	615,417	2,682,235	(2,557,141)	-	740,511
City of Trees	762,552	4,244,743	(3,033,315)	1,973,980	3,317,279	(5,291,259)	-	-
Mersey Forest	254,156	1,719,451	(1,202,684)	770,923	2,637,075	(2,677,464)	-	730,534
Trees for Yorkshire	113,726	1,343,229	(1,284,018)	172,937	145,815	(166,709)	-	152,043
Cumbria Costa Forest	-	-	-	-	200,000	(47,888)	-	152,112
Subsidiary: Mersey Forest Foundation	33,910	10,000	(856)	43,054	-	-	-	43,054
	<u>1,838,345</u>	<u>7,526,946</u>	<u>(5,788,980)</u>	<u>3,576,311</u>	<u>8,982,404</u>	<u>(10,740,461)</u>	<u>-</u>	<u>1,818,254</u>

City of Trees - City of Trees is delivering a green recovery and tackling the climate emergency head on, through planting trees and restoring woodlands for the people and wildlife of Greater Manchester. At 30 June 2023, City of Trees divested. The resources expended figure includes the donation creditor balance to be transferred to City of Trees.

Mersey Forest – Growing and creating woodland across Cheshire and Mersey side and tackling climate emergency through woodland creation

Trees for Yorkshire - is the community forest for North and West Yorkshire, working in partnership with local authorities, landowners, businesses and communities to increase woodland across the region and improve our natural environment.

Cumbria Coastal Forest - Cumbria Community Coast Forest (CCCF) joined CFT in April 2023. The income stream for CCCF is from Trees for Climate capital and revenue.

CFT - Deliver core services to support and enable to community forests, CFT administers the Northern Forest, One Trees Planted and Northern Gas Network

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE PERIOD ENDED 30 JUNE 2023

27 Analysis of Charitable Funds (Charity)

The consolidated income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds				
	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 30 June 2023 £
Unrestricted fund	198,400	268,189	(67,552)	399,037	780,197	(1,035,696)	128,975	272,513
Designated fund	338,441	-	-	338,441	-	-	(128,975)	209,466
Restricted fund	1,804,435	7,516,946	(5,788,124)	3,533,257	8,982,405	(10,740,461)	-	1,775,201
	<u>2,341,276</u>	<u>7,785,135</u>	<u>(5,855,676)</u>	<u>4,270,735</u>	<u>9,762,602</u>	<u>(11,776,157)</u>	<u>-</u>	<u>2,257,180</u>

The transfer of funds this year between unrestricted and designated and funds relates to a transfer of Community Forest's designated reserves to unrestricted reserves.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE PERIOD ENDED 30 JUNE 2023

27 Analysis of Charitable Funds (Charity)

(continued)

Restricted funds:

	Movement in funds			Movement in funds			Transfers	Balance at 30 June 2023
	Balance at 1 April 2021	Incoming resources	Resources expended	Balance at 1 April 2022	Incoming resources	Resources expended		
	£	£	£	£	£	£	£	
CFT	674,000	209,523	(268,107)	615,416	2,682,235	(2,557,141)	-	740,510
City of Trees	762,552	4,244,743	(3,033,315)	1,973,980	3,317,279	(5,291,259)	-	-
Mersey Forest	254,156	1,719,451	(1,202,684)	770,923	2,637,076	(2,677,464)	-	730,535
Trees for Yorkshire	113,727	1,343,229	(1,284,018)	172,938	145,815	(166,709)	-	152,044
Cumbria Costal Forest	-	-	-	-	200,000	(47,888)	-	152,112
	<u>1,804,435</u>	<u>7,516,946</u>	<u>(5,788,124)</u>	<u>3,533,257</u>	<u>8,982,405</u>	<u>(10,740,461)</u>	<u>-</u>	<u>1,775,201</u>

City of Trees - City of Trees is delivering a green recovery and tackling the climate emergency head on, through planting trees and restoring woodlands for the people and wildlife of Greater Manchester. The resources expended figure includes the donation creditor balance to be transferred to City of Trees.

Mersey Forest – Growing and creating woodland across Cheshire and Mersey side and tackling climate emergency through woodland creation

Trees for Yorkshire - is the community forest for North and West Yorkshire, working in partnership with local authorities, landowners, businesses and communities to increase woodland across the region and improve our natural environment.

Cumbria Costal Forest - Cumbria Community Coast Forest (CCCF) joined CFT in April 2023. The income stream for CCCF is from Trees for Climate capital and revenue.

CFT - Deliver core services to support and enable to community forests, CFT administers the Northern Forest, One Trees Planted and Northern Gas Network.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2023**

28 Related party transactions

Some of the trustees have been nominated by the organisations who created and/or fund the Charity. A significant number of transactions, particularly relating to funding, are therefore related party transactions. It is not practical to list these in the notes to the financial statements.

The Trustees did not receive remuneration during the financial period (2022: £Nil) and no expenses were paid to the Trustees during the financial year (2022: £Nil)

Key management, consisted of the 5 individuals (2022: 6 individuals) who worked the equivalent of 4.6 full time equivalent on the management of the Charity (2022: 3 FTE). The costs of the key personnel on the management of the Charity is paid during the period gross £239,359 (2022: £185,515).

The Charity has taken advantage of the exemption in Financial Reporting Standard 102 Paragraph 33.1A from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared.

City of Trees Divestment

At 30 June 2023, City of Trees divested.

The divestment is considered a discontinued operation as City of Trees is a charitable activity of the company.

The income and expenditure relating to City of Trees has been split into the discontinued operations - City of Trees divestment line in the statement of financial activities and split further in notes 4 to 7 of the financial statements.

At 30 June 2023, Community Forest Trust owes City of Trees £2,543,458 for its share of restricted and unrestricted reserves.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE PERIOD ENDED 30 JUNE 2023

29 Analysis of net assets between funds - group

	Unrestricted funds 2023 £	Designated funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 30 June 2023 are represented by:								
Tangible assets	-	143,412	-	143,412	8,730	139,245	-	147,975
Investments	-	-	-	-	200,000	-	-	200,000
Current assets/(liabilities)	334,351	79,111	1,818,254	2,231,716	214,041	212,253	3,576,311	4,002,605
	<u>334,351</u>	<u>222,523</u>	<u>1,818,254</u>	<u>2,375,128</u>	<u>422,771</u>	<u>351,498</u>	<u>3,576,311</u>	<u>4,350,580</u>

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2023

30 Operating lease commitments - group & charity

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	5,142	20,503
Between two and five years	1,463	21,562
	<u>6,605</u>	<u>42,065</u>

31 Prior year restatement

The prior year figures have been re-stated to include recognition of accrued income and expenditure of £401,831 in respect of Mersey Forest grants. The adjustment increases both income and expenditure in the Statement of Financial Activities by £401,831 resulting in a Nil effect on the surplus for the year.

The Balance sheet has also been restated in order to recognise the accrued income debtor balance of £401,831 as well as the accrual for expenditure within creditors for the same amount.

32 Cash generated from operations

	2023	2022
	£	£
(Deficit)/surplus for the period	(1,975,452)	1,934,616
Adjustments for:		
Investment income recognised in statement of financial activities	(41,359)	(6,254)
Depreciation and impairment of tangible fixed assets	5,185	4,272
Movements in working capital:		
(Increase) in debtors	(62,529)	(1,833,411)
Increase in creditors	3,682,451	1,485,387
(Decrease)/increase in deferred income	(135,710)	2,039,873
Cash generated from operations	<u>1,472,586</u>	<u>3,624,483</u>

COMMUNITY FOREST TRUST

England & Wales - Charity number 1072706

Accounts

Charity Registration No. 1072706

Company Registration No. 03598556 (England and Wales)

COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
LEGAL AND ADMINISTRATIVE INFORMATION**

Trustees	Mrs Alison Ball Mrs Alison Gilbody Ms Victoria Merton Ms Karen Hands Mr William Baldwin-Cantello Mrs Christine Burt Prof David Shaw Prof Alan Simson Mr Benjamin Williams Ms Debbie Beaven	(Appointed 20 January 2022)
Secretary	Mr Sarfraz Ali	
Charity number	1072706	
Company number	03598556	
Registered office	6 Kansas Avenue Salford Greater Manchester M50 2GL	
Auditor	BWM Suite 5.1 12 Tithebarn Street Liverpool L2 2DT	
Bankers	Triodos Bank Deanery Road Bristol BS1 5AS	
	The Co-operative Bank Olympic House Delf House Skelmersdale WN8 6WT	
	Flagstone Investment Management 1st Floor Clareville House 26-27 Oxenden Street London SW1Y 4EL	

COMMUNITY FOREST TRUST COMPANY LIMITED BY GUARANTEE CONTENTS

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Charity balance sheet	17
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COMMUNITY FOREST TRUST COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

The trustees of Community Forest Trust, who are also directors of the Company, present their annual report and accounts for the year ended 31st March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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) (effective 1 January 2019)".

Chair's Report

I am pleased to act as the Chair and can report as follows in the usual format of reporting the activity and achievements under each objective.

Objectives and activities

OBJECTIVE - Support Community Forests and local forestry initiatives where Community Forest Trust (CFT) can add value through facilitating best practice

Creating and Managing Land: Planting and managing areas of woodland is a major part of the Forests' work. During the last two decades, we have created many new woodlands in partnership with local people for them to use and enjoy.

Defra Trees for Learning: The Mersey Forest team has project managed a £350K four-year national programme of tree planting projects with primary schools across the Community Forests. In total over 164,000 trees were planted across the country. In our fourth year of planting within The Mersey Forest, 5,577 trees were planted with 38 schools,

Biodiversity: The ongoing Urmston Meadows Water Vole Project aims to improve biodiversity. This forms part of the commitment to work with Trafford Council to improve their Trafford Countryside sites.

Natural Course: Community Forest Trust has continued work on a three-year LIFE+ project: across The Mersey Forest and City of Trees areas. The project focuses on the use of Urban Catchment Forestry to deliver integrated water management solutions and multiple ecosystem services in urban areas. A series of case studies for Crompton Moor, Smithills, Rochdale and New Mills are included on the Natural Course website.

Six leaky dams were installed in the Old Brook water course on Crompton Moor to slow the flow of water to help reduce flood risk down catchment. BBC's Countryfile programme covered the installation of one of the leaky dams and interviewed team members from City of Trees and partner organisations.

City of Trees has delivered a SuDS (Sustainable Drainage System) project on Dales Brow in Swinton, Salford that is taking surface water runoff from a road and diverting it into a newly formed swale on an adjacent green space. This project is demonstrating how SuDS can be used to reduce the pressure on a combined sewer to help reduce the potential for spills into a nearby water course. Students from the University of Salford will be monitoring water into and out of the swale along with water quality. The project has also created a fantastic new wetland habitat which is being monitored by Salford Council to identify any new species that are coming into the site.

Green Streets: A street tree planting project was delivered on Hilton Street in Manchester City Centre where recycled soils from a local street cleaning company were trialed. The recycled soil specification was produced by Dr David Hackett the Chair of the British Standards Institution AW02 Soils. The trees have responded well in their first growing season.

Planting and species location plans were agreed with the University of Manchester for the third and final year of a semi mature tree planting project. Due to COVID restrictions and lock down, the physical planting was postponed until June 21.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Urban Tree Challenge Fund: £2.2M from The Urban Tree Challenge Fund was secured to plant large urban trees across Merseyside and North Cheshire within The Mersey Forest over a 2 year period. Despite a late approval and challenges arising from the Covid-19 crisis, partners managed to deliver over 1,100 standard trees across St. Helens, Knowsley, Liverpool, and Sefton in time for the Year 1 claim. A further 4,400 trees remain to be planted next year. In year 2 of the Urban Tree Challenge 890 standard trees were planted in Greater Manchester

Urban GreenUP: This five-year €10 million Horizon 2020 European funded project started in June 2017. The Mersey Forest team is working with colleagues at Liverpool City Council and the University of Liverpool to deliver a £3.4 million programme of interventions in the city. During 2019/20 a number of 'Nature Based Solutions' have been installed across the city. These have included 150 large street trees along the Strand with sustainable urban drainage systems, a pollinator roof at the Royal Court Theatre and a number of appearances of the PopUp Forest. The year-long baseline environmental monitoring has concluded, and results are being analysed. The environmental monitoring will continue until the end of the programme in 2022.

IGNITION

City of Trees is one of 12 partners in the IGNITION project. The aim of IGNITION is to identify and develop new funding mechanisms, with a particular focus on private sector involvement, to support SuDS and other Green Infrastructure. Another big focus of IGNITION is to engage with communities to highlight the importance of GI especially from a climate change resilience perspective and to spread the message further by encouraging citizens to cascade this information to family, friends and work colleagues. IGNITION will come to an end in May 2022.

Trafford Countryside Management Partnership: involves a wide range of organisations in resourcing, managing, and using Trafford's Countryside, as well as supporting volunteer days on the 250 ha of land the partnership is looking after. City of Trees secured additional funding for site improvements, including a Veolia Landfill Tax funded project at Wellacre. This will involve path, signage and waymarking improvements as well as habitat enhancement works such as woodland wildflower planting.

Community Forest and Woodland Outreach: 'Forest Schools in the Mersey Forest' is a project funded by the Department of Education and The Department for Environment, Food and Rural Affairs (Defra) via Natural England. This involves working with 28 schools across the forest to improve school grounds, inspire and empower teachers to deliver a supported programme of Forest School Activities. New Forest School sites have been created and the delivery of Forest School sessions commenced in early February 2020 until Covid-19 placed the programme on hold at the end of March 2020.

Green Infrastructure Audits: The Mersey Forest Team has undertaken green infrastructure and green space audits for a number of local authorities in the North West.

The GM Tree and Woodland Strategy: All our Trees, continues to generate interest from a wide spectrum of public, private, third sector and academic partners. In particular, the mapping tool hosted on Mapping GM, has proven to be of real value in helping to identify where future resources should be focused to maximize the range of ecosystem service benefits that trees can provide to address particular needs.

Natural Health Service: Over the last seven years the Mersey Forest team has been developing the Natural Health Service. Close working with both Liverpool universities continues to provide independent and robust assessment of the impacts of the work, enabling improvements and adding to the evidence base to demonstrate efficacy of this approach. Nature4Health, a Lottery funded programme commenced in June 2019 and lasts for two years with programmes of activity taking place in the Baltic Triangle in Liverpool, Calderstones Park and Toxteth. In Cheshire West, the programme has continued with over 3,000 participants being involved to date, using nature to reduce health inequalities. In November 2019, the Natural Health Service won a national award.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Citizen Forester: During the year 2020-21, most of our Citizen Forester events have had to be put on hold whilst the country was in national lockdown. We are looking to restart our full Citizen Forester programme as soon as government guidelines allow. We have been able to run a limited number of sessions for groups such as those working with vulnerable adults and schools in accordance with the guidelines. Dementia Friendly walks continued at The Smithills Estate (9 walks in total) and funding was secured from GMCVO that enabled activities and walks to recommence at Whitworth Park (4 events in total). An additional walk was held in partnership with Salford NHS CCG. A small number of Citizen Forester sessions were also continued with the group established last year in Wythenshawe with six events taking place at Sandilands Wood. Successful funding bids to continue Citizen Forester work included grants from Veolia, Green Recovery Challenge Fund and GMCVO.

Walking with the Wounded

City of Trees developed a new partnership with Walking with the Wounded, a charity that helps injured former British Armed Forces servicemen and women in their career transition from the military to civilian life. Opportunities were identified for engaging 8 veterans in paid work, helping them to develop new urban forestry related skills and regaining the confidence to get back into employment.

Heritage & Landscape

Woodland Futures: City of Trees are working on a Heritage Fund project to bring a number of woods in Wythenshawe, south Manchester back into management. Due to Covid and lockdowns the project completion date for the project has been shifted forward and the public engagement sessions scaled down - by agreement with HF. Many of the public/volunteer sessions that were planned have had to be put on hold. Our work with HMP Styal has also had to be postponed as the prison has remained closed to outside visitors. Provision is being made to provide them with resources to run similar sessions using their own staff, if the closure continues. Some of the other project sessions have been run as virtual events but those in the woods have had to be postponed during the lockdowns. Staff have been able to get on site to help maintain some of the tree planting already done. To date, all of the rhododendron control has been completed which has made a big difference to Sandilands Wood. Footpath and entrance improvements have also made a difference at Ash Wood and Sandilands Wood. In the absence of real guided walks, virtual or self guided walks have been created with the Wythenshawe History Group.

Community orchards: City of Trees continues to support the development of community orchard networks across Greater Manchester.

OBJECTIVE - Be a national voice for community forestry and actively promote Community Forests and green infrastructure

England's Community Forests: The Community Forest Trust continued to support the ECF network of Community Forests, helping to grow the sector by working with new partners.

Trees for Climate: Since the announcement in the Spring 2020 Budget, Community Forest Trust has worked with CWAC and the community forests across England to prepare a business case for capital and revenue support to the sector to create 6000ha of new woodland by March 2025. The year 1 revenue request is £2.5m and the wider capital programme is expected to be circa £104m. In addition to supporting the existing 10 community forests, there is funding support to create three new community forests as well as the potential for an expanded Trees for Learning Programme and land acquisition funding.

In Year 1 of the program City of Trees created 120ha of new woodland planting over 104,000 trees. Planting sites were spread across all ten districts of Greater Manchester. Although CoT were unable to engage the public in planting these sites there are plans to involve local community's in the maintenance of these trees and over 30 planting events were held with schools inside their own school grounds in accordance with Covid-19 guidelines.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Northern Forest - one of the flagship 25 Year programmes: Community Forest Trust, in partnership with the Woodland Trust and the Northern Forest's community forests, is playing a key role in the development of the Northern Forest initiative. Community Forest Trust is the accountable body for the four community forest delivery roles and for a major portion of the government funding to facilitate planting and landowner engagement. Planting within The Mersey Forest during the 2019/20 season has delivered a wide and varied programme focusing on parks, farms and new community woodland sites, providing opportunities for volunteering and schools planting events. Over 25,000 trees were planted, exceeding the target, and a healthy pipeline of schemes will carry this programme strongly into the coming years. City of Trees delivered Northern Forest planting projects on over 50 sites during the 2021/2022 planting season, involving a range of community groups and schools across all 10 districts of Greater Manchester. New areas of woodland and community orchards were planted to achieve the target and over 25,000 trees were planted. Additional funding from DEFRA enabled City of Trees to develop 33 standard tree planting projects, comprising 500 standards, that will compliment and link the newly created woodlands.

Government Policy: Community Forest Trust continues to liaise with senior government officials regarding the Government's forestry policy.

The North West Forest Forum: Continues to bring together parties interested in developing North West England's forest sector.

The Carbon Landscape Partnership: City of Trees continues to deliver as part of this Heritage Fund 5- year funded multi-agency landscape partnership across Salford, Wigan and Warrington. Delivery includes a school package focused on the sustainability of local ex industrial landscapes and workshops with disabled young people to visit sites, exploring them through photography and creative writing.

OBJECTIVE - Seek sustainable funding arrangements through seizing opportunities to develop new partnerships as well as consolidating existing ones and be responsive to new opportunities

Funding: The forestry initiatives have become involved where appropriate in their respective Catchment Partnerships and Local Nature Partnerships. The Mersey Forest team provides the secretariat support for both Local Nature Partnerships within the Mersey Forest. Michelle Whalley project managed the Year of the Environment for Nature Connect in Liverpool City Region, and the Environment Summit held in November 2019.

City of Trees corporate partners: Unrestricted income has continued to grow. This includes income from a corporate membership scheme, the 100 Trees Club, as well commercial participator agreement with Stonewater Housing.

The National Trust: A new partnership has been developed with the National Trust to assist them with various tree planting, active travel, and tree planting to improve biodiversity across their estates in Greater Manchester. Planting went ahead at Quarry Bank Mill in the 20/21 planting season and schemes at other sites such as Lyme Park are in development for 21/22.

OBJECTIVE - Take a leading role in advancing debate, policy and practice in community forestry and green infrastructure in England

Supported by Trees for Climate, CFT and CWAC have commissioned Forest Research to prepare "The Community Forest Trust Handbook for Woodland Creation".

In Summary

Community Forest Trust continues to seek opportunities to support community forestry, and advocate for policy and resources to support the sector across England. This report provides an excellent overview of the work undertaken by the Trust, its staff and partners, to whom I and the Board are enormously grateful for all their efforts throughout the year.



**Alison Ball
Chair**

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Mission, Vision and Values

Mission

Our mission is to champion and support the work of community forestry organisations across England and communicate the wide range of benefits that trees and woods deliver.

Vision

Our vision is for a strong, resilient network of community forestry organisations across England that enhance the environment for both people and wildlife .

Values

- We are passionate about the power of trees to transform urban environments
- We aim to be innovative, share knowledge and collaborate to achieve best practice in the field of community forestry.
- We see community forestry as a way to achieve widespread, environmental, social and economic benefits
- We act as an advocate for community forests and aim to listen, be responsive and work in close partnership

During the year to March 2022 Community Forest Trust directly supported the delivery of The Mersey Forest, City of Trees (previously Red Rose Forest), White Rose Forest and HEYwoods. Community Forest Trust also promoted and advocated the benefits and opportunities for delivery on behalf of the sector to strengthen the case for future funding and resources aligned to the Government's 25-year Environment Plan.

Statement of Public Benefit

In meeting these objects, the Charity's public benefit aims to maintain, complete and apply for funding that supports projects as detailed above. The Charity has met its objectives by sticking to the guidelines of the grants applied for.

In setting out policy and planning these activities the trustees have given consideration to the Charity Commission's general guidance on public benefit.

The Charities Act identifies thirteen charitable purposes as being for the public benefit. Community Forest Trust meets the public benefit principles by focusing on three of those charitable purposes:

- the advancement of education;
- the advancement of health or the saving of lives; and
- the advancement of environmental protection or improvement.

Achievements and performance

Financial review

The current year of activity in the core funds stand at **£422,771** group (2021: £226,120) and **£399,038** charity (2021: £198,400), at the year end.

Investment Policies

The Charity has a policy of keeping any surplus funds in short term deposits, which can be accessed readily. This also spreads the banking risk as the guaranteed amount under FSCS remains at £85K per bank. An on-line cash investment platform assists the monitoring of these accounts with a view to achieving best interest rates for amounts held on deposit whilst at the same time ensuring cash flow requirements are met. Due to wider economic circumstances deposit rates continue to be depressed during the year to March 2022. The invested funds held on deposit achieved an average of 1% (2021: 1%)

COMMUNITY FOREST TRUST COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Reserves Policy and Going Concern

Reserves are considered to be that part of the Trust's funds which are freely available for its general purpose after it has met its commitments and covered its other planned expenditure. These unrestricted funds are needed to bridge the gap between the spending and receiving of income and to cover administrative, fundraising and support costs without which the Trust could not function. A designated fund is maintained as a reserve policy in the event of the organisation closing down. This fund would allow a professional and orderly close down if that contingency was ever to be realised. The reserve fund remains at **£169,500** (2021: £169,500).

The level of unrestricted funds is monitored and reviewed by the Trustees during the year. The Trustees consider a financial projection prior to reviewing financial reserve levels for the following year and the preparation and approval of an annual budget. Financial forecasts are updated for each Board meeting, held quarterly. In the year to 31 March 2022 the Trust continued to address the need to develop reserves and its available funds were retained in its current bank account, with a view to investing surplus cash in short term deposit accounts to maximise the return on income.

Since the year end there has been no unexpected expenditure and the viability of the Charity remains financially sound.

Plans for Future Periods

Our future activities are likely to include:

- Support to England's Community Forests and the Trees for Climate Programme
- Continued direct support to City of Trees, Mersey Forest, White Rose Forest and HEYwoods
- Development of the Northern Forest in partnership with the Woodland Trust
- Continued work with the Local Nature Partnerships and the Catchment Partnerships
- Further development and delivery of urban catchment forestry
- Development of the Natural Health Service
- Continuation of work to secure sustainable funding streams
- Further partnership working with the forestry initiatives and with new partners
- Improving the quality of CFT's online presence and communications
- The continued advocacy for urban and community forestry at a national level

Mersey forest foundation received a grant of £1.94 million in January 2022, which is to be used over the next 32 years. This is for biodiversity and infrastructure contribution. Priority is to be given to planting within the Bold Forest Park Area and for Bold Forest Park Infrastructure Contribution. It shall be used for initiatives and projects to improve parks in the Bold Forest Park including but not limited to sites such as Clock Face Country Park, Maypole Farm, Griffin Wood and the links between them.

Structure, governance and management

The directors of the charitable company (the Charity) are its trustees for the purpose of charity law. The Trustees serving during the year and since the year end were as follows:

Mr M Boyett	(Resigned 27 September 2021)
Mr Richard Smith	(Resigned 14 December 2021)
Mrs Christine Beyga	(Resigned 22 November 2021)
Mrs Alison Ball	
Mrs Alison Gilbody	
Ms Victoria Merton	
Mr Richard Rogers	(Resigned 27 September 2021)
Ms Karen Hands	
Mr William Baldwin-Cantello	
Mrs Christine Burt	
Prof David Shaw	
Prof Alan Simson	
Mr Benjamin Williams	
Ms Debbie Beaven	(Appointed 20 January 2022)

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Ms Joanne Harrison
Mr Ibrahim Zavery

(Resigned 5 April 2022)
(Resigned 13 September 2021)

Key Personnel

Key management personnel, in addition to the Board, are as follows:

Company Secretary: Mr S Ali
Business & Finance Manager: Mr S Ali
Interim Chief Exec: Mr I Taylor (to December 2021)
Interim Chief Exec: Mr C Vivian (from March 2022)

Structure and Governing Documents

Community Forest Trust is a company limited by guarantee governed by its Memorandum and Articles of Association dated July 1998, amended 22nd May 2013 and was incorporated on 15th July 1998. It was registered as a charity with the Charity Commission on 2nd December 1998.

Community Forest Trust's members are the trustees and the liability of the members is limited and each member agrees to pay £1 in the event that the Charity is dissolved.

Organisational Structure

Community Forest Trust is the holding company for several organisations:

The subsidiary trading company, Community Forest Trust (Trading) Limited was set up and incorporated on 29th October 2012 with an unpaid share capital allotted of £1. The holder of this share is Community Forest Trust. The Company number is 08272345. The trustees, who are also Directors for the purpose of company law who served during the year, and to date, are:

Mr P Nolan (Chair)

The primary objective of the subsidiary Community Forest Trust (Trading) Limited is to have unlimited capacity under section 31 of the Companies Act 2006. Notwithstanding the generality of this provision and for the avoidance of doubt the company's objects include carrying on business as a general commercial company to raise funds including donating with the benefit of gift aid any profits and carry out any other activities which may be considered to be for the benefit of the Charity. Community Forest Trust (Trading) Limited has remained dormant since its incorporation to date.

A second subsidiary organisation - Community Forest Land Trust was set up as a company limited by guarantee, incorporated on 29th October 2013 and was granted charitable status on 28th February 2014. Community Forest Trust is the sole member. The Company number is 08752839 and Charity number is 1155979. The trustees, who are also directors for the purpose of company law who served during the year, and to date, are:

Mr P Nolan (Chair)
Mr D McAleavy
Mr R Rogers
Prof D Shaw
Mr R Pearson (Appointed 14 October 2022)

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

The primary objective of the subsidiary charity Community Forest Land Trust as laid out in its Memorandum and Articles of Association is to promote for the benefit of the public generally any charitable purpose within the North West of England or elsewhere as the Trustees shall determine connected with the enhancement and improvement, maintenance and protection of the environment and landscape. Community Forest Land Trust Limited commenced financial activities in March 2014.

A third subsidiary organisation - Mersey Forest Foundation was set up as a company limited by guarantee, incorporated on 30th July 2014 and was granted charitable status on 9th March 2015. Community Forest Trust is the sole member. The Company number is 09153749 and the Charity number is 1160790. The trustees, who are also directors for the purpose of company law who served during the year, and to date, are:

Mr P Nolan (Chair)
Mr D McAleavy
Mr R Rogers
Prof D Shaw
Mr R Pearson (Appointed 14 October 2022)

The primary objective of the subsidiary charity Mersey Forest Trust Limited as laid out in its Memorandum and Articles of Association is to promote for the benefit of the public generally any charitable purpose within the North West of England or elsewhere as the Trustees shall determine connected with the enhancement and improvement, maintenance and protection of the environment and landscape. Mersey Forest Foundation commenced financial activities in July 2014.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Appointment of Trustees

The current trustees were appointed (and may be removed) by the Board of Community Forest Trust. There should be a minimum of five trustees and are recruited to ensure that the board of trustees has the requisite range of experience and skills to effectively manage the Trust. Induction processes include sitting on the Board for 2 meetings prior to being appointed by a majority vote. Documents are circulated to prospective trustees and their input is valued. Training is offered where required.

Organisation

The board of trustees administers the Charity and meets quarterly. Information is prepared and presented by the interim chief executive, forest director, finance manager, and several project development officers. A precis of the reports from Mersey Forest Foundation and Community Forest Land Trust are presented to the quarterly board meetings of Community Forest Trust.

Related parties and co-operation with other organisations.

Risk Management

The monitoring and management of risk is a dynamic process and the Charity faces some level of risk in the activities, events and contracts that it engages in.

The trustees have a risk management strategy which comprises:

- ongoing review of the principal risks and uncertainties that the Charity may face.
- the establishment of policies, systems and procedures to mitigate those risks identified in the annual review; and
- the implementation of procedures designed to minimise or manage any potential impact the Charity should those risks materialise.

Governance risks - eg inappropriate organisational structure, difficulties recruiting trustees with relevant skills, conflict of interest.

Financial risks - eg accuracy and timeliness of financial information, adequacy of reserves and cash flow, diversity of income sources.

External risks - eg public perception and adverse publicity, demographic changes, government policy.

Compliance with law and regulation - eg breach of trust law and regulatory requirements of particular activities such as fund-raising.

The Charity's review of its risk management will continue to help ensure:

- the Charity's aims are achieved more effectively;
- significant risks are known and monitored enabling trustees to make a more effective contribution;
- and there is improved forward planning.

Auditor

BWM have agreed to offer themselves for reappointment as auditors of the Charity.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

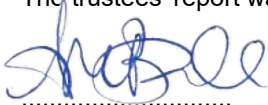
Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

Small Companies Provisions

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

The trustees' report was approved by the Board of Trustees.



.....
Mrs Alison Ball

Chair

Dated: 27/01/2023

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2022**

The trustees, who are also the directors of Community Forest Trust for the purpose of company law, are responsible for preparing the Trustees' 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

COMMUNITY FOREST TRUST COMPANY LIMITED BY GUARANTEE INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF COMMUNITY FOREST TRUST

Opinion

We have audited the financial statements of Community Forest Trust (the 'charity') and its subsidiaries for the year ended 31 March 2022 which comprise the consolidated statement of financial activities, the consolidated and parent balance sheet, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and charitable company's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group of charity's 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 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 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 our audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

COMMUNITY FOREST TRUST COMPANY LIMITED BY GUARANTEE INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF COMMUNITY FOREST TRUST

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF COMMUNITY FOREST TRUST**

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Louise Casey ACA (Senior Statutory Auditor)
for and on behalf of BWM**

27/01/2023
.....

**Chartered Accountants
Statutory Auditor**

Suite 5.1
12 Tithebarn Street
Liverpool
L2 2DT

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING THE CONSOLIDATED INCOME AND EXPENDITURE
ACCOUNT**

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds general 2022 £	Unrestricted funds - designated 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds general 2021 £	Unrestricted funds - designated 2021 £	Restricted funds 2021 £	Total 2021 £
Income from:									
Donations and legacies	4	175,776	-	10,000	185,776	9,181	-	88,377	97,558
Charitable activities	5	90,090	-	7,115,115	7,205,205	216	-	3,034,143	3,034,359
Investments	6	6,255	-	-	6,255	11,192	-	-	11,192
Total income		272,121	-	7,125,115	7,397,236	20,589	-	3,122,520	3,143,109
Expenditure on:									
Charitable activities	7	75,471	-	5,387,149	5,462,620	132,327	-	2,682,620	2,814,947
Net incoming resources before transfers		196,650	-	1,737,966	1,934,616	(111,738)	-	439,900	328,162
Gross transfers between funds		-	-	-	-	111,207	46,506	(157,713)	-
Net income for the year/ Net movement in funds		196,650	-	1,737,966	1,934,616	(531)	46,506	282,187	328,162
Fund balances at 1 April 2021		226,121	351,498	1,838,345	2,415,964	226,651	304,993	1,556,158	2,087,802
Fund balances at 31 March 2022		422,771	351,498	3,576,311	4,350,580	226,120	351,499	1,838,345	2,415,964

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
CONSOLIDATED BALANCE SHEET**

AS AT 31 MARCH 2022

	Notes	2022		2021 as restated	
		£	£	£	£
Fixed assets					
Tangible assets	12		147,975		151,171
Investments	14		200,000		200,000
			<u>347,975</u>		<u>351,171</u>
Current assets					
Debtors	18	2,471,608		638,195	
Investments	20	375,000		560,000	
Cash at bank and in hand		5,360,375		1,545,716	
			<u>8,206,983</u>		<u>2,743,911</u>
Creditors: amounts falling due within one year	21	<u>(4,204,378)</u>		<u>(679,118)</u>	
Net current assets			<u>4,002,605</u>		<u>2,064,793</u>
Total assets less current liabilities			<u><u>4,350,580</u></u>		<u><u>2,415,964</u></u>
Income funds					
Restricted funds	25		3,576,311		1,838,345
Unrestricted funds - designated			351,498		351,499
Unrestricted funds - general			422,771		226,120
			<u>4,350,580</u>		<u>2,415,964</u>

The financial statements were approved by the Trustees on 27/01/2023.....



.....
Mrs Alison Ball
Trustee

Company Registration No. 03598556

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
CHARITY BALANCE SHEET**

AS AT 31 MARCH 2022

	Notes	2022		2021 as restated	
		£	£	£	£
Fixed assets					
Tangible assets	13		134,918		138,114
Investments	17		200,001		200,001
			<u>334,919</u>		<u>338,115</u>
Current assets					
Debtors	19	2,470,481		608,103	
Investments	20	375,000		560,000	
Cash at bank and in hand		3,345,601		1,475,737	
			<u>6,191,082</u>	<u>2,643,840</u>	
Creditors: amounts falling due within one year	22	(2,255,266)		(640,679)	
Net current assets			<u>3,935,816</u>		<u>2,003,161</u>
Total assets less current liabilities			<u>4,270,735</u>		<u>2,341,276</u>
Income funds	26				
Restricted funds			3,533,257		1,804,436
Unrestricted funds - designated			338,440		338,440
Unrestricted funds - general			399,038		198,400
			<u>4,270,735</u>		<u>2,341,276</u>

The financial statements were approved by the Trustees on 27/01/2023.....



.....
Mrs Alison Ball
Trustee

Company Registration No. 03598556

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022		2021	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	30		3,624,483		634,222
Investing activities					
Purchase of tangible fixed assets		(1,076)		-	
Investment income received		6,252		11,192	
Net cash generated from investing activities			5,176		11,192
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			3,629,659		645,414
Cash and cash equivalents at beginning of year			2,305,716		1,660,302
Cash and cash equivalents at end of year			5,935,375		2,305,716
Relating to:					
Cash at bank and in hand			5,360,375		1,545,716
Short term deposits included in current asset investments			375,000		560,000
Long term deposits included in fixed asset investments			200,000		200,000

COMMUNITY FOREST TRUST COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity information

Community Forest Trust is an incorporated company limited by guarantee incorporated in England and Wales. The registered office is 6 Kansas Avenue, Salford, M50 2GL.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

1 Accounting policies

(continued)

Donated Services and Facilities

Donated professional services and donated facilities are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Deferred income

Income from donations and grants, including capital grants, and contract income is included in income when these are receivable except when the donor specifies that donations and grants given to the Charity must be used in future accounting periods, the income is deferred until these periods.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

1.5 Expenditure

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 as expenditure on charitable activities including grants payable and other administration costs to further the purposes of the Charity.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Not depreciated
Fixtures and fittings	10% - 25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are measured at transaction price excluding transaction costs.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Debtors

Debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid at the end of the year.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

1 Accounting policies

(continued)

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Taxation

Taxation and VAT

Community Forest Trust, Community Forest Land Trust and Mersey Forest Foundation are recognised as charities by HM Revenue & Customs and accordingly are potentially exempt from taxation in respect of income or gains applied exclusively to charitable purposes.

Community Forest Trust is registered for VAT and can reclaim input VAT only where the expenditure is purchases out of taxable income. The subsidiaries are not VAT registered. All irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Corporation Tax

As a registered charity, the Company benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income or gains falling within those exemptions.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

1 Accounting policies (continued)

1.13 Creditors

Creditors and accruals are recognised where the Charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

1.14 Pension costs

The company operates a defined contribution scheme for all eligible employees. The pension costs charged represent the contributions payable. Differences between contributions payable in the year end contributions paid are shown as either accruals or prepayments in the balance sheet.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.16 Group Financial Statements

The financial statements consolidate the results of the Charity and its subsidiaries on a line by line basis. A separate Statement of Financial Activities, and income and expenditure account, for the Charity itself are not presented because the Charity had taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

1.17 Fund Accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity. Designated funds are unrestricted funds of the Charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Charity's work.

1.18 Prior year restatement

The prior year restatement was made following a reassessment of monies held on deposit with financial institutions. Any monies on deposit with a maturity of greater than three months are treated as current investments and any with a maturity greater than 12 months are treated as non current investments.

2 Critical accounting estimates and judgements

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Legal Status

The Charity is a company limited by guarantee and has no share capital, In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

4 Donations and legacies

	Unrestricted funds general 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds general 2021 £	Restricted funds 2021 £	Total 2021 £
Donations and gifts	175,776	10,000	185,776	9,181	88,377	97,558
Donations and gifts						
CFT Projects	-	-	-	-	44,550	44,550
City of Trees	-	-	-	-	43,587	43,587
Subsidiary: Mersey Forest Foundation	-	-	-	9,181	-	9,181
Mersey Forest	-	-	-	-	240	240
Stonewater	63,500	-	63,500	-	-	-
Karl Vella Group	-	10,000	10,000	-	-	-
Footasylum	40,375	-	40,375	-	-	-
Energy systems catapult	5,000	-	5,000	-	-	-
Pentland Brands	11,920	-	11,920	-	-	-
Other	54,981	-	54,981	-	-	-
	<u>175,776</u>	<u>10,000</u>	<u>185,776</u>	<u>9,181</u>	<u>88,377</u>	<u>97,558</u>

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

5 Charitable activities

	Charitable Activities 2022 £	Charitable Activities 2021 £
Other charitable income	27,289	-
Service contract income	62,801	-
CFT projects	209,523	138,521
City of Trees	2,692,896	825,209
DEFRA grants	2,933,822	1,487,181
Mersey Forest	982,635	438,817
Subsidiary - Mersey Forest Foundation	-	30,898
Subsidiary - CF Land Trust	-	216
Trees of Yorkshire	296,239	113,517
	<u>7,205,205</u>	<u>3,034,359</u>
Analysis by fund		
Unrestricted funds - general	90,090	216
Restricted funds	7,115,115	3,034,143
	<u>7,205,205</u>	<u>3,034,359</u>

6 Investments

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Interest receivable	6,255	11,192
	<u>6,255</u>	<u>11,192</u>

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

7 Charitable activities

	Charitable Activities 2022 £	Charitable Activities 2021 £
CFT projects	169,650	97,870
City of Trees	2,824,690	1,056,903
Mersey Forest	453,988	409,874
Mersey Forest Foundation project cost and grants payable	1,951	38,932
Other project costs	-	111,206
Community Forest Land Trust subcontractor and general costs	658	4,966
Trees of Yorkshire	155,356	111,249
	<u>3,606,293</u>	<u>1,831,000</u>
Grant funding of activities (see note 8)	1,782,608	867,302
Share of support costs (see note 9)	52,845	111,095
Share of governance costs (see note 9)	20,874	5,550
	<u>5,462,620</u>	<u>2,814,947</u>
Analysis by fund		
Unrestricted funds - general	75,471	132,327
Restricted funds	5,387,149	2,682,620
	<u>5,462,620</u>	<u>2,814,947</u>

8 Grants payable

	Charitable Activities 2022 £	Charitable Activities 2021 £
Grants to institutions:		
CFT Projects	98,457	319,118
City of Trees	208,625	338,615
Mersey Forest	346,865	183,245
Subsidiary: Mersey Forest Foundation	1,128,661	26,324
	<u>1,782,608</u>	<u>867,302</u>

-

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

9 Support costs

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Depreciation	4,272	-	4,272	4,382	-	4,382
Accommodation & Administration	48,573	-	48,573	106,713	-	106,713
Audit fees	-	5,500	5,500	-	2,544	2,544
Accountancy	-	15,374	15,374	-	3,006	3,006
	<u>52,845</u>	<u>20,874</u>	<u>73,719</u>	<u>111,095</u>	<u>5,550</u>	<u>116,645</u>
Analysed between Charitable activities	<u>52,845</u>	<u>20,874</u>	<u>73,719</u>	<u>111,095</u>	<u>5,550</u>	<u>116,645</u>

Support costs include the cost of premises, management, fundraising & marketing and governance. These costs are collectively called the support costs and have been allocated as shown above.

Support costs have been allocated as a proportion of the number of financial transactions recorded in the financial year. The exception to this is that support costs for the subsidiaries have been allocated in relation to the number of hours allocated to active projects.

Governance costs relate to the direct running of the Charity allowing the Charity to operate and generate the information required for public accountability.

10 Net movement in funds

	2022	2021
	£	£
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	5,500	5,500
Independent examiner's fees paid for work carried out in relation to subsidiaries	3,900	3,900
	<u>9,400</u>	<u>9,400</u>

11 Employees

The average monthly number of employees during the year was:

	2022	2021
	Number	Number
	37	29
	<u>37</u>	<u>29</u>

Employment costs

	2022	2021
	£	£
Wages and salaries	1,037,777	761,386
Social security costs	96,497	73,525
Other pension costs	64,028	52,940

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

11	Employees		(continued)
	Salford Council personnel	60,538	41,101
		<u>1,258,840</u>	<u>803,217</u>

There were no employees whose annual remuneration was £60,000 or more (2021: None).

12 Tangible fixed assets - group

	Freehold land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 April 2021	139,245	24,556	163,801
Additions	-	1,076	1,076
	<u>139,245</u>	<u>25,632</u>	<u>164,877</u>
At 31 March 2022	139,245	25,632	164,877
Depreciation and impairment			
At 1 April 2021	-	12,630	12,630
Depreciation charged in the year	-	4,272	4,272
	<u>-</u>	<u>16,902</u>	<u>16,902</u>
At 31 March 2022	-	16,902	16,902
Carrying amount			
At 31 March 2022	<u>139,245</u>	<u>8,730</u>	<u>147,975</u>
At 31 March 2021	<u>139,245</u>	<u>11,926</u>	<u>151,171</u>

Middlefield Farm was acquired in 2006 for £78,079 and was revalued by P Wilson & Co Chartered Surveyors on 31 March 2007 at £91,750. The land is now called Griffin Wood.

The land at Viridor Wood was acquired in 2000, for £350,367 and revalued by P W Smith BSc FRICS FAAV on 31 March 2000 at £1,250. The land at Horrocks Hill and Hurst Farm was acquired during 2002, for £317,642, and was revalued by P Wilson & Company on 31 March 2002 at £750 and £1,100 respectively. The land at Horrocks Hill is now called Horrocks Wood. Similarly, the land at Hurst Farm is now called Hurst Wood.

999-year leases were granted to the Minister of Agriculture Fisheries and Food (acting on behalf of Forest Enterprise) over each piece of land. The leases place onerous obligations on use, consistent with the aims and objectives of the Trust.

The land at Lightshaw Meadows was purchased for £109,927 and £1,351 for the costs of purchasing the access strip to the Meadow. The majority of this land has been leased to Lancashire Wildlife Trust on a 999-year lease so has been revalued accordingly to reflect the remaining land held by CFT at the year end (£31,338).

The land owned by the subsidiary Community Forest Land Trust, was purchased in June 2014 for £13,057 and remains at cost.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

13 Tangible fixed assets - charity

	Freehold land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 April 2021	126,188	24,556	150,744
Additions	-	1,076	1,076
At 31 March 2022	126,188	25,632	151,820
Depreciation and impairment			
At 1 April 2021	-	12,630	12,630
Depreciation charged in the year	-	4,272	4,272
At 31 March 2022	-	16,902	16,902
Carrying amount			
At 31 March 2022	126,188	8,730	134,918
At 31 March 2021	126,188	11,926	138,114

14 Fixed asset investments - group

	Long term deposits £
Cost or valuation	
At 1 April 2021 & 31 March 2022	200,000
Carrying amount	
At 31 March 2022	200,000
At 31 March 2021	200,000

17 Fixed asset investments - charity

	Other investments £	Long term deposits £	Total £
Cost or valuation			
At 1 April 2021 & 31 March 2022	1	200,000	200,001
Carrying amount			
At 31 March 2022	1	200,000	200,001
At 31 March 2021	1	200,000	200,001

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

17 Fixed asset investments - charity **(continued)**

	Notes	2022 £	2021 £
Other investments comprise:			
Investments in subsidiaries	16	1	1

16 Subsidiaries

Details of the charity's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Community Forest Land Trust	England & Wales	To promote and support the development of community forestry and green infrastructure	Company Limited by Guarantee	100.00	
Mersey Forest Foundation	England & Wales	To promote and support the Mersey Forest	Company Limited by Guarantee	100.00	
Community Forest Trust (Trading) Limited	England & Wales	Dormant	Ordinary £1	100.00	

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Community Forest Land Trust	(3,735)	22,940
Mersey Forest Foundation	8,892	56,906
Community Forest Trust (Trading) Limited	-	1

17 Financial instruments - group **2022**
£ **2021**
£

Carrying amount of financial assets		
Debt instruments measured at amortised cost	8,380,434	2,932,391
Carrying amount of financial liabilities		
Measured at amortised cost	1,779,008	327,312

18 Debtors - group **2022**
£ **2021**
£

Amounts falling due within one year:		
Trade debtors	2,012,288	264,951
Prepayments and accrued income	459,320	373,244
	2,471,608	638,195

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

19 Debtors - charity

	2022	2021
Amounts falling due within one year:	£	£
Trade debtors	2,012,195	264,860
Prepayments and accrued income	458,285	343,243
	<u>2,470,480</u>	<u>608,103</u>

20 Current asset investments

	2022	2021
	£	£
Unlisted investments	375,000	560,000
	<u>375,000</u>	<u>560,000</u>

21 Creditors: amounts falling due within one year - group

	2022	2021
	£	£
Other taxation and social security	62,019	28,328
Deferred income	2,363,351	323,478
Trade creditors	756,901	82,489
Other creditors	431	-
Accruals and deferred income	1,021,676	244,823
	<u>4,204,378</u>	<u>679,118</u>

22 Creditors: amounts falling due within one year - charity

	2022	2021
	£	£
Other taxation and social security	62,019	53,190
Deferred income	423,878	323,478
Trade creditors	756,901	31,303
Other creditors	431	-
Accruals	1,012,037	232,708
	<u>2,255,266</u>	<u>640,679</u>

23 Deferred income - group

Deferred income is included in the financial statements as follows:

	2022	2021
	£	£
Deferred income is included within:		
Current liabilities	2,363,351	323,478
	<u>2,363,351</u>	<u>323,478</u>

Movements in the year:

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

23 Deferred income - group	(continued)	
Deferred income at 1 April 2021	323,478	386,406
Released from previous periods	(7,064)	(160,005)
Resources deferred in the year	2,046,937	97,077
	<u>2,363,351</u>	<u>323,478</u>
Deferred income at 31 March 2022	<u>2,363,351</u>	<u>323,478</u>
Deferred income - charity		
	2022	2021
	£	£
Deferred income is included within:		
Current liabilities	423,878	323,478
	<u>423,878</u>	<u>323,478</u>
Movement in the year:		
Deferred income at 1 April 2021	323,478	386,406
Released from previous periods	(7,064)	(160,005)
Resources deferred in the year	107,464	97,077
	<u>423,878</u>	<u>323,478</u>
Deferred income at 31 March 2022	<u>423,878</u>	<u>323,478</u>

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

24 Designated funds - group

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2020 £	Transfers £	Balance at 1 April 2021 £	Balance at 31 March 2022 £
Land & Property fund	139,245	-	139,245	139,245
Salary fund	38,747	4,006	42,753	42,753
Reserves policy	127,000	42,500	169,500	169,500
	<u>304,992</u>	<u>46,506</u>	<u>351,498</u>	<u>351,498</u>

Land & Property – the land that has been purchased out of grant monies has a corresponding designated fund. The total land purchased/valued comes to £139,245 so this is the same value in this designated fund. Unless more property is purchased, or existing land revalued this fund will not move in value.

Salary fund – a reserve to enable CFT as an employer to offer better terms of employment for example to give enhanced parental pay or sick pay over and above the statutory levels. To date 2 female employees from enhanced maternity pay. This fund is increased each year as a percentage of the gross salaries for the year.

Reserves policy – a fund provided in case of a future close-down of the organisation. The fund should provide sufficient reserves to cover the potential liabilities of salary redundancies and associated costs of CFT employees based at the City of Trees offices. There is also a reserve for long term lease commitments.

Designated funds - charity

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2020 £	Transfers £	Balance at 1 April 2021 £	Balance at 31 March 2022 £
Land & Property fund	126,188	-	126,188	126,188
Salary fund	38,747	4,006	42,753	42,753
Reserves policy	127,000	42,500	169,500	169,500
	<u>291,935</u>	<u>46,506</u>	<u>338,441</u>	<u>338,441</u>

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

24 Designated funds - group

(continued)

Land & Property – the land that has been purchased out of grant monies has a corresponding designated fund. The total land purchased/valued comes to £126,188 so this is the same value in this designated fund. Unless more property is purchased, or existing land revalued this fund will not move in value.

Salary fund – a reserve to enable CFT as an employer to offer better terms of employment for example to give enhanced parental pay or sick pay over and above the statutory levels. To date 2 female employees from enhanced maternity pay. This fund is increased each year as a percentage of the gross salaries for the year.

Reserves policy – a fund provided in case of a future close-down of the organisation. The fund should provide sufficient reserves to cover the potential liabilities of salary redundancies and associated costs of CFT employees based at the City of Trees offices. There is also a reserve for long term lease commitments.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

25 Analysis of Charitable Funds

The consolidated income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds		Movement in funds		Movement in funds		Movement in funds	
	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 1 April 2021 £	Incoming resources £	Resources expended 31 March 2022 £	Balance at 31 March 2022 £
Unrestricted fund	226,651	20,589	(132,327)	111,207	226,120	272,121	(75,470)	422,771
Designated fund	304,993	-	-	46,506	351,498	-	-	351,498
Restricted fund	1,556,158	3,122,520	(2,682,620)	(157,713)	1,838,345	7,125,115	(5,387,149)	3,576,311
	2,087,802	3,143,109	(2,814,947)	-	2,415,964	7,397,236	(5,462,619)	4,350,580

Included in the designated funds above is the revalued amount of £13,671 of land and property. The transfer of funds in the prior year between unrestricted, designated and restricted funds reflect the release of funds on the completion of projects in line with the agreement of funders and trustees' intentions for the charitable company and designated balance requirements.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

25 Analysis of Charitable Funds	(continued)									
	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2022 £	Resources expended £
CFT	825,804	368,422	(527,619)	7,394	674,001	209,523	(268,107)		615,417	
City of Trees	401,046	1,993,533	(1,479,840)	(152,187)	762,552	4,244,743	(3,033,315)		1,973,980	
Mersey Forest	297,010	615,941	(645,875)	(12,920)	254,156	1,317,620	(800,853)		770,923	
Trees for Yorkshire	-	113,726	-	-	113,726	1,343,229	(1,284,018)		172,937	
Subsidiary: Mersey Forest Foundation	32,298	30,898	(29,286)		33,910	10,000	(856)		43,054	
	1,556,158	3,122,520	(2,682,620)	(157,713)	1,838,345	7,125,115	(5,387,149)		3,576,311	

City of Trees - City of Trees is delivering a green recovery and tackling the climate emergency head on, through planting trees and restoring woodlands for the people and wildlife of Greater Manchester

Mersey Forest – Growing and creating woodland across Cheshire and Mersey side and tackling climate emergency through woodland creation

Trees for Yorkshire - is the community forest for North and West Yorkshire, working in partnership with local authorities, landowners, businesses and communities to increase woodland across the region and improve our natural environment.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

26 Analysis of Charitable Funds (Charity)

The consolidated income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2020 £	Movement in funds		Transfers £	Balance at 1 April 2021 £	Movement in funds		Balance at 31 March 2022 £
		Incoming resources £	Resources expended £			Incoming resources £	Resources expended 31 March 2022 £	
Unrestricted fund	187,417	10,983	(111,206)	111,206	198,400	268,189	(67,552)	399,037
Designated fund	291,935	-	-	46,505	338,440	-	-	338,440
Restricted fund	1,523,860	3,091,618	(2,653,331)	(157,711)	1,804,436	7,115,115	(5,386,293)	3,533,258
	2,003,212	3,102,601	(2,764,537)	-	2,341,276	7,383,304	(5,453,845)	4,270,735

Included in the designated funds above is the revalued amount of £13,671 of land and property. The transfer of funds in the prior year between unrestricted, designated and restricted funds reflect the release of funds on the completion of projects in line with the agreement of funders and trustees' intentions for the charitable company and designated balance requirements.

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

26 Analysis of Charitable Funds (Charity)	(continued)									
Restricted funds:	Balance at 1 April 2020		Movement in funds				Movement in funds			
	£	£	Incoming resources	Resources expended	Transfers	Balance at 1 April 2021	Incoming resources	Resources expended	Resources expended 31 March 2022	Balance at 31 March 2022
	£	£	£	£	£	£	£	£	£	£
CFT	825,804	368,422	368,422	(527,619)	7,394	674,001	209,523	(268,107)	(268,107)	615,417
City of Trees	401,046	1,993,529	1,993,529	(1,479,837)	(152,185)	762,553	4,244,743	(3,033,315)	(3,033,315)	1,973,981
Mersey Forest	297,010	615,941	615,941	(645,875)	(12,920)	254,156	1,317,620	(800,853)	(800,853)	770,923
Trees for Yorkshire	-	113,726	113,726	-	-	113,726	1,343,229	(1,284,018)	(1,284,018)	172,937
CFLT	1,523,860	3,091,618	3,091,618	(2,653,331)	(157,711)	1,804,436	7,115,115	(5,386,293)	(5,386,293)	3,533,258

City of Trees - City of Trees is delivering a green recovery and tackling the climate emergency head on, through planting trees and restoring woodlands for the people and wildlife of Greater Manchester

Mersey Forest – Growing and creating woodland across Cheshire and Mersey side and tackling climate emergency through woodland creation

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**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

27 Analysis of net assets between funds - group	Unrestricted funds		Designated funds		Restricted funds		Total		Unrestricted funds		Designated funds		Restricted funds		Total	
	2022	£	2022	£	2022	£	2022	£	2021	£	2021	£	2021	£	2021	£
Fund balances at 31 March 2022 are represented by:																
Tangible assets	8,730		139,245		-		147,975		11,926		139,245		-		151,171	
Investments	200,000		-		-		200,000		200,000		-		-		200,000	
Current assets/(liabilities)	214,041		212,253		3,576,311		4,002,605		14,194		212,254		1,838,345		2,064,793	
	422,771		351,498		3,576,311		4,350,580		226,120		351,499		1,838,345		2,415,964	

**COMMUNITY FOREST TRUST
COMPANY LIMITED BY GUARANTEE**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

28 Related party transactions

Some of the trustees have been nominated by the organisations who created and/or fund the Charity. A significant number of transactions, particularly relating to funding, are therefore related party transactions. It is not practical to list these in the notes to the financial statements.

In the current year, Community Forest Trust employed a site inspector for the Community Forest Land Trust and recharged is as a subcontracted cost for £Nil (2021: £1,054).

Key management, consisted of the 6 individuals (2021: 2 individuals) who worked the equivalent of 3 full time equivalent on the management of the Charity (2021: 0.75 FTE). The costs of the key personnel on the management of the Charity is gross £185,515 (2021: £24,857).

The Charity has taken advantage of the exemption in Financial Reporting Standard 102 Paragraph 33.1A from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared.

29 Operating lease commitments - group & charity

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	20,503	23,885
Between two and five years	21,562	91,965
	<u>42,065</u>	<u>115,850</u>

30 Cash generated from operations

	2022	2021
	£	£
Surplus for the year	1,934,616	328,162
Adjustments for:		
Investment income recognised in statement of financial activities	(6,254)	(11,192)
Depreciation and impairment of tangible fixed assets	4,272	4,381
Movements in working capital:		
(Increase)/decrease in debtors	(1,833,411)	377,231
Increase/(decrease) in creditors	1,485,387	(64,360)
Increase in deferred income	2,039,873	-
Cash generated from operations	<u><u>3,624,483</u></u>	<u><u>634,222</u></u>

COMMUNITY FOREST TRUST

England & Wales - Charity number 1072706

Accounts

Charity Registration No. 1072706

Company Registration No. 03598556 (England and Wales)

COMMUNITY FOREST TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

COMMUNITY FOREST TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr M Boyett	
Mr Richard Smith	(Appointed 4 December 2020)
Mrs Christine Beyga	
Mrs Alison Ball	(Appointed 4 December 2020)
Mrs Alison Gilbody	(Appointed 4 December 2020)
Ms Victoria Merton	
Mr Richard Rogers	
Ms Karen Hands	(Appointed 4 December 2020)
Mr William Baldwin-Cantello	(Appointed 21 December 2020)
Mrs Christine Burt	(Appointed 4 December 2020)
Ms Joanne Harrison	
Prof David Shaw	
Prof Alan Simson	
Mr Benjamin Williams	(Appointed 4 December 2020)

Secretary

Charity number

1072706

Company number

03598556

Registered office

6 Kansas Avenue
Salford
Greater Manchester
M50 2GL

Auditor

BWM
Suite 5.1
12 Tithebarn Street
Liverpool
L2 2DT

Bankers

Triodos Bank
Deanery Road
Bristol
BS1 5AS

The Co-operative Bank
Olympic House
Delf House
Skelmersdale
WN8 6WT

COMMUNITY FOREST TRUST

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COMMUNITY FOREST TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

The trustees of Community Forest Trust, who are also directors of the Company, present their annual report and accounts for the year ended 31st March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note one to the financial statements and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2016 and "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)" (as amended for accounting periods commencing from 1 January 2016).

Chair's Report

I am pleased to act as the Chair and can report as follows in the usual format of reporting the activity and achievements under each objective.

Objectives and activities

OBJECTIVE - Support Community Forests and local forestry initiatives where Community Forest Trust (CFT) can add value through facilitating best practice

Creating and Managing Land: Planting and managing areas of woodland is a major part of the Forests' work. During the last two decades, we have created many new woodlands in partnership with local people for them to use and enjoy.

Defra Trees for Learning: The Mersey Forest team has project managed a £350K four-year national programme of tree planting projects with primary schools across the Community Forests. In total over 164,000 trees were planted across the country. In our fourth year of planting within The Mersey Forest, 5,577 trees were planted with 38 schools,

Biodiversity: The ongoing Urmston Meadows Water Vole Project aims to improve biodiversity. This forms part of the commitment to work with Trafford Council to improve their Trafford Countryside sites.

Natural Course: Community Forest Trust has continued work on a three-year LIFE+ project: across The Mersey Forest and City of Trees areas. The project focuses on the use of Urban Catchment Forestry to deliver integrated water management solutions and multiple ecosystem services in urban areas. A series of case studies for Crompton Moor, Smithills, Rochdale and New Mills are included on the Natural Course website.

Six leaky dams were installed in the Old Brook water course on Crompton Moor to slow the flow of water to help reduce flood risk down catchment. BBC's Countryfile programme covered the installation of one of the leaky dams and interviewed team members from City of Trees and partner organisations.

City of Trees has delivered a SuDS (Sustainable Drainage System) project on Dales Brow in Swinton, Salford that is taking surface water runoff from a road and diverting it into a newly formed swale on an adjacent green space. This project is demonstrating how SuDS can be used to reduce the pressure on a combined sewer to help reduce the potential for spills into a nearby water course. Students from the University of Salford will be monitoring water into and out of the swale along with water quality. The project has also created a fantastic new wetland habitat which is being monitored by Salford Council to identify any new species that are coming into the site.

Green Streets: A street tree planting project was delivered on Hilton Street in Manchester City Centre where recycled soils from a local street cleaning company were trialed. The recycled soil specification was produced by Dr David Hackett the Chair of the British Standards Institution AW02 Soils. The trees have responded well in their first growing season.

Planting and species location plans were agreed with the University of Manchester for the third and final year of a semi mature tree planting project. Due to COVID restrictions and lock down, the physical planting was postponed until June 21.

COMMUNITY FOREST TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Urban Tree Challenge Fund: £2.2M from The Urban Tree Challenge Fund was secured to plant large urban trees across Merseyside and North Cheshire within The Mersey Forest over a 2 year period. Despite a late approval and challenges arising from the Covid-19 crisis, partners managed to deliver over 1,100 standard trees across St. Helens, Knowsley, Liverpool, and Sefton in time for the Year 1 claim. A further 4,400 trees remain to be planted next year. In year 2 of the Urban Tree Challenge 890 standard trees were planted in Greater Manchester

Urban GreenUP: This five-year €10 million Horizon 2020 European funded project started in June 2017. The Mersey Forest team is working with colleagues at Liverpool City Council and the University of Liverpool to deliver a £3.4 million programme of interventions in the city. During 2019/20 a number of 'Nature Based Solutions' have been installed across the city. These have included 150 large street trees along the Strand with sustainable urban drainage systems, a pollinator roof at the Royal Court Theatre and a number of appearances of the PopUp Forest. The year-long baseline environmental monitoring has concluded, and results are being analysed. The environmental monitoring will continue until the end of the programme in 2022.

IGNITION

City of Trees is one of 12 partners in the IGNITION project. The aim of IGNITION is to identify and develop new funding mechanisms, with a particular focus on private sector involvement, to support SuDS and other Green Infrastructure. Another big focus of IGNITION is to engage with communities to highlight the importance of GI especially from a climate change resilience perspective and to spread the message further by encouraging citizens to cascade this information to family, friends and work colleagues. IGNITION will come to an end in May 2022.

Trafford Countryside Management Partnership: involves a wide range of organisations in resourcing, managing, and using Trafford's Countryside, as well as supporting volunteer days on the 250 ha of land the partnership is looking after. City of Trees secured additional funding for site improvements, including a Veolia Landfill Tax funded project at Wellacre. This will involve path, signage and waymarking improvements as well as habitat enhancement works such as woodland wildflower planting.

Community Forest and Woodland Outreach: 'Forest Schools in the Mersey Forest' is a project funded by the Department of Education and The Department for Environment, Food and Rural Affairs (Defra) via Natural England. This involves working with 28 schools across the forest to improve school grounds, inspire and empower teachers to deliver a supported programme of Forest School Activities. New Forest School sites have been created and the delivery of Forest School sessions commenced in early February 2020 until Covid-19 placed the programme on hold at the end of March 2020.

Green Infrastructure Audits: The Mersey Forest Team has undertaken green infrastructure and green space audits for a number of local authorities in the North West.

The GM Tree and Woodland Strategy: All our Trees, continues to generate interest from a wide spectrum of public, private, third sector and academic partners. In particular, the mapping tool hosted on Mapping GM, has proven to be of real value in helping to identify where future resources should be focused to maximize the range of ecosystem service benefits that trees can provide to address particular needs.

Health and Wellbeing

Natural Health Service: Over the last seven years the Mersey Forest team has been developing the Natural Health Service. Close working with both Liverpool universities continues to provide independent and robust assessment of the impacts of the work, enabling improvements and adding to the evidence base to demonstrate efficacy of this approach. Nature4Health, a Lottery funded programme commenced in June 2019 and lasts for two years with programmes of activity taking place in the Baltic Triangle in Liverpool, Calderstones Park and Toxteth. In Cheshire West, the programme has continued with over 3,000 participants being involved to date, using nature to reduce health inequalities. In November 2019, the Natural Health Service won a national award.

COMMUNITY FOREST TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Citizen Forester: During the year 2020-21, most of our Citizen Forester events have had to be put on hold whilst the country was in national lockdown. We are looking to restart our full Citizen Forester programme as soon as government guidelines allow. We have been able to run a limited number of sessions for groups such as those working with vulnerable adults and schools in accordance with the guidelines. Dementia Friendly walks continued at The Smithills Estate (9 walks in total) and funding was secured from GMCVO that enabled activities and walks to recommence at Whitworth Park (4 events in total). An additional walk was held in partnership with Salford NHS CCG. A small number of Citizen Forester sessions were also continued with the group established last year in Wythenshawe with six events taking place at Sandilands Wood. Successful funding bids to continue Citizen Forester work included grants from Veolia, Green Recovery Challenge Fund and GMCVO.

Walking with the Wounded

City of Trees developed a new partnership with Walking with the Wounded, a charity that helps injured former British Armed Forces servicemen and women in their career transition from the military to civilian life. Opportunities were identified for engaging 8 veterans in paid work, helping them to develop new urban forestry related skills and regaining the confidence to get back into employment.

Heritage & Landscape

Woodland Futures: City of Trees are working on a Heritage Fund project to bring a number of woods in Wythenshawe, south Manchester back into management. Due to Covid and lockdowns the project completion date for the project has been shifted forward and the public engagement sessions scaled down – by agreement with HF. Many of the public/volunteer sessions that were planned have had to be put on hold. Our work with HMP Styal has also had to be postponed as the prison has remained closed to outside visitors. Provision is being made to provide them with resources to run similar sessions using their own staff, if the closure continues. Some of the other project sessions have been run as virtual events but those in the woods have had to be postponed during the lockdowns. Staff have been able to get on site to help maintain some of the tree planting already done. To date, all of the rhododendron control has been completed which has made a big difference to Sandilands Wood. Footpath and entrance improvements have also made a difference at Ash Wood and Sandilands Wood. In the absence of real guided walks, virtual or self guided walks have been created with the Wythenshawe History Group.

Community orchards: City of Trees continues to support the development of community orchard networks across Greater Manchester.

OBJECTIVE - Be a national voice for community forestry and actively promote Community Forests and green infrastructure

England's Community Forests: The Community Forest Trust continued to support the ECF network of Community Forests, helping to grow the sector by working with new partners.

Trees for Climate: Since the announcement in the Spring 2020 Budget, Community Forest Trust has worked with CWAC and the community forests across England to prepare a business case for capital and revenue support to the sector to create 6000ha of new woodland by March 2025. The year 1 revenue request is £2.5m and the wider capital programme is expected to be circa £104m. In addition to supporting the existing 10 community forests, there is funding support to create three new community forests as well as the potential for an expanded Trees for Learning Programme and land acquisition funding.

In Year 1 of the program City of Trees created 120ha of new woodland planting over 104,000 trees. Planting sites were spread across all ten districts of Greater Manchester. Although CoT were unable to engage the public in planting these sites there are plans to involve local community's in the maintenance of these trees and over 30 planting events were held with schools inside their own school grounds in accordance with Covid-19 guidelines.

COMMUNITY FOREST TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Northern Forest - one of the flagship 25 Year programmes: Community Forest Trust, in partnership with the Woodland Trust and the Northern Forest's community forests, is playing a key role in the development of the Northern Forest initiative. Community Forest Trust is the accountable body for the four community forest delivery roles and for a major portion of the government funding to facilitate planting and landowner engagement. Planting within The Mersey Forest during the 2019/20 season has delivered a wide and varied programme focusing on parks, farms and new community woodland sites, providing opportunities for volunteering and schools planting events. Over 25,000 trees were planted, exceeding the target, and a healthy pipeline of schemes will carry this programme strongly into the coming years. City of Trees delivered Northern Forest planting projects on over 50 sites during the 2020/2021 planting season, involving a range of community groups and schools across all 10 districts of Greater Manchester. New areas of woodland and community orchards were planted to achieve the target and over 25,000 trees were planted. Additional funding from DEFRA enabled City of Trees to develop 33 standard tree planting projects, comprising 500 standards, that will compliment and link the newly created woodlands.

Government Policy: Community Forest Trust continues to liaise with senior government officials regarding the Government's forestry policy.

The North West Forest Forum: Continues to bring together parties interested in developing North West England's forest sector.

The Carbon Landscape Partnership: City of Trees continues to deliver as part of this Heritage Fund 5- year funded multi-agency landscape partnership across Salford, Wigan and Warrington. Delivery includes a school package focused on the sustainability of local ex industrial landscapes and workshops with disabled young people to visit sites, exploring them through photography and creative writing.

OBJECTIVE - Seek sustainable funding arrangements through seizing opportunities to develop new partnerships as well as consolidating existing ones and be responsive to new opportunities

Funding: The forestry initiatives have become involved where appropriate in their respective Catchment Partnerships and Local Nature Partnerships. The Mersey Forest team provides the secretariat support for both Local Nature Partnerships within the Mersey Forest. Michelle Whalley project managed the Year of the Environment for Nature Connect in Liverpool City Region, and the Environment Summit held in November 2019.

City of Trees corporate partners: Unrestricted income has continued to grow and has more than doubled again this year, with circa £55,000 received. This includes income from a corporate membership scheme, the 100 Trees Club, as well as £30,600 received through a commercial participator agreement with Stonewater Housing.

The National Trust: A new partnership has been developed with the National Trust to assist them with various tree planting, active travel, and tree planting to improve biodiversity across their estates in Greater Manchester. Planting went ahead at Quarry Bank Mill in the 20/21 planting season and schemes at other sites such as Lyme Park are in development for 21/22.

OBJECTIVE - Take a leading role in advancing debate, policy and practice in community forestry and green infrastructure in England

Supported by Trees for Climate, CFT and CWAC have commissioned Forest Research to prepare "The Community Forest Trust Handbook for Woodland Creation".

COMMUNITY FOREST TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

In Summary

Community Forest Trust continues to seek opportunities to support community forestry, and advocate for policy and resources to support the sector across England. This report provides an excellent overview of the work undertaken by the Trust, its staff and partners, to whom I and the Board are enormously grateful for all their efforts throughout the year.

Alison Ball
Chair

COMMUNITY FOREST TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Mission, Vision and Values

Mission

Our mission is to champion and support the work of community forestry organisations across England and communicate the wide range of benefits that trees and woods deliver.

Vision

Our vision is for a strong, resilient network of community forestry organisations across England that enhance the environment for both people and wildlife .

Values

- We are passionate about the power of trees to transform urban environments
- We aim to be innovative, share knowledge and collaborate to achieve best practice in the field of community forestry.
- We see community forestry as a way to achieve widespread, environmental, social and economic benefits
- We act as an advocate for community forests and aim to listen, be responsive and work in close partnership

During the year to March 2021 Community Forest Trust directly supported the delivery of The Mersey Forest, City of Trees (previously Red Rose Forest), White Rose Forest and HEYwoods. Community Forest Trust also promoted and advocated the benefits and opportunities for delivery on behalf of the sector to strengthen the case for future funding and resources aligned to the Government's 25-year Environment Plan.

Statement of Public Benefit

In meeting these objects, the Charity's public benefit aims to maintain, complete and apply for funding that supports projects as detailed above. The Charity has met its objectives by sticking to the guidelines of the grants applied for.

In setting out policy and planning these activities the trustees have given consideration to the Charity Commission's general guidance on public benefit.

The Charities Act identifies thirteen charitable purposes as being for the public benefit. Community Forest Trust meets the public benefit principles by focusing on three of those charitable purposes:

- the advancement of education;
- the advancement of health or the saving of lives; and
- the advancement of environmental protection or improvement.

Achievements and performance

Financial review

The current year of activity in the core funds stand at £226,120 group (2020: £226,651) and £198,400 charity (2020: £187,417), at the year end.

Investment Policies

The Charity has a policy of keeping any surplus funds in short term deposits, which can be accessed readily. This also spreads the banking risk as the guaranteed amount under FSCS remains at £85K per bank. An on-line cash investment platform assists the monitoring of these accounts with a view to achieving best interest rates for amounts held on deposit whilst at the same time ensuring cash flow requirements are met. Due to wider economic circumstances deposit rates continue to be depressed. The invested funds held on deposit achieved an average of 1.0% (2020: 1%)

COMMUNITY FOREST TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Reserves Policy and Going Concern

Reserves are considered to be that part of the Trust's funds which are freely available for its general purpose after it has met its commitments and covered its other planned expenditure. These unrestricted funds are needed to bridge the gap between the spending and receiving of income and to cover administrative, fundraising and support costs without which the Trust could not function. A designated fund is maintained as a reserve policy in the event of the organisation closing down. This fund would allow a professional and orderly close down if that contingency was ever to be realised. The reserve fund remains at £127,000 (2020: £127,000).

The level of unrestricted funds is monitored and reviewed by the Trustees during the year. The Trustees consider a financial projection prior to reviewing financial reserve levels for the following year and the preparation and approval of an annual budget. Financial forecasts are updated for each Board meeting, held quarterly. In the year to 31 March 2021 the Trust continued to address the need to develop reserves and its available funds were retained in its current bank account, with a view to investing surplus cash in short term deposit accounts to maximise the return on income.

Since the year end there has been no unexpected expenditure and the viability of the Charity remains financially sound.

Plans for Future Periods

Our future activities are likely to include:

- Support to England's Community Forests and the Trees for Climate Programme
- Continued direct support to City of Trees, Mersey Forest, White Rose Forest and HEYwoods
- Development of the Northern Forest in partnership with the Woodland Trust
- Continued work with the Local Nature Partnerships and the Catchment Partnerships
- Further development and delivery of urban catchment forestry
- Development of the Natural Health Service
- Continuation of work to secure sustainable funding streams
- Further partnership working with the forestry initiatives and with new partners
- Improving the quality of CFT's online presence and communications
- The continued advocacy for urban and community forestry at a national level

The programme is impacted by Covid-19 and the Trust continues to follow Government guidelines on social distancing.

Structure, governance and management

The directors of the charitable company (the Charity) are its trustees for the purpose of charity law. The Trustees serving during the year and since the year end were as follows:

Mr M Boyett	
Mr Richard Smith	(Appointed 4 December 2020)
Mrs Christine Beyga	
Mrs Alison Ball	(Appointed 4 December 2020)
Mrs Alison Gilbody	(Appointed 4 December 2020)
Ms Victoria Merton	
Mr Richard Rogers	
Ms Karen Hands	(Appointed 4 December 2020)
Mr William Baldwin-Cantello	(Appointed 21 December 2020)
Mrs Christine Burt	(Appointed 4 December 2020)
Ms Joanne Harrison	
Prof David Shaw	
Prof Alan Simson	
Mr Benjamin Williams	(Appointed 4 December 2020)
Mr Stephen Connor	(Resigned 23 March 2021)

COMMUNITY FOREST TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Key Personnel

Key management personnel, in addition to the Board, are as follows:

Company Secretary: Mr S Ali
Business & Finance Manager: Mr S Ali
Interim Chief Exec: Mr I Taylor

Structure and Governing Documents

Community Forest Trust is a company limited by guarantee governed by its Memorandum and Articles of Association dated July 1998, amended 22nd May 2013 and was incorporated on 15th July 1998. It was registered as a charity with the Charity Commission on 2nd December 1998.

Community Forest Trust's members are the trustees and the liability of the members is limited and each member agrees to pay £1 in the event that the Charity is dissolved.

Organisational Structure

Community Forest Trust is the holding company for several organisations:

The subsidiary trading company, Community Forest Trust (Trading) Limited was set up and incorporated on 29th October 2012 with an unpaid share capital allotted of £1. The holder of this share is Community Forest Trust. The Company number is 08272345. The trustees, who are also Directors for the purpose of company law who served during the year, and to date, are:

Mr P Nolan (Chair)
Mr I Taylor

The primary objective of the subsidiary Community Forest Trust (Trading) Limited is to have unlimited capacity under section 31 of the Companies Act 2006. Notwithstanding the generality of this provision and for the avoidance of doubt the company's objects include carrying on business as a general commercial company to raise funds including donating with the benefit of gift aid any profits and carry out any other activities which may be considered to be for the benefit of the Charity. Community Forest Trust (Trading) Limited has remained dormant since its incorporation to date.

A second subsidiary organisation - Community Forest Land Trust Limited was set up as a company limited by guarantee, incorporated on 29th October 2013 and was granted charitable status on 28th February 2014. Community Forest Trust is the sole member. The Company number is 08752839 and Charity number is 1155979. The trustees, who are also directors for the purpose of company law who served during the year, and to date, are:

Mr P Nolan (Chair)
Mr D McAleavy
Mr R Rogers
Prof D Shaw
Mr I Taylor

COMMUNITY FOREST TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

The primary objective of the subsidiary charity Community Forest Land Trust Limited as laid out in its Memorandum and Articles of Association is to promote for the benefit of the public generally any charitable purpose within the North West of England or elsewhere as the Trustees shall determine connected with the enhancement and improvement, maintenance and protection of the environment and landscape. Community Forest Land Trust Limited commenced financial activities in March 2014.

A third subsidiary organisation - Mersey Forest Foundation was set up as a company limited by guarantee, incorporated on 30th July 2014 and was granted charitable status on 9th March 2015. Community Forest Trust is the sole member. The Company number is 09153749 and the Charity number is 1160790. The trustees, who are also directors for the purpose of company law who served during the year, and to date, are:

Mr P Nolan (Chair)
Mr D McAleavy
Mr R Rogers
Prof D Shaw
Mr I Taylor

The primary objective of the subsidiary charity Mersey Forest Trust Limited as laid out in its Memorandum and Articles of Association is to promote for the benefit of the public generally any charitable purpose within the North West of England or elsewhere as the Trustees shall determine connected with the enhancement and improvement, maintenance and protection of the environment and landscape. Mersey Forest Foundation commenced financial activities in July 2014.

COMMUNITY FOREST TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Appointment of Trustees

The current trustees were appointed (and may be removed) by the Board of Community Forest Trust. There should be a minimum of five trustees and are recruited to ensure that the board of trustees has the requisite range of experience and skills to effectively manage the Trust. Induction processes include sitting on the Board for 2 meetings prior to being appointed by a majority vote. Documents are circulated to prospective trustees and their input is valued. Training is offered where required.

Organisation

The board of trustees administers the Charity and meets quarterly. Information is prepared and presented by the interim chief executive, forest director, finance manager, and several project development officers. A precis of the reports from Mersey Forest Foundation and Community Forest Land Trust are presented to the quarterly board meetings of Community Forest Trust.

Related parties and co-operation with other organisations.

None of the trustees receive remuneration or other benefit for their work with the Charity. One trustee received contractual benefit as disclosed in Note 11.

Risk Management

The monitoring and management of risk is a dynamic process and the Charity faces some level of risk in the activities, events and contracts that it engages in.

The trustees have a risk management strategy which comprises:

- ongoing review of the principal risks and uncertainties that the Charity may face.
- the establishment of policies, systems and procedures to mitigate those risks identified in the annual review; and
- the implementation of procedures designed to minimise or manage any potential impact the Charity should those risks materialise.

Governance risks - eg inappropriate organisational structure, difficulties recruiting trustees with relevant skills, conflict of interest.

Financial risks - eg accuracy and timeliness of financial information, adequacy of reserves and cash flow, diversity of income sources.

External risks - eg public perception and adverse publicity, demographic changes, government policy.

Compliance with law and regulation - eg breach of trust law and regulatory requirements of particular activities such as fund-raising.

The Charity's review of its risk management will continue to help ensure:

- the Charity's aims are achieved more effectively;
- significant risks are known and monitored enabling trustees to make a more effective contribution;
- and there is improved forward planning.

Auditor

BWM have agreed to offer themselves for reappointment as auditors of the Charity.

COMMUNITY FOREST TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

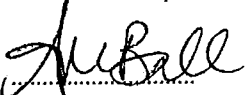
Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

Small Companies Provisions

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

The trustees' report was approved by the Board of Trustees.



Mrs Allison Ball

Chair

Dated: 16th December 2021

COMMUNITY FOREST TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

The trustees, who are also the directors of Community Forest Trust for the purpose of company law, are responsible for preparing the Trustees' 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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; and
- 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 charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

COMMUNITY FOREST TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF COMMUNITY FOREST TRUST

Opinion

We have audited the financial statements of Community Forest Trust (the 'charity') and its subsidiaries for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, the balance sheet, the consolidated statement of cash flows and the 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 group's and charitable company's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group of charity's 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 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 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.

COMMUNITY FOREST TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF COMMUNITY FOREST TRUST

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

COMMUNITY FOREST TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF COMMUNITY FOREST TRUST

The extent to which the audit was considered capable of detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

COMMUNITY FOREST TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF COMMUNITY FOREST TRUST

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

BWM

Peter Taaffe FCA CTA DChA (Senior Statutory Auditor)
for and on behalf of BWM

.....17.12.2021.....

Chartered Accountants
Statutory Auditor

Suite 5.1
12 Tithebarn Street
Liverpool
L2 2DT

COMMUNITY FOREST TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING THE CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds general 2021	Unrestricted funds - designated 2021	Restricted funds 2021	Total 2021	Unrestricted funds general 2020	Unrestricted funds - designated 2020	Restricted funds 2020	Total 2020
		£	£	£	£	£	£	£	£
Income from:									
Donations and legacies	4	9,181	-	88,377	97,558	11,292	-	88,272	99,564
Charitable activities	5	216	-	3,034,143	3,034,359	23,522	-	3,156,713	3,180,235
Investments	6	11,192	-	-	11,192	14,268	-	-	14,268
Total income		20,589	-	3,122,520	3,143,109	49,082	-	3,244,985	3,294,067
Expenditure on:									
Charitable activities	7	132,327	-	2,682,620	2,814,947	153,619	-	2,331,764	2,485,383
Net (outgoing)/incoming resources before transfers		(111,738)	-	439,900	328,162	(104,537)	-	913,221	808,684

COMMUNITY FOREST TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING THE CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

Net (outgoing)/incoming resources before transfers	(111,738)	-	439,900	328,162	(104,537)	-	913,221	808,684
Gross transfers between funds	13	46,506	(157,713)	-	133,106	3,113	(136,219)	-
Net (expenditure)/income for the year/ Net movement in funds		(531)	282,187	328,162	28,569	3,113	777,002	808,684
Fund balances at 1 April 2020	226,651	304,993	1,556,158	2,087,802	198,082	301,880	779,156	1,279,118
Fund balances at 31 March 2021	226,120	351,499	1,838,345	2,415,964	226,651	304,993	1,556,158	2,087,802

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

COMMUNITY FOREST TRUST

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	14		151,171		155,553
Current assets					
Debtors	17	638,195		1,015,426	
Cash at bank and in hand		2,305,716		1,660,302	
		<u>2,943,911</u>		<u>2,675,728</u>	
Creditors: amounts falling due within one year	19	<u>(679,118)</u>		<u>(743,479)</u>	
Net current assets			2,264,793		1,932,249
Total assets less current liabilities			<u>2,415,964</u>		<u>2,087,802</u>
Income funds	21				
Restricted funds			1,838,345		1,556,158
Unrestricted funds - designated			351,499		304,993
Unrestricted funds - general			226,120		226,651
			<u>2,415,964</u>		<u>2,087,802</u>

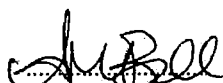
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 16th December '21


Mrs Alison Ball
Trustee

Company Registration No. 03598556

COMMUNITY FOREST TRUST

CHARITY BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	15		138,114		142,496
Investments	16		1		1
			<u>138,115</u>		<u>142,497</u>
Current assets					
Debtors	18	608,103		1,012,475	
Cash at bank and in hand		2,235,737		1,574,866	
		<u>2,843,840</u>		<u>2,587,341</u>	
Creditors: amounts falling due within one year	20	(640,679)		(726,626)	
Net current assets			2,203,161		1,860,715
Total assets less current liabilities			<u>2,341,276</u>		<u>2,003,212</u>
Income funds	22				
Restricted funds			1,804,436		1,523,860
Unrestricted funds - designated			338,440		291,935
Unrestricted funds - general			198,400		187,417
			<u>2,341,276</u>		<u>2,003,212</u>

COMMUNITY FOREST TRUST

CHARITY BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2021

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 16th December '21


Mrs. Allison Barr
Trustee

Company Registration No. 03598556

COMMUNITY FOREST TRUST

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	26		634,222		305,106
Investing activities					
Purchase of tangible fixed assets			-	(12,018)	
Investment income received		11,192		14,268	
Net cash generated from investing activities			11,192		2,250
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			645,414		307,356
Cash and cash equivalents at beginning of year			1,660,302		1,352,946
Cash and cash equivalents at end of year			<u>2,305,716</u>		<u>1,660,302</u>

COMMUNITY FOREST TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

Community Forest Trust is an incorporated company limited by guarantee incorporated in England and Wales. The registered office is 6 Kansas Avenue, Salford, M50 2GL.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

COMMUNITY FOREST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(continued)

Donated Services and Facilities

Donated professional services and donated facilities are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Deferred income

Income from donations and grants, including capital grants, and contract income is included in income when these are receivable except when the donor specifies that donations and grants given to the Charity must be used in future accounting periods, the income is deferred until these periods.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

1.5 Expenditure

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 as expenditure on charitable activities including grants payable and other administration costs to further the purposes of the Charity.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Not depreciated
Fixtures and fittings	10% - 25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Debtors

Debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid at the end of the year.

COMMUNITY FOREST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(continued)

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Taxation

Taxation and VAT

Community Forest Trust, Community Forest Land Trust and Mersey Forest Foundation are recognised as charities by HM Revenue & Customs and accordingly are potentially exempt from taxation in respect of income or gains applied exclusively to charitable purposes.

Community Forest Trust is registered for VAT and can reclaim input VAT only where the expenditure is purchases out of taxable income. The subsidiaries are not VAT registered. All irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Corporation Tax

As a registered charity, the Company benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income or gains falling within those exemptions.

COMMUNITY FOREST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(continued)

1.12 Creditors

Creditors and accruals are recognised where the Charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

1.13 Pension costs

The company operates a defined contribution scheme for all eligible employees. The pension costs charged represent the contributions payable. Differences between contributions payable in the year end contributions paid are shown as either accruals or prepayments in the balance sheet.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.15 Group Financial Statements

The financial statements consolidate the results of the Charity and its subsidiaries on a line by line basis. A separate Statement of Financial Activities, and income and expenditure account, for the Charity itself are not presented because the Charity had taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

1.16 Fund Accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity. Designated funds are unrestricted funds of the Charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Charity's work.

1.17 Fixed Asset Investment

The fixed asset investment relates to the share held in Community Forest Trust (Trading) Limited, a company incorporated on 29th October 2012 and which remains dormant.

2 Critical accounting estimates and judgements

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Legal Status

The Charity is a company limited by guarantee and has no share capital. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

COMMUNITY FOREST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

4 Donations and legacies

	Unrestricted funds general 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds general 2020 £	Restricted funds 2020 £	Total 2020 £
Donations and gifts	9,181	88,377	97,558	11,292	88,272	99,564
Donations and gifts						
CFT Projects	-	44,550	44,550	-	27,400	27,400
City of Trees	-	43,587	43,587	-	60,872	60,872
Subsidiary: CF Land Trust	-	-	-	10	-	10
Subsidiary: Mersey Forest Foundation	9,181	-	9,181	11,282	-	11,282
Mersey Forest	-	240	240	-	-	-
	9,181	88,377	97,558	11,292	88,272	99,564

5 Charitable activities

	Charitable Activities 2021 £	Charitable Activities 2020 £
CFT projects	138,521	244,273
City of Trees	825,209	774,301
DEFRA grants	1,487,181	1,619,171
Mersey Forest	438,817	489,507
Subsidiary - Mersey Forest Foundation	30,898	29,461
Subsidiary - CF Land Trust	216	23,522
Trees of Yorkshire	113,517	-
	3,034,359	3,180,235
Analysis by fund		
Unrestricted funds - general	216	23,522
Restricted funds	3,034,143	3,156,713
	3,034,359	3,180,235

COMMUNITY FOREST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

6 Investments

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Interest receivable	11,192	14,268

7 Charitable activities

	Charitable Activities 2021 £	Charitable Activities 2020 £
CFT projects	97,870	192,428
City of Trees	1,056,903	806,548
Mersey Forest	409,874	214,711
Subsidiary - Mersey Forest Foundation	38,932	24,463
Accommodation & Administration	111,206	131,760
Subsidiary - CF Land Trust	4,966	11,384
Trees of Yorkshire	111,249	-
	<u>1,831,000</u>	<u>1,381,294</u>
Grant funding of activities (see note 8)	867,302	972,329
Share of support costs (see note 9)	111,095	124,879
Share of governance costs (see note 9)	5,550	6,881
	<u>2,814,947</u>	<u>2,485,383</u>
Analysis by fund		
Unrestricted funds - general	132,327	153,619
Restricted funds	2,682,620	2,331,764
	<u>2,814,947</u>	<u>2,485,383</u>

COMMUNITY FOREST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

8 Grants payable

	Charitable Activities 2021 £	Charitable Activities 2020 £
Grants to institutions:		
CFT Projects	319,118	605,797
City of Trees	338,615	-
Mersey Forest	183,245	360,367
Subsidiary: Mersey Forest Foundation	26,324	6,165
	<u>867,302</u>	<u>972,329</u>

-

9 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Accommodation & Administration	111,095	-	111,095	124,879	-	124,879
Audit fees	-	2,544	2,544	-	3,974	3,974
Accountancy	-	3,006	3,006	-	2,907	2,907
	<u>111,095</u>	<u>5,550</u>	<u>116,645</u>	<u>124,879</u>	<u>6,881</u>	<u>131,760</u>
Analysed between Charitable activities	<u>111,095</u>	<u>5,550</u>	<u>116,645</u>	<u>124,879</u>	<u>6,881</u>	<u>131,760</u>

Support costs include the cost of accommodation, management costs, fundraising & marketing and governance. These costs are collectively called the support costs and have been allocated as shown above.

Support costs have been allocated as a proportion of the number of financial transactions recorded in the financial year. The exception to this is that support costs for the subsidiaries have been allocated in relation to the number of hours allocated to active projects.

Governance costs relate to the direct running of the Charity allowing the Charity to operate and generate the information required for public accountability.

COMMUNITY FOREST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

10 Net movement in funds	2021	2020
	£	£
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	5,500	4,500
Independent examiner's fees paid for work carried out in relation to subsidiaries	3,900	2,472
	<u> </u>	<u> </u>

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

Travel expenses reimbursed were £Nil (2020: £101). Number of Trustees receiving reimbursement was Nil (2020: One).

Mr Steve Connor, director and Trustee of the Charity, is also a director and majority shareholder of a graphic design company Creative Concern Limited that received payment for professional services provided to the Charity. These transactions, that totalled £30,018 (2020: £30,018) were done at arm's length and approved by the trustees.

12 Employees

The average monthly number of employees during the year was:

	2021	2020
	Number	Number
	29	26
	<u> </u>	<u> </u>
Employment costs	2021	2020
	£	£
Wages and salaries	761,386	623,888
Social security costs	73,525	56,185
Other pension costs	52,940	41,295
Salford Council personnel	41,101	81,849
	<u> </u>	<u> </u>
	<u>928,952</u>	<u>803,217</u>

There were no employees whose annual remuneration was £60,000 or more.

13 Transfers

The transfer to unrestricted funds of £111,207 and to designated funds of £46,506 in the current year were both in line with projects in progress at the time.

COMMUNITY FOREST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

14 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 April 2020	139,245	24,556	163,801
At 31 March 2021	139,245	24,556	163,801
Depreciation and impairment			
At 1 April 2020	-	8,248	8,248
Depreciation charged in the year	-	4,382	4,382
At 31 March 2021	-	12,630	12,630
Carrying amount			
At 31 March 2021	139,245	11,926	151,171
At 31 March 2020	139,245	16,308	155,553

Middlefield Farm was acquired in 206 for £78,079 and was revalued by P Wilson & Co Chartered Surveyors on 31 March 2007 at £91,750. The land is now called Griffin Wood.

The land at Viridor Wood was acquired in 2000, for £350,367 and revalued by P W Smith BSc FRICS FAAV on 31 March 2000 at £1,250. The land at Horrocks Hill and Hurst Farm was acquired during 2002, for £317,642, and was revalued by P Wilson & Company on 31 March 2002 at £750 and £1,100 respectively. The land at Horrocks Hill is now called Horrocks Wood. Similarly, the land at Hurst Farm is now called Hurst Wood.

999-year leases were granted to the Minister of Agriculture Fisheries and Food (acting on behalf of Forest Enterprise) over each piece of land. The leases place onerous obligations on use, consistent with the aims and objectives of the Trust.

The land at Lightshaw Meadows was purchased for £109,927 and £1,351 for the costs of purchasing the access strip to the Meadow. The majority of this land has been leased to Lancashire Wildlife Trust on a 999-year lease so has been revalued accordingly.

The land owned by the subsidiary Community Forest Land Trust, was purchased in June 2014 for £13,057 and remains at cost.

COMMUNITY FOREST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

15 Tangible fixed assets charity

	Freehold land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 April 2020	126,188	24,556	138,726
At 31 March 2021	126,188	24,556	150,744
Depreciation and impairment			
At 1 April 2020	-	8,248	8,248
Depreciation charged in the year	-	4,382	4,382
At 31 March 2021	-	12,630	12,630
Carrying amount			
At 31 March 2021	126,188	11,926	142,496
At 31 March 2020	139,245	16,308	155,553

16 Fixed Asset Investments

The charity holds 1 ordinary share of £1 each in its wholly owned trading subsidiary company Community Forest Trust (Trading) Limited which is incorporated in England & Wales (No. 8272345). The trading company has remained dormant since its incorporation on 29th October 2012.

17 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	264,951	641,565
Prepayments and accrued income	373,244	373,861
	638,195	1,015,426

18 Debtors charity

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	264,860	638,614
Prepayments and accrued income	343,243	373,861
	608,103	1,012,475

COMMUNITY FOREST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

19 Creditors: amounts falling due within one year

	2021	2020
	£	£
Other taxation and social security	28,328	8,506
Deferred income	323,478	386,406
Trade creditors	82,489	329,262
Accruals and deferred income	244,823	19,305
	<u>679,118</u>	<u>743,479</u>

20 Creditors: amounts falling due within one year charity

	2021	2020
	£	£
Other taxation and social security	53,190	8,506
Deferred income	323,478	386,406
Trade creditors	31,303	324,383
Accruals and deferred income	232,708	7,331
	<u>640,679</u>	<u>726,626</u>

COMMUNITY FOREST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

21 Analysis of Charitable Funds

The consolidated income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2019		Movement in funds			Movement in funds			Balance at 31 March 2021		
	£	£	Incoming resources	Resources expended	Transfers	Balance at 1 April 2020	Incoming resources	Resources expended	Transfers	£	£
Unrestricted fund	198,082	49,082	49,082	(153,619)	133,106	226,651	20,589	(132,327)	111,207	226,120	
Designated fund	301,880	-	-	-	3,113	304,993	-	-	46,506	351,499	
Restricted fund	779,156	3,244,985	3,244,985	(2,331,764)	(136,219)	1,556,158	3,122,520	(2,682,620)	(157,713)	1,838,345	
	<u>1,279,118</u>	<u>3,294,067</u>	<u>3,294,067</u>	<u>(2,485,383)</u>	<u>-</u>	<u>2,087,802</u>	<u>3,143,109</u>	<u>(2,814,947)</u>	<u>-</u>	<u>2,377,694</u>	

Included in the designated funds above is the revalued amount of £13,671 of land and property. The transfer of funds between unrestricted, designated and restricted funds reflect the release of funds on the completion of projects in line with the agreement of funders and trustees' intentions for the charitable company and designated balance requirements.

COMMUNITY FOREST TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

21 Analysis of Charitable Funds (continued)

Restricted funds:	Balance at 1 April 2019		Movement in funds			Balance at 1 April 2020		Movement in funds			Balance at 31 March 2021		
	£	£	Incoming resources	Resources expended	Transfers	Incoming resources	Resources expended	Transfers	Incoming resources	Resources expended	Transfers	£	£
CFT	30,600	1,600,236	(804,852)	(180)	825,804	368,422	(527,619)	7,394	674,001				
City of Trees	365,827	1,089,902	(919,407)	(135,276)	401,046	1,993,533	(1,479,840)	(152,187)	762,552				
Mersey Forest	359,214	525,386	(586,827)	(763)	297,010	615,941	(645,875)	(12,920)	254,156				
Trees for Yorkshire	-	-	-	-	-	113,726	-	-	113,726				
Subsidiary: Mersey Forest Foundation	23,515	29,461	(20,678)	-	32,298	30,898	(29,286)	-	33,910				
	<u>779,156</u>	<u>3,244,985</u>	<u>(2,331,764)</u>	<u>(136,219)</u>	<u>1,556,158</u>	<u>3,122,520</u>	<u>(2,682,620)</u>	<u>(157,713)</u>	<u>1,838,345</u>				

The activities within the forests and woodlands are detailed in the Trustees' report.

COMMUNITY FOREST TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

22 Analysis of Charitable Funds (Charity)

The consolidated income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2019		Movement in funds			Movement in funds			Balance at 31 March 2021		
	£	£	Incoming resources	Resources expended	Transfers	Balance at 1 April 2020	Incoming resources	Resources expended	Transfers	£	£
Unrestricted fund	173,687	13,730	13,730	(131,760)	131,760	187,417	10,983	(111,206)	111,206	198,400	
Designated fund	288,822	-	-	-	3,113	291,935	-	-	46,505	338,440	
Restricted fund	754,295	3,215,524	3,215,524	(2,311,086)	(134,783)	1,523,860	3,091,618	(2,653,331)	(157,711)	1,804,436	
	<u>1,216,804</u>	<u>3,229,254</u>	<u>3,229,254</u>	<u>(2,442,846)</u>	<u>-</u>	<u>2,003,212</u>	<u>3,102,601</u>	<u>(2,764,537)</u>	<u>-</u>	<u>2,341,276</u>	

Included in the designated funds above is the revalued amount of £13,671 of land and property. The transfer of funds between unrestricted, designated and restricted funds reflect the release of funds on the completion of projects in line with the agreement of funders and trustees' intentions for the charitable company and designated balance requirements.

COMMUNITY FOREST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

23 Analysis of net assets between funds

Fund balances at 31 March 2021 are represented by:

	Unrestricted funds 2021	£	Designated funds 2021	£	Restricted funds 2021	£	Total	Unrestricted funds 2020	£	Designated funds 2020	£	Restricted funds 2020	£	Total
Tangible assets	151,171		-		-		151,171	155,553		-		-		155,553
Current assets/(liabilities)	403,642		304,993		1,556,158		2,264,793	851,213		301,880		779,156		1,932,249
	554,813		304,993		1,556,158		2,415,964	1,006,766		301,880		779,156		2,087,802

COMMUNITY FOREST TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

24 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	23,885	20,468
Between two and five years	91,965	1,925
	<u>115,850</u>	<u>22,393</u>

25 Related party transactions

Some of the trustees have been nominated by the organisations who created and/or fund the Charity. A significant number of transactions, particularly relating to funding, are therefore related party transactions. It is not practical to list these in the notes to the financial statements.

In the current year, Community Forest Trust employed a site inspector for the Community Forest Land Trust and recharged is as a subcontracted cost for £1,054 (2020: £1,054).

The management teams, as reported in the Trustees report, consisted of the 2 individuals who worked the equivalent of 0.75 full time equivalent on the management of the Charity (2020: 0.75 FTE). The costs of the key personnel on the management of the Charity is gross £24,857 (2020: £20,592).

The Charity has taken advantage of the exemption in Financial Reporting Standard 102 Paragraph 33.1A from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared.

26 Cash generated from operations

	2021 £	2020 £
Surplus for the year	328,162	808,684
Adjustments for:		
Investment income recognised in statement of financial activities	(11,192)	(14,268)
Depreciation and impairment of tangible fixed assets	4,381	2,817
Movements in working capital:		
Decrease/(increase) in debtors	377,231	(725,993)
(Decrease)/increase in creditors	(64,360)	233,866
Cash generated from operations	<u>634,222</u>	<u>305,106</u>