TREE AID

England & Wales · Charity number 1135156

Details

Status	Registered
Legal form	Charitable company
Company number	03779545
Registered	2010-03-24
Register	View on the Charity Commission register

Contact

Address	Brunswick Court Brunswick Square Bristol BS2 8PE
Phone	01179096363
Email	info@treeaid.org
Website	www.treeaid.org

Activities

Objects: RELIEVING THE POVERTY OF AND PROMOTING THE WELFARE OF POOR PERSONS OVERSEAS BY, PROMOTING FOR THE BENEFIT OF SUCH PERSONS THE CONSERVATION AND IMPROVEMENT OF THEIR NATURAL ENVIRONMENT ESPECIALLY THROUGH SILVICULTURE AND JOB CREATION; ANDPROMOTING FOR THE PUBLIC BENEFIT RESEARCH INTO METHODS OF RECLAIMING OR PREVENTING DEGRADATION OF CURRENT AGRICULTURAL OR FOREST LAND INTO DESERT LAND FOR ITS CONTINUED USE FOR FORESTRY, AGRICULTURAL, INDUSTRIAL OR COMMERCIAL PURPOSES AND PUBLISHING THE RESULTS OF SUCH RESEARCH.

Activities: TREE AID works with poor families, especially women, in the African drylands to unlock the potential of trees to reduce poverty & protect the environment. We provide education, training, policy & technical advice on tree based development initiatives that support poor communities build incomes, improve their management of & secure access to natural resources, & achieve nutritional security.

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Classification

- **How:** Makes Grants To Organisations, Provides Other Finance, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body
- **What:** Education/training, The Prevention Or Relief Of Poverty, Environment/conservation/heritage, Economic/community Development/employment
- **Who:** Other Charities Or Voluntary Bodies, Other Defined Groups, The General Public/mankind

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE. OVERSEAS
- Burkina Faso
- Ethiopia
- Ghana
- Mali
- Niger

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£11,269,571	£12,572,733	£6,238,382	152
2024-03-31	£10,842,664	£10,643,166	£7,882,557	118
2023-03-31	£10,780,119	£8,837,227	£7,667,149	105
2022-03-31	£7,693,653	£7,197,006	£3,599,355	99
2021-03-31	£7,030,998	£6,970,647	£3,015,434	77

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Trustees

Name	Role	Appointed
Alexander Halwindi Simuyandi		2021-12-02
Anwar Mamon		2024-07-24
Defrim Dedej		2023-07-13
Dr Hilary Mary Allison		2021-12-02
Elizabeth DAVIS		2018-07-13
Kate Owens Wharton		2024-07-24
Katherine Bowyer		2024-07-24
Roger Davies		2023-07-13
Sabrina Segal		2024-07-24
Tristram Hilborn		2021-12-02

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TREE AID

England & Wales - Charity number 1135156

Accounts

Tree Aid

ANNUAL REPORT AND CONSOLIDATED ACCOUNTS

Year ended 31 March 2025

Tackling poverty and the effects of the climate crisis

Tree Aid - a company limited by guarantee
Charity No. 1135156
Company No. 03779545

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Welcome

Tree Aid's Board of Trustees is pleased to present the Annual Report & Accounts for the year ended 31 March 2025.

At Tree Aid, our mission is to provide sustainable solutions to the pressing challenges of the climate crisis and global poverty. This year, the effects of climate change have become increasingly harsh for billions of people worldwide. In the Sahel region, communities face rising temperatures, erratic rainfall, and desertification, leading to resource loss, food insecurity, drought, displacement, and conflict. In Ethiopia, continuous drought further exacerbates food shortages, while political instability in Burkina Faso and Mali compounds environmental degradation, making recovery difficult. Ghana and Niger experience economic pressures linked to climate vulnerabilities, and in Senegal, increasing living costs threaten local community advancements.

Despite these challenges, our commitment to empowering local communities remains unwavering. We equip them with tools and knowledge necessary to combat adverse conditions. Our programmes focus on tree planting, which is vital for improving soil fertility and sequestering carbon, mitigating the impacts of climate change. The trees we plant provide essential resources, including income and nutritious food for families.

Looking ahead, rising global political tensions and conflicts pose challenges for international development funding. Geopolitical strife, especially concerning the war in Ukraine and ongoing tensions in the Middle East, has diverted resources away from critical issues like climate resilience and poverty alleviation. As donor countries face domestic economic pressures, funding for vital programmes fighting climate change and supporting vulnerable populations may face further cuts, jeopardising progress and exacerbating local challenges.

In this context, Tree Aid has successfully diversified its funding sources to maintain investment in the Sahel. We are attracting private sector investment for projects in Ethiopia and Senegal, and securing support from The Alliance for a Green Revolution in Africa (AGRA) and the World Bank in Burkina Faso. A new Darwin Initiative project in Ethiopia and ongoing collaborations with the International Olympic Committee, Swiss Development Cooperation and Ecosia will reinforce these relationships.

Our carbon programme has also made significant strides. This year, we certified over 190,000 credits through the Plan Vivo framework in Mali and Senegal. This achievement underscores our commitment to sustainable development and climate action, reflecting progress in improving land management practices and enhancing carbon sequestration in West Africa's drylands. By involving local communities, we empower them to engage in initiatives that combat climate change while bolstering their livelihoods. This certification reinforces our dedication to sustainable impact and aligns with our goals in the voluntary carbon market, illustrating how community-driven solutions can effectively address both environmental and socio-economic challenges.

Furthermore, Tree Aid is proud to be the first project registered under Verra's VM0047 standard, a milestone demonstrating our commitment to rigorous environmental and social sustainability. This registration highlights our innovative approach to reforestation and land restoration, positioning us at the forefront of credible carbon credit initiatives and setting a benchmark for future projects in the region.

Growing our organisation

The income we received in 2024/25 increased to £11.3 million (2023/24 £10.8 million) and we were pleased to increase our spending significantly from £10.6 million in 2023/24 to £12.6 million this year, as donors recognise the impact of our approach.

We will continue to raise funding to finance our ambitious strategy in coming years and will seek to diversify our income from a range of private and public sources.

Thank you

A huge thank you to everyone who supported Tree Aid in 2024/25 – our work is only possible because of you. Thank you also to our hardworking staff who have made our achievements possible this year and the time and energy of the Board of Trustees who give up their time and share their expertise and our patrons who speak up on our behalf.

Together with the people we support, we can help transform the Sahel from a region scarred by climate change to a beacon of resilience and sustainability. We look forward to continuing our progress with you in 2025/26.

Elizabeth Davis
Chair of Trustees

Tom Skirrow
Chief Executive

Strategic report

What we do

Tree Aid works with people in the drylands of Africa to tackle poverty and the effects of the climate crisis by growing trees and restoring and protecting land.

Led by local people, our projects make sure trees thrive so they can provide nutritious food and incomes today and look after the environment for tomorrow. We support people to manage their land and resources in a way that helps slow down the effects of the climate crisis and stops fertile soil being lost.

Together with local communities, we also work to influence policy and push for change that protects trees, people's livelihoods and our planet.

We play an important role in the Great Green Wall, the international effort to grow a vast belt of trees, vegetation and fertile land across Africa's drylands. Tree Aid advocates for and mobilises finance to reach communities in the Sahel including – increasingly - through carbon finance.

Our goals

We launched our current strategy in 2022, with ambitious aims to scale up our work over the following five years and move ever closer to our 2040 goal of reversing deforestation and land degradation in the drylands of Africa.

Our current strategy focuses on three key areas to restore 220,000 hectares of land and grow 12 million trees:

1. **Empowered families**

Thriving, resilient and empowered smallholder families are central to achieving sustainable social and ecological change across the drylands of Africa. We will support households to develop skills and knowledge to enable them to lift themselves out of poverty. Only through empowering households can we ensure that change at the community level and beyond is possible.

We will support over 2.4 million people to gain knowledge and skills so that they have the tools to grow and diversify their incomes, adapt farming to more sustainable and higher-yield approaches, increase dietary diversity and improve nutrition, address gender inequities within households and become more resilient to future climate shocks.

2. **Empowered communities**

We know collective action is vital to achieve our mission. Across the five years we will support 4,000 communities to work together to effectively manage their landscape. We will ensure they have systems, skills and means to manage and restore their local landscapes as a whole.

We will also work with local authorities and traditional leadership to ensure fair and equal access for all members. We will support the development of cooperatives too, to ensure groups can maximise their potential to grow as businesses and access new markets.

3. **Empowering and enabling systems**

We recognise that our work is part of a broader movement across Africa's drylands and that the scale of the challenges this region faces are too great to tackle alone. In line with our Theory of Change, truly sustainable impacts require an enabling environment and systems which reinforce and empower communities to thrive.

We are committed to challenging and changing systems, to empower communities and families to restore their landscapes and lift themselves out of poverty. We will do this in collaboration with both those we serve and other stakeholders who strive for change.

Our approach

We grow and protect trees so people can live from them for years to come. In the Sahel region of Africa, people live with the effects of the climate crisis every day. Land is rapidly losing its fertility. People can't grow enough food and poverty is increasing. We believe tackling poverty and protecting the environment are inseparable. Trees offer a solution. They help land to stay fertile so people can grow food and produce items to sell. Trees protect our planet, absorbing carbon dioxide, a cause of the climate crisis.

Every year, we grow millions of trees and protect huge areas of land. But we don't just plant trees and walk away. We make sure local people have the training and tools they need to make each tree thrive. We also ensure the right trees are planted in the right places, selecting each species for both community and ecosystem needs. At Tree Aid, we learn what works and share it – locally, nationally and internationally. Together with local communities, we influence policy and push for change that protects trees, people and our planet.

Our impact

In 2024/25, we supported the following activities across the countries where we operate:

We worked with 247,032 people (benefitting an estimated 1,205,616 overall). Of these, 141,836 were new beneficiaries (against a target of 96,000) from 113,918 households (against a target of 96,000). We worked across 213 new communities (against a target of 326). While some of our largest projects met the target of a 100% increase in household incomes, others saw decreases in overall household income. The most successful project with new data (our decentralised forest governance project in Mali) showed a 317% increase, while the average household in other projects saw an 8.3% increase. Our non-timber forest product (NTFP) value chain project reported an increase of 10% in household income, which was below expectations. Analysis was done and showed that the wider impact of the project was under-stated by this result, and that poor performance on household income was driven by outside factors destabilising the crop and livestock incomes of beneficiaries. These factors include poor farming productivity as well as violence, insecurity, and displacement in the local area. In these areas of the Sahel, new income from NTFPs unlocked by Tree Aid projects (increased by an average of 77%) is serving to soften the blow of otherwise worsening living conditions.

We grew 7,385,080 trees, compared to a strategic target of 2,400,000 as a result of increased funding. This represents a significant scaling up of tree planting across our country programmes. The most recent survival data collected (a combination of early data from 2024 planting, and late data from 2023) indicates a survival rate of 50.6% compared with a target of 70%. This is due to increasingly challenging climatic conditions, especially severe after 2023 planting, and challenges driven by the rapid scaling up of landscape restoration work. We set up 481 primary tier organisations, such as village enterprise groups, against a target of 400, to manage, process and sell tree products. 9,900 people joined these new groups, in line with a target of 10,000 people.

7,726 hectares of new land benefited from restoration activities compared to a strategic target of 13,200 hectares. 24,692 hectares of new land benefited from sustainable land management compared to a strategic target of 30,800 hectares. This represents 40 new land management plans from NTFP projects in Burkina Faso and three from decentralised forest governance work in Mali. This indicator was new at the time the strategy was developed and the targets were ambitious.

Burkina Faso

In Burkina Faso, over 70% of people live rurally and depend on the land to grow food and make money. But the climate crisis and deforestation are causing it to rapidly lose its fertility. As a result, around two thirds of the population experience multidimensional poverty.

Furthermore, insecurity has meant that more than two million people have been displaced within the country.

We've been working with communities in the country since 1994, growing and protecting trees to tackle poverty and the effects of the climate crisis.

Our impact in Burkina Faso

3,033,909 trees grown.

848,059 people supported from 168,722 households across 1,354 communities.

5,617 hectares of land benefiting from restoration activities.

2,079 hectares of new land benefiting from sustainable management.

378 new primary groups supported to manage, process and sell non timber tree products.

30 new secondary tier organisations supported to manage, process and sell non timber tree products.

Projects surveyed at either midline or endline in 2024/25 showed:

- 10% average reduction in the number of households below the poverty line ($2.15 per person per day).
- 10% average increase in annual household income (approximately $147 per year).
- 33% average increase in household income sourced from NTFPs (approximately $58 per year).
- Note: These % changes do not relate to all our work in Burkina Faso, only to the projects surveyed in 2024-25.

Progress with existing projects

Growing carbon income for communities

The team in Burkina Faso have been able to scale up the planting activities in Burkina Faso on the Tond Tenga project, with 2,968,810 trees planted on that project alone in the 2024/25 period. This is almost half of the total number of trees required to sequester the target 3 million tonnes CO_2e, which will provide the communities with an income over the next 40 years.

The project has been registered as the first under Verra's VM0047 methodology – putting it at the forefront of best practice in the sector.

Supporting displaced people

With the security context of the country continuing to be problematic, Tree Aid has been able to provide support to internally displaced groups through a number of our projects. A new World Bank-funded project is targeting 20 communes to establish nutrition gardens for the benefit of vulnerable communities, including internally displaced people – with 2,800 people already benefitting. The nutrition gardens have been sited on areas granted for vulnerable people to use and will provide a critical source of food and income.

Reducing poverty

Our NTFP III project, which was building on our existing programme, helped to reduce the number of target households living in poverty by 9% (target 10%).

Providing jobs for youth

Our employment survey showed that 95% of the youth in our Challenge Fund for Youth Employment (CFYE)-funded project self reported that they received food or income from the work they are doing with the village tree enterprises and nutrition gardens. 100% reported that they are treated fairly and have a safe working environment, underlining the importance that these kinds of interventions can make for young people.

Sustainably Growing Africa's Food Systems AGRA-funded programme

105,014 new farmers were reached through our AGRA programme. The programme supports the improvement of farm productivity through a peer-training scheme and the implementation of approaches such as agroforestry, soil and water conservation (SWC), use of liquid fertiliser, and improved seeds. 2,257 tonnes of compost have been produced and applied in 2024/25, and 70 hectares of land put under restoration through SWC activities. Preliminary monitoring results show a significant increase in plant growth compared with traditional cultivation methods, indicating the effectiveness of the mechanised SWC techniques used. Field observations also revealed better water retention and improved soil quality, creating optimal conditions for crop development.

Building resilience

Our European Union-funded project, PRO-RACE is strengthening the resilience of rural households to climate change and food and economic vulnerability. 9,417 people, including 212 internally displaced people, have already received support with training in climate adaptation approaches, the establishment of forest management committees, SWC training, and the establishment of 10 nutrition gardens.

New projects

Our work in Burkina Faso continues to expand, with four new projects starting – including two one-year projects (one with the Dutch embassy in Burkina Faso where the project established a small green belt forest near Ouagadougou to act as a demonstration of how this restoration work can be done, and the World Bank project supporting vulnerable groups). Two new AGRA projects were signed in December and January respectively, both for three years. The projects aim to create sustainable jobs within agricultural and NTFP value chains to increase resilience and incomes of women and youth in the Centre Ouest and the Hauts-Bassins regions of Burkina Faso.

Ethiopia

Between 2000 and 2020, Ethiopia lost 738,000 hectares of tree cover. Without trees, the land is losing its fertility – two billion tonnes of fertile soil is lost each year. This is making it hard for people to grow enough food. As a result, 69% of the population are living in multidimensional poverty.

Our impact in Ethiopia

533,172 trees grown.

14,924 people supported from 2,985 households across 23 communities.

678 hectares of land benefiting from restoration activities.

Projects surveyed at either midline or endline in 2024/25 showed:

- 4% average reduction in the number of households below the poverty line ($2.15 per person per day).
- 305% average increase in household income sourced from NTFPs (approximately $270 per year).
- 39% point increase in the number of households who exceeded a target score of 60% in the forest governance survey. The questions asked concern: ease of forest access, bylaws, forest management groups, training, local government, and the overall extent to which forest resources are perceived to meet the community's needs.
- 16% point increase in the proportion of women who report equal or more power than their partners.

NOTE: These % changes do not relate to all our work in Ethiopia, only to the projects surveyed in 2024-25.

Progress with existing projects

Restoring the Central Rift Valley

Huge areas of the Central Rift Valley in southern Ethiopia are no longer able to support plant life, and farming is becoming impossible. Our project, focused on the Werja escarpment, has produced and planted 515,524 trees across 668 hectares of degraded land. The planting sites have been provided with large tanks to hold water that are aiding ongoing maintenance and protection of the planted trees by the local communities and surveillance brigades.

Protecting the Metema forest

Ethiopia's Metema forest is the last green belt before the start of the desert. But the climate crisis and deforestation have taken hold, and without action it could be extinct in 20 years. Our Future Forest and Developing Rural Resistance projects are partnering with communities to protect and govern their land and tackle the climate crisis.

Working with 2,846 participants, the project has strengthened local management of Boswellia forests that produce frankincense, provided warehouses to store frankincense and training on how to market it. Ongoing research into the impact of different tapping approaches on health of trees will help develop more sustainable practices in harvesting frankincense.

New projects

We were successful in our application to Darwin Initiative for a new project in the Gambella region of Ethiopia, which is focused on shea. This is a new value chain for Tree Aid in Ethiopia, but one that we have lots of experience working in throughout West Africa.

Ghana

In northern Ghana, where we've been working since 1994, a drastic reduction in fertile land and the climate crisis have devastated people's lives. Rainfall is unpredictable and drought and floods are becoming more frequent and severe. Poverty is rising and many are struggling to grow enough food.

Around 80% of people in the region live in multidimensional poverty. Our projects are working to change this.

Our impact in Ghana

2,837,451 trees grown.

3,978 people supported across 114 communities.

326 hectares of new land benefiting from restoration activities.

Progress with existing projects

Bongo reforestation

As our Bongo reforestation work - funded by Trees For All and the Blue Deal - came to an end this year, we can look back on the success of 20 communities being engaged to create management groups and management plans and 314,410 trees being planted on identified sites, including agroforestry. Since the baseline of 2021, responses indicate increases for monitored crops, including an increase of +300 kg/ha (+150%) for groundnut, an increase of +213.5 kg/ha (+132%) for rice, a rise of +212.5 kg/ha (+425% for beans), and an increase of +746.5 kg/ha (+377%) in soya bean yields (ha = hectares). With more funding from the donors, the project will continue through a seven-year monitoring period with some additional planting to strengthen the intervention.

Restoring the Daka river

The Daka river is a vital source of water for drinking, eating, washing and farming. But a rapid loss of trees and soil fertility, and the effects of the climate crisis, mean the river can dry out for months on end. The Daka River Restoration programme has been working over the last five years to restore degraded land around the river to protect it. In the last 12 months, 300 additional hectares were planted to create 2,869 hectares of land in total under restoration. Furthermore, 717,190 trees have been planted and our analysis shows that, over the previous couple of year, our farmer-managed natural regeneration approach has enabled 2,009,653 stunted or young trees to grow, increasing the overall biomass in riverine zone.

Investing in shea

Our shea project, funded by Global Shea Alliance and the Soroptimists, is focused on restoring shea parklands in northern Ghana. This year, 80,537 shea seedlings were planted. Training in grafting was carried out for nursery workers and 8,749 trees were grafted before planting. The parklands range across degraded communal land and into farmland, where shea can be planted as part of an agroforestry approach. The project has also worked to establish four cooperative unions that support women working in the value chain to aggregate their product. Two sites were chosen for creating shea processing centres, which are already functioning and supporting the production of shea butter.

Mali

Mali is one of the poorest countries in the world, with over 68% of the population living in severe, multidimensional poverty. In the south of Mali where we work, most people rely on farmland for food and income. But the climate crisis is making farming difficult and life tough.

Our impact in Mali

771,700 trees grown.

65,675 people supported from 13,135 households across 348 communities.

859 hectares of land benefiting from restoration activities.

22,613 hectares of new land benefiting from sustainable management.

55 new primary tier groups supported to manage, process and sell tree products.

3 new secondary tier organisations supported to manage, process and sell non timber tree products.

Projects surveyed at either midline or endline in 2024/25 showed:

- 45% average reduction in the number of households below the poverty line ($2.15 per person per day)
- 317% average increase in household income (approximately $2,644 per year)
- 699% average increase in household income sourced from NTFPs (approximately $473 per year)
- 68% point increase in the share of households who exceeded a target score of 60% in the forest governance survey. The questions asked concern: ease of forest access, bylaws, forest management groups, training, local government, and the overall extent to which forest resources are perceived to meet the community's needs.
- Note: These % changes do not relate to all our work in Mali, only to the projects surveyed in 2024-25.

Promoting forest governance

The Ségou region of Mali has been hit particularly hard by deforestation and the effects of the climate crisis. Through our three-year project there, we've been building capacity in the management and sustainable use of two forests there: Safienso and Sanekuy.

In Safienso forest, tree density increased by 35.5%, vegetation cover increased by 10% and production potential rose by 13.6%. In Sanekuy forest, tree density increased by 21%, vegetative cover increased by 10% and production potential increased by 10% (from 5.59 m^3/ha/year to 6.17 m^3/ha/year).

The project surpassed its target of 3,000 households, reaching 8,479 households (9,934 participants) due to several factors. Techniques were replicated locally by trained community facilitators, extending the project's reach. Information sharing through radio broadcasts, USB drives and WhatsApp further amplified the dissemination of knowledge.

The investment made in training and provision of equipment for NTFP value chains had a huge impact. Income from NTFPs jumped by 720%. This saw a total household income increase of 386% on average for the targeted households.

Target Group	Baseline Household Income	Baseline Income from NTFPs	Final Household Income	Final Income from NTFPs
Average	$722	$70 (10% of total income)	$3,506 (increase of 386%)	$577 (increase of 720%) (16% of total income)

The Olympic Forest

In Senegal and neighbouring Mali, our work through the Olympic Forest with the International Olympic Committee (IOC) continues to make great progress, culminating in the issuance of over 100,000 tonnes CO_2e for Mali after 225,874 trees were planted in 2024 alone. 1,317 hectares of land have benefitted from restoration activities and more than 9,500 are under better management thanks to agreed management plans.

The efforts will now focus on protecting trees through difficult periods of drought and threat from bushfires. Communities will benefit not just from the trees, but with payments thanks to their ongoing protection of the trees.

We began a new phase in early 2025 to sequester an additional 100,000 tonnes of carbon dioxide equivalent as part of the IOC's climate commitment ahead of the Dakar Youth Olympic Games in 2026, the first Olympic event ever held on African soil.

Darwin Extra - scaling up our forest governance work

Through the Darwin Extra project, our forest governance work in Mali has been able to scale up. 523,179 trees were planted in 2024 across three forest sites that are part of the decentralised forest governance approach. 495 hectares of land are under restoration by three community cooperatives that are charged with managing the forest areas. Training has been provided in key management techniques and three seed groves have been identified. The seed groves will be used to collect and propagate seeds of particularly endangered species.

Niger

Niger is one of the world's poorest countries. The climate is very hot and dry and most of the country is desert. As a result, 91% of the population are living in extreme poverty. Since 2013, Tree Aid has been supporting communities there to tackle poverty and improve the environment. Security continues to be challenging, for international NGOs.

On our Enabel-funded project supporting women, in the 11 target communes of Dosso and Tahoua, we have worked with 1,344 new women – taking the total to 5,564. The women are

supported through the organisation of 288 savings groups and loan associations, as well as income-generating activities.

Training was provided to 187 group members, who then went on to train 4,227 people in financial management and group organisation. Around £17.5k worth of savings have been aggregated by the groups, with 468 women able to access loans for investing in their income-generating activities.

Our impact in Niger

27,820 people supported from 5,564 households across 71 communities.

31 new primary tier groups supported to manage, process and sell NTFPs.

Senegal

Senegal faces significant challenges with poverty, particularly in rural areas where a large portion of the population relies on agriculture for their livelihoods. Climate change exacerbates these difficulties, leading to unpredictable weather patterns that threaten food security and economic stability for farming communities, making it increasingly hard for families to sustain themselves and improve their living conditions.

Our impact in Senegal

208,848 trees grown.

6,530 people supported from 1,306 households across 60 communities.

247 hectares of land benefiting from restoration activities.

17 new primary tier groups supported to manage, process and sell tree products.

The Olympic Forest

In Senegal and neighbouring Mali, our work through the Olympic Forest with the International Olympic Committee (IOC) continues to make great progress, culminating in the issuance of over 90,000 tonnes CO_2e for Senegal after 208,848 trees were planted in 2024 alone. 606 hectares of land have benefited from restoration activities and management plans are being formalised.

We began a new phase in early 2025 to sequester an additional 100,000 tonnes of carbon dioxide equivalent as part of the IOC's climate commitment ahead of the Dakar Youth Olympic Games in 2026, the first Olympic event ever held on African soil.

Saint Louis

The Great Green Wall Tree Planting Project in Saint Louis is a new project that has started, aiming to plant 500,000 trees across 1,000 hectares of land. The process of producing the seedlings and engaging communities to plant has begun.

Thank you

On behalf of all the people we supported in the drylands of Africa in 2024/25, we would like to thank the corporate supporters, trusts, foundations, institutions and individuals who made our work possible. We are extremely grateful for your support.

Thank you to our institutional funders, including:

Alliance for a Green Revolution in Africa (AGRA)
Challenge Fund for Youth Employment
CIFOR-ICRAF
Darwin Initiative
Dutch Water Authorities
Dutch Embassy Burkina Faso
Enabel
European Union
Foreign, Commonwealth and Development Office (FCDO)
Global Shea Alliance
International Olympic Committee (IOC)
Netherlands Development Cooperation Burkina Faso
Swedish International Development Cooperation Agency (SIDA) - Swedish Embassy in Burkina
Swiss Development Cooperation - Burkina Faso
World Bank

Thank you also to the following trusts, foundations, and corporate supporters for their support throughout the year:

Alland & Robert
Barton Hyett Associates Ltd
Carbon Underwriting
Cirque Furniture
DreamingFish
Ecosia
Eleos Compliance
ForrestBrown
forpeople
Juniper Trading
Microsoft
Palmstead Nurseries
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The Morel Charitable Trust
The Serve All Trust
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Societrees
The Helen and Michael Brown Charitable Trust
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The Fulmer Charitable Trust
The Dick Foundation
The Frays Charitable Trust
St Bega Charitable Trust
Stonewall Partk Charitable Trust

Patrick & Helena Frost Foundation
Unicorn Grocery
The Whitaker Charitable Trust

Patrons
The Trustees would like to express their thanks to Tree Aid's patrons, Adjoa Andoh MBE, Dame Joanna Lumley DBE, FRGS, Zoë Wanamaker CBE and Hilary Benn MP, for the time and support that they have given during the year.

Staff and volunteers
The Trustees recognise the huge and ongoing contribution made by staff in our offices in Addis Ababa, Bamako, Bristol, Niamey, Ouagadougou, Tamale and Dakar, and in particular those staff working directly with our programme participants. We extend our gratitude to them all and acknowledge their energetic commitment to Tree Aid's mission, values and programmes. The Trustees are also extremely grateful to the volunteers who donated their time to Tree Aid during the year, who have assisted in office-based administration and other support.

Improving our operations

People
In 2024/25, we have taken further steps to strengthen how we support our people. In November, we restructured internal functions to create a dedicated Compliance, Risk & Culture team, separating it from the Finance & Resources department. This change has enabled a more focused and strategic approach to organisational culture, learning, and engagement—while Finance & Resources continues to oversee essential operational elements such as pay and benefits. The shift reflects our wider commitment to nurturing Tree Aid's internal ecosystem with the same care we bring to restoring land and supporting communities. Guided by our newly approved Workforce Strategy, we renewed our focus on creating space for connection, reflection and collective learning. Initiatives such as UK and regional strategic away days, leadership days and an improved induction process have helped embed organisational learning as a shared responsibility. Our approach is grounded in the core belief: to grow thriving forests and resilient communities in Africa's drylands, we must also cultivate a collaborative, inclusive and accountable team.

Systems and processes
AKUKO, our information management system, has developed substantially over the past year. The project level dashboard now shows 13 projects. The programme dashboard shows all our organisational KPIs, disaggregated by strategic period, year and country. We are now able to track the proportion of data collected electronically for key indicators. A gender component to the dashboard is scheduled to go live in 2025.

We have developed a suite of 'generic' data collection tools in ODK, an open-source data collection platform. This now allows all projects in all countries to use the same tools, and for data collected to be cleaned and analysed in a more systematic and stable manner.

We have reviewed our land-based monitoring tools and approaches, and updated guidance is available for both carbon and non-carbon projects. Quality assurance of data collected has informed this review. We have deployed a new functionality in ODK, which enables us to track changes in planting sites and permanent monitoring plots over time.

We have piloted qualitative data collection and analysis in Burkina Faso with our Forest Governance project and our NTFP III project. We intend to use this approach in Ethiopia with our FCDO-funded project this coming year. This allows us to demonstrate the primary causes of change from the perspective of project beneficiaries.

We have also supported all Tree Aid staff with system changes, moving from a server-based IT system to Microsoft365 to facilitate security, global sharing and hybrid working.

Compliance

Our Compliance, Risk & Culture team plays a vital role in upholding the integrity of our organisation. Over the past year, we have continued to strengthen the systems that prevent and detect misconduct, ensuring our policies not only meet legal requirements but reflect the values we stand for. Every Tree Aid office undergoes an internal audit annually, and all employees receive regular training—building a culture of accountability and awareness across all levels of the organisation.

Funding

We continued to seek opportunities for long-term partnerships with grant-making institutions, corporations, foundations and trusts so we can expand our programmes and work with our supporter base to promote Tree Aid's work. The research for funding has been quite successful this year with several new donors secured and an increase in Senegal, Ethiopia and Burkina Faso portfolios.

One of our new donors this year is the Green Earth Foundation, which is funding new projects in Ethiopia and Senegal. These projects aim to revive large areas of degraded land affected by unsustainable practices, such as farming and wood harvesting, through the reintroduction of native tree species by enrichment planting. In Ethiopia, the project implemented in the Werja watershed in the Central Rift Valley Lakes Region, launched in April 2024, enabled the planting of 500,000 trees. This project has been extended to a phase two and another 500,000 trees are expected to be planted in 2025/26. 500,000 trees will also be planted in the Saint Louis region of Senegal thanks to funding from the Green Earth Foundation. Another key new donor is The World Bank. The project in Burkina Faso aims to improve the resilience and food security of local communities through the creation of nutrition gardens.

We launched two new projects in Burkina Faso funded by AGRA. These projects aim to create sustainable jobs within agricultural and NTFP value chains to increase resilience and incomes of women and youth in the Hauts-Bassins region of Burkina Faso.

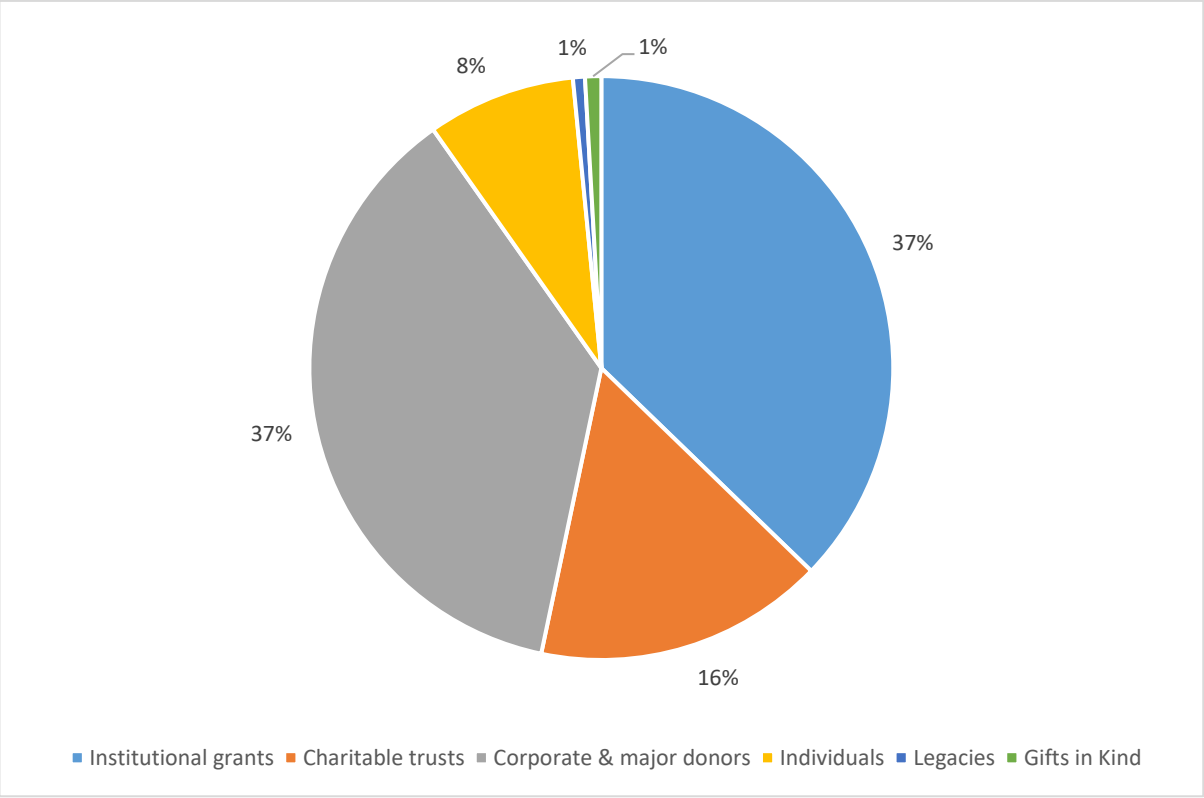
We signed a new contract with our longstanding donor, the Darwin Initiative, for a three-year project in Ethiopia. The project will empower four communities to implement sustainable forest management for 16,700 hectares, restore 3,000 hectares and develop sustainable livelihood opportunities to reduce local poverty by strengthening the shea value chain. We are also working in collaboration with CIFOR-ICRAF on a project working with small-holder farmers, youth and

women's institutions to ensure access to quality planting materials, scaling of agroforestry systems and biodiversity conservation.

Ghana has secured an additional funding of £60,000 for its Global Shea Alliance (GSA) project, which aims to restore shea parklands and develop women's cooperatives based on shea processing.

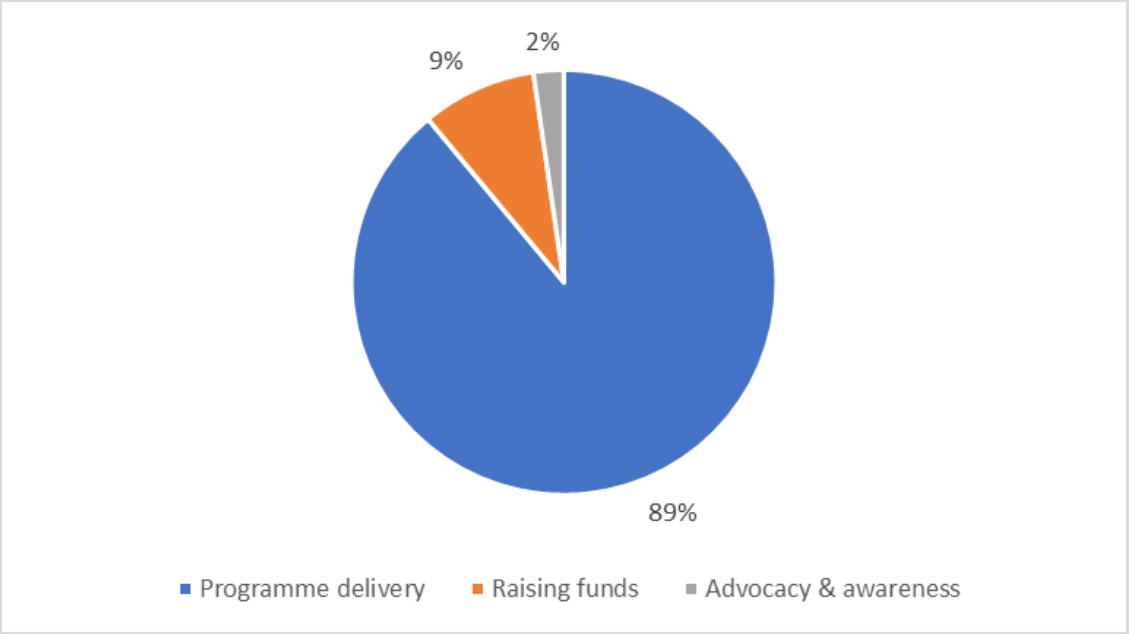
Income

In 2024/25, Tree Aid's income grew to £11.3 million from £10.8 million in 2023/24. There was a change in the mix of sources of income in that our reliance on institutional income reduced from 41% in 2023/24, to 37% in 2024/25, as a result of Tond Tenga, a corporate-funded project in Burkina Faso, continued AGRA funding and support from the Montpellier Hampshire Foundation. The chart below shows where our income came from:



Expenditure

Our total expenditure rose as a result of increased project activity in most areas of our operations, to £12.6 million, compared to £10.6 million in the previous year. A breakdown is shown in the chart below:



Our future

We have achieved significant progress in most areas of our Strategic Plan during 2024/25 and plan to build on this progress in 2025/26 to help address the human and environmental challenges caused by climate change, conflict, population growth and migration, affecting the prospects of millions of families.

To support delivery of our Strategy, each year we develop operational plans that define our strategic targets in terms of specific annual objectives. We develop these objectives by functional area (programmes, advocacy, finance & resources and fundraising & communications) aligning them to the strategic outcomes that they support. The Operational Plans for 2025/26 set out below along with targets rely on assumptions around the key risks the organisation is confronted by:

- Political unrest: we monitor the political situation closely and plan our operations carefully taking account of the risk of prolonged and major disruption to programmes.
- Insecurity: We monitor the security situation at a local level and have policies and controls to prevent risk of harm to staff.
- People and culture: we work hard to achieve high staff engagement and successful integration of new members while upholding our values as we grow.
- Undetected fraud: we have systems and controls in place to identify and deal with any fraud.
- Safeguarding: our staff, Trustees and partners are trained in safeguarding policy and procedures. Adherence to policy is mandatory in partner contracts and incident reporting mechanisms have been established throughout Tree Aid.
- IT failure: we have detailed IT security and recovery plans in place for each of our systems, managed by outsourced IT suppliers.
- Decreased public and government funding: we monitor funding from individual governments as a proportion of total funding, with the aim of limiting exposure to one single donor. The Board is actively monitoring the situation.

- Insufficient unrestricted income: we review the restricted/unrestricted ratio on a quarterly basis, while ensuring funds are generated from a wider range of fundraising sources as well as maximising cost recovery in new donor proposals.
- Carbon offsetting funding: we monitor public perception and developments in this area and have clear communications regarding our own approach.

For more details on these risks and how they are mitigated, please see pages 24 and 25.

Objective 1: Empowered Families

Empowered families are at the core of Tree Aid's approach. We are working with households to develop skills and knowledge to lift themselves out of poverty. The poorest people in the drylands of Africa need trees for income and food. More trees mean greater availability of wild foods that can be eaten as part of a nutritious diet. To ensure that families have access to nutritious food all year long, we will continue to develop nutrition gardens.

We continue to monitor the impact of our projects through household surveys. This is done periodically across projects (normally at the beginning and end of the project).

The targets for the coming year are based on the current portfolio, plus the prospect of some new projects such as the AGRA projects across Mali, Burkina Faso and Ghana.

Indicator	Strategy Target 2022-27	Cumulative Actuals 2022-25	Actuals 2024-25	Target 2025-26
Reduction in households living in extreme poverty	20%	45%	11%	20%
Percentage increase in household income.	100%	112%	23%	100%
Percentage increase in household income from NTFPs	175%	801%	77%	175%
Number of village tree enterprises supported (primary tier groups)	2,000	2,029	481	412
Increase in the proportion of women who report equal (or more) power than their partner	15%	-4%	4%	15%

Objective 2: Empowered Communities

We are empowering communities so they have the skills and capacities to work together and to effectively manage and restore their landscape and reduce poverty. Unless there is rapid action to halt deforestation, the livelihoods of millions will be at risk from land degradation. As experts in forest management, we support local government and communities to restore and replant trees and ensure forests are sustainably managed for the future.

During the Strategic Plan (2022-27), we expect to grow over 12 million trees and improve over 66,000 hectares of degraded land.

The number of trees planted in 2025/26 is expected to be the biggest ever in a single year. This will largely be driven by the Tond Tenga project, where trees are being planted for carbon sequestration with three million trees being planted under that project.

Our current Pro-Resilience work with AGRA is targeting more than 200,000 small-holder farmers. The number of hectares covered by this intervention are yet to be registered, so we expect those

to contribute to the targets in 2024/25. Furthermore, the new Darwin Extra project in Mali and Tond Tenga should restore more than 6,500 hectares. We expect survival rates to improve next year as adaptations are made, learning the lessons from prior years.

Indicator	Strategy Target 2022-27	Cumulative Actuals 2022-25	Actuals 2024-25	Target 2025-26
Number of trees grown	12 million	12,503,535	7,385,080	7 million
Tree survival rate	70%	59.1%	50.6%	70%
Land area (Ha) benefiting from restoration activities	66,000	25,821	7,726	13,200
Land benefiting from Sustainable Land Management	154,000	96,159	24,692	30,800
Increase in good forest governance	20%	8%	41%	20%

Objective 3: Empowering and Enabling Systems

Over the past few years, we have been investing time and resources into significant policy engagement and relationship building, dividing our work between international and in-country advocacy. At the international level, we have made strong inroads into important stakeholder groups – working closely with the African Union, UNCCD, World Economic Forum, CGIAR Centres and others – and presenting our work at important fora such as African Climate Week, New York Climate Week, Global Landscape Forum, and UNCCD and UNFCCC COPs.

To maximise our impact in 2024/25, we pursued outputs in several key areas:

Civil society-led restoration

We have already begun to build a case for why local Civil Society Organisations are central to cost effective and sustainable delivery of our strategic goals. In 2024/25 we built a stronger case with international funders to convince them to use new methodologies to channel their grant funding so they can reach more local CSOs.

Decentralisation and locally controlled natural resources

Another key element to our advocacy is to highlight the central importance of the decentralisation of management of forests and common lands within the Sahel. In 2024/25, we successfully published a landmark case study, “Forest Governance in Burkina Faso: Key Learnings”. This report consolidated over 17 years of experience working alongside national and local government and communities to implement inclusive and locally-led forest management. It provided compelling evidence that decentralised governance is a critical foundation for effective and lasting land restoration and has strengthened our position in ongoing policy dialogues across the Sahel[1].

[1] https://www.treeaid.org/media/r23jbjuc/ta_forest-governance-report_v5_pages-spreads.pdf

In 2025/26 we want to pursue further evidence gathering to create a set of case studies and comparisons from across the region, highlighting where and how decentralised governance has worked and the outcomes that have sprung from that.

Scaled high-quality carbon investments for dryland communities
The growing voluntary carbon market (VCM) provides an unprecedented opportunity not only as a new avenue of funding to scale up restoration across the world, but it also has the potential to bring significant financial flows to communities on the frontline of climate change, such as the rural communities of the African drylands. In 2024/25, we published with the World Economic Forum the white paper "The Untapped Potential of Great Green Wall Voluntary Carbon Market Projects", which highlights the VCM potential in the region, estimated at 1.8 billion tonnes CO_2e, making a compelling case for increased, equitable investment in dryland restoration. [2]

Over the past year, we have also been working with individual carbon investors to develop and fund large-scale, high-integrity, high-quality carbon projects, which include a strong benefit sharing mechanism for the communities. Tree Aid has now secured two large VCM projects, with further opportunities in the pipeline. We have also started working with the World Economic Forum, Great Green Wall coalition and the Nature4Climate working group, focusing on building trust in the VCM to raise visibility of our model, and the potential for more investment across the area.

Making climate finance work for frontline communities
In 2024/25, we published an in-depth analysis of AFOLU-related climate finance flows to the Sahel and Horn of Africa. The report highlights a significant gap between climate finance commitments and actual disbursements, particularly for agriculture and nature-based solutions. Crucially, it reveals that only a small fraction of funding reaches the local level, where the impacts of climate change are most acute and where restoration efforts are most needed. This evidence forms a critical foundation for our advocacy to reform climate finance systems so they are more accessible, accountable and responsive to the needs of frontline communities.[3]

Learning from our work and communicating our impact
In 2025/26, building on the learning reports already published, we will continue to deepen our analysis of key themes emerging from our programmes. We aim to focus particularly on the impacts of our work in land tenure rights and women's empowerment. Insights generated will inform our advocacy messaging, strengthen our programme design and be shared across technical platforms and policy spaces to influence wider practice.

Country advocacy capacity and stakeholder engagement
In 2025/26, building on the investments made in 2024/25 to expand staffing and strengthen multi-stakeholder engagement, we will consolidate and expand the progress made in the previous year by strengthening the collaboration between our UK-based advocacy team, Country Directors and in-country advocacy staff. This joined-up approach is enhancing our ability to shape policy agendas at both national and international levels. Country Directors and national advocacy leads are increasingly engaging in high-level policy fora, government consultations and technical platforms,

[2] https://www.treeaid.org/media/5zudcs52/report_realising_voluntary_carbon_market_sahelian.pdf
[3] https://www.treeaid.org/media/xfcc5k5e/analysis-of-afolu-related-climate-finance-in-the-sahel-and-horn-of-africa-november-2024.pdf

while the UK team provides strategic guidance, coordinates global messaging and ensures alignment with broader advocacy goals. Together, our teams are becoming more effective in convening diverse stakeholders, influencing policy processes and transformation, and elevating community voices and needs in debates around locally-led land restoration, decentralised forest governance, climate and carbon finance. Continued investment in capacity-building, cross-country learning, and strategic partnerships will enable us to deepen this impact in the year ahead.

Structure, governance and management

Tree Aid as a charity and a company has specific areas of governance that our Trustees are required to scrutinise and report on annually. Our Trustees focus on good governance and in 2024/25 reviewed:

- Progress against our Strategic Plan using a range of key performance measures
- Risk, risk appetite and mitigation
- Board effectiveness and governance for growth
- Safeguarding policy and practice
- Reserves policy and designation of funds
- Delegation of Authority policy and limits
- Annual operational plans, budgets and staff remuneration
- Performance of Tree Aid's investments
- CC8: Internal Financial Controls for Charities including best practice for charities working internationally.

Our Trustees review Tree Aid's performance in detail in the following areas each quarter:

- Programmes
- Finance & resourcing
- Fundraising
- Compliance, risk and culture

Legal structure
Tree Aid was established as a charity in 1987 and incorporated as a charitable company, limited by guarantee, in the UK, in April 2010. The Company was set up under a Memorandum of Association, which established its objects and powers. It is governed under its Articles of Association. The Charity's purpose and main activities are described on pages 26 and 27.

Group structure
Tree Aid, the Charity, has three wholly-owned subsidiary organisations which, together with the Charity, comprise the Group. In West Africa, Tree Aid Burkina Faso (an Association under the Law of Freedom of Association (10/92/ADP of 15 December 1992)) and Tree Aid Ghana (a company limited by guarantee under the Ghanaian Companies Act 1963) both have boards of directors and operate under similar charitable and non-profit-making objectives to those of Tree Aid. In the UK, the Charity also has one wholly-owned subsidiary, Tree Aid Enterprises Limited, a company limited by shares, which is dormant.

Organisational structure

Our **Board of Trustees** ensures Tree Aid is governed effectively and responsibly. The Board is collectively responsible for the delivery of our charitable objectives and for ensuring that we are governed in accordance with our Memorandum and Articles of Association. The Board meets quarterly and at 31 March 2025, comprised 11 Trustees. Each Trustee is also a Director of the Company for the purposes of company law. A list of Trustees is on page 68.

We recognise that a healthy Board identifies the mix of skills, knowledge and experience necessary for the efficient and effective governance of Tree Aid. A healthy Board will also make sure that the recruitment and appointment of Trustees provides adequate opportunities for reassessing and achieving that mix. Tree Aid is fully committed to equality of opportunity and diversity in its governance. We recruit Trustees to ensure the Board has the knowledge and skills required to achieve our mission and uphold our values. All new Trustees go through a full and open recruitment and interview process. Appointment is by Board resolution and all Trustees receive an induction on appointment and relevant training is made available.

The Board follows good practice by planning for succession and periodically reviews whether it has the appropriate mix of skills and capacities going forward. The Board also evaluates its performance regularly and plans to carry out a Board effectiveness review in 2025/26.

In line with our Articles of Association, the Board delegates certain functions to sub-committees, under terms of reference it has approved. These sub-committees report to the Board at each Board meeting. During the year, the sub-committees were reorganised to support the Board more effectively. There are three sub-committees of the Board:

The **Finance, Audit, Risk and Compliance Committee** deals primarily with financial, audit and administrative matters and has oversight of the process of risk management. It comprises three Trustees with governance, business and risk experience.

The **People, Culture & Governance Committee** is responsible for making recommendations on Board composition and for supporting the Chief Executive Officer to identify and recruit for Board and Senior Management Team vacancies. This sub-committee also reviews remuneration for staff and ensures that safeguarding and human resources policies are regularly reviewed and updated. The Chair of the Board chairs the People Committee and it includes three other Trustees with relevant experience.

The **Programmes and Partnership Committee** comprises four trustees and focuses on the performance of our existing projects and review of up-coming opportunities and partnerships. The Board appoints the **Chief Executive Officer** to manage the day-to-day running of Tree Aid under powers the Board delegates to the position. Working closely with the Chair of the Board, our Chief Executive leads the Senior Management Team to ensure our strategy and operations are aligned and effectively delivered.

The **Senior Management Team** has executive responsibilities and comprises the Chief Executive Officer, Director of Programmes, Director of Finance and Resources, and Director of Communications and Fundraising.

Related parties
All Trustees give their time freely and none receive remuneration or other benefit from their work with Tree Aid. Any contractual relationship between a Trustee or senior manager of Tree Aid, or our subsidiaries and a related party, must be disclosed to the Board of Trustees. We have taken out Trustee indemnity insurance, which indemnifies Trustees and Tree Aid up to £1 million. This cover is provided as part of a general charity insurance policy which cost £3,644 (2023/24: £3,013). Please see note 24 to the accounts for further details of related party transactions.

Remuneration policy for senior staff
The Board of Trustees and the Senior Management Team comprise the key management personnel responsible for directing, controlling, running and operating Tree Aid on a day-to-day basis. Details of Trustees' expenses and related party transactions are disclosed in notes 12 and 24 to the accounts.

The Board of Trustees reviews the remuneration of all staff at least annually, benchmarking salaries using external sources of voluntary sector salary data. We aim to offer salaries that are affordable and competitive, compared to those that similar voluntary sector organisations offer.

The remuneration of key management personnel is disclosed in note 11 to the Accounts.

Risk management
Our Board identifies and reviews the strategic, business and operational risks Tree Aid is exposed to, and ensures that appropriate controls are in place to provide reasonable assurance against aid diversion. Our Board and Senior Management Team carry out a quarterly assessment of the risks facing the organisation. This assessment process is recorded in a risk register, which assigns management of risks to specific people, and recommends actions to mitigate them.
As an outcome of the work the Compliance, Risk & Culture team carries out on risk, the Board has identified the key risks below and put in place mitigation plans which it monitors regularly:

- ***Political unrest and staff safety:*** we have business continuity plans in place for each country to ensure continuity of programmes where possible. We supplement local knowledge by reviewing United Nations and UK Foreign, Commonwealth and Development Office security and the International NGO Safety Organisation alerts. We also regularly review travel protocols. Further investment in a Global Security role is planned in 2025.
- ***People and culture:*** in a context of growth and of flexible working, we regularly assess employee wellbeing, workload and monitor the reasons for staff turnover closely. The Leadership Team is dedicated to ensuring healthy work relations and to addressing any issues and root causes promptly.
- ***Undetected fraud:*** Tree Aid has clear finance procedures in place with appropriate segregation of duties. Internal and external audits are carried out regularly. We carry out partner due diligence processes. Staff are trained annually in anti-fraud policy and procedures.
- ***Safeguarding*****:** our staff, Trustees and implementing partners are trained annually in safeguarding policy and procedures. Adherence to policy is mandatory in partner contracts and incident reporting mechanisms have been established throughout Tree Aid, and with our partner organisations and programme participants. Our Board of Trustees regularly reviews our policy and approach and implements additional measures where appropriate.
- ***Data protection and cyber-security:*** we have detailed IT security and recovery plans in place for each of our systems, managed by outsourced IT suppliers. The Board reviews system security measures periodically.

- ***Management of organisational growth:*** we manage growth through large institutional grants by partnering with reliable, mature downstream partners, monitoring staff structures and workloads closely, and ensuring that we have adequate reserves to counter potential delays in disbursements.
- ***Unbalanced portfolio:*** we continuously monitor our donor base and projects to build a healthy diversification between countries.
- ***Risk of changes in governments' appetites for international development resulting in a reduction in funding:*** we monitor funding from individual governments as a proportion of total funding, with the aim of limiting exposure to one single donor. The recent freeze on USAID funding has had a significant impact on the global charity sector, consequences for Tree Aid have been indirect so far. Tree Aid is actively monitoring the situation.
- ***Insufficient unrestricted income:*** we review the restricted/unrestricted ratio on a quarterly basis, while ensuring funds are generated from a wider range of fundraising sources as well as maximising cost recovery in new donor proposals.
- ***Carbon offsetting funding disrupting organisational streams:*** we monitor closely perceptions of carbon offsetting. Mitigation is through ensuring that funding streams are planned to avoid cashflow issues and that our communications regarding our approach to carbon offset are clear and that we have prepared for emergency communication in advance should it be needed.

In 2024/25, with regards to our performance against the Charity Governance Code, Trustees focused on the following areas:

- *The Board reviews its own performance:* in terms of decision-making, risk and control, the Board reviewed its structures and performance in the context of a fast-growing organisation, making appropriate changes to sub-committee structure, terms of reference, frequency of meetings, Delegation of Authority and policy reviews. The Board last reviewed its performance in 2023/24 and the evaluation, led by the Vice-Chair, concluded that the Board was effective.

- *The Board periodically takes part in training and/or reflection about diversity and understands its responsibilities in this area:* The Board recently carried out a recruitment process that took account of its responsibility to ensure a diverse Board.

Trustees carried out their annual review of Tree Aid's internal controls against the Charity Commission's updated Internal Financial Controls Checklist (CC8), supplemented by the Charity Commission's guidance on How to Manage Risks When Working Internationally. They concluded that, where applicable, internal control processes were in place in line with the Checklist and guidance.

Grant-making

Partners are key implementers in several Tree Aid projects and play an important role at all phases of project development and implementation. We work with a range of partners, some small and local, some institutional and some technical specialists (such as universities), all of whom carry out work in support of Tree Aid's aims and objectives. We make grants to partners in line with written

contracts and detailed procedures set out in our Operations Guide and Finance Procedures Manual, ensuring that we carry out appropriate due diligence and training where needed, working with mutual respect and open communication.

Fundraising

We would not be able to do our important work without the support of our donors. We seek to maintain the highest possible standards in fundraising and relationships with our supporters and we take pride in providing excellent supporter care.

Tree Aid is registered with the Fundraising Regulator and bound by its Code of Fundraising Practice. We continue to monitor compliance as this Code is revised, to ensure all our fundraising activities are operating to the highest standards. We received zero complaints relating to fundraising via the Fundraising Regulator in 2024/25 and 22 directly. We responded to these promptly and resolved them in line with donors' preferences.

We are also registered with the Fundraising Preference Service and had seven donors opt out of communications via the Fundraising Preference Service this year (40 in total since its launch in 2017). We ensure we are compliant with the General Data Protection Regulation.

Trustees and the Senior Management Team regularly review all aspects of our fundraising, including plans, performance and compliance. We produce annual plans and reviews and monitor performance against targets monthly and performance indicators quarterly.

We deliver some fundraising activities with the support of professional fundraising organisations. We ensure these organisations are fully compliant with fundraising regulations and with our own policies. We have clauses built into all our supplier contracts, which ensure high standards in supporter care, data protection and working with vulnerable people.

We have a specific policy on fundraising from vulnerable people. This includes our procedures and guiding principles on which all fundraising staff are trained.

Focus to ensure our activities achieve our charitable aims

Tree Aid's objectives, as set out in our Articles of Association, are to benefit the public through:

1. Relieving the poverty of and promoting the welfare of project participants overseas by promoting for their benefit of such persons the conservation and improvement of their natural environment especially through silviculture and job creation

2. Promoting, for the public benefit, research into methods of reclaiming or preventing degradation of agricultural or forest land into desert land for its continued use for forestry, agricultural, industrial or commercial purposes and publishing the results of such research.

The Board regularly reviews Tree Aid's aims, objectives and activities and summarises our achievements and outcomes in this report. This review helps the Board ensure that the organisation's aims, objectives and activities remain focused on our stated purposes. By carrying out this review and as set out in detail in this report, the Trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the public benefit requirement under that Act.

Financial review

The Trustees' Annual Report and audited Consolidated Financial Statements are prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, our Memorandum and Articles of Association, 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 United Kingdom and Republic of Ireland (FRS 102).

The legal and administrative information set out on page 68 forms part of this report.

Income and expenditure

Income

Our principal funding was from institutional grants, individuals, companies and charitable trusts as follows:

	2025	*2024*
	£	*£*
Institutional grants	4,156,053	*4,470,211*
Charitable trusts	1,772,187	*798,975*
Corporate and major donors	4,233,600	*3,659,364*
Individuals	917,427	*949,133*
Legacies	74,191	*794,199*
Donations in kind	100,000	*149,175*
Donations and legacies	**11,253,458**	*10,821,057*
Investment and other income	16,113	*21,607*
Total income	**11,269,571**	*10,842,664*

Income from sources other than institutional donors increased to £7.1 million compared to £6.4 million in 2023/24, largely as a result of the start of the Tond Tenga project that has corporate funding. Legacies were significantly lower than in 2023/24, by £0.7 million.

Grants from institutional donors decreased to £4.2 million in 2024/25, compared to £4.5 million in 2023/24 due to the timing of receipts of income, and a reduction in funding from the Swiss Agency for Development & Cooperation in 2024/25.

Expenditure

	2025	*2024*
	£	*£*
Raising funds	1,110,575	*996,398*
Programme delivery	11,168,687	*9,528,992*
Advocacy and awareness	293,471	*117,776*
Total resources expended	**12,572,733**	*10,643,166*

To achieve future income growth, we continued to invest in institutional and supporter fundraising. Overall, our investment in raising funds at £1.1 million, was £0.1 million higher than in the previous year. The cost of raising funds is an unrestricted expense but raises both restricted and unrestricted income.

Total expenditure on charitable activities, mainly comprising programme delivery and advocacy and awareness costs, was £11.5 million, £1.9 million higher than in the previous year.

The net expenditure for the year was £1.3 million (2023/24: net income: £0.3 million), including a £1.1 million shortfall of restricted funds (2023/24: £0.1 million) caused by timing differences between the year of receipt of funds and the related spend.

Tree Aid ran 29 projects during the year (2023/24: 24) across the six countries we operate in, including major projects in West Africa funded by corporate funders and European governments.

Tree Aid is primarily funded through a number of multi-year, restricted grants across our countries of operation. With the addition of matched and unrestricted funding, these fully fund our project activities and our in-country operations costs. In addition, we raise unrestricted funds to support project delivery and enable investment in innovation and growth, providing valuable technical support to our overseas teams and ensuring compliance, quality and consistency across our projects.

Tree Aid ended 2024/25 with a strong balance sheet, with a level of reserves adequate to support future growth. The Board aims to ensure that this strong financial base is not eroded as a result of any of the risks identified in the Risk Register described on pages 24 and 25.

We have made conservative assumptions in our recently completed going concern review on the levels of unrestricted funding likely to be raised, based on our experience and on our knowledge of and relationship with our committed supporters. The budget for 2025/26 and the going concern review indicate that Tree Aid has adequate reserves, backed by investments and other funds, to continue as a going concern for at least 12 months from the date of this report. Cashflow forecasts show positive balances of restricted and unrestricted funds and consequently the Board believes that Tree Aid can continue to account on a going concern basis. In view of the strength of the balance sheet on 31 March 2025, the Board believes that Tree Aid's financial position at the year-end was satisfactory.

Currency exchange rates remained volatile in 2024/25. To help manage exposure to currency fluctuations, we continued to carry a proportion of funding received in the UK in Euros. This funding will be spent in Central African Francs, the exchange rate for which is linked to the Euro. In addition, to mitigate against other currency fluctuations, we carry a proportion of grant funding received in US dollars and UK pounds. This practice will continue in the next financial year.

The Board agreed to combine investments held with fund managers to enable better returns and simplify administration. The investment values of our managed investment funds declined over the year as markets remain volatile. The value of UK woodland remains high: the effect of this on Tree Aid's investment holdings is considered under Investment performance on page 30 of this report.

Reserves

Total funds held by the Charity at the year-end were £4.1 million (Group: £6.2 million) of which £1.4 million (Group: £3.5 million) were restricted and not available for the general purposes of the Charity.

We have identified the following primary criteria for holding unrestricted reserves as part of funds, at the appropriate levels to maintain general reserves (those unrestricted reserves which are not invested in fixed assets, designated for a specific purpose or otherwise committed) at the higher of either:

- The amount required to ensure the continuity of Tree Aid's activities in the event of unexpected setbacks, at a level equivalent to six months of unrestricted budgeted expenditure; or
- The amount required to close down Tree Aid, ensuring that there are sufficient resources available to fulfil legal obligations in the unlikely event that Tree Aid ceases to operate.

Reserves are monitored on a monthly basis and reported to the Board quarterly, with the target level of reserves reviewed annually as part of the budget process. Based on the 2025/26 budget, the Group target for general reserves was £1.9 million which compared to actual general reserves of £1.8 million. Trustees' plans for designated reserves, to cover future expenditure to support the strategy and strategic growth, are detailed further in note 20 to the accounts.

A deficit budget has been set for 2025/26, including some costs which will be funded from designated reserves.

Net movement in funds

There was a net outflow of £1.2 million to restricted funds in 2024/25 for the Group, leaving closing restricted funds at £3.5 million at the end of the year (2023/24: £4.7 million).

Unrestricted funds for the Group showed a decrease for the year of £0.4 million, including an unrealised exchange loss of £0.3 million on conversion of currency bank balances. After the changes to designated reserves described in note 20 to the accounts, Group free reserves were £1.8 million (£1.9 million as at 31 March 2024).

Subsidiary companies

Our subsidiary companies, Tree Aid Burkina Faso and Tree Aid Ghana, continued to operate as integral elements of the Group, sharing and contributing to the achievements and performance within the financial parameters set by the Board of Trustees. Both were mainly grant-funded by the parent Company.

Tree Aid Enterprises Limited's accounts have not been prepared on a going concern basis as the company is dormant.

Investment policy and objectives

Tree Aid has adopted an ethical investment policy. This means that we seek to avoid investments that conflict with our aims or create reputational risk. Our investment policy emphasises the use of positive ethical criteria.

We actively seek to invest in companies that are able to demonstrate:

- Responsible employment practices
- Good corporate governance practice
- Conscientiousness with regard to human rights
- Sustainable environmental practice

- Sensitivity towards the communities in which their business operates

Tree Aid's policy is that assets can be invested widely and should be diversified by asset class (taking account of geographical location), manager and security. Asset classes could include cash, bonds, equities, property, land and any other asset that is deemed suitable for Tree Aid.

Investment management is delegated to two authorised professional investment managers, regulated by the Financial Conduct Authority. The Board has set Tree Aid's investment objectives as follows:

- To produce the best financial return within an acceptable level of risk
- To generate a return in excess of inflation from long-term investments
- To preserve the capital value with a minimum level of risk for short-term investments

Investment performance

Tree Aid's investment with Rathbone Greenbank started the year at £0.2 million, and the balance was transferred to the CCLA COIF Charities Ethical Investment Fund to attract a better return and facilitate administration.

Aside from the transfer from Rathbone Greenbank, the value of investment in the CCLA COIF Charities Ethical Investment Fund units decreased by 1.5%. This compared with a benchmark composite comparator which grew by 4% for global equities in the year. The closing value of Tree Aid's investment in the fund was £1.0 million after the £0.2 million transfer from Rathbones Greenbank (2023/24: £0.8 million) taking into account the reinvestment of income.

Tree Aid's 25 hectares of woodland in Devon (received as a legacy gift) was externally revalued in 2024 to a value of £0.4 million by Tustins Group Ltd and continues to be carried at this value. The current valuation compares to a £0.3 million valuation on receipt in 2019.

Statement of the Trustees' responsibilities

The Charity Trustees (who are also the Directors of Tree Aid for the purposes of company law) are responsible for preparing a Trustees' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards. Charity law requires the Charity Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the Charity and the Group as at the end of the year and of its and the Group's financial activities during the year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards). In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgments and accounting estimates that are reasonable and prudent
- Follow applicable United Kingdom Accounting Standards and the Charities Statement of Recommended Practice, disclosing and explaining any departures in the accounts
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue to operate

The Trustees are responsible for ensuring that adequate accounting records are maintained that are sufficient to show and explain the Charity's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and the Group, and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Charity and the Group and ensuring their proper application in accordance with charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities**.**

Statement as to disclosure to our auditor

In so far as the Trustees are aware at the time of approving our Trustees' Annual Report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the Group's auditor is unaware, and
- The Trustees, having made enquiries of fellow Directors and the Group's auditor that they ought to have individually made, have each taken all steps that they are obliged to take as Directors to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Group accounts are prepared in accordance with section 398 of the Companies Act 2006, section 138 of the Charities Act 2011. They constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the Company. Tree Aid will put forward a resolution proposing the appointment of a statutory auditor.

Approved by the Board of Trustees on 15 July 2025 and signed on its behalf by:

Elizabeth Davis

Chair of the Board of Trustees

Independent auditor's report to the members and Trustees of Tree Aid

Opinion

We have audited the financial statements of Tree Aid (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, 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 of the parent charitable company's affairs as at 31 March 2025 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Tree Aid'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 trustees' annual report, including the strategic report, other than the group 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 group financial statements does not cover the other information, and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group 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 group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

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

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

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the

trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
We have been appointed auditor under the Companies Act 2006 and section 151 of the Charites Act 2011 and report in accordance with those Acts.

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

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

Capability of the audit in detecting irregularities

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

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

judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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

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

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Noelia Serrano (Senior statutory auditor)

Date 30 July 2025

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

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Consolidated statement of financial activities

(Incorporating an income and expenditure account)

	Notes	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £	*Total funds 2024 £*
INCOME FROM					
Donations and legacies	**2**	9,564,635	1,688,823	11,253,458	*10,821,057*
Investment income	**3**	-	14,847	14,847	*19,716*
Other income	**4**	-	1,266	1,266	*1,891*
TOTAL		**9,564,635**	**1,704,936**	**11,269,571**	*10,842,664*
EXPENDITURE ON					
Raising funds	**5**	-	(1,110,575)	(1,110,575)	*(996,398)*
Charitable activities	**6**	(10,690,070)	(772,088)	(11,462,158)	*(9,646,768)*
TOTAL	**7**	**(10,690,070)**	**(1,882,663)**	**(12,572,733)**	*(10,643,166)*
Net (losses)/gains on investments		-	(19,784)	(19,784)	*114,799*
NET (EXPENDITURE)/INCOME		(1,125,435)	(197,511)	(1,322,946)	*314,297*
Transfer between funds	**20**	(88,591)	88,591	-	-
Other recognised losses		-	(321,229)	(321,229)	*(98,889)*
NET MOVEMENT IN FUNDS	**9**	**(1,214,026)**	**(430,149)**	**(1,644,175)**	*215,408*
RECONCILIATION OF FUNDS					
Total funds brought forward	**20**	4,697,718	3,184,839	7,882,557	*7,667,149*
Total funds carried forward	**20**	**3,483,692**	**2,754,690**	**6,238,382**	*7,882,557*

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 20 to the financial statements.

The notes on pages 39 to 67 form part of these financial statements.

Consolidated and Charity balance sheets

	Notes	Group 2025 £	*Group 2024 £*	Charity 2025 £	*Charity 2024 £*
FIXED ASSETS					
Tangible fixed assets	**15**	33,134	*3,115*	8,684	*887*
Investments	**16**	1,428,485	*1,448,999*	1,428,485	*1,448,999*
Investment in subsidiaries	**16**	-	*-*	2	*2*
		1,461,619	*1,452,114*	**1,437,171**	*1,449,888*
CURRENT ASSETS					
Debtors	**17**	1,003,136	*1,413,787*	452,869	*465,622*
Short-term investments	**18**	182,883	*182,162*	182,883	*182,162*
Cash at bank and in hand		4,210,288	*5,277,703*	2,254,372	*3,194,227*
		5,396,307	*6,873,652*	**2,890,124**	*3,842,011*
CURRENT LIABILITIES					
Creditors falling due within one year	**19**	(619,544)	*(443,209)*	(181,275)	*(133,826)*
NET CURRENT ASSETS		**4,776,763**	*6,430,443*	**2,708,849**	*3,708,185*
NET ASSETS	**21**	**6,238,382**	*7,882,557*	**4,146,020**	*5,158,073*
FUNDS					
Restricted funds	**20**	3,483,692	*4,697,718*	1,391,330	*1,973,234*
Unrestricted funds					
Designated reserves	**20**	914,429	*1,287,680*	914,429	*1,287,680*
Free reserves	**20**	1,840,261	*1,897,159*	1,840,261	*1,897,159*
Total unrestricted funds		**2,754,690**	*3,184,839*	**2,754,690**	*3,184,839*
Total funds	**20**	**6,238,382**	*7,882,557*	**4,146,020**	*5,158,073*

The Charity-only net expenditure in the year was £1,012,053 (2024: £220,465). The Group accounts are prepared in accordance with section 398 of the Companies Act 2006, section 138 of the Charities Act 2011. They constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the Company.

Approved and authorised for issue by the Board of Trustees on 15 July 2025 and signed on their behalf by:

Tristram Hilborn
Chair of Finance & Audit Committee

The notes on pages 39 to 67 form part of these financial statements.

Tree Aid: Charity number: 1135156, Company number: 03779545.

Consolidated statement of cashflows

	Notes	2025 £	*2024* *£*
Cashflows from operating activities:			
Net cash (used in)/provided by operating activities	**22**	(724,011)	*389,743*
Cashflows from investing activities			
Dividends and interest from investments		14,847	*19,716*
Proceeds from sale of investments		239,290	-
Purchase of property, plant and equipment		(36,591)	*(1,014)*
Purchase of investments		(239,000)	-
Net (used in)/cash provided by investing activities		**(21,454)**	*18,702*
(Decrease)/increase in cash and cash equivalents in the reporting period		(745,465)	*408,445*
Cash and cash equivalents at the beginning of the reporting period		5,459,865	*5,150,309*
Decrease in cash and cash equivalents due to unrealised exchange rate movements		(321,229)	*(98,889)*
Cash and cash equivalents at the end of the reporting period		**4,393,171**	*5,459,865*

The notes on pages 39 to 67 form part of these financial statements.

Notes to the accounts

1. Principal accounting policies

a. Company information

The Charity is a company limited by guarantee (company no. 03779545) and a registered charity in England and Wales (charity no. 1135156), which is incorporated and domiciled in the United Kingdom. The address of the principal and registered office is Brunswick Court, Brunswick Square, Bristol, BS2 8PE.

b. Basis of preparation

The consolidated financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) issued on 16 July 2014 (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

Tree Aid meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value in accordance with applicable accounting standards unless otherwise stated in the relevant accounting policy note.

After making enquiries, the Trustees have a reasonable expectation that the Charity has adequate reserves to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the statement of Trustees' responsibilities on page 31.

c. Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent Company and all its subsidiaries. Entities over which the Group has the ability to exercise control are accounted for as subsidiaries. The accounts of Tree Aid subsidiaries are based on the accounting standards applicable in the country in which they reside.

Transactions and balances between Group companies are eliminated on consolidation.

No statement of financial activities is presented for the Charitable Company alone as the results of the subsidiary companies are separately identified within the Group accounts.

d. Income recognition

Voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities when receivable. In line with the requirements of SORP (FRS 102), the value of time kindly contributed by volunteers is not included in the financial statements.

Legacy income is recognised when it is received, unless there is sufficient evidence in advance to allow Tree Aid to be sufficiently certain that the income will be received, and to be able to estimate the value of the legacy with reasonable certainty (receipt is more likely than not).

Income from grants is included in income when there is evidence of entitlement, the amount can be measured and the receipt is probable. When donors impose conditions which have to be fulfilled before the Charity becomes entitled to such income or where the donor has

specified that the income is to be expended in a future period, the receipt of income is not included in income until the pre-conditions for use have been met.

Grants for the purchase of fixed assets are credited to restricted income when receivable. Depreciation of fixed assets purchased with such grants is charged against the restricted fund.

Income from Gift Aid tax reclaims is recognised for all donations made prior to the year-end, where a valid Gift Aid declaration is held.

Investment income is accounted for on the accruals basis.

e. Expenditure and basis of allocation of costs

Expenditure is recognised in the period in which it is incurred and includes attributable VAT which cannot be recovered.

Expenditure is analysed into the following activities**:**

i **Raising funds** – this includes the salaries, direct expenditure and support costs of staff engaged in fundraising activities. Fundraising costs are recognised in the year they are incurred although income derived from the initiatives may arise in future years.

ii **Programme delivery** – this comprises direct purchases, the cost of Tree Aid's staff involved in the delivery of programmes, particularly those staff based in Africa, and the value of grants that have been made to implementing partners working on Tree Aid's projects, to the extent that this has been spent. Tree Aid staff provide specialist support, training and networking for partner organisations, as well as undertaking the research required to develop programmes. The cost of grants is included in the statement of financial activities in the year they are payable.

iii **Advocacy and awareness** – this represents the costs incurred in raising awareness of institutions and members of the public on the issues being addressed by the Charity.

iv **Governance costs** – these are the costs associated with the governance arrangements of the Charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the Charity's activities.

v. **Support costs** – expenditure is allocated to a particular activity where the cost relates directly to that activity. In addition, support costs incurred to facilitate activities (back-office costs, the costs of budgetary and financial control, information technology, depreciation, human resources and payroll) are apportioned to activities based on the proportion of staff time spent on each activity as shown in the table below.

Activity	Apportionment of support costs	
	2025	2024
Raising funds	25%	27%
Programme delivery	62%	71%
Advocacy and awareness	13%	2%

f. Fund accounting

The Charity maintains three main types of fund as follows:

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

ii Unrestricted funds representing income that is expendable at the discretion of the Trustees in the furtherance of the objects of the Charity

iii Designated funds which are where the Trustees have set aside unrestricted funds for a specific purpose

g. Tangible fixed assets and depreciation

Depreciation is calculated so as to write off the cost of tangible fixed assets by equal annual instalments over their estimated useful lives at the following rates:

United Kingdom fixtures and fittings	25%
Africa motor vehicles	25%
Africa fixtures and fittings	25%

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on a basis which is an estimate, based on staff time, of the amount attributable to each activity. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

h. Fixed asset investments

Investments are valued at market value at the balance sheet date.

i. Programme-related investments

The asset is valued at the amount invested into the fund, less any amounts written off due to non-repayment of loans by entrepreneur groups.

j. Debtors

Short-term debtors are initially measured at transaction price, less any impairment. Prepayments are measured at the amount prepaid.

k. Short-term investments

Short-term investments comprise cash deposits with notice periods of more than three months and less than 12 months.

l. Cash at bank and in hand

Cash at bank and in hand comprise cash deposits with notice periods of less than three months, and petty cash balances held.

m. Creditors

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. There is a provision in place which provides for termination payments payable to staff in Burkina Faso and Niger on leaving their employment. The provision is related to the accumulated length of service for each member of staff.

n. Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the month-end rate of exchange for the month. Exchange differences are taken into account in arriving at the net movements in funds for the year.

o. Pensions

The Charity offers a defined contribution pension scheme to employees. The assets of the scheme are held in independently administered funds. Pension costs charged in the statement of financial activities represent the contributions payable by the Charity during the year. The liability and expense are apportioned to activities and between restricted and unrestricted funds based on the proportion of staff time spent on each activity.

p. Leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities in the year in which they fall due.

q. Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments, these being cash at bank, debtors and creditors (see note 27). Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

r. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The items in the financial statements where these estimates and judgements have been made include the following:

i. **Accruals**

Included in accruals are liabilities where the amount and/or timing of its settlement is uncertain. An accrual is only recognised where:

- There is a present obligation at the reporting date as a result of a past event,
- It is probable that a transfer of economic benefit will be required in settlement, and
- The amount of the settlement can be estimated reliably.

ii. **Deferred income**

Where terms and conditions have not been met, or uncertainty exists as to whether Tree Aid can meet the terms and conditions otherwise within its control, the income is not recognised but deferred as a liability until it is probable that the terms and conditions imposed can be met.

2. Donations and legacies

	Restricted funds	Unrestricted funds	**Total 2025**	*Total 2024*
	£	£	**£**	*£*
Institutional grants	4,143,369	12,684	**4,156,053**	*4,470,211*
Charitable trusts	1,614,812	157,375	**1,772,187**	*798,975*
Corporate and major donors	3,806,454	427,146	**4,233,600**	*3,659,364*
Individuals	-	917,427	**917,427**	*949,133*
Legacies	-	74,191	**74,191**	*794,199*
Donations in kind	-	100,000	**100,000**	*149,175*
Total	**9,564,635**	**1,688,823**	**11,253,458**	*10,821,057*

Included in institutional grant income are government grants received that fund projects in Africa as follows:

		Total 2025	*Total 2024*
		£	*£*
United Kingdom	Department for Environment, Food and Rural Affairs	1,062,535	*383,816*
	Foreign, Commonwealth and Development Office	58,339	*223,278*
International	European Union	-	*744,495*
	Swedish International Development Cooperation Agency	-	*742,607*
	Swiss Agency for Development and Co-operation	788,338	*1,199,208*
Total government grants		**1,909,212**	*3,293,404*

The amount of government grants recognised as income during the year was £2,141,485 (2024: £3,252,132). This is calculated in line with Tree Aid's income recognition policy under which income is recognised when all the conditions have been fulfilled. This can be different from amounts received from these and other funders in this period as a result of accrued income. There were no unspent grant balances repayable in the year (2024: £nil).

3. Investment income

	Restricted funds	Unrestricted funds	**Total 2025**	*Total 2024*
	£	£	**£**	*£*
Deposit account interest	-	14,847	**14,847**	*19,716*
Total	-	14,847	**14,847**	*19,716*

4. Other income

	Restricted funds	Unrestricted funds	**Total 2025**	*Total 2024*
	£	£	**£**	*£*
Sundry receipts	-	1,266	**1,266**	*1,891*
Total	-	1,266	**1,266**	*1,891*

5. Raising funds

	Delivery costs	Development costs	Support costs	**Total 2025**	*Total 2024*
	£	£	£	**£**	*£*
Supporter fundraising	541,169	6,034	309,677	**856,880**	*812,410*
Institutional fundraising	174,336	-	79,359	**253,695**	*183,988*
Total	**715,505**	**6,034**	**389,036**	**1,110,575**	*996,398*

6. Charitable activities

	Delivery costs	Development costs	Support costs	**Total 2025**	Total 2024
	£	£	£	**£**	£
Programme delivery	10,125,447	72,948	970,292	**11,168,687**	*9,528,992*
Advocacy and awareness	87,868	-	205,603	**293,471**	*117,776*
Total	**10,213,315**	**72,948**	**1,175,895**	**11,462,158**	*9,646,768*

7. Total expenditure

	Delivery costs	Development costs	Support costs	**Total 2025**	*Total 2024*
	£	£	£	**£**	*£*
Raising funds	715,505	6,034	389,036	**1,110,575**	*996,398*
Charitable activities	10,213,315	72,948	1,175,895	**11,462,158**	*9,646,768*
Total	**10,928,820**	**78,982**	**1,564,931**	**12,572,733**	*10,643,166*

The main components of support costs are:

	Total 2025	Total 2024
	£	£
Office costs	881,572	*822,979*
Depreciation	6,572	*7,107*
Administration and support salaries	502,371	*364,892*
Governance costs	174,416	*121,852*
Total	**1,564,931**	*1,316,830*

8. Grants analysed by country and project

Included within 'Charitable activities, Delivery costs' are grants made to various implementing partners, principally local NGOs based in the country of the project, for the following projects:

	Group 2025 £	*Group 2024 £*
Burkina Faso:		
Local Governance of Forest Resources	255,882	*930,000*
Direction du développement et de la coopération (DDC)	114,953	*402,240*
Resilience of smallholder-farmers in Burkina Faso	230,393	*283,732*
Pro-ADAPT project	82,173	*49,968*
NTFP value chains Enabel	2,471	*6,223*
ProRACE European Union	178,501	*11,549*
NTFP value chains CFYE	7,024	*3,275*
Tond Tenga	102,161	-
	973,558	*1,686,987*
Ethiopia:		
Sustainable Livelihoods and Ecosystems	69,431	*68,689*
Darwin	24,204	*49,143*
Ecosystem Restoration, in Worja Escarpment	3,226	-
Multifunctional Agroforestry for Enhancing Biodiversity	985	-
	97,846	*117,832*
Mali:		
Olympic forest	198,286	*183,629*
Promoting Forest Governance for Resilience	24,867	*83,704*
Local Governance of Forest Resources	150,219	-
	373,372	*267,333*
Niger:		
Rehabilitation of Park W	-	*2,499*
Empowering Women in Dosso & Tahoua	26,046	-
	26,046	*2,499*
Senegal:	49,460	-
Great Green Wall Planting in Senegal	**49,460**	-
Total	**1,520,282**	*2,074,651*

Included in the grants above are material grants to partners to support project delivery. These grants were made under agreements outlining the scope of work, reporting requirements, and conditions for use of funds:

		Group 2025 £	*Group 2024 £*
Centre Ecologique Albert Schweitzer	Burkina Faso	171,173	184,997
SNV	Burkina Faso	-	512,233
Sahel Eco	Mali	172,005	83,704
La Lumiere	Mali	201,407	183,629

9. Net movement in funds

This is stated after charging:

	Group 2025 £	*Group 2024 £*
Auditor's remuneration – audit fee for year	22,300	*21,200*
Auditor's remuneration - audit fee under accrual prior year	2,350	*1,200*
Auditor's remuneration – non-audit services	3,129	*9,480*
Depreciation of tangible fixed assets	6,572	*7,107*
Operating lease costs	26,769	*18,495*

10. Employee numbers and costs

The average monthly head count was 152 employees, 137 engaged in charitable activities, 15 in fundraising (2024: 118, 104 charitable activities, 14 fundraising), the employment costs of which were:

	UK 2025 £	Overseas 2025 £	**Group 2025 £**	*Group 2024 £*
Wages and salaries	1,532,427	1,539,736	**3,072,163**	*2,343,785*
Social security costs	189,551	149,085	**338,636**	*253,676*
Pension costs	161,236	33,705	**194,941**	*142,172*
Total	**1,883,214**	**1,722,526**	**3,605,740**	*2,739,633*

For staff paid £60,000 or more per annum, the number of employees with emoluments in the following ranges were:

	Group 2025 No	*Group 2024 No*
£60,000 to £69,999	**-**	1
£70,000 to £79,999	**2**	-
£90,000 to £99,999	**1**	1
£100,000 to 109,999	**1**	-

Tree Aid operates a defined contribution workplace pension scheme in the UK: employer contributions are funded from unrestricted income. Pension costs charged in the statement of financial activities represent the contributions payable by Tree Aid in the year. The Charity has no pension obligations other than the contributions payable in the year and there were no unpaid contributions at the year-end.

11. Key management personnel

The key management personnel of the Charity and the Group comprise the Chief Executive, Director of Programmes, Director of Finance & Resources and Director of Communications and Fundraising. The total salary and employee benefits of the key management personnel were £370,538 (2024: £312,975).

The remuneration of the key management personnel for the year was:

	Group 2025 £	*Group 2024 £*
Chief Executive	107,419	*103,738*
Director of Finance and Resources	79,887	*76,037*
Director of Programmes	78,799	*61,028*
Director of Communications & Fundraising (including maternity cover)	104,433	*72,172*

12. Trustee remuneration, expenses and donations

The Trustees were not paid and did not receive any other benefits from the Charity or its subsidiaries in the year (2024: £nil). No Trustee received payment for professional or other services supplied to the Charity (2024: £nil).

Directly incurred Trustee expenses borne by the Charity in the year totalled £745 (2024: £645), paid to 3 (2024: 5) Trustees. Those expenses were for travel and subsistence. The total amount of donations received from Trustees without conditions was £275 (2024: £864).

13. Taxation

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

14. Gross income and results – Charity only

	2025 £	*2024 £*
Income	8,660,097	*8,352,356*
Expenditure	(9,672,150)	*(8,572,821)*
Net income	**(1,012,053)**	*(220,465)*

15. Tangible fixed assets – Group

	UK fixtures & fittings £	Africa motor vehicles £	Africa fixtures & fittings £	Total £
Cost				
At 31 March 2024	43,019	600,728	96,322	**740,069**
Additions	7,581	-	29,010	**36,591**
Disposals	(6,100)	-	-	**(6,100)**
Project assets	4,810	478,637	97,410	**580,857**
At 31 March 2025	**49,310**	**1,079,365**	**222,742**	**1,351,417**
Depreciation				
At 31 March 2024	42,132	600,728	94,094	**736,954**
Disposals	(6,100)	-	-	**(6,100)**
Charge for the year	864	(377)	6,085	**6,572**
Project assets	4,810	478,637	97,410	**580,857**
At 31 March 2025	**41,706**	**1,078,988**	**197,589**	**1,318,283**
Net book value				
At 31 March 2025	**7,604**	**377**	**25,153**	**33,134**
At 31 March 2024	*887*	*-*	*2,228*	*3,115*

Tangible fixed assets – Charity

	UK fixtures & fittings £	Africa motor vehicles £	Africa fixtures & fittings £	Total £
Cost				
At 1 April 2024	43,019	-	-	**43,019**
Additions	7,581	-	1,103	**8,684**
Disposals	(6,100)	-	-	**(6,100)**
Project assets	4,810	11,758	8,598	**25,166**
At 31 March 2025	**49,310**	**11,758**	**9,701**	**70,769**
Depreciation				
At 1 April 2024	42,132	-	-	**42,132**
Disposals	(6,100)	-	-	**(6,100)**
Charge for the year	864	-	23	**887**
Project assets	4,810	11,758	8,598	**25,166**
At 31 March 2025	**41,706**	**11,758**	**8,621**	**62,085**
Net book value				
At 31 March 2025	**7,604**	-	**1,080**	**8,684**
At 31 March 2024	*887*	-	-	*887*

16. Investments – market value

	COIF Charities Ethical Investment Fund £	Rathbone Greenbank investments £	Investment in woodland £	Other investments £	Group & Charity total 2025 £	*Group & Charity total 2024 £*
Valuation at 1 April	*787,790*	*237,314*	*410,000*	*13,895*	**1,448,999**	*1,334,200*
Additions	239,000	-	-	-	**239,000**	-
Disposals	-	(239,290)	-	-	**(239,290)**	-
Revaluation	(22,200)	1,976	-	-	**(20,224)**	*114,799*
At 31 March	**1,004,590**	**-**	**410,000**	**13,895**	**1,428,485**	*1,448,999*

Management of the COIF Charities Ethical Investment Fund and Rathbone Greenbank investments is delegated to authorised professional investment managers, regulated by the Financial Conduct Authority. The investment with Rathbones was transferred to COIF Charities Ethical Investment Fund during the year.

The legacy gift of 25 hectares of woodland in Devon was externally revalued as at 31 March 2024 to a fair value of £0.4 million by Tustins Group Ltd. This compares to the £0.3 million valuation on receipt in 2019.

Other investments represent shares received under a legacy or gifted to the Charity.

Investment in subsidiaries – Charity	**2025**	*2024*
	£	*£*
Cost and net book value		
At 1 April	**2**	*2*
At 31 March	**2**	*2*

There are three subsidiaries:

Name	Registration	Registered office	Principal place of business
Tree Aid Burkina Faso	Association under the Law of Freedom of Association (10/92/ADP, 15 December 1992) in Burkina Faso	1200 Logements Ouagadougou Burkina Faso	Burkina Faso
Tree Aid Ghana	Company limited by guarantee under the Ghanaian Companies Act 1963	318 North Kanivili Tamale Northern Region Ghana	Ghana
Tree Aid Enterprises Ltd	Registered company incorporated in England, company number: 9199430	Brunswick Court Brunswick Square Bristol BS2 8PE, UK	UK

Tree Aid is the sole member of each subsidiary and has the power to appoint the directors.

Tree Aid Burkina Faso and Tree Aid Ghana are non-profit-making organisations with similar objectives to Tree Aid. Tree Aid Enterprises Ltd is limited by shares and is now dormant. It was the holding company for a social enterprise entity in Burkina Faso (Tree Aid Enterprises sa) which has been wound up.

	Tree Aid Enterprises Ltd*	**Tree Aid Burkina Faso**	**Tree Aid Ghana**
Charity's shareholdings in subsidiaries	100%	100%	100%
	£	**£**	**£**
Balances at 31 March 2025			
Tangible fixed assets	-	22,047	2,402
Current assets	2	2,487,742	18,442
Current liabilities	(99,886)	(434,745)	(3,542)
Total funds	**(99,884)**	**2,075,044**	**17,302**
Results for the year to 31 March 2025			
Income	-	8,416,870	359,851
Expenditure	-	(8,903,301)	(349,181)
Net expenditure	**-**	**(486,431)**	**10,670**

*The accounts for Tree Aid Enterprises Ltd have been prepared on the breakup basis as the company is dormant.

17. Debtors

	Group		**Charity**	
	2025	*2024*	**2025**	*2024*
	£	*£*	**£**	*£*
Amounts falling due within one year				
Trade debtors	467,799	*867,783*	67,685	*39,008*
Prepayments and accrued income	217,944	*259,061*	203,115	*246,098*
Other debtors	225,739	*284,637*	90,415	*178,210*
Gift Aid recoverable	91,654	*2,306*	91,654	*2,306*
Total	**1,003,136**	*1,413,787*	**452,869**	*465,622*

18. Short-term investments

	Group		**Charity**	
	2025	*2024*	**2025**	*2024*
	£	*£*	**£**	*£*
Cash held on deposit	**182,883**	*182,162*	**182,883**	*182,162*

19. Creditors falling due within one year

	Group		Charity	
	2025	*2024*	**2025**	*2024*
	£	*£*	**£**	*£*
Project creditors	**279,945**	*175,288*	**72,609**	53,739
Other creditors	**41,557**	*15,140*	**37,361**	9,954
Accruals	**164,133**	*108,734*	**62,494**	60,979
Provisions for liabilities	**93,345**	*132,177*	**8,619**	8,619
Tax and social security	**40,564**	*11,870*	**192**	535
Total	**619,544**	*443,209*	**181,275**	*133,826*

Provision for liabilities

The provision for liabilities relates to dilapidations of the UK office and termination payments payable to staff in Burkina Faso and Niger on leaving employment with Tree Aid. The termination provision is related to the accumulated length of service for each member of staff. The timing of the outflow is uncertain as the dates of staff leaving their employment is not known.

	Group		Charity	
	2025	*2024*	**2025**	*2024*
	£	*£*	**£**	*£*
At 1 April 2024	**132,177**	*113,209*	8,619	*8,619*
Amounts charged	**210,425**	*156,874*	-	-
Amounts released	**(249,257)**	*(137,906)*	-	-
At 31 March 2025	**93,345**	*132,177*	**8,619**	*8,619*

20. Movements in funds – Group

	Opening Balance	**Income**	**Expenditure**	**Investment & other gains**	**Transfers**	**Closing Balance**
	£	**£**	**£**	**£**	**£**	**£**
Restricted funds						
Burkina Faso						
Enhancement of NTFPs 3	175,652	829,114	(1,019,932)	-	-	(15,166)
Tond Tenga	1,395,408	3,327,237	(3,505,469)	-	-	1,217,176
EU Pro RACE	619,495	18,000	(569,885)	-	-	67,610
Local Governance of Forest Resources	826,109	-	(739,894)	-	-	86,215
Mouhoun ProRace	131,541	424,657	(524,352)	-	-	31,846
Carbon Storage Evaluation	1,107	742	(1,628)	-	-	221

	Opening Balance	Income	Expenditure	Investment & other gains	Transfers	Closing Balance
	£	£	£	£	£	£
Pro-ADAPT project	77,277	171,649	(139,295)	-	-	109,631
Developing sustainable and inclusive value chains	144,435	112,827	(150,001)	-	-	107,261
NFTP value chains 2	-	236,970	(303,170)	-	-	(66,200)
De Bosquet	-	54,837	(67,446)	-	-	(12,609)
Nutritive gardens	-	770,927	(656,127)	-	-	114,800
Innovative Agriculture	-	56,191	(3,800)	-	-	52,391
Tond Tuuma	-	73,989	(4,408)	-	-	69,581
Ghana						
Daka River Trees Restoration 2	73,426	177,302	(197,328)	-	-	53,400
Daka River Trees Restoration 3	-	568	(201)	-	-	367
Northern Ghana Integrated Development	35,859	5,230	-	-	(41,089)	-
Bongo reforestation	9,563	-	(18,385)	-	-	(8,822)
Yendi Tree Enrichment	47,484	4,144	(602)	-	(51,026)	-
Carbon Study Bongo	-	12,599	-	-	(12,599)	-
Ghana Shea Landscape Restoration	123,848	83,144	(147,185)	-	-	59,807
Ethiopia						
Frankincense North Gondar 1	(10,779)	114,482	(119,742)	-	16,039	-
Prevention of natural resource degradation	16,298	-	-	-	(16,298)	-
Community Resilience & Ecosystem Restoration	91,184	79,802	(98,833)	-	-	72,153
Ecosystem Restoration in Worja	18,509	-	(13,084)	-	(5,425)	-
Multifunctional Agroforestry for Biodiversity	(7,626)	58,500	(41,309)	-	-	9,565
Great Green Wall 1	-	483,288	(276,126)	-	-	207,162

	Opening Balance	Income	Expenditure	Investment & other gains	Transfers	Closing Balance
	£	£	£	£	£	£
Sustainable shea in Gambella	-	85,273	(41,106)	-	-	44,167
Great Green Wall 2	-	311,670	(3,397)	-	-	308,273
Mali						
Local Governance of Forest Resources	95,027	965,334	(870,414)	-	-	189,947
Regreening Koulikoro	5,888	-	-	-	(5,888)	-
Strengthening Forest Management	600	600	-	-	(1,200)	-
Empowering Women in Rural Mali	-	5,000	-	-	(5,000)	-
Regreening the Great Green Wall in Tominian	40,894	-	(33,827)	-	(7,067)	-
Forest Governance Segou	-	43,880	(94,377)	-	-	(50,497)
Olympic Forest	319,839	241,139	(440,985)	-	-	119,993
Niger						
Empowering women in Dosso & Tahoua	(7,980)	94,296	(81,651)	-	-	4,665
Enterprise Development in Falmey	2,348	-	(11,084)	-	8,736	-
Senegal						
Great Green Wall Planting	-	331,244	(70,740)	-	-	260,504
UK						
Advocacy Support	365,203	390,000	(444,287)	-	-	310,916
Project Fund	78,786	-	-	-	60,549	139,335
Development Fund	28,323	-	-	-	(28,323)	-
Total restricted funds	**4,697,718**	**9,564,635**	**(10690,070)**	**-**	**(88,591)**	**3,483,692**
Unrestricted funds						
Designated funds						
Woodland Investment Reserve	410,000	-	-	-	-	410,000

	Opening Balance	Income	Expenditure	Investment & other gains	Transfers	Closing Balance
	£	£	£	£	£	£
Fixed Asset Reserve	3,115	-	30,019	-	-	33,134
Evidencing the impact of our work	229,111	-	(73,000)	-	-	156,111
Investment in M&E Systems and Equipment	85,460	-	-	-	-	85,460
Long-term sustainable funding	388,648	-	(207,000)	-	-	181,648
Investment in infrastructure	171,346	-	(123,270)	-	-	48,076
Total designated funds	**1,287,680**	**-**	**(373,251)**	**-**	**-**	**914,429**
General reserves	1,897,159	1,704,936	(1,509,412)	(341,013)	88,591	1,840,261
Total unrestricted funds	**3,184,839**	**1,704,936**	**(1,882,663)**	**(341,013)**	**88,591**	**2,754,690**
Total funds	**7,882,557**	**11,269,571**	**(12,572,733)**	**(341,013)**	**-**	**6,238,382**

Purpose of restricted funds

Restricted funds are generated when the donor stipulates how the income may be expended. In most cases there will be a timing difference between when the income is received and when it is spent, resulting in balances being held on these funds at year-end. The purpose of the various restricted funds is outlined below.

Burkina Faso:

Enhancement of Non-Timber Forest Products Development and Phase 3

Improving non-timber forest product value chains, creating market gardens and improving nutrition for 14,500 households in Burkina Faso. This project was funded by the Swiss Agency for Development and Cooperation. The latest, scale-up phase started in January 2021 and ran until April 2025. We are waiting for a final payment to cover close-out cost after the end-of-project audit and final reports.

Local Governance of Forest Resources Phase 3

Decentralised forest governance through transferring rights and responsibilities for forest stewardship to community-led forest management groups in 18 new communes. The project was funded by the Swedish International Development Cooperation Agency (Sida) and the second half of the project has now been completed.

Supporting Smallholder Farmer Resilience (Pro-Res Burkina)

This project, funded by AGRA aims to improve the food security and income of 210,000 smallholder farmers in the Hauts-Bassins, Cascade, Boucle du Mouhoun and Centre-Ouest regions

as well as strengthen the resilience to climate change in these regions. The project runs to September 2025.

Carbon Storage Evaluation
Through a baseline evaluation, Tree Aid is supporting INERA in certain activities around the potential of agroforestry to capture and store carbon. It has a small budget to support workshops and data collection, when required.

Pro-ADAPT project
The project builds on the Pro-RES project by constructing 10 nutrition gardens, establishing 11 NTFP parks, sensitising 20,000 people farmers on NTFP consumption, protecting 55 hectare of forest and planting 32,000 trees. AGRA funds this project alongside the *Supporting Smallholder Farmer Resilience* project above. This was initially contracted as a 12 month project and has now been contracted for an additional 12 months.

Sustainable value chains
The project, funded by Enabel, supports 11,250 direct beneficiaries by reducing their vulnerability and food insecurity through their integration into a sustainable NTFP productive cycle and by increasing their NTFP consumption. The project developed special support for Internally Displaced People and their hosts especially in the Centre-North region.

Non-Timber Forest Products - value chains 2
The project, funded by Challenge Fund for Youth Employment (CFYE) aimed to create and improve 3,370 jobs through the deployment of digital rural service ecosystem and support for the cultivation and processing and marketing of NTFPs. This project assisted local groups to develop Nutritious Gardens and Village Tree Enterprises to process and market Non-Timber Forest Products. Final payment is due pending completion of project delivery audit.

Tond Tenga
The project, funded by a green markets investor, is aiming at planting 6.6m trees in the forests that Tree Aid has been engaged in on the *Local Governance of Forest Resources Phase 3* project. These trees will sequester 3million tonnes CO_2e and provide additional incomes for those communities managing planting sites.

EU Pro RACE
The aim of this project is to help provide natural solutions to the problems faced by communities including insecurity, food to improve the sustainable management of ecosystem resources in the Bale province. With funding from the EU 22,000 small-scale producers in the intervention area will be supported in their efforts to increase land productivity through the adoption of agro-ecological practices and the development of nutrient gardens and market gardens in the 10 target communes.

Bosquet
The Dutch Embassy in Burkina Faso has developed a 2023-2026 cooperation strategy that integrates climate change mitigation (HGIS 6 "Climate") as a key element. One such opportunity is the green belt around Ouagadougou, where the embassy has launched its first campaign. This initial campaign involves planting trees on a 5 hectare area provided by the Ministry of

Environment. The aim is to positively impact the environment by reforesting the green belt and addressing vacant, improperly occupied areas.

Nutritive gardens
The general objective of the project is to draw on the experience of Tree Aid, through its results with our Non-Timber Forest Product work in Burkina Faso and in certain Sahelian countries, to create nutrition gardens in 20 communes. This is a one-year project, funded by the World Bank, and targeting vulnerable populations.

Innovative Agriculture and Tond Tuuma
These two 36-month projects are both funded by AGRA and have the same project objectives, though different geographic target zones. They are seeking to promote employability of 20,000 young people (10,000 women) through small agricultural and non-timber forest value chains.

Ghana:

Daka River Restoration 3
Community-led tree planting and regeneration along the Daka River in Northern Ghana. These are phases of a project funded by Ecosia along with various trusts and foundations. This phase in the Yendi region ended in 2024.

Bongo Reforestation
This project, funded by Trees for All, aims to restore ecosystem services along selected rivers and around the VEA Dam in the Bongo District of Northern Ghana, improving the livelihoods of 20 communities. This project targets the planting of 150,000 trees, restoring 50 kilometres of riparian buffer zones. It ran until the end of 2023 and has gone into a further eight years of monitoring with some planting campaigns planned for small numbers of trees.

Yendi Tree Enrichment
The work in Yendi for Ecosia under *the Daka River Restoration* project also included planting and geotagging trees for a corporate partner, Treedom. The project has finished.

Carbon Study Bongo
Pre-feasibility study into carbon certification in the Bongo District for Blue Deal, a Dutch organisation. This project looked at the potential for enrichment planting and agroforestry to support a carbon sequestration project in the Bongo District.

Ghana Shea Landscape Restoration Project
The project takes place in the Gushiegu Municipal District, Mion District, and Yendi Municipal District in the Northern Region of Ghana. Tree Aid currently works in these three districts as part of the 'Daka River Restoration' project funded by Ecosia, which aims to grow over 2 million trees in riparian buffer zones, open parklands, and farmlands in 61 villages. There is a high shea resource base which this project looks to secure for the local communities.

Ethiopia:

Frankincense: North Gondar 1 & 2

This project started in December 2021, with Tree Aid funds and, later, match funds. UK Aid Match funding was available from April 2022. The project focuses on the frankincense value chain in the Metema forests. While the collection of frankincense will be made more sustainable through training in best practices, the income that tappers get for their efforts will be improved through training and provision of equipment to improve quality and prices. The project works with communities to manage the boswellia (frankincense) forest in a more sustainable way.

Community Resilience and Ecosystem Restoration

Developing Rural Pathways to Community Resilience and Ecosystem Restoration is a complementary project to the Frankincense project. The project is looking more at research and partnering with UK-based and Ethiopia-based institutions to further the protection and management of forests work in the Metema area.

Ecosystem Restoration in Worja

This was a small project that ran for 12 months to June 2024. Funded by trusts and foundations, it aimed to restore 250 hectares of land around the Worja Escarpment in the Central Rift Valley region and explore the feasibility of a carbon project.

Multifunctional Agroforestry for Biodiversity

The overall aim of the project is to create new or strengthen existing research partnerships and networks through knowledge sharing and interdisciplinary work to enable sustainable use of biodiversity and strengthen climate resilience. The project is working with small-holder farmers, youth and women institutions to ensure access to quality planting materials, scaling of agroforestry systems and biodiversity conservations. It is led by ICRAF-CIFOR and funded by Global Centre on Biodiversity for Climate.

Great Green Wall 1

This project is being implemented in 5 kebeles in the Oromia region of Ethiopia. The project aims to plant 500,000 indigenous trees whilst establishing management groups that can support the ongoing maintenance of the managed sites. The project is funded by Green Earth Foundation.

Sustainable shea in Gambella

This project will support 4 communities in Itang, Abobo and Gambella Zuria districts in Gambella to protect biodiversity and alleviate poverty. Communities will implement sustainable forest management plans for 16,700 hectares of forest, restore highly degraded 3,000 hectares of this area by growing and regenerating trees (especially shea trees), and develop sustainable livelihood opportunities based on shea.

Great Green Wall 2

This project continues the Great Green Wall 1 project by extending the number of kebeles and adding a further 500,000 trees of planting in 2025. It is also funded by Green Earth Foundation.

Mali:

Empowering Women in Rural Mali through Improved Forest Access and Enterprises
The project facilitated the granting of land for 10 women's cooperatives and provide the skills and means for the regeneration of that land. The project was funded by the Foreign, Commonwealth & Development Office. The project activities finished in February 2023 and the final report completed. Final payment has now been received.

Growing the Great Green Wall in Tominian
Funded by the Turkish government, through the United Nations Conventions to Combat Desertification, this project supported the Great Green Wall Initiative by working with 10 communes (44 villages) in Segou region, to tackle poverty and the effects of the climate crisis through capacity development, provision of inputs to local communities and expansion of NTFP value chains in the region. The project finished in September 2023.

Forest Governance Segou
Promoting forest governance for resilient ecosystems and communities in Segou. This project aims to strengthen promotion of local forest governance, investments in forests and valorisation of non-timber forest products for sustainable improvement of livelihoods for 3,000 rural households in Tominian circle, Mali. Funding comes from the Darwin Initiative and the project finished in October 2024.

Olympic Forest (Senegal and Mali)
Through this project, Tree Aid and the International Olympic Committee will grow thousands of trees and restore huge areas of land across Mali and Senegal, contributing to the Great Green Wall movement. Together with communities living in the path of the Great Green Wall, we will grow trees and restore degraded land, helping to sequester 200,000 tonnes CO_2e over 30 years. Tree Aid has partnered with a new organisation in Senegal, and set up its own office in Kayes, Mali.

Local Governance of Forest Resources
The project will build on the work that Tree Aid has done on previous projects working on strengthening local governance of forests. The project will improve biodiversity and the income of 2,550 households living around the Mio, Sanekuy and Safienso forests in the Segou region of Mali. As a result, 26,700 hectare of forest will be under sustainable management. 10,000 hectare of forest, agricultural and pastoral land will benefit from restoration activities. It runs until 2028.

Niger:

Enterprise Development in Falmey
This small project looks to help support 10 Village Tree Enterprises (VTEs) which were created in other projects, to further women's ability to obtain income and to manage their resources. The 10 VTE's will receive further training in how produce shea butter, peanuts and other non-timber forest products. The VTEs will also be supported in helping to commercialise their products. It is funded by the Roughly Foundation.

Empowering women in Dosso & Tahoua
The overall aim of the project is to help reduce the vulnerability of people living in poverty, particularly women, in the 11 target communes of Dosso and Tahoua and to strengthen their

socio-economic resilience in the face of climate change. The project aims to strengthen the capacities and organisation of women's groups, while promoting the development of village savings and loan associations (VSLAs) and income-generating activities (IGAs). Funded by Enabel, the project runs to September 2026.

Senegal:

Great Green Wall Planting
This is a 12-month project with the aim to plant 500,000 trees in the Saint Louis region of Senegal. This is a new target zone and has been made possible with the support of local partner, Institut Sénégalais de Recherches Agricoles (ISRA), and the funding from Green Earth Foundation.

Project Fund
Donations restricted to development work on certain projects or in certain countries.

Development Fund
Donations restricted to the Development Fund are utilised for activities that strengthen and expand Tree Aid's impact and influence through leveraging institutional funding, releasing unrestricted funding and bringing donors closer to Tree Aid by providing them with unique insights.

Purpose of unrestricted funds
Unrestricted funds are generated when there is no stipulation from the donor as to how the income may be spent. They include designated funds where the Trustees have set aside monies for a specific purpose.

Designated funds are provided for the following purposes**:**

Evidencing the impact of our work
To better communicate and advocate our work we will use the evidence we gather to influence policy and practice in the Sahel and will invest in our advocacy capacity and activities in the coming years. This investment will be a short-term kick-start to a broader plan for increasing our annual activities around influencing which currently is not easily funded by restricted grant funding. Over the next few years we will invest £0.2 million in this area.

Investment in M&E Systems and Equipment
We will be investing an additional £0.1 million in the coming years in deepening our capacity and tools to measure, monitor and demonstrate the levels of degradation and the impact of our work to combat this. Such evidence will be vital in our efforts to communicate the urgency of action required and the potential of our approaches as a key method for combatting the crisis of deforestation and land degradation in the African drylands.

Long-term sustainable funding
To continue on this strategic path of raising our voice on the issues most critical to our charitable mission, it is essential that Tree Aid achieves a stronger balance of unrestricted funding which will enable sustained investment into evidence, advocacy and communications. Over the coming three years we will look to invest £0.2 million additional reserves into growing our digital fundraising capacity with an aim to secure a sustained growth in unrestricted public giving.

Investment in infrastructure
Tree Aid will need to invest in our offices and infrastructure to ensure we have the necessary environment to work effectively. We have set aside £0.1 million to invest in this area to ensure we remain adaptable and provide adequate infrastructure for our staff.

At the year-end there were two designated reserves which represent the carrying value of the ***Investment in woodland***, £0.4 million, and ***Fixed assets***, to recognise these separately from general reserves.

Transfers between funds
Transfers between funds represent the application of income to particular project funds whose objectives fall within the wider restrictions of the funds from which those funds are transferred.

21. Analysis of net assets between funds – Group

	Restricted funds	Designated funds	Unrestricted funds	2025 Total
	£	£	£	£
Tangible fixed assets	-	33,134	-	**33,134**
Investments	-	410,000	1,018,485	**1,428,485**
Cash at bank & short-term investments	3,209,024	471,295	712,852	**4,393,171**
Debtors	554,613	-	448,523	**1,003,136**
Creditors falling due within one year	(279,945)	-	(339,599)	**(619,544)**
	3,483,692	**914,429**	**1,840,261**	**6,238,382**

Analysis of net assets between funds – Charity

	Restricted funds	Designated funds	Unrestricted funds	2025 Total
	£	£	£	£
Tangible fixed assets	-	8,684	-	**8,684**
Investments	-	410,000	1,018,487	**1,428,487**
Cash at bank & short-term Investments	1,375,865	495,745	565,645	**2,437,255**
Debtors	88,074	-	364,795	**452,869**
Creditors falling due within one year	(72,609)	-	(108,666)	**(181,275)**
	1,391,330	**914,429**	**1,840,261**	**4,146,020**

22. Reconciliation of net movement in funds to net cashflow from operating activities

	Group	
	2025	*2024*
	£	*£*
Net (expenditure)/income for the reporting period	(1,322,946)	*314,297*
Adjustments for:		
Depreciation charges	6,572	*7,107*

Losses/(gains) on investments	20,224	*(114,799)*
Investment income	(14,847)	*(19,716)*
Decrease in debtors	410,651	*127,749*
Increase in creditors	176,335	*75,105*
Net cash (used in)/provided by operating activities	**(724,011)**	*389,743*

Analysis of cash and cash equivalents

	Group	
	2025	*2024*
	£	*£*
Cash in hand	4,210,288	*5,277,703*
Short-term investments (less than three months' notice)	182,883	*182,162*
	4,393,171	*5,459,865*

As Tree Aid has no debt, the requirement to disclose a net debt reconciliation is covered in the presentation of the consolidated statement of cashflows.

23. Legal status of the Charity

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 £10 per member of the Charity.

24. Related party transactions

Tree Aid transacted with its 100% subsidiary entities during the year. The value of transactions during the year, which were made in the normal course of business and comprised mainly grants to fund the Group's charitable activities, totalled:

	2025	*2024*
	£	*£*
From Tree Aid to Tree Aid Burkina Faso	5,797,326	*3,918,529*
From Tree Aid to Tree Aid Tree Aid Ghana	346,874	*423,835*

There were no balances outstanding at the year-end between the Charity and Tree Aid Burkina Faso or Tree Aid Ghana (2024: £nil).
There were no movements on loans for the social enterprise initiative during the current or prior year. The loans are unsecured and interest-free.

25. Operating lease commitments

Tree Aid had future minimum lease payments under non-cancellable operating leases at the year-end, expiring as follows:

	Group			
	Land & buildings	**Office equipment**	**2025**	*2024*
Expiring:	**£**	**£**	**£**	*£*
Within 1 year	24,738	2,031	26,769	*18,858*
2–5 years	-	5,703	5,703	-

	Charity			
	Land & buildings	**Office equipment**	**2025**	*2024*
	£	**£**	**£**	*£*
Within 1 year	13,676	2,031	15,707	*13,642*
2–5 years	-	5,703	5,703	-

26. Capital commitments

There were no capital commitments in the current or prior year.

27. Basic financial instruments

	Group		Charity	
	2025	*2024*	**2025**	*2024*
	£	*£*	**£**	*£*
Financial assets that are debt instruments measured at fair value:				
Accrued income on contracts	198,861	*246,098*	198,861	*246,098*
Trade debtors	467,799	*867,783*	67,685	*39,008*
Other debtors	225,739	*284,637*	90,415	*178,210*
Cash at bank and in hand	4,210,288	*5,277,703*	2,254,372	*3,194,227*
Short-term investments	182,883	*182,162*	182,883	*182,162*
Financial liabilities measured at fair value:				
Accruals	164,133	*108,734*	62,494	*60,979*
Other creditors	41,557	*15,140*	37,361	*9,954*

28. Prior year: consolidated statement of financial activities

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £
INCOME FROM			
Donations and legacies	8,544,935	2,276,122	10,821,057
Investment income	-	19,716	19,716
Other income	-	1,891	1,891
TOTAL	**8,544,935**	**2,297,729**	**10,842,664**
EXPENDITURE ON			
Raising funds	-	(996,398)	(996,398)
Charitable activities	(8,606,469)	(1,040,299)	(9,646,768)
TOTAL	**(8,606,469)**	**(2,036,697)**	**(10,643,166)**
Net gains/(losses) on investments	-	114,799	114,799
NET (EXPENDITURE)/INCOME	**(61,534)**	**375,831**	**314,297**
Transfer between funds	95,668	(95,668)	-
Other recognised (losses)/gains	-	(98,889)	(98,889)
NET MOVEMENT IN FUNDS	**34,134**	**181,274**	**215,408**
RECONCILIATION OF FUNDS			
Total funds brought forward	4,663,584	3,003,565	7,667,149
Total funds carried forward	**4,697,718**	**3,184,839**	**7,882,557**

29. Prior year: Raising funds

	Delivery costs £	Development costs £	Support costs £	Total 2024 £
Supporter fundraising	570,383	23,732	218,295	**812,410**
Institutional fundraising	118,494	-	65,494	**183,988**
Total	688,877	23,732	283,789	**996,398**

30. Prior year: Charitable activities

	Delivery costs	Development costs	Support costs	Total 2024
	£	£	£	£
Programme delivery	8,480,498	74,889	973,605	**9,528,992**
Advocacy and awareness	58,340	-	59,436	**117,776**
Total	8,538,838	74,889	1,033,041	**9,646,768**

31. Prior year: Total expenditure

	Delivery costs	Development costs	Support costs	Total 2024
	£	£	£	£
Raising funds	688,877	23,732	283,789	**996,398**
Charitable activities	8,538,838	74,889	1,033,041	**9,646,768**
Total	9,227,715	98,621	1,316,830	**10,643,166**

32. Prior year: movements in funds – Group

	Opening Balance	Income	Expenditure	Investment & other gains	Transfers	Closing Balance
	£	£	£	£	£	£
Restricted funds						
Burkina Faso						
Enhancement of NTFPs: Development and Phase 3	691,340	1,199,208	(1,714,896)	-	-	175,652
Tond Tenga	-	2,756,101	(1,360,693)	-	-	1,395,408
Mouhoun Pro Race	-	758,264	(138,769)	-	-	619,495
Local Governance of Forest Resources	2,382,820	742,607	(2,299,318)	-	-	826,109
Supporting Smallholder Farmer Resilience	109,222	724,934	(702,615)	-	-	131,541
Carbon Evaluation	1,265	-	(158)	-	-	1,107
Pro-ADAPT project	205,300	-	(128,023)	-	-	77,277
Sustainable value chains	148,918	161,563	(166,046)	-	-	144,435
NFTP value chains 2	65,234	137,805	(203,039)	-	-	-
Ghana						
Daka River Restoration 2	60,812	242,799	(230,185)	-	-	73,426

	Opening Balance	*Income*	*Expenditure*	*Investment & other gains*	*Transfers*	*Closing Balance*
	£	*£*	*£*	*£*	*£*	*£*
Daka River Restoration 3	*(51,058)*	*52,150*	*(1,092)*	*-*	*-*	*-*
Northern Ghana Integrated Development	*52,643*	*29,055*	*(45,839)*	*-*	*-*	*35,859*
Bongo Reforestation	*51,686*	*60,627*	*(102,750)*	*-*	*-*	*9,563*
Yendi Tree Enrichment	*30,600*	*16,884*	*-*	*-*	*-*	*47,484*
Carbon Study Bongo	*-*	*47,966*	*(61,331)*	*-*	*13,365*	*-*
Ghana Shea Restoration	*60,642*	*122,391*	*(59,185)*	*-*	*-*	*123,848*
Ethiopia						
Frankincense N Gondar 1	*-*	*153,930*	*(164,709)*	*-*	*-*	*(10,779)*
Frankincense N Gondar 2	*16,298*	*-*	*-*	*-*	*-*	*16,298*
Community Resilience and Ecosystem Restoration	*37,031*	*207,265*	*(142,229)*	*-*	*-*	*102,067*
Mali						
Regreening Nonkon and Nossombougou	*-*	*(8,354)*	*(138)*	*-*	*8,492*	*-*
Regreening Koulikoro	*1,602*	*4,286*	*-*	*-*	*-*	*5,888*
Strengthening Forest Management	*-*	*600*	*-*	*-*	*-*	*600*
Empowering Women in Rural Mali	*-*	*18,664*	*(35,704)*	*-*	*17,040*	*-*
Growing the Great Green Wall in Tominian	*188,232*	*-*	*(147,338)*	*-*	*-*	*40,894*
Forest Governance Segou	*62,917*	*134,883*	*(197,800)*	*-*	*-*	*-*
Tree Planting project	*-*	*-*	*(15,621)*	*-*	*15,621*	*-*
She Grows Expansion	*-*	*(15,542)*	*(12,579)*	*-*	*28,121*	*-*
Olympic Forest	*421,661*	*325,789*	*(427,611)*	*-*	*-*	*319,839*
Local Governance of Forest Resources in Mali	*-*	*226,849*	*(131,822)*	*-*	*-*	*95,027*
Niger						
Empowering women in Dosso & Tahoua	*-*	*60,943*	*(68,923)*	*-*	*-*	*(7,980)*
Rehabilitation of Park W: Dosso	*4,310*	*(10,732)*	*(6,607)*	*-*	*13,029*	*-*

	Opening Balance	Income	Expenditure	Investment & other gains	Transfers	Closing Balance
	£	£	£	£	£	£
Enterprise in Falmey	*15,000*	*4,000*	*(16,652)*	*-*	*-*	*2,348*
UK						
Advocacy Support		*390,000*	*(24,797)*	*-*	*-*	*365,203*
Project Fund	*78,786*	*-*	*-*	*-*	*-*	*78,786*
Development Fund	*28,323*	*-*	*-*	*-*	*-*	*28,323*
Total restricted funds	***4,663,584***	***8,544,935***	***(8,606,469)***	***-***	***95,668***	***4,697,718***
Unrestricted funds						
Designated funds						
Woodland Investment Reserve	*400,000*	*10,000*	*-*	*-*	*-*	*410,000*
Fixed Asset Reserve	*9,208*	*-*	*(6,093)*	*-*	*-*	*3,115*
Evidencing the impact of our work	*279,111*	*-*	*(50,000)*	*-*	*-*	*229,111*
Investment in M&E Systems and Equipment	*90,460*	*-*	*(55,000)*	*-*	*50,000*	*85,460*
Long-term sustainable funding	*438,648*	*-*	*(50,000)*	*-*	*-*	*388,648*
Investment in infrastructure	*131,346*	*-*	*(60,000)*	*-*	*100,000*	*171,346*
Total designated funds	***1,348,773***	***10,000***	***(221,093)***		***150,000***	***1,287,680***
General reserves	*1,654,792*	*2,287,729*	*(1,815,604)*	*15,910*	*(245,668)*	*1,897,159*
Total unrestricted funds	***3,003,565***	***2,297,729***	***(2,036,697)***	***15,910***	***(95,668)***	***3,184,839***
Total funds	***7,667,149***	***10,842,664***	***(10,643,166)***	***15,910***	***-***	***7,882,557***

33. Prior year: analysis of net assets between funds – Group

	Restricted funds	*Designated funds*	*Unrestricted funds*	*2024 Total*
	£	*£*	*£*	*£*
Tangible fixed assets	*-*	*3,115*	*-*	***3,115***
Investments	*-*	*410,000*	*1,038,999*	***1,448,999***
Cash at bank & short-term investments	*3,890,849*	*874,565*	*694,451*	***5,459,865***
Debtors	*982,157*	*-*	*431,630*	***1,413,787***
Creditors falling due within one year	*(175,288)*	*-*	*(267,921)*	***(443,209)***
	4,697,718	***1,287,680***	***1,897,159***	***7,882,557***

Prior year: analysis of net assets between funds – Charity

	Restricted funds	*Designated funds*	*Unrestricted funds*	*2024 Total*
	£	*£*	*£*	*£*
Tangible fixed assets	*-*	*887*	*-*	*887*
Investments	*-*	*410,000*	*1,039,001*	*1,449,001*
Cash at bank & short-term Investments	*1,978,086*	*876,793*	*521,510*	*3,376,389*
Debtors	*48,887*	*-*	*416,735*	*465,622*
Creditors falling due within one year	*(53,739)*	*-*	*(80,087)*	*(133,826)*
	1,973,234	***1,287,680***	***1,897,159***	***5,158,073***

Legal and administrative details

LEGAL STATUS

Tree Aid is an incorporated company limited by guarantee, no. 03779545, and a registered charity, no. 1135156.

TRUSTEES

Elizabeth Davis [2]	Chair
Hilary Allison [3]	Vice Chair
Tristram Holborn [1]	
Alexander Simuyandi [2]	
Nick Pride	(resigned: term ended 24 July 2024)
Philip Songhurst-Thonet [1]	(resigned: term ended 24 July 2024)
Defrim Dedej [3]	
Henry McLoughlin [2]	
Roger Davies [1]	
Kate Wharton-Nicholls [3]	(appointed 14 July 2024)
Katherine Bowyer [2]	(appointed 14 July 2024)
Sabrina Segal [1]	(appointed 14 July 2024)
Anwar Mamon [3]	(appointed 14 July 2024)

[1] Member of the Finance & Audit Committee
[2] Member of the People Committee
[3] Member of the Programmes & Partnerships Committee

SENIOR MANAGEMENT TEAM

Tom Skirrow	Chief Executive
Georges Bazongo	Director of Programmes
Ben Sheahan	Director of Finance and Resources
Sally Airey	Director of Communications & Fundraising
Natalia Deane	Director of Communications & Fundraising (maternity cover until 31 October 2024)

REGISTERED OFFICE AND PRINCIPAL OFFICE ADDRESS

Brunswick Court, Brunswick Square, Bristol, BS2 8PE.

ADVISORS

Bank

NatWest plc, 3 Temple Back East, Temple Quay, Bristol, BS1 9BW.

Auditor

Sayer Vincent LLP, 110 Golden Lane, London, EC1Y 0TG.

TREE AID

England & Wales - Charity number 1135156

Accounts

Tree Aid

ANNUAL REPORT AND CONSOLIDATED ACCOUNTS

Year ended 31 March 2024

Tackling poverty and the effects of the climate crisis

Tree Aid - a company limited by guarantee
Charity No. 1135156
Company No. 03779545

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Welcome

Tree Aid's Board of Trustees is pleased to present the Annual Report & Accounts for the year ended 31 March 2024.

Tree Aid offers a lasting and powerful solution to the climate crisis and global poverty. This report shows the impact we made in 2023/24 by growing trees, regenerating land and supporting people in the drylands of Africa to transform their lives. For billions around the world, climate change is no longer a distant threat, but a harsh reality. Rising temperatures, erratic rainfall and devastating desertification continue to worsen. The consequences are dire: loss of crucial resources, famine, drought, poverty, displacement and conflict have become widespread.

The people of Africa's Sahel region, where we work, are amongst the most vulnerable. This area, once a haven of rich biodiversity, now stands on the precipice of ecological and humanitarian catastrophe. The effects of the climate crisis are compounded by political instability across many countries we work in. The rising cost of living – felt most deeply by those with the least – is also hitting hard.

Our mission is to embolden local communities with the tools and knowledge to turn the tide. By growing trees – which help land stay fertile and absorb carbon dioxide – communities can mitigate the disastrous impacts of climate change. Trees also offer people a brighter and more just future, providing an income and nutritious food to eat.

Tree Aid continues to deliver on its strategic plans despite a difficult year of political instability and insecurity. Niger, Burkina Faso and Mali continue to be challenging environments to operate in. With the military coup taking place last year in Niger, supported by the military governments of Burkina Faso and Mali, there have been significant challenges at a geopolitical level resulting in a reduction of cooperation with neighbouring governments. This has led to a recent announcement that the countries will leave ECOWAS next year, reducing the ease of movement of people and trade within the region.

This instability has led to major funding partners removing levels of development support from some of the countries where Tree Aid operates. Swedish International Development Cooperation (Sida), who have been funding Tree Aid for over 20 years, have made the difficult decision to cease supporting our forest governance work in Burkina Faso from their in-country budget. There has also been a reduction of support to the country from donors such as LuxDev (Luxembourg) and AFD (France). Additional political instability in Senegal, as well as a heightening of insecurity in Ethiopia continue to cause concern.

Despite this and with the benefit of working through experienced local staff and partners, Tree Aid has continued to develop unique models to access funding from carbon financing, giving us an opportunity to develop skills and outputs in areas that previously were difficult to secure funding. One such project in Burkina Faso, Tond Tenga ('Our Land') has enabled us to recruit forest carbon and data specialists who are supporting the development of Nature-based Solution projects with carbon financing, that champion local rights and knowledge and generate high-impact social and environmental benefits.

We have also improved our ability to collect, analyse and use imagery data. With robust quantification and analysis, we can make technically informed decisions on the impact of our interventions in West Africa, develop high-quality, high integrity programmes thereby improving the implementation of our strategy.

In 2023-24, Tree Aid continued to work to improve the visibility of our work and grow Tree Aid's ability to influence. We have seen some real progress in our internal capacity for advocacy, in the dissemination of our achievements, presenting our work on the ground and representing Tree Aid and African Drylands at the UNFCCC Climate Change Conference (COP 28). As a result of a significant grant from the Montpelier Hampshire Foundation, we have been able to become more strategic and effective in the way we are presenting at international forums, to target and influence key decision makers.

Growing our organisation

Although the income we received in 2023/24 remained steady due to the timing of receipts of restricted grants, at £10.8 million (the same as in 2022/23), we were pleased to increase our spending significantly from £8.8 million in 2022/23 to £10.6 million this year, as donors recognise the impact of our approach.

We will continue to raise funding to finance our ambitious strategy in coming years and will seek to diversify our income from a range of private and public sources.

Thank you

A huge thank you to everyone who supported Tree Aid in 2023/24 – our work is only possible because of you. Thank you also to our hardworking staff and Trustees who have made our achievements possible this year.

We would like to extend particular thanks to Shireen Chambers, our out-going Board Chair, who has worked tirelessly and with great enthusiasm over the past six years in support of Tree Aid's organisation and mission, and we welcome Elizabeth Davis, who has taken her place as Board Chair.

Together with the people we serve, we can help transform the Sahel from a region scarred by climate change to a beacon of resilience and sustainability. We look forward to continuing our progress with you in 2024/25.

Elizabeth Davis
Chair of Trustees

Tom Skirrow
Chief Executive

Strategic report

What we do

Tree Aid works with people in the drylands of Africa to tackle poverty and the effects of the climate crisis by growing trees and restoring and protecting land.

Led by local people, our projects make sure trees thrive so they can provide nutritious food and incomes today and look after the environment for tomorrow. We support people to manage their land and resources in a way that helps slow down the effects of the climate crisis and stops fertile soil being lost.

Together with local communities, we also work to influence policy and push for change that protects trees, people's livelihoods and our planet.

We play an important role in the Great Green Wall, the international effort to grow a vast belt of trees, vegetation and fertile land across Africa's drylands. One of the most urgent movements of our time, its aim is to tackle the climate crisis by restoring 100 million hectares of land and sequestering 250 million tonnes of carbon by 2030.

Our goals

We launched our current strategy in 2022, with ambitious aims to scale up our work over the following five years and move ever closer to our 20-year goal of reversing deforestation and land degradation in the drylands of Africa.

Our new strategy focuses on three key areas to restore 220,000 hectares of land and grow 12 million trees:

1. **Empowered families**

Thriving, resilient and empowered smallholder families are central to achieving sustainable social and ecological change across the drylands of Africa. We will support households to develop skills and knowledge to enable them to lift themselves out of poverty. Only through empowering households can we ensure that change at the community level and beyond is possible.

We will support over 2.4 million people to gain knowledge and skills so that they have the tools to grow and diversify their incomes, adapt farming to more sustainable and higher-yield approaches, increase dietary diversity and improve nutrition, address gender inequities within households and become more resilient to future climate shocks.

2. **Empowered communities**

We know collective action is vital to achieve our mission. In the coming five years, we will support 4,000 communities to work together to effectively manage their landscape. We will ensure they have systems, skills and means to manage and restore their local landscapes as a whole.

We will also work with local authorities and traditional leadership to ensure fair and equal access for all members. We will support the development of cooperatives too, to ensure groups can maximise their potential to grow as businesses and access new markets.

3. **Empowering and enabling systems**

We recognise that our work is part of a broader movement across Africa's drylands and that the scale of the challenges this region faces are too great to tackle alone. In line with our Theory of Change, truly sustainable impacts require an enabling environment and systems which reinforce and empower communities to thrive.

We are committed to challenging and changing systems, to empower communities and families to restore their landscapes and lift themselves out of poverty. We will do this in collaboration with both those we serve and other stakeholders who strive for change.

Our approach

We grow and protect trees so people can live from them for years to come. In the Sahel region of Africa, people live with the effects of the climate crisis every day. Land is rapidly losing its fertility. People can't grow enough food and poverty is increasing. We believe tackling poverty and protecting the environment are inseparable. Trees offer a solution. They help land to stay fertile so people can grow food and produce items to sell. Trees protect our planet, absorbing carbon dioxide, a cause of the climate crisis.

Every year, we grow millions of trees and protect huge areas of land. But we don't just plant trees and walk away. We make sure local people have the training and tools they need to make each tree thrive. We also ensure the right trees are planted in the right places, selecting each species for both community and ecosystem needs. At Tree Aid, we learn what works and share it – locally, nationally and internationally. Together with local communities, we influence policy and push for change that protects trees, people and our planet.

Our impact

In 2023-24 we supported the following activities across the countries where we operated:

We worked with 1,701,380 people. Of these 745,343 were new beneficiaries (against a target of 480,000) from 149,069 new households (against a target of 96,000). We worked across 1,274 new communities (against a target of 800). 54% of people we worked with directly were women.

While some of our largest projects met the target of a 100% increase in household incomes, others saw decreases in overall household income. This, occurring alongside our very strong results in NTFP income, is largely due to outside factors destabilising the crop and livestock incomes of our beneficiaries. These factors include poor farming productivity as well as violence, insecurity, and displacement in the local area. In these areas of the Sahel, new income from NTFPs unlocked by Tree Aid projects is serving to soften the blow of otherwise worsening living conditions.

We grew 2,569,584 trees, compared to a strategic target of 2,400,000, with a survival rate of 67% compared with a target of 70%. The survival rate was below target largely due to uncontrolled bushfires in Senegal and Mali.

We set up 785 new enterprise groups, against a target of 400, to manage, process and sell tree products. 18,227 people joined these new enterprise groups, compared to a target of 10,000 people.

13,972 hectares of new land benefited from restoration activities compared to a strategic target of 13,300 hectares. 14,209 hectares of new land benefited from sustainable land management compared to a strategic target of 30,800 hectares. Area of land under sustainable management is below target as we haven't yet quantified all the hectares under better management. So far in the strategy the largest scale up of work has taken place predominantly around the same forest sites that we have already worked in and already developed management plans for.

Burkina Faso

In Burkina Faso, over 70% of people live rurally and depend on the land to grow food and make money. But the climate crisis and deforestation are causing it to rapidly lose its fertility. As a result, over a third of the population are living in extreme poverty and hunger.

Furthermore, insecurity has meant that more than 2 million people have been displaced within the country.

We've been working with communities in the country since 1994, growing and protecting trees to tackle poverty and the effects of the climate crisis.

Our impact in Burkina Faso

1,266,654 trees grown

1,601,708 people supported from 320,342 households across 1,534 communities

2,243 hectares of land benefiting from restoration activities

514 new groups supported to manage, process and sell tree products

Progress with existing projects

Establishing roots in carbon income for communities

The team in Burkina Faso have been able to build on our long-term forest governance work, by planting 915,000 trees on 1,650 hectares in our community forests in 2023. The trees will help restore land, protect forests and provide incomes for the surrounding communities. Furthermore, there will be an additional income derived from the payment for the carbon that the trees store.

Supporting displaced people

The Non-Timber Forest Product 3 project in Burkina Faso has supported people affected by the crisis by providing emergency tree-based food kits in the Centre Nord region: with a view to strengthening the food and nutritional security of Internally Displaced People (IDPs) and hosts, the programme, in collaboration with the operational partner, distributed food to 350 IDP/host households in the Kongoussi commune. This supported 2,676 direct beneficiaries (1,606 women and 1,070 men). The food kits were made up of Non-Timber Forest Products (NTFPs) sourced from project groups.

Reducing poverty

Our Forest Governance project, Weoog Paani, has contributed to a reduction in people living below the poverty line from 88% to 27% - a massive decrease in the face of the insecurity challenges.

Providing jobs for youth

More than 3,000 households are engaged in our project funded by Challenge Fund for Youth Employment (CFYE), which is creating jobs through nutrition gardens and enterprise groups. These groups will be connected through a digital platform developed by our Dutch partner, Auxfin.

Alliance for Green Revolution in Africa (AGRA) programme

Through our AGRA-funded programme in Burkina Faso, we are aiming to support 210,000 smallholder farmers with improved farming practices and agroforestry. These farmers have been trained to produce their own compost and provided with support to improve their yields of maize, cowpea rice and sorghum. 503 demonstration sites have been established to demonstrate practices, and there have been more than 8,000 visitors to see them during 2023/24. This people-centred learning is an important participatory methods to create an environment conducive to learning: the participants can exchange knowledge and experience in a risk-free setting. Practical field exercises using direct observation, discussion and decision making encourage learning--by--doing allowing farmers to come to their own conclusions and gain confidence in their decision-making.

With additional AGRA funding, we have been able to support 203 small businesses to develop business plans focused on NTFPs. These groups have also received training in production and been linked to buyers and financers. The groups are producing shea butter, soumbala, juices and biscuits and pastries.

Improving NTFP value chains

With funding from the Belgian government, we are supporting 74 VTE groups. They have been assessed and a training plan developed based on their needs. Key value chains have been identified and stakeholders mapped to help the groups in marketing their products. The project also focuses on the production of NTFPs, and 5 sites have been identified in 2023/24 for protection and management by 5 newly established groups.

New projects

Our work in Burkina Faso continues to expand, with two new projects starting. Building on the decentralised forest governance programme that has been developed over more than a decade with funding from the Swedish aid cooperation, the Tond Tenga project will continue to work in the same 37 forests with the same communities to plant more than 6m trees and certify them through Verra - a global standard for carbon certification. Over 40 years, communities will gain the benefits of the trees and Tree Aid's work, as well as income for the carbon sequestered.

A new project also started in November 2023, funded by the European Union. This project is focused on strengthening the resilience of rural households to climate change and food and economic vulnerability.

Ethiopia

Between 1993 and 2016, Ethiopia lost 2.2 million hectares of forest cover – equivalent to 1.5 million football pitches. Without trees, the land is losing its fertility – two billion tonnes of fertile soil is lost each year. This is making it hard for people to grow enough food. As a result, over 37 million people are living in extreme poverty.

Our impact in Ethiopia

47,441 trees grown

12,474 people supported from 2,495 households across 10 communities

250 hectares of new land under sustainable management

17 new groups supported to manage, process and sell tree products

Progress with existing projects

Restoring the Central Rift Valley

Huge areas of the Central Rift Valley in southern Ethiopia are no longer able to support plant life, and farming is becoming impossible. Our project in the Central Rift Valley has focused on restoring 250 hectares of degraded land on the Werja escarpment, creating management groups and creating trial sites for testing.

This project has helped in the development of a new project that will start in 2024, scaling up the work. The planting planned in 2024 includes 500,000 indigenous trees.

Protecting the Metema forest

Ethiopia's Metema forest is the last green belt before the start of the desert. But the climate crisis and deforestation have taken hold, and without action it could be extinct in 20 years. Our Future forest and Developing rural resistance projects are partnering with communities to protect and govern their land and tackle the climate crisis.

Our data has confirmed a 296% increase in household income in areas benefitting from our work which provides access to non-timber forest products. This has helped communities be more resilient in the face of insecurity in the area. Insecurity has otherwise led to a reduction in household income, which is typically derived from farming activities.

Another benefit from our projects has been the increase in high-grade frankincense produced and sold by cooperatives. Our monitoring plots also showed increased tree density as a result of our work in the Metema forest.

New projects

During 2023/24, we started a 12 month pilot project at the Werja escarpment that we will be able to expand in 2024/25.

Ghana

In northern Ghana, where we've been working since 1994, a drastic reduction in fertile land and the climate crisis have devastated people's lives. Rainfall is unpredictable and drought and floods are becoming more frequent and severe. Poverty is rising and many are struggling to grow enough food.

Around half the people in the region are living in poverty. Our projects are working to change this.

Our impact in Ghana

761,937 trees grown

27,013 people supported from 5,403 households across 300 communities

398 hectares of land benefiting from restoration activities

78 new groups supported to manage, process and sell tree products

Progress with existing projects

Transforming land and livelihoods

Increasing income for women and young people is at the heart of this project, alongside promoting sustainable agriculture, decent work and social protection. Key to our success is partnering with 15 local civil society organisations, funding them to run climate change, advocacy and social protection projects.

In 2023/24 we gave 10,700 women the tools and training they need to practice climate-resilient sustainable agriculture. In addition, we supported women to form 111 Village Savings and Loans Associations, where they can save for their future and borrow money to start businesses and raised 24,783 people's awareness of women's rights and the important of their access to natural resources.

Bongo reforestation

We are working with 20 local communities to grow over 200,000 trees and restore and protect 450 hectares of land in the Bongo River area of northern Ghana. Together we're reducing river erosion, improving land fertility and promoting land management methods to secure natural resources for the long term.

Since the baseline year, 2021, responses indicate significant increases in monitored crop yields, including significant increases for groundnut, rice and beans. Our project activities that have contributed to these results include agroforestry planting on farmer's land and NRM techniques which improve soil health.

Restoring the Daka river

The Daka river is a vital source of water for drinking, eating, washing and farming. But a rapid loss of trees and soil fertility, and the effects of the climate crisis, mean the river can dry out for months on end. This has made growing food difficult, leading to high levels of poverty. Working with local people, we're growing trees to provide food and incomes and restore the river and land.

In 2023/24 we grew more than 600,000 trees along the Daka River and conducted research on the ecological and economic benefits of our grass briquettes pilot activities. This showed that there are large ecological benefits to grass briquettes over charcoal but that challenges in production don't make it profitable.

Mali

Mali is one of the poorest countries in the world, with almost half the population living in severe multidimensional poverty. In the south of Mali where we work, most people rely on farmland for food and income. But the climate crisis is making farming difficult and life tough. 2023/24 marks our 30th year of working with communities to tackle this.

Out impact in Mali

493,552 trees grown (including in Senegal)

39,879 people supported from 7,976 households across 281 communities

11,259 hectares of land benefiting from restoration activities

9,584 hectares of land benefiting from sustainable management

Promoting forest governance

The Ségou region of Mali has been hit particularly hard by deforestation and the effects of the climate crisis. Through our three-year project there, we're aiming to promote good governance and management of forests, improving lives for 3,000 rural households.

In 2023/24 we supported local people to plant 90,965 trees and established two new cooperatives to manage the forests of Safienso and Sanekuy and developed management plans to help them do so. By March 2024 1,033 hectares of degraded agricultural land has been restored through SWC, agroforestry and ANR. We also established 8 village businesses, each with their own business plan.

Our work in Mali and Senegal

Our work in Mali and Senegal continued through the Olympic Forest. Our Project Design Document (PDD) has been submitted to Plan Vivo, and more than 140,000 trees planted in Senegal and 66,308 in Mali.

9,584 hectares of land are now under better management, and almost 1000 hectares are under a process of restoration.

With funding from the Turkish government and UNCCD, we were able to complete a short project work in forests in Segou. The successes included planting 118,297 trees in forest sites and almost 85,000 on agroforestry sites. Strengthening existing village enterprises that had been set up by Tree Aid, we were happy to see that annual profits from NTFPs had grown since 2019 from $7,786 to $10,225 per group today. These enterprises have been further strengthened with equipment and the construction of kiosks, that will be managed by cooperatives representing the enterprises. Work was also done around these forests in preparation for a potential project in the voluntary carbon market in future.

Darwin Extra - scaling up our forest governance work

In a similar way to Burkina Faso, we have an opportunity, through Darwin Extra funding, to expand our forest governance work in Mali. Starting in October 2023, the project will strengthen decentralised forest management at local level (in 6 communes of the Segou region) as well as at national level; 10,000 ha of forest and agricultural and pastoral land will benefit from land restoration activities, through sustainable land management practices and the planting of 3,5 million trees including endangered native species; and increase income of 2,550 households through sustainable NTFP exploitation.

Forest Fires

Despite efforts to create firebreaks that protect planting sites, they are still vulnerable as seedlings are not able to withstand fires. These fires are often started to clear shrubs and grasses to enable access to forest sites. Farmers also often burn their farm residue after harvesting. These fires can spread to other sites.

Some of our planting in 2023/24 suffered from bush fires that required extensive monitoring to assess the scale of the damage. Fires ravaged some sites early in the dry season, when the ground should normally be moist enough to prevent fires from spreading, however dryer spells and strong winds carried fires onto planting sites. For 2024/25 planting, fire breaks are going to be created earlier in the year and maintained in the dry season. This will reduce the risk, but the changing climate is playing a role in challenging existing project plans.

Niger

Niger is one of the world's poorest countries. The climate is very hot and dry, and most of the country is desert. As a result, over two-thirds of the population are living in extreme poverty.

Since 2013, Tree Aid has been supporting communities there to tackle poverty and improve the environment.

Despite the challenges we were able to start two new projects in Niger, the first supporting new women's enterprises in Falmey, providing 5 Village Tree Enterprises with the necessary training and equipment to improve their production and marketing, particularly of shea butter, peanuts and other NTFPs.

The second focussed on the economic and financial empowerment of women. The overall aim of the second project is to help reduce the vulnerability of the poor, particularly women, in the 11 target communes of Dosso and Tahoua. The project aims to strengthen the capacities and organisation of women's groups, while promoting the development of village savings and loan associations (VSLAs) and income-generating activities.

The project will directly benefit 4,675 women, or an average of 25 women per women's group and 3,925 households were already benefiting in 2023/24.

Thank you

On behalf of the 1,736,470 people we supported in the drylands of Africa in 2023/24, we would like to thank the corporate supporters, trusts, foundations, institutions and individuals who made our work possible. We are extremely grateful for your support.
Thank you to our institutional funders, including:

Alliance for a Green Revolution in Africa (AGRA)
Challenge Fund for Youth Employment
City of Ypres
CIFOR-ICRAF
Darwin Initiative
Enabel
European Union
Global Shea Alliance
International Olympic Committee (IOC)
Swedish International Development Cooperation Agency (SIDA) - Swedish Embassy in Burkina
Swiss Development Cooperation - Burkina Faso
Netherlands Development Cooperation Burkina Faso
Foreign, Commonwealth and Development Office (FCDO)
Dutch Water Authorities
United Nation Convention to Combat Desertification (UNCCD)

Thank you also to the following trusts, foundations, and corporate supporters for their support throughout the year:

2000trees Festival
A B. Pollen
A J & B A Day Charitable Trust
Allan & Nesta Ferguson Charitable Trust
Alland & Robert
Barton Hyett Associates Ltd
Carbon Underwriting
Caterham Overseas Aid Trust
Cirque Furniture
Converted Media Ltd (Software Path)
Dreaming Fish
Eamonn Wall & Co
Ecosia
Edwina Fenwick Will Trust
Eleos Compliance
European Investment Bank (EU Climate Bank)
Forrest Brown
Harapan Trust
J C J Eaton Charitable Trust
Joseph Rochford Gardens Ltd
Juniper Trading
The Mullion Trust
The Patrick and Helena Frost Foundation
The Paul Foundation
The Rest-Harrow Trust
The Roger Raymond Charitable Trust
The Rolfe Charitable Trust
The Roughley Charitable Trust
The Souter Charitable Trust
The Whitaker Charitable Trust
The Wyatt-Spearman Trust
Travel Local
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Room Price Genie
Saxham Trust
Schroder Charity Committee
Soroptimist International
St Bega Charitable Trust
Stonewall Park Charitable Trust
The 3 Ts Charitable Trust
The Bryan Guinness Charitable Trust
The Cumber Family Charitable Trust
The Frays Charitable Trust
The Fulmer Charitable Trust
The Gibbs Trust
The Hedley Denton Charitable Trust
The Leonard Laity Stoate Charitable Trust
The Morel Charitable Trust

Patrons

The Trustees would like to express their thanks to Tree Aid's patrons, Joanna Lumley OBE, FRGS, Zoë Wanamaker CBE, Adjoa Andoh and Hilary Benn MP, for the time and support that they have given during the year.

Staff and volunteers

The Trustees recognise the huge and ongoing contribution made by staff in our offices in Addis Ababa, Bamako, Bristol, Niamey, Ouagadougou and Tamale, and in particular those staff working directly with our programme participants. We extend our gratitude to them all and acknowledge their energetic commitment to Tree Aid's mission, values and programmes. The Trustees are also extremely grateful to the volunteers who donated their time to Tree Aid during the year, who have assisted in office-based administration and other support.

Improving our operations

People

In 2023/24 our focus was both on supporting our teams with the policies, equipment and systems they needed to work safely and effectively, and on ensuring we had adequate support to effectively manage our growing number of projects. We continued to develop our approaches to wellbeing and staff engagement during the year as needs changed and continued our staff engagement survey and quarterly staff workshops to monitor progress.

We recruited additional project teams in West Africa as well as finance, advocacy and project specialists in the UK to support growth in our projects. In addition, we worked with an HR consultant in the UK to carry out policy reviews, audit HR records and provide support to our line managers.

Systems and processes

Our monitoring and evaluation Information Management System (IMS), known as AKUKO, now has two 'pilot' dashboards – one for programme level cumulative KPIs, and one for project level socio-economic data. An external consultant has worked to review and streamline the data and we now have 'internal' versions of dashboards to allow analysts to view and review, and 'certified' dashboards for wider use.

Over the coming year the system will establish and develop, as the skills and experience of our data analysts strengthen. This will include additional indicators, as well as complementary dashboards being developed for gender, forest governance, enterprise groups and land.

In Burkina Faso the on-line Beneficiary Platform has been expanded for all projects. This decentralises data entry to local partners and allows the storage and analysis of beneficiary data across a wide range of KPIs and project indicators.

We have developed a partnership with Self Help Africa (SHA) and Bath Social & Development Research (SDR) Ltd. This has allowed us to develop an approach to the collection and analysis of qualitative data and carry out causal mapping. These approaches will be piloted in 2024-25 on our Forest Governance project in Burkina Faso.

We have also been supporting all Tree Aid staff with system changes, moving from a server-based IT system to Microsoft MS365 to facilitate global sharing and hybrid working.

Compliance

Our Compliance team has been focused on transforming our systems, taking a values-based approach to streamlining processes, for example in procurement, aiming to improve efficiency and ensure value for money across our operations.

Other systems reviewed include our approach to due diligence assessment and internal audit, providing comprehensive oversight and mitigating potential risks. This approach has not only enhanced risk awareness in decision-making but has also engrained a culture of continuous learning throughout our organization marking a significant step in enhancing our operations.

Funding

We continued to seek opportunities for long-term partnerships with grant-making institutions, corporates, foundations, and trusts so we can expand our programmes and work with our supporter base to promote Tree Aid's work. The research for funding has been quite successful this year with several new donors secured and an increase in the Mali and Burkina Faso portfolios.

One of the new donors this year is the European Union which is funding a new project in Burkina Faso which aims to strengthen the resilience of people across 10 villages in the province of Balé. The project aim is to contribute to finding natural solutions to these interlinked issues faced in the region by improving the sustainable management of ecosystem resources in the Bale province and creating income generating opportunities using sustainable forest resources. The project will ensure that 5 forest areas are sustainably managed with equitable governance structures, support farmers to improve land productivity, and create 25 new enterprise groups to increase local incomes.

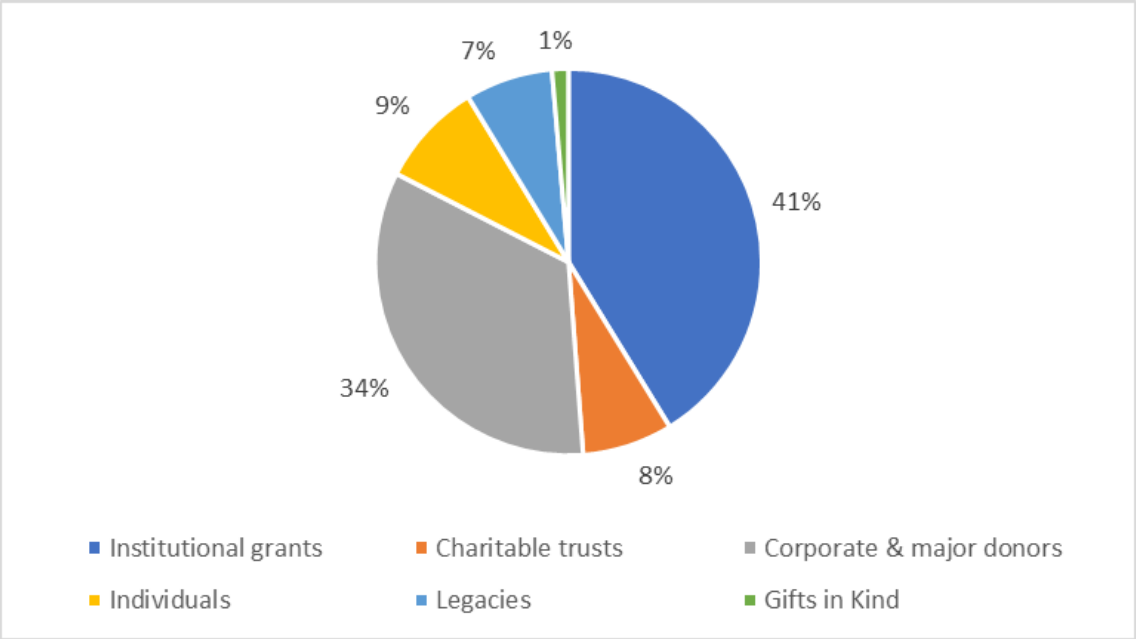
We signed a new contract with the Darwin Initiative in the framework of their Darwin extra scheme. The £3 million contract is the biggest contract signed by Tree Aid in Mali. The project aims to ensure the sustainable management of 26,700 ha of forest in the Segou region, the restoration of 10,000 ha of forest, agricultural and pastoral land and to support 2,250 household to develop sustainable livelihood opportunities using NTFPs.

Ghana has secured an additional funding of £60,000 for its Global Shea Alliance (GSA) project which aims to restore shea parklands and develop women's cooperatives based on shea processing.

We launched a new project in Niger. A £400,000 project funded by Enabel. The project aims to empower 4,675 women and increase their financial independence and resilience to climate change in the Dosso and Tahoua region. The project will increase the capacity of 187 women groups including by supporting the establishment of Village Saving and Loans Association and the development of income generating activities. Even, with this new project, the country remains the weakest programme with the highest HR issues.

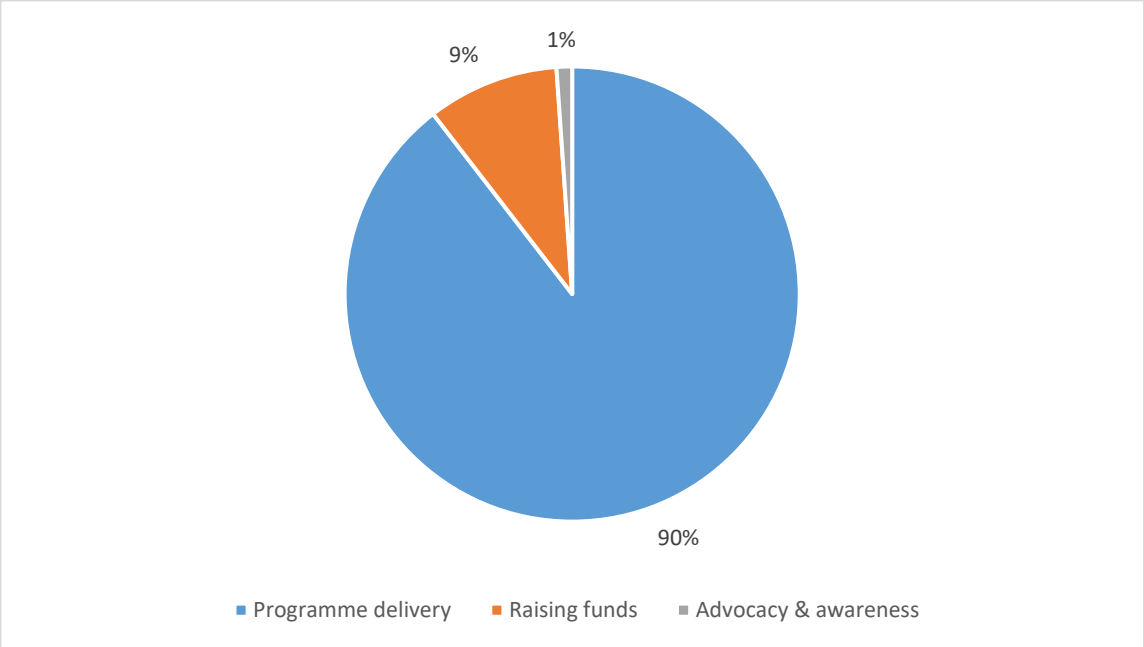
Income

In 2023/24 Tree Aid's income remained steady at £10.8 million mainly due to the timing of receipts of restricted grants. There was a change in the mix of sources of income in that our reliance on institutional income reduced from 72% in 2022/23, to 41% in 2023/24, as a result of the start of Tond Tenga, a corporate-funded project in Burkina Faso. The chart below shows where our income came from:



Expenditure

Our total expenditure rose as a result of increased project activity in most areas of our operations, to £10.6 million, compared to £8.8 million in the previous year. A breakdown is shown in the chart below:



Our future

We have achieved significant progress in most areas of our Strategic Plan during 2023/24 and plan to build on this progress in 2024/25 to help address the human and environmental challenges caused by climate change, conflict, population growth and migration, affecting the future prospects of millions of families.

To support delivery of our Strategy, each year we develop operational plans that define our strategic targets in terms of specific annual objectives. We develop these objectives by functional area (programmes, advocacy, finance & resources and fundraising) aligning them to the strategic outcomes that they support. The Operational Plans for 2024/25 set out below along with targets rely on assumptions around the key risks the organisation is confronted by:

- Political unrest: we assume the political situation continues to allow us to operate and that there will not be prolonged and major disruption to programmes.
- People & Culture: We expect sustained team growth with high staff engagement and successful integration of new members while upholding our values.
- Undetected Fraud: We assume we would identify and promptly deal with any fraud.
- Non-compliance to Safeguarding Requirements: We assume we would succeed in preventing or identifying and addressing adequately any form of abusive behaviour.
- Insecurity: We assume we will prevent any risk of harm to staff.
- IT failure: We assume we will prevent loss of business-critical data.
- Decreased public & government appetite: We assume there will be no substantial changes in government policy, affecting grants or contracts.
- Insufficient unrestricted income: we assume we will hit the fundraising targets.
- Carbon offsetting funding disrupting organisational streams: We assume we will embed carbon offsetting particularities adequately across teams' operations.

For more details on these risks and how they are mitigated, please see pages 22 and 23.

Objective 1: Empowered Families

Empowered families are at the core of Tree Aid's approach. We are working with households to develop skills and knowledge to lift themselves out of poverty. The poorest people in the drylands of Africa need trees for income and food. More trees mean greater availability of wild foods that can be eaten as part of a nutritious diet. To ensure that families have access to nutritious food all year long, we will continue to develop nutrition gardens.

We continue to monitor the impact of our projects through household surveys. This is done periodically across projects (normally at the beginning and end of the project).

The targets for the coming year are based on the current portfolio, plus the prospect of some new projects such as the AGRA projects across Mali, Burkina Faso and Ghana.

Indicator	Strategy Target 2022-27	Cumulative Actuals 2023-24	Target 2024-25
Reduction in households living in extreme poverty	20%	34%	20%
Percentage increase in household income.	100%	147%	100%
Percentage increase in household income from NTFP's	175%	260%	175%
Number of village tree enterprises supported	2,000	1,762	313
Increase in the proportion of women who report equal (or more) power than their partner	15%	22%	15%

Objective 2: Empowered Communities

We are empowering communities so they have the skills and capacities to work together and to effectively manage and restore their landscape and reduce poverty. Unless there is rapid action to halt deforestation, the livelihoods of millions will be at risk from land degradation. As experts in forest management, we support local government and communities to restore and replant trees and ensure forests are sustainably managed for the future.

During the Strategic Plan (2022-27), we expect to grow over 12 million trees and improve over 66,000 ha of degraded land.

The number of trees planted in 2024/25 is expected to be the biggest ever in a single year. This will largely be driven by the Tond Tenga project, where trees are being planted for carbon sequestration with three million trees being planted under that project.

Our current Pro-Resilience work with AGRA is targeting more than 200,000 small-holder farmers. The number of hectares covered by this intervention are yet to be registered, so we expect those to contribute to the targets in 2024/25. Furthermore, the new Darwin Extra project in Mali and Tond Tenga should restore more than 6,500 hectares. We expect survival rates to improve next year as adaptations are made, learning the lessons from prior years.

Indicator	Strategy Target 2022-27	Cumulative 2023-24	Target 2024-25
Number of trees grown	12 million	5 million	5 million
Tree survival rate	70%	72%	70%
Land area (Ha) benefiting from restoration activities	66,000	8,004	22,503
Land benefiting from Sustainable Land Management	154,000	105,277	30,800
Increase in good forest governance	20%	7%	20%

Objective 3: Empowering and Enabling Systems

Over the past few years, we have been investing time and resources into significant policy engagement and relationship building, dividing our work between international and in-country advocacy. At the

international level, we have made strong inroads into important stakeholder groups – working closely with the African Union, UNCCD, World Economic Forum, and others – and presenting our work at important fora such as African Climate Week, New York Climate Week, Global Landscape Forum, and UNCCD and UNFCCC COPs.

To maximise our impact in 2024/25, we will pursue outputs in five key areas:

Civil society-led restoration
We have already begun to build a case for why local Civil Society Organisations are central to cost effective and sustainable delivery of our strategic goals. In 2024/25 we will build a stronger case with international funders to convince them to use new methodologies to channel their grant funding so they can reach more local CSOs.

Decentralisation and locally controlled natural resources
Another key element to our advocacy is to highlight the *central importance of the decentralisation of management of forests and common lands* within the Sahel. In 2024/25 we want to advocate more effectively that this work is an essential pre-requisite to effective and long-lasting restoration. We have over 15 years of experience of working closely with the Government of Burkina Faso to make their policy on decentralised forest governance a reality.

To do this effectively we want to pursue further evidence gathering to create a set of case studies and comparisons from across the region, highlighting where and how decentralised governance has worked and the outcomes which have sprung from that.

Scaled high quality carbon investments for dryland communities
The growing voluntary carbon market provides an unprecedented opportunity not only as a new avenue of funding to scale up restoration across the world, but it also has the potential to bring significant financial flows to communities on the frontline of climate change, such as the rural communities of the African drylands.

Over the past year, we have been working with individual carbon investors to develop and fund large-scale, high-integrity high-quality carbon projects, that include a strong benefit sharing mechanism for the communities. Tree Aid has now secured two large projects, with further opportunities in the pipeline. We have also started working with the World Economic Forum Great Green Wall coalition and the Nature4Climate working group focusing on building trust in the voluntary carbon market to raise visibility of our model, and the potential for more investment across the area.

Learning from our work and communicating our impact
We have taken stock of the long term and varied impacts of our work and have begun to develop deeper learning papers from some of our projects. In 2024/25 we will Invest more staff time into further analysis, learning and sharing of our work. In the coming year we are particularly keen to look deeper into the impacts of our work in land tenure rights and women's empowerment. Learning from our work would then be communicated across our technical networks and at future forums.

Country advocacy capacity and stakeholder convening
In 2024/25 we will invest in our capacity to deliver our advocacy strategy through additional staffing and expertise across the organisation to conduct multi-stakeholder workshops within our countries of operations, to help bring together government and civil society partners.

Structure, governance and management

Tree Aid as a charity and a company has specific areas of governance that our Trustees are required to scrutinise and report on annually. Our Trustees focus on good governance and in 2023/24 reviewed:

- Progress against our five-year strategy using a range of key performance measures
- Risk, risk appetite and mitigation
- Board training, effectiveness and transition
- Safeguarding policy and practice
- Reserves policy and designation of funds
- Delegation of Authority policy and limits
- Annual operational plans, budgets and staff remuneration
- Performance of Tree Aid's investments
- CC8: Internal Financial Controls for Charities including best practice for charities working internationally
- The Fundraising Code of Practice
- CC20: Charity Fundraising: a Guide to Trustees' Duties

Our Trustees review Tree Aid's performance in detail in the following areas each quarter:

- Programmes
- Finance
- Fundraising
- Compliance and risk

Legal structure

Tree Aid was established as a charity in 1987 and incorporated as a charitable company, limited by guarantee, in the UK, in April 2010. The Company was set up under a Memorandum of Association which established its objects and powers. It is governed under its Articles of Association. The Charity's purpose and main activities are described on page 24.

Group structure

Tree Aid, the Charity, has three wholly-owned subsidiary organisations which, together with the Charity, comprise the Group. In West Africa, Tree Aid Burkina Faso (an Association under the Law of Freedom of Association (10/92/ADP of 15 December 1992)) and Tree Aid Ghana (a company limited by guarantee under the Ghanaian Companies Act 1963) both have boards of directors and operate under similar charitable and non-profit-making objectives to those of Tree Aid. In the UK the Charity also has one wholly-owned subsidiary, Tree Aid Enterprises Limited, a company limited by shares, which is dormant.

Organisational structure

Our **Board of Trustees** makes sure Tree Aid is governed effectively and responsibly. The Board is collectively responsible for the delivery of our charitable objectives and for ensuring that we are governed in accordance with our Memorandum and Articles of Association. The Board meets quarterly and at 31 March 2024, comprised 9 Trustees. Each Trustee is also a Director of the Company for the purposes of company law. A list of Trustees is on page 63.

We recognise that a healthy Board identifies the mix of skills, knowledge and experience necessary for the efficient and effective governance of Tree Aid. A healthy Board will also make sure that the recruitment and appointment of Trustees provides adequate opportunities for reassessing and achieving that mix. Tree Aid is fully committed to equality of opportunity and diversity in its governance. We recruit Trustees to ensure the Board has the knowledge and skills required to achieve our mission and uphold our values. All new Trustees go through a full and open recruitment and interview process. Appointment is by Board resolution and all Trustees receive an induction on appointment and relevant training is made available.

The Board follows good practice by planning for succession and periodically reviews whether it has the appropriate skills and capacities going forward. The Board also evaluates its performance regularly.

In line with our Articles of Association, the Board delegates certain functions to sub-committees, under terms of reference it has approved. These sub-committees report to the Board at each Board meeting. There are three sub-committees of the Board:

The **Finance and Audit Committee** deals primarily with financial, audit and administrative matters and has oversight of the process of risk management. It comprises four Trustees with governance, business and risk experience.

The **Fundraising Standards Committee** reports to the Board on fundraising standards, compliance with regulation and risk in relation to fundraising standards. A member of the Board with fundraising expertise chairs this committee, and it includes two other Trustees with fundraising and marketing experience.

The **People Committee** is responsible for making recommendations on Board composition and for supporting the Chief Executive Officer to identify and recruit for Board and Senior Management Team vacancies. This sub-committee also reviews remuneration for staff and ensures that safeguarding and human resources policies are regularly reviewed and updated. The Chair of the Board chairs the People Committee and it includes two other Trustees with human resources experience.

The Board appoints the **Chief Executive Officer** to manage the day-to-day running of Tree Aid under powers the Board delegates to the position. Working closely with the Chair of the Board, our Chief Executive leads the Senior Management Team to make sure our strategy and operations are aligned and effectively delivered.

The **Senior Management Team** has executive responsibilities and comprises the Chief Executive Officer, Director of Operations, Director of Finance and Resources, and Director of Communications and Fundraising.

Related parties

All Trustees give their time freely and none receive remuneration or other benefit from their work with Tree Aid. Any contractual relationship between a Trustee or senior manager of Tree Aid or our subsidiaries and a related party must be disclosed to the Board of Trustees. We have taken out Trustee indemnity insurance which indemnifies Trustees and Tree Aid up to £1 million. This cover is provided as part of a general charity insurance policy which cost £3,013 (2022/23: £2,925). Please see note 24 to the accounts for further details of related party transactions.

Remuneration policy for senior staff

The Board of Trustees and the Senior Management Team comprise the key management personnel responsible for directing, controlling, running and operating Tree Aid on a day-to-day basis. Details of Trustees' expenses and related party transactions are disclosed in notes 12 and 24 to the accounts.

The Board of Trustees reviews the remuneration of all staff at least annually, benchmarking salaries using external sources of voluntary sector salary data. We aim to offer salaries that are affordable and competitive, compared to those similar voluntary sector organisations offer.

The remuneration of key management personnel is disclosed in note 11 to the Accounts.

Risk management

Our Board identifies and reviews the strategic, business and operational risks Tree Aid is exposed to, and ensures that appropriate controls are in place to provide reasonable assurance against aid diversion. Our Board and Senior Management Team carry out a quarterly assessment of the risks facing the organisation. This assessment process is recorded in a risk register, which assigns management of risks to specific people, and recommends actions to mitigate them.

As an outcome of the work the Compliance team carries out on risk, the Board has identified the key risks below and put in place mitigation plans which it monitors regularly:

- ***Political unrest and staff safety:*** we have business continuity plans in place for each country to ensure continuity of programmes where possible. We supplement local knowledge by reviewing United Nations and UK Foreign, Commonwealth and Development Office security and the International NGO Safety Organisation alerts. We also regularly review travel protocols. A Security Officer is in post in Burkina Faso.
- ***People and culture:*** in a context of growth and of flexible working, we regularly assess employee wellbeing, workload and monitor the reasons for staff turnover closely. The Senior Management Team is dedicated to ensuring healthy work relations and to addressing any issues promptly.
- ***Undetected fraud:*** Tree Aid has clear finance procedures in place with appropriate segregation of duties. Internal and external audits are carried out regularly. We carry out partner due diligence processes. Staff and Trustees are trained annually in anti-fraud policy and procedures.
- ***Safeguarding*****:** our staff, Trustees and implementing partners are trained annually in safeguarding policy and procedures. Adherence to policy is mandatory in partner contracts and incident reporting mechanisms have been established throughout Tree Aid and with our partner organisations and programme participants. Our Board of Trustees regularly reviews our policy and approach and implements additional measures where appropriate.
- ***Data protection and cyber-security:*** we have detailed IT security and recovery plans in place for each of our systems, managed by outsourced IT suppliers. The Board reviews system security measures periodically.
- ***Management of organisational growth:*** we manage growth through large institutional grants by partnering with reliable, mature downstream partners, monitoring staff structures and workloads closely, and ensuring that we have adequate reserves to counter potential delays in disbursements.
- ***Unbalanced portfolio:*** we continuously monitor our donor base and projects to build a healthy diversification between countries.

- ***Risk of changes in governments' appetites for international development resulting in a reduction in funding:*** we monitor funding from individual governments as a proportion of total funding, with the aim of limiting exposure to one single donor.
- ***Insufficient unrestricted income:*** we review the restricted/unrestricted ratio on a quarterly basis, while ensuring funds are generated from a wider range of fundraising sources as well as maximising cost recovery in new donor proposals.
- ***Carbon offsetting funding disrupting organisational streams:*** we monitor closely news on particular social media. Mitigation is through ensuring that funding streams are planned to avoid cashflow issues and that our communications regarding our approach to carbon offset are clear and that we have prepared for emergency communication in advance should it be needed.

In 2023/24 with regards to our performance against the Charity Governance Code, Trustees focused on the following areas:

- ***The Board reviews its own performance and that of individual Trustees, including the Chair:*** the Board last reviewed its own performance in December 2022, the evaluation, lead by the Vice-Chair, concluded that the Board was effective. A review of the Board's effectiveness in the context of governance for growth, commenced in 2023/24 and is ongoing.

- ***The Board periodically takes part in training and/or reflection about diversity and understands its responsibilities in this area:*** The Board has initiated a recruitment process which takes account of its responsibility to ensure a diverse Board and has reviewed performance against diversity objectives.

In 2023/24 Trustees carried out their annual review of Tree Aid's internal controls against the Charity Commission's updated Internal Financial Controls Checklist (CC8), supplemented by the Charity Commission's guidance on How to Manage Risks when working Internationally. They concluded that, where applicable, internal control processes were in place in line with the Checklist and guidance.

Fundraising

We would not be able to do our important work without the support of our donors. We seek to maintain the highest possible standards in fundraising and relationships with our supporters and we take pride in providing excellent supporter care.

Tree Aid is registered with the Fundraising Regulator and bound by its Code of Fundraising Practice. We continue to monitor compliance as this Code is revised, to ensure all our fundraising activities are operating to the highest standards. We received zero complaints relating to fundraising via the Fundraising Regulator in 2023/24 and six directly. We responded to these promptly and resolved them in line with donors' preferences.

We are also registered with the Fundraising Preference Service and had nine donors opt out of communications via the Fundraising Preference Service this year (32 in total since its launch in 2017). We ensure we are compliant with the General Data Protection Regulation (GDPR).

Trustees and the Senior Management Team regularly review all aspects of our fundraising, including plans, performance and compliance. We produce annual plans and reviews, and monitor performance against targets monthly and performance indicators quarterly.

We deliver some fundraising activities with the support of professional fundraising organisations. We ensure these organisations are fully compliant with fundraising regulations and with our own policies. We have clauses built into all our supplier contracts which ensure high standards in supporter care, data protection and working with vulnerable people.

We have a specific policy on Fundraising from vulnerable people. This includes our procedures and guiding principles on which all fundraising staff are trained.

Focus to ensure our activities achieve our charitable aims

Tree Aid's objectives, as set out in our Articles of Association, are to benefit the public through:

1. Relieving the poverty of and promoting the welfare of poor persons overseas by promoting for the benefit of such persons the conservation and improvement of their natural environment especially through silviculture and job creation

2. Promoting, for the public benefit, research into methods of reclaiming or preventing degradation of agricultural or forest land into desert land for its continued use for forestry, agricultural, industrial or commercial purposes and publishing the results of such research

The Board regularly reviews Tree Aid's aims, objectives and activities and summarises our achievements and outcomes in this report. This review helps the Board ensure that the organisation's aims, objectives and activities remain focused on our stated purposes. By carrying out this review and as set out in detail in this report, the Trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the public benefit requirement under that Act.

Financial review

The Trustees' Annual Report and audited Consolidated Financial Statements are prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, our Memorandum and Articles of Association, 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 United Kingdom and Republic of Ireland (FRS 102).

The legal and administrative information set out on page 63 forms part of this report.

Income and expenditure

Income

Our principal funding was from institutional grants, individuals, companies and charitable trusts as follows:

	2024	2023
	£	£
Institutional grants	**4,470,211**	*7,751,807*
Charitable trusts	**798,975**	*365,786*
Corporate and major donors	**3,659,364**	*1,362,332*
Individuals	**949,133**	*940,607*
Legacies	**794,199**	*316,405*
Donations in kind	**149,175**	*19,512*
Donations and legacies	**10,821,057**	*10,756,449*
Investment and other income	**21,607**	*23,670*
Total income	**10,842,664**	*10,780,119*

Income from sources other than institutional donors increased to £6.4 million compared to £3.0 million in 2022/23 largely as a result of the start of the Tond Tenga project which has corporate funding. Legacies were also significantly higher than in 2022/23 by £0.5 million.

Grants from institutional donors decreased to £4.5 million in 2023/24, compared to £7.8 million in 2022/23 due to the timing of receipts of income, and a reduction in funding from Sida in 2023/24.

Expenditure

	2024	2023
	£	£
Raising funds	**996,398**	*854,157*
Programme delivery	**9,528,992**	*7,814,649*
Advocacy and awareness	**117,776**	*168,421*
Total resources expended	**10,643,166**	*8,837,227*

To achieve future income growth, we continued to invest in institutional and supporter fundraising. Overall, our investment in raising funds at £1.0 million, was £0.1 million higher than in the previous year. The cost of raising funds is an unrestricted expense but raises both restricted and unrestricted income.

Total expenditure on charitable activities, mainly comprising programme delivery and advocacy and awareness costs, was £9.6 million, £1.7 million higher than in the previous year.

Tree Aid ran 24 projects during the year (2022/23: 20) across the six countries we operate in, including major projects in West Africa funded by corporate funders and European governments.

Tree Aid is primarily funded through a number of multi-year, restricted grants across our countries of operation. With the addition of matched and unrestricted funding these fully fund our project activities and our in-country operations costs. In addition we raise unrestricted funds to support project delivery and enable investment in innovation and growth, providing valuable technical support to our overseas teams and ensuring compliance, quality and consistency across our projects.

Tree Aid ended 2023/24 with a strong balance sheet, with a level of reserves adequate to support future growth. The Board aims to ensure that this strong financial base is not eroded as a result of any of the risks identified in the Risk Register described on pages 22 and 23.

We have made conservative assumptions in our recently completed going concern review on the levels of unrestricted funding likely to be raised, based on our experience and on our knowledge of and relationship with our committed supporters. The budget for 2024/25 and the going concern review indicate that Tree Aid has adequate reserves, backed by investments and other funds, to continue as a going concern for at least 12 months from the date of this report. Cashflow forecasts show positive balances of restricted and unrestricted funds and consequently the Board believes that Tree Aid can continue to account on a going concern basis. In view of the strength of the balance sheet on 31 March 2024, the Board believes that Tree Aid's financial position at the year-end was satisfactory.

Currency exchange rates remained volatile in 2023/24. To help manage exposure to currency fluctuations, we continued to carry a proportion of funding received in the UK in Euros. This funding will be spent in Central African Francs, the exchange rate for which is linked to the Euro. In addition, to mitigate against other currency fluctuations, we carry a proportion of grant funding received in US dollars and UK pounds. This practice will continue in the next financial year.

Investment values in both of our managed investment funds have improved this year and the value of UK woodland remains high: the effect of this on Tree Aid's investment holdings is considered under Investment performance on pages 27 and 28 of this report.

Reserves

Total funds held by the Charity at the year-end were £5.2 million (Group: £7.9 million) of which £2.0 million (Group: £4.7 million) were restricted and not available for the general purposes of the Charity.

We have identified the following primary criteria for holding unrestricted reserves as part of funds, at the appropriate levels to maintain general reserves (those unrestricted reserves which are not invested in fixed assets, designated for a specific purpose or otherwise committed) at the higher of either:

- The amount required to ensure the continuity of Tree Aid's activities in the event of unexpected setbacks, at a level equivalent to six months of unrestricted budgeted expenditure; or

- The amount required to close down Tree Aid, ensuring that there are sufficient resources available to fulfil legal obligations in the unlikely event that Tree Aid ceases to operate.

Reserves are monitored on a monthly basis and reported to the Board quarterly, with the target level of reserves reviewed annually as part of the budget process. Based on the 2024/25 budget, the Group target for general reserves was £1.9 million which compared to actual general reserves of £1.9 million. The Trustees decided to re-designate some reserves against planned future expenditure to support the new strategy and strategic growth. These are detailed further in note 20 to the accounts.

A deficit budget has been set for 2024/25 including some costs which will be funded from designated reserves.

Net movement in funds

There was a small net inflow to restricted funds in 2023/24 for the Group, leaving closing restricted funds at £4.7 million at the end of the year, the same level as at the end of 2022/23.

Unrestricted funds for the Group showed an increase for the year of £0.2 million, including a gain on investments of £0.1 million. After the changes to designated reserves described in note 20 to the accounts, Group general reserves increased to £1.9 million from £1.7 million in 2022/23.

Subsidiary companies

Our subsidiary companies, Tree Aid Burkina Faso and Tree Aid Ghana, continued to operate as integral elements of the Group, sharing and contributing to the achievements and performance within the financial parameters set by the Board of Trustees. Both were mainly grant-funded by the parent Company.

Tree Aid Enterprises Limited's accounts have not been prepared on a going concern basis as the company is dormant.

Investment policy and objectives

Tree Aid has adopted an ethical investment policy. This means that we seek to avoid investments that conflict with our aims or create reputational risk. Our investment policy emphasises the use of positive ethical criteria.

We actively seek to invest in companies that are able to demonstrate:

- Responsible employment practices
- Good corporate governance practice
- Conscientiousness with regard to human rights
- Sustainable environmental practice
- Sensitivity towards the communities in which their business operates

Tree Aid's policy is that assets can be invested widely and should be diversified by asset class (taking account of geographical location), manager and security. Asset classes could include cash, bonds, equities, property, land and any other asset that is deemed suitable for Tree Aid.

Investment management is delegated to two authorised professional investment managers, regulated by the Financial Conduct Authority.

The Board has set Tree Aid's investment objectives as follows:

- To produce the best financial return within an acceptable level of risk
- To generate a return in excess of inflation from long-term investments
- To preserve the capital value with a minimum level of risk for short-term investments

Investment performance

Tree Aid's investment with Rathbone Greenbank, started the year at £0.2 million, and increased in value slightly though at a slower rate than the overall rise in global markets, growing by 6% during the year.

The value of investment in the CCLA COIF Charities Ethical Investment Fund units increased by 13%. This compared with a benchmark composite comparator which grew by 17% for global equities in the year. The closing value of Tree Aid's investment in the fund was £0.8 million (2022/23: £0.7 million) taking into account the reinvestment of income.

The legacy gift of 25 hectares of woodland in Devon was externally revalued in 2024 to a value of £0.4 million by Tustins Group Ltd and continues to be carried at this value. The current valuation compares to a £0.3 million valuation on receipt in 2019.

Statement of the Trustees' responsibilities

The Charity Trustees (who are also the Directors of Tree Aid for the purposes of company law) are responsible for preparing a Trustees' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards. Charity law requires the Charity Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the Charity and the Group as at the end of the year and of its and the Group's financial activities during the year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards). In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgments and accounting estimates that are reasonable and prudent
- Follow applicable United Kingdom Accounting Standards and the Charities Statement of Recommended Practice, disclosing and explaining any departures in the accounts
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue to operate

The Trustees are responsible for ensuring that adequate accounting records are maintained that are sufficient to show and explain the Charity's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and the Group, and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Charity and the Group and ensuring their proper application in accordance with charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities**.**

Statement as to disclosure to our auditor

In so far as the Trustees are aware at the time of approving our Trustees' Annual Report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the Group's auditor is unaware, and
- The Trustees, having made enquiries of fellow Directors and the Group's auditor that they ought to have individually made, have each taken all steps that they are obliged to take as Directors to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Group accounts are prepared in accordance with section 398 of the Companies Act 2006, section 138 of the Charities Act 2011. They constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the Company. Tree Aid will put forward a resolution proposing the appointment of a statutory auditor.

Approved by the Board of Trustees on 24 July 2024 and signed on its behalf by:

Elizabeth Davis

Chair of the Board of Trustees

Independent auditor's report to the members and Trustees of Tree Aid

Opinion

We have audited the financial statements of Tree Aid (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, 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 of the parent charitable company's affairs as at 31 March 2024 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Tree Aid'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 trustees' annual report, including the strategic report, other than the group 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 group financial statements does not cover the other information, and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group 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 group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary

to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charites Act 2011 and report in accordance with those Acts.

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

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

Capability of the audit in detecting irregularities

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

- We enquired of management, Finance and Audit Committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
- Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.

- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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

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

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Noelia Serrano (Senior statutory auditor)

Date 30 August 2024

for and on behalf of

Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, London, EC1Y 0TG

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Consolidated statement of financial activities

(Incorporating an income and expenditure account)

	Notes	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
INCOME FROM					
Donations and legacies	**2**	8,544,935	2,276,122	10,821,057	*10,756,449*
Investment income	**3**	-	19,716	19,716	*3,699*
Other income	**4**	-	1,891	1,891	*19,971*
TOTAL		**8,544,935**	**2,297,729**	**10,842,664**	*10,780,119*
EXPENDITURE ON					
Raising funds	**5**	-	(996,398)	(996,398)	*(854,157)*
Charitable activities	**6**	(8,606,469)	(1,040,299)	(9,646,768)	*(7,983,070)*
TOTAL	**7**	**(8,606,469)**	**(2,036,697)**	**(10,643,166)**	*(8,837,227)*
Net gains/(losses) on investments		-	114,799	114,799	*(32,927)*
NET (EXPENDITURE)/INCOME		**(61,534)**	**375,831**	**314,297**	*1,909,965*
Transfer between funds	**20**	95,668	(95,668)	-	-
Other recognised (losses)/gains		-	(98,889)	(98,889)	*171,111*
NET MOVEMENT IN FUNDS	**9**	**34,134**	**181,274**	**215,408**	*2,081,076*
RECONCILIATION OF FUNDS					
Total funds brought forward	**20**	4,663,584	3,003,565	7,667,149	*5,586,073*
Total funds carried forward	**20**	**4,697,718**	**3,184,839**	**7,882,557**	*7,667,149*

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 20 to the financial statements.

The notes on pages 37 to 62 form part of these financial statements.

Consolidated and Charity balance sheets

	Notes	Group 2024 £	*Group 2023 £*	Charity 2024 £	*Charity 2023 £*
FIXED ASSETS					
Tangible fixed assets	**15**	3,115	*9,208*	887	*505*
Investments	**16**	1,448,999	*1,334,200*	1,448,999	*1,334,200*
Investment in subsidiaries	**16**	-	*-*	2	*2*
		1,452,114	*1,343,408*	**1,449,888**	*1,334,707*
CURRENT ASSETS					
Debtors	**17**	1,413,787	*1,541,536*	465,622	*388,143*
Short-term investments	**18**	182,162	*180,670*	182,162	*180,670*
Cash at bank and in hand		5,277,703	*4,969,639*	3,194,227	*3,680,776*
		6,873,652	*6,691,845*	**3,842,011**	*4,249,589*
CURRENT LIABILITIES					
Creditors falling due within one year	**19**	(443,209)	*(368,104)*	(133,826)	*(205,758)*
NET CURRENT ASSETS		**6,430,443**	*6,323,741*	**3,708,185**	*4,043,831*
NET ASSETS	**21**	**7,882,557**	*7,667,149*	**5,158,073**	*5,378,538*
FUNDS					
Restricted funds	**20**	**4,697,718**	*4,663,584*	**1,973,234**	*2,491,934*
Unrestricted funds					
Designated reserves	**20**	1,287,680	*1,348,773*	1,287,680	*1,348,773*
Free reserves	**20**	1,897,159	*1,654,792*	1,897,159	*1,537,831*
Total unrestricted funds		**3,184,839**	*3,003,565*	**3,184,839**	*2,886,604*
Total funds	**20**	**7,882,557**	*7,667,149*	**5,158,073**	*5,378,538*

The Charity-only net expenditure in the year was £220,465 (2023: net income £1,018,136). The Group accounts are prepared in accordance with section 398 of the Companies Act 2006, section 138 of the Charities Act 2011. They constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the Company.

Approved and authorised for issue by the Board of Trustees on 24 July 2024 and signed on their behalf by:

Tristram Hilborn
Chair of Finance & Audit Committee

The notes on pages 37 to 62 form part of these financial statements.

Tree Aid: Charity number: 1135156, Company number: 03779545.

Consolidated statement of cashflows

	Notes	2024 £	*2023* *£*
Cashflows from operating activities:			
Net cash provided by operating activities	**22**	**392,148**	*996,431*
Cashflows from investing activities			
Dividends and interest from investments		19,716	*3,699*
Purchase of property, plant and equipment		(3,419)	-
Net cash provided by investing activities		**16,297**	*3,699*
Increase in cash and cash equivalents in the reporting period		408,445	*1,000,130*
Cash and cash equivalents at the beginning of the reporting period		5,150,309	*3,979,068*
(Decrease)/increase in cash and cash equivalents due to exchange rate movements		(98,889)	*171,111*
Cash and cash equivalents at the end of the reporting period		**5,459,865**	*5,150,309*

The notes on pages 37 to 62 form part of these financial statements.

Notes to the accounts

1. Principal accounting policies

a. Company information

The Charity is a company limited by guarantee (company no. 03779545) and a registered charity in England and Wales (charity no. 1135156), which is incorporated and domiciled in the United Kingdom. The address of the principal and registered office is Brunswick Court, Brunswick Square, Bristol, BS2 8PE.

b. Basis of preparation

The consolidated financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) issued on 16 July 2014 (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

Tree Aid meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value in accordance with applicable accounting standards unless otherwise stated in the relevant accounting policy note.

After making enquiries, the Trustees have a reasonable expectation that the Charity has adequate reserves to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the statement of Trustees' responsibilities on page 29.

c. Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent Company and all its subsidiaries. Entities over which the Group has the ability to exercise control are accounted for as subsidiaries. The accounts of Tree Aid subsidiaries are based on the accounting standards applicable in the country in which they reside.

Transactions and balances between Group companies are eliminated on consolidation.

No statement of financial activities is presented for the Charitable Company alone as the results of the subsidiary companies are separately identified within the Group accounts.

d. Income recognition

Voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities when receivable. In line with the requirements of SORP (FRS 102), the value of time kindly contributed by volunteers is not included in the financial statements.

Legacy income is recognised when it is received, unless there is sufficient evidence in advance to allow Tree Aid to be sufficiently certain that the income will be received, and to be able to estimate the value of the legacy with reasonable certainty (receipt is more likely than not).

Income from grants is included in income when there is evidence of entitlement, the amount can be measured and the receipt is probable. When donors impose conditions which have to be fulfilled before the Charity becomes entitled to such income or where the donor has specified that the income is to be expended in a future period, the receipt of income is not included in income until the pre-conditions for use have been met.

Grants for the purchase of fixed assets are credited to restricted income when receivable. Depreciation of fixed assets purchased with such grants is charged against the restricted fund.

Income from Gift Aid tax reclaims is recognised for all donations made prior to the year-end, where a valid Gift Aid declaration is held.

Investment income is accounted for on the accruals basis.

e. Expenditure and basis of allocation of costs

Expenditure is recognised in the period in which it is incurred and includes attributable VAT which cannot be recovered.

Expenditure is analysed into the following activities**:**

i **Raising funds** – this includes the salaries, direct expenditure and support costs of staff engaged in fundraising activities. Fundraising costs are recognised in the year they are incurred although income derived from the initiatives may arise in future years.

ii **Programme delivery** – this comprises direct purchases, the cost of Tree Aid's staff involved in the delivery of programmes, particularly those staff based in Africa, and the value of grants that have been made to implementing partners working on Tree Aid's projects, to the extent that this has been spent. Tree Aid staff provide specialist support, training and networking for partner organisations, as well as undertaking the research required to develop programmes. The cost of grants is included in the statement of financial activities in the year they are payable.

iii **Advocacy and awareness** – this represents the costs incurred in raising awareness of institutions and members of the public on the issues being addressed by the Charity.

iv **Governance costs** – these are the costs associated with the governance arrangements of the Charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the Charity's activities.

v. **Support costs** – expenditure is allocated to a particular activity where the cost relates directly to that activity. In addition, support costs incurred to facilitate activities (back-office costs, the costs of budgetary and financial control, information technology, depreciation, human resources and payroll) are apportioned to activities based on the proportion of staff time spent on each activity as shown in the table below.

Activity	Apportionment of support costs	
	2024	2023
Raising funds	27%	27%
Programme delivery	71%	67%
Advocacy and awareness	2%	6%

Redundancy/termination payments are accounted for on the accruals basis.

f. Fund accounting

The Charity maintains three main types of fund as follows:

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

ii Unrestricted funds representing income that is expendable at the discretion of the Trustees in the furtherance of the objects of the Charity

iii Designated funds which are where the Trustees have set aside unrestricted funds for a specific purpose

g. Tangible fixed assets and depreciation

Depreciation is calculated so as to write off the cost of tangible fixed assets by equal annual instalments over their estimated useful lives at the following rates:

United Kingdom fixtures and fittings	25%
Africa motor vehicles	25%
Africa fixtures and fittings	25%

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on a basis which is an estimate, based on staff time, of the amount attributable to each activity. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

h. Fixed asset investments

Investments are valued at market value at the balance sheet date.

i. Programme-related investments

The asset is valued at the amount invested into the fund, less any amounts written off due to non-repayment of loans by entrepreneur groups.

j. Debtors

Short-term debtors are initially measured at transaction price, less any impairment. Prepayments are measured at the amount prepaid.

k. Short-term investments

Short-term investments comprise cash deposits with notice periods of more than three months and less than 12 months.

l. Cash at bank and in hand

Cash at bank and in hand comprise cash deposits with notice periods of less than three months, and petty cash balances held.

m. Creditors

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. There is a provision in place which provides for termination payments payable to staff in Burkina Faso and Niger on leaving their employment. The provision is related to the accumulated length of service for each member of staff.

n. Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into

sterling at the month-end rate of exchange for the month. Exchange differences are taken into account in arriving at the net movements in funds for the year.

o. Pensions

The Charity offers a defined contribution pension scheme to employees. The assets of the scheme are held in independently administered funds. Pension costs charged in the statement of financial activities represent the contributions payable by the Charity during the year. The liability and expense are apportioned to activities and between restricted and unrestricted funds based on the proportion of staff time spent on each activity.

p. Leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities in the year in which they fall due.

q. Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments, these being cash at bank, debtors and creditors (see note 27). Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

r. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The items in the financial statements where these estimates and judgements have been made include the following:

i. **Accruals**

Included in accruals are liabilities where the amount and/or timing of its settlement is uncertain. An accrual is only recognised where:

- There is a present obligation at the reporting date as a result of a past event
- It is probable that a transfer of economic benefit will be required in settlement, and
- The amount of the settlement can be estimated reliably.

ii. **Deferred income**

Where terms and conditions have not been met, or uncertainty exists as to whether Tree Aid can meet the terms and conditions otherwise within its control, the income is not recognised but deferred as a liability until it is probable that the terms and conditions imposed can be met.

2. Donations and legacies

	Restricted funds	Unrestricted funds	**Total 2024**	*Total 2023*
	£	£	**£**	*£*
Institutional grants	4,470,211	-	**4,470,211**	*7,751,807*
Charitable trusts	618,717	180,258	**798,975**	*365,786*
Corporate and major donors	3,306,832	352,532	**3,659,364**	*1,362,332*
Individuals	-	949,133	**949,133**	*940,607*
Legacies	-	794,199	**794,199**	*316,405*
Donations in kind	149,175	-	**149,175**	*19,512*
Total	8,544,935	2,276,122	**10,821,057**	*10,756,449*

Included in institutional grant income are government grants received that fund projects in Africa as follows:

		Total 2024	*Total 2023*
		£	*£*
United Kingdom	Department for Environment, Food and Rural Affairs	**383,816**	*265,822*
	Foreign, Commonwealth and Development Office	**223,278**	*198,375*
International	European Union	**744,495**	-
	Swedish International Development Cooperation Agency	**742,607**	*3,475,332*
	Swiss Agency for Development and Co-operation	**1,199,208**	*2,548,955*
Total government grants		**3,293,404**	*6,488,484*

The amount of government grants recognised as income during the year was £3,252,132 (2023: £6,350,497). This is calculated in line with Tree Aid's income recognition policy under which income is recognised when all the conditions have been fulfilled. This can be different from amounts received from these and other funders in this period as a result of accrued income. There were no unspent grant balances repayable in the year (2023: £nil).

3. Investment income

	Restricted funds	Unrestricted funds	**Total 2024**	*Total 2023*
	£	£	**£**	*£*
Deposit account interest	-	19,716	**19,716**	*3,699*
Total	-	19,716	**19,716**	*3,699*

4. Other income

	Restricted funds	Unrestricted funds	**Total 2024**	*Total 2023*
	£	£	**£**	*£*
Sundry receipts	-	1,891	**1,891**	*19,971*
Total	-	1,891	**1,891**	*19,971*

5. Raising funds

	Delivery costs	Development costs	Support costs	**Total 2024**	*Total 2023*
	£	£	£	**£**	*£*
Supporter fundraising	570,383	23,732	218,295	**812,410**	*706,753*
Institutional fundraising	118,494	-	65,494	**183,988**	*147,404*
Total	688,877	23,732	283,789	**996,398**	*854,157*

6. Charitable activities

	Delivery costs	Development costs	Support costs	**Total 2024**	Total 2023
	£	£	£	**£**	£
Programme delivery	8,480,498	74,889	973,605	**9,528,992**	*7,814,649*
Advocacy and awareness	58,340	-	59,436	**117,776**	*168,421*
Total	8,538,838	74,889	1,033,041	**9,646,768**	*7,983,070*

7. Total expenditure

	Delivery costs	Development costs	Support costs	**Total 2024**	*Total 2023*
	£	£	£	**£**	*£*
Raising funds	688,877	23,732	283,789	**996,398**	*854,157*
Charitable activities	8,538,838	74,889	1,033,041	**9,646,768**	*7,983,070*
Total	9,227,715	98,621	1,316,830	**10,643,166**	*8,837,227*

The main components of support costs are:

	Total 2024	Total 2023
	£	£
Office costs	**822,979**	*689,886*
Depreciation	**7,107**	*7,409*
Administration and support salaries	**364,892**	*312,459*
Governance costs	**121,852**	*117,381*
Total	**1,316,830**	*1,127,135*

8. Grants analysed by country and project

Included within 'Charitable activities, Delivery costs' are grants made to various implementing partners, principally local NGOs based in the country of the project, for the following projects:

	Group 2024 £	*Group 2023 £*
Burkina Faso:		
Local Governance of Forest Resources	**930,000**	*1,458,772*
Direction du développement et de la coopération (DDC)	**402,240**	*349,994*
Resilience of smallholders farmers in Burkina Faso	**283,732**	*360,762*
Pro-ADAPT project	**49,968**	-
NTFP value chains Enabel	**6,223**	-
ProRACE European Union	**11,549**	-
NTFP value chains CFYE	**3,275**	-
	1,686,987	*2,169,528*
Ethiopia:		
Sustainable Livelihoods and Ecosystems	**68,689**	*92,962*
Frankincense: North Gondar Zone 1	**-**	*4,445*
CRV Restoration	**-**	*3,072*
Darwin	**49,143**	*68,499*
	117,832	*168,978*
Mali:		
Empowering Women in Rural Mali	**-**	*15,329*
Olympic forest	**183,629**	*155,593*
Promoting Forest Governance for Resilience	**83,704**	*81,465*
	267,333	*252,387*
Niger:		
Rehabilitation of Park W	**2,499**	-
	2,499	-
Total	**2,074,651**	*2,590,893*

9. Net movement in funds

This is stated after charging:

	Group 2024 £	*Group 2023 £*
Auditor's remuneration – audit fee for year	**21,200**	*19,800*
Auditor's remuneration - audit fee under accrual prior year	**1,200**	*2,625*
Auditor's remuneration – non-audit services	**9,480**	*1,980*
Depreciation of tangible fixed assets	**7,107**	*7,394*
Operating lease costs	**18,495**	*18,858*

10. Employee numbers and costs

The average monthly head count was 118 employees, 104 engaged in charitable activities, 14 in fundraising (2023: 105, 91 charitable activities, 14 fundraising), the employment costs of which were:

	UK	Overseas	**Group**	*Group*
	2024	2024	**2024**	*2023*
	£	£	**£**	*£*
Wages and salaries	1,184,710	1,159,075	**2,343,785**	1,816,430
Social security costs	134,448	119,228	**253,676**	190,770
Pension costs	117,155	25,017	**142,172**	146,*585*
Total	**1,436,313**	**1,303,320**	**2,739,633**	2,153,785

For staff paid £60,000 or more per annum, the number of employees with emoluments in the following ranges were:

	Group	*Group*
	2024	*2023*
	No	*No*
£60,000 to £69,999	**1**	*1*
£70,000 to £79,999	**-**	-
£80,000 to £89,999	**-**	*1*
£90,000 to £99,999	**1**	-

Tree Aid operates a defined contribution workplace pension scheme in the UK: employer contributions are funded from unrestricted income. Pension costs charged in the statement of financial activities represent the contributions payable by Tree Aid in the year. The Charity has no pension obligations other than the contributions payable in the year and there were no unpaid contributions at the year-end.

11. Key management personnel

The key management personnel of the Charity and the Group comprise the Chief Executive, Director Global Operations, Director Finance & Resources and Director Communications and Fundraising. The total salary and employee benefits of the key management personnel were £312,975 (2023: £275,117).

The remuneration of the key management personnel for the year was:

	Group	*Group*
	2024	*2023*
	£	*£*
Chief Executive	**103,738**	*99,306*
Director of Finance and Resources	**76,037**	*71,526*
Director of Programmes	**61,028**	*63,030*
Director of Fundraising & Communications (including maternity cover)	**72,172**	*41,255*

12. Trustee remuneration, expenses and donations

The Trustees were not paid and did not receive any other benefits from the Charity or its subsidiaries in the year (2023: £nil). No Trustee received payment for professional or other services supplied to the Charity (2023: £nil).

Directly incurred Trustee expenses borne by the Charity in the year totalled £645 (2023: £1,055), paid to 5 (2022: 1) Trustees. Those expenses were for travel and subsistence. The total amount of donations received from Trustees without conditions was £864 (2023: £627).

13. Taxation

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

14. Gross income and results – Charity only

	2024	*2023*
	£	*£*
Income	**8,352,356**	*7,254,643*
Expenditure	**(8,572,821)**	*(6,236,507)*
Net income	**(220,465)**	*1,018,136*

15. Tangible fixed assets – Group

	UK fixtures & fittings	**Africa motor vehicles**	**Africa fixtures & fittings**	**Total**
	£	**£**	**£**	**£**
Cost				
At 31 March 2023	39,600	402,471	96,322	538,393
Additions	1,014	-	-	1,014
Project assets	2,405	198,257	-	200,662
At 31 March 2024	**43,019**	**600,728**	**96,322**	**740,069**
Depreciation				
At 31 March 2023	39,095	402,471	87,619	529,185
Charge for the year	632	-	6,475	7,107
Project assets	2,405	198,257	-	200,662
At 31 March 2024	**42,132**	**600,728**	**94,094**	**736,954**
Net book value				
At 31 March 2024	**887**	**-**	**2,228**	**3,115**
At 31 March 2023	*505*	*-*	*8,703*	*9,208*

Tangible fixed assets – Charity

	UK fixtures & fittings	Total
	£	£
Cost		
At 1 April 2023	39,600	39,600
Additions	1,014	1,014
Project assets	2,405	2,405
At 31 March 2024	**43,019**	**43,019**
Depreciation		
At 1 April 2023	*39,095*	*39,095*
Charge for the year	632	632
Project assets	2,405	2,405
At 31 March 2024	**42,132**	**42,132**
Net book value		
At 31 March 2024	**887**	**887**
At 31 March 2023	*505*	*505*

16. Investments – market value

	COIF Charities Ethical Investment Fund	Rathbone Greenbank investments	Investment in woodland	Other investments	Group & Charity total 2024	*Group & Charity total 2023*
	£	£	£	£	£	*£*
Valuation at 1 April	696,394	223,911	400,000	13,895	1,334,200	*1,367,127*
Revaluation	91,396	13,403	10,000	-	114,799	*(32,927)*
At 31 March	**787,790**	**237,314**	**410,000**	**13,895**	**1,448,999**	*1,334,200*

Management of the COIF Charities Ethical Investment Fund and Rathbone Greenbank investments is delegated to authorised professional investment managers, regulated by the Financial Conduct Authority.

The legacy gift of 25 hectares of woodland in Devon was externally revalued as at 31 March 2024 to a fair value of £0.4 million by Tustins Group Ltd. This compares to the £0.3 million valuation on receipt in 2019.

Other investments represent shares received under a legacy or gifted to the Charity.

Investment in subsidiaries – Charity	**2024**	*2023*
	£	*£*
Cost and net book value		
At 1 April 2023	**2**	*2*
At 31 March 2024	**2**	*2*

There are three subsidiaries:

Name	**Registration**	**Registered office**	**Principal place of business**
Tree Aid Burkina Faso	Association under the Law of Freedom of Association (10/92/ADP, 15 December 1992) in Burkina Faso	1200 Logements Ouagadougou Burkina Faso	Burkina Faso
Tree Aid Ghana	Company limited by guarantee under the Ghanaian Companies Act 1963	318 North Kanivili Tamale Northern Region Ghana	Ghana
Tree Aid Enterprises Ltd	Registered company incorporated in England, company number: 9199430	Brunswick Court Brunswick Square Bristol BS2 8PE, UK	UK

Tree Aid is the sole member of each subsidiary and has the power to appoint the directors.

Tree Aid Burkina Faso and Tree Aid Ghana are non-profit-making organisations with similar objectives to Tree Aid. Tree Aid Enterprises Ltd is limited by shares and is now dormant. It was the holding company for a social enterprise entity in Burkina Faso (Tree Aid Enterprises sa) which was wound up in the previous year.

	Tree Aid Enterprises Ltd*	**Tree Aid Burkina Faso**	**Tree Aid Ghana**
Charity's shareholdings in subsidiaries	100%	100%	100%
	£	**£**	**£**
Balances at 31 March 2024			
Tangible fixed assets	-	685	1,542
Current assets	2	2,939,304	81,900
Current liabilities	(99,886)	(342,411)	(5,552)
Total funds	**(99,884)**	**2,597,578**	**77,890**
Results for the year to 31 March 2024			
Income	-	7,925,313	456,421
Expenditure	-	(7,436,118)	(460,104)
Net expenditure	**-**	**489,195**	**(3,683)**

*The accounts for Tree Aid Enterprises Ltd have been prepared on the breakup basis as the company is dormant.

17. Debtors

	Group		Charity	
	2024	*2023*	**2024**	*2023*
	£	*£*	**£**	*£*
Amounts falling due within one year				
Trade debtors	**867,783**	*1,106,845*	**39,008**	*34,112*
Prepayments and accrued income	**259,061**	*124,915*	**246,098**	*121,396*
Other debtors	**284,637**	*309,776*	**178,210**	*232,635*
Gift Aid recoverable	**2,306**	-	**2,306**	-
Amounts owed by Group and associated undertakings	**-**	-	**-**	-
Total	**1,413,787**	*1,541,536*	**465,622**	*388,143*

18. Short-term investments

	Group		Charity	
	2024	*2023*	**2024**	*2023*
	£	*£*	**£**	*£*
Cash held on deposit	**182,162**	*180,670*	**182,162**	*180,670*

19. Creditors falling due within one year

	Group		Charity	
	2024	*2023*	**2024**	*2023*
	£	*£*	**£**	*£*
Project creditors	**175,288**	*95,132*	**53,739**	*107,861*
Other creditors	**13,525**	*33,088*	**8,339**	*20,788*
Accruals	**108,734**	*87,647*	**60,979**	*42,986*
Provisions for liabilities	**133,792**	*113,209*	**10,234**	*8,573*
Tax and social security	**11,870**	*39,028*	**535**	*25,550*
Total	**443,209**	*368,104*	**133,826**	*205,758*

Provision for liabilities

The provision for liabilities relates to dilapidations of the UK office and termination payments payable to staff in Burkina Faso and Niger on leaving employment with Tree Aid. The termination provision is related to the accumulated length of service for each member of staff. The timing of the outflow is uncertain as the dates of staff leaving their employment is not known.

	Group		Charity	
	2024	*2023*	**2024**	*2023*
	£	*£*	**£**	*£*
At 1 April 2023	**113,209**	*86,848*	**8,573**	*17,724*
Amounts charged	**166,554**	-	**142,046**	-
Amounts released	**(145,971)**	*26,361*	**(140,385)**	*(9,151)*
At 31 March 2024	**133,792**	*113,209*	**10,234**	*8,573*

20. Movements in funds – Group

	Opening Balance	Income	Expenditure	Investment & other gains	Transfers	Closing Balance
	£	£	£	£	£	£
Restricted funds						
Burkina Faso						
Enhancement of NTFPs: Development and Phase 3	691,340	1,199,208	(1,714,896)	-	-	175,652
Tond Tenga	-	2,756,101	(1,360,693)	-	-	1,395,408
Mouhoun Pro Race	-	758,264	(138,769)	-	-	619,495
Local Governance of Forest Resources	2,382,820	742,607	(2,299,318)	-	-	826,109
Supporting Smallholder Farmer Resilience	109,222	724,934	(702,615)	-	-	131,541
Carbon Evaluation	1,265	-	(158)	-	-	1,107
Pro-ADAPT project	205,300	-	(128,023)	-	-	77,277
Sustainable value chains	148,918	161,563	(166,046)	-	-	144,435
NFTP value chains 2	65,234	137,805	(203,039)	-	-	-
Ghana						
Daka River Restoration 2	60,812	242,799	(230,185)	-	-	73,426
Daka River Restoration 3	(51,058)	52,150	(1,092)	-	-	-
Northern Ghana Integrated Development	52,643	29,055	(45,839)	-	-	35,859
Bongo Reforestation	51,686	60,627	(102,750)	-	-	9,563
Yendi Tree Enrichment	30,600	16,884	-	-	-	47,484
Carbon Study Bongo	-	47,966	(61,331)	-	13,365	-
Ghana Shea Restoration	60,642	122,391	(59,185)	-	-	123,848
Ethiopia						
Frankincense N Gondar 1	-	153,930	(164,709)	-	-	(10,779)
Frankincense N Gondar 2	16,298	-	-	-	-	16,298
Community Resilience and Ecosystem Restoration	37,031	207,265	(142,229)	-	-	102,067
Mali						
Regreening Nonkon and Nossombougou	-	(8,354)	(138)	-	8,492	-
Regreening Koulikoro	1,602	4,286	-	-	-	5,888

	Opening Balance	Income	Expenditure	Investment & other gains	Transfers	Closing Balance
	£	£	£	£	£	£
Strengthening Forest Management	-	600	-	-	-	600
Empowering Women in Rural Mali	-	18,664	(35,704)	-	17,040	-
Growing the Great Green Wall in Tominian	188,232	-	(147,338)	-	-	40,894
Forest Governance Segou	62,917	134,883	(197,800)	-	-	-
Tree Planting project	-	-	(15,621)	-	15,621	-
She Grows Expansion	-	(15,542)	(12,579)	-	28,121	-
Olympic Forest	421,661	325,789	(427,611)	-	-	319,839
Local Governance of Forest Resources in Mali	-	226,849	(131,822)	-	-	95,027
Niger						
Empowering women in Dosso & Tahoua	-	60,943	(68,923)	-	-	(7,980)
Rehabilitation of Park W: Dosso	4,310	(10,732)	(6,607)	-	13,029	-
Enterprise in Falmey	15,000	4,000	(16,652)	-	-	2,348
UK						
Advocacy Support		390,000	(24,797)	-	-	365,203
Project Fund	78,786	-	-	-	-	78,786
Development Fund	28,323	-	-	-	-	28,323
Total restricted funds	**4,663,584**	**8,544,935**	**(8,606,469)**	**-**	**95,668**	**4,697,718**
Unrestricted funds						
Designated funds						
Woodland Investment Reserve	400,000	10,000	-	-	-	410,000
Fixed Asset Reserve	9,208	-	(6,093)	-	-	3,115
Evidencing the impact of our work	279,111	-	(50,000)	-	-	229,111
Investment in M&E Systems and Equipment	90,460	-	(55,000)	-	50,000	85,460
Long-term sustainable funding	438,648	-	(50,000)	-	-	388,648

	Opening Balance	Income	Expenditure	Investment & other gains	Transfers	Closing Balance
	£	£	£	£	£	£
Investment in infrastructure	131,346	-	(60,000)	-	100,000	171,346
Total designated funds	**1,348,773**	**10,000**	**-221,093**		**150,000**	**1,287,680**
General reserves	1,654,792	2,287,729	(1,815,604)	15,910	(245,668)	1,897,159
Total unrestricted funds	**3,003,565**	**2,297,729**	**(2,036,697)**	**15,910**	**(95,668)**	**3,184,839**
Total funds	**7,667,149**	**10,842,664**	**(10,643,166)**	**15,910**	**-**	**7,882,557**

Purpose of restricted funds

Restricted funds are generated when the donor stipulates how the income may be expended. In most cases there will be a timing difference between when the income is received and when it is spent, resulting in balances being held on these funds at year-end. The purpose of the various restricted funds is outlined below.

Burkina Faso:

Enhancement of Non-Timber Forest Products Development and Phase 3

Improving non-timber forest product value chains, creating market gardens and improving nutrition for 14,500 households in Burkina Faso. This project is funded by the Swiss Agency for Development and Cooperation. The latest, scale-up phase started in January 2021 and will run to December 2024.

Local Governance of Forest Resources Phase 3

Decentralised forest governance through transferring rights and responsibilities for forest stewardship to community-led forest management groups in 18 new communes. The project is funded by the Swedish International Development Cooperation Agency (Sida) and the second half of the project has now been contracted – running from 2021 to May 2024.

Supporting Smallholder Farmer Resilience (Pro-Res Burkina)

This project, funded by the Alliance for a Green Revolution in Africa (AGRA) aims to improve the food security and income of 210,000 smallholder farmers in the Hauts-Bassins, Cascade, Boucle du Mouhoun and Centre-Ouest regions as well as strengthen the resilience to climate change in these regions. The project runs to September 2025.

Carbon Storage Evaluation

Through a baseline evaluation, Tree Aid is supporting INERA in certain activities around the potential of agroforestry to capture and store carbon. It has a small budget to support workshops and data collection, when required.

Pro-ADAPT project

The project builds on the Pro-RES project by constructing 10 nutrition gardens, establishing 11 NTFP parks, sensitising 20,000 people farmers on NTFP consumption, protecting 55 ha of forest and planting 32,000 trees. The Alliance for a Green Revolution in Africa (AGRA) funds this project alongside the

Supporting Smallholder Farmer Resilience project above. This was initially contracted as a 12 month project and has now been contracted for an additional 12 months.

Sustainable value chains
The project, funded by Enabel, will support 11,250 direct beneficiaries by reducing their vulnerability and food insecurity through their integration into a sustainable NTFP productive cycle and by increasing their NTFP consumption. The project will also develop special support for Internally Displaced People and their hosts especially in the Centre-North region.

Non-Timber Forest Products - value chains 2
The project, funded by Challenge Fund for Youth Employment (CFYE) aims to create and improve 3,370 jobs through the deployment of digital rural service ecosystem and support for the cultivation and processing and marketing of NTFPs. This project will assist local groups to develop Nutritious Gardens and Village Tree Enterprises to process and market Non-Timber Forest Products.

Tond Tenga
The project, funded by a green markets investor, is aiming at planting 6.6m trees in the forests that Tree Aid has been engaged in on the *Local Governance of Forest Resources Phase 3* project. These trees will sequester 3m tonnes of CO2e and provide additional incomes for those communities managing planting sites.

Ghana:

Daka River Restoration 3
Community-led tree planting and regeneration along the Daka River in Northern Ghana. These are phases of a project funded by Ecosia along with various trusts and foundations. The current phase is running until the end of 2024 in the Yendi region.

Northern Ghana Integrated Development
Promoting opportunities for sustainable agriculture, social protection and decent work in the agrarian sector targeting civil society organisations. Led by ActionAid Ghana, the consortium is funded by the EU. Tree Aid is responsible for delivery in 4 of the 15 target districts. This project finishes in May 2023.

Bongo Reforestation
This project, funded by Trees for All, aims to restore ecosystem services along selected rivers and around the VEA Dam in the Bongo District of Northern Ghana, improving the livelihoods of 20 communities. This project targets the planting of 150,000 trees, restoring 50 kilometres of riparian buffer zones. It ran until the end of 2023 and has gone into a further seven years of monitoring.

Yendi Tree Enrichment
The work in Yendi for Ecosia under *the Daka River Restoration* project also included planting and geotagging trees for a corporate partner, Treedom. Funds are still owed by the donor but haven't yet been paid due to a cashflow issue.

Carbon Study Bongo
Pre-feasibility study into carbon certification in the Bongo District for Blue Deal, a Dutch organisation. This small project is looking at the potential for enrichment planting and agroforestry to support a carbon sequestration project in the Bongo District.

Ghana Shea Landscape Restoration Project
The project takes place in the Gushiegu Municipal District, Mion District, and Yendi Municipal District in the Northern Region of Ghana. Tree Aid currently works in these three districts as part of the 'Daka River Restoration' project funded by Ecosia, which aims to grow over 2 million trees in riparian buffer zones, open parklands, and farmlands in 61 villages. There is a high shea resource base in the communities which are not well harnessed to benefit the people, especially women, and these shea trees are being cut to open space for farming and to process charcoal.

Ethiopia:

Frankincense: North Gondar 1 & 2
This project started in December 2021, with Tree Aid funds and, later, match funds. UK Aid Match funding was available from April 2022. The project focuses on the frankincense value chain in the Metema forests. While the collection of frankincense will be made more sustainable through training in best practices, the income that tappers get for their efforts will be improved through training and provision of equipment to improve quality and prices. The project will also work with communities to manage the boswellia (frankincense) forest in a more sustainable way – targeting reductions in grazing of cattle and bushfires that cause low survival rate of new saplings.

Community Resilience and Ecosystem Restoration
Developing Rural Pathways to Community Resilience and Ecosystem Restoration is a complementary project to the Frankincense project mentioned above. The project is looking more at research and partnering with UK-based and Ethiopia-based institutions to further the protection and management of forests work in the Metema area.

Mali:

Empowering Women in Rural Mali through Improved Forest Access and Enterprises
The project has facilitated the granting of land for 10 women's cooperatives, and provide the skills and means for the regeneration of that land. Livelihoods have been improved through the provision of training, tools and equipment for the development of small enterprises based on honey and shea. The project was funded by the Foreign, Commonwealth & Development Office and the contract was signed in February 2020. The project activities finished in February 2023 and the final report completed. One final payment is outstanding.

Growing the Great Green Wall in Tominian
Funded by the Turkish government, through the United Nations Conventions to Combat Desertification, this project supported the Great Green Wall Initiative by working with 10 communes (44 villages) in Segou region, to tackle poverty and the effects of the climate crisis through capacity development, provision of inputs to local communities and expansion of NTFP value chains in the region. The project finished in September 2023.

Forest Governance Segou
Promoting forest governance for resilient ecosystems and communities in Segou. This project aims to strengthen promotion of local forest governance, investments in forests and valorisation of non-timber forest products for sustainable improvement of livelihoods for 3,000 rural households in Tominian circle, Mali. Funding comes from the Darwin Initiative and the project finishes in October 2024.

Olympic Forest (Senegal and Mali)
Through this project, Tree Aid and the International Olympic Committee (IOC) will grow thousands of trees and restore huge areas of land across Mali and Senegal, contributing to the Great Green Wall movement. Together with communities living in the path of the Great Green Wall, we will grow trees and restore degraded land, helping to sequester 200,000 tonne of CO2e over 30 years. Tree Aid has partnered with a new organisation in Senegal, and set up its own office in Kayes, Mali.

Local Governance of Forest Resources
The project will build on the work that Tree Aid has done on previous projects (MB2, MC2, MC4) - working on strengthening local governance of forests. The project will improve biodiversity and the income of 2,550 households living around the Mio, Sanekuy and Safienso forests in the Segou region of Mali. This will be achieved by strengthening decentralised forest governance at the regional and national level, expanding the successful approach used by Tree Aid at the local level in previous and ongoing projects. As a result, 26,700ha of forest will be under sustainable management. 10,000ha of forest, agricultural and pastoral land will benefit from restoration activities. It runs until 2028.

Niger:

Enterprise Development in Falmey
This small project looks to help support 10 Village Tree Enterprises (VTEs) which were created in other projects, to further women's ability to obtain income and to manage their resources. The 10 VTE's will receive further training in how produce shea butter, peanuts and other non-timber forest products. The VTEs will also be supported in helping to commercialise their products. It is funded by the Roughly Foundation.

Empowering women in Dosso & Tahoua
The overall aim of the project is to help reduce the vulnerability of the poor, particularly women, in the 11 target communes of Dosso and Tahoua and to strengthen their socio-economic resilience in the face of climate change. The project aims to strengthen the capacities and organisation of women's groups, while promoting the development of village savings and loan associations (VSLAs) and income-generating activities (IGAs). Funded by Enabel, the project runs to September 2026.

Project Fund
Donations restricted to development work on certain projects or in certain countries.

Development Fund
Donations restricted to the Development Fund are utilised for activities that strengthen and expand Tree Aid's impact and influence through leveraging institutional funding, releasing unrestricted funding and bringing donors closer to Tree Aid by providing them with unique insights.

Purpose of unrestricted funds
Unrestricted funds are generated when there is no stipulation from the donor as to how the income may be spent. They include designated funds where the Trustees have set aside monies for a specific purpose.

Designated funds are provided for the following purposes**:**

Evidencing the impact of our work
To better communicate and advocate our work we will use the evidence we gather to influence policy and practice in the Sahel and will invest in our advocacy capacity and activities in the coming years. This investment will be a short-term kick-start to a broader plan for increasing our annual activities around influencing which currently is not easily funded by restricted grant funding. Over the next few years we will invest £0.3 million in this area.

Investment in M&E Systems and Equipment
We will be investing an additional £0.1 million in the coming years in deepening our capacity and tools to measure, monitor and demonstrate the levels of degradation and the impact of our work to combat this. Such evidence will be vital in our efforts to communicate the urgency of action required and the potential of our approaches as a key method for combatting the crisis of deforestation and land degradation in the African drylands.

Long-term sustainable funding
To continue on this strategic path of raising our voice on the issues most critical to our charitable mission, it is essential that Tree Aid achieves a stronger balance of unrestricted funding which will enable sustained investment into evidence, advocacy and communications. Over the coming three years we will look to invest £0.5 million additional reserves into growing our digital fundraising capacity with an aim to secure a sustained growth in unrestricted public giving.

Investment in infrastructure
Tree Aid will need to adapt to the reality of new ways of working. As such it is essential we invest in our offices and infrastructure to ensure we have the necessary environment to work much more flexibly and remotely. We have set aside £0.1 million to invest in this area to ensure we remain adaptable and provide adequate infrastructure for our staff to continue to work effectively.

At the year-end there were two designated reserves which represent the carrying value of the ***Investment in woodland***, £0.4 million, and ***Fixed assets***, to recognise these separately from general reserves.

Transfers between funds
Transfers between funds represent the application of income to particular project funds whose objectives fall within the wider restrictions of the funds from which those funds are transferred with the explicit agreement of the donor for restricted funds transfers.

21. Analysis of net assets between funds – Group

	Restricted funds £	Designated funds £	Unrestricted funds £	2024 Total £
Tangible fixed assets	-	3,115	-	**3,115**
Investments	-	410,000	1,038,999	**1,448,999**
Cash at bank & short-term investments	3,890,849	874,565	694,451	**5,459,865**
Debtors	982,157	-	431,630	**1,413,787**
Creditors falling due within one year	(175,288)	-	(267,921)	**(443,209)**
	4,697,718	**1,287,680**	**1,897,159**	**7,882,557**

Analysis of net assets between funds – Charity

	Restricted funds	Designated funds	Unrestricted funds	2024 Total
	£	£	£	£
Tangible fixed assets	-	887	-	887
Investments	-	410,000	1,039,001	1,449,001
Cash at bank & short-term Investments	1,978,086	876,793	521,510	3,376,389
Debtors	48,887	-	416,735	465,622
Creditors falling due within one year	(53,739)	-	(80,087)	(133,826)
	1,973,234	**1,287,680**	**1,897,159**	**5,158,073**

22. Reconciliation of net movement in funds to net cashflow from operating activities

	Group 2024	*2023*
	£	*£*
Net income for the reporting period	**314,297**	*1,909,965*
Adjustments for:		
Depreciation charges	**7,107**	*7,394*
(Gains)/losses on investments	**(114,799)**	*32,927*
Investment income	**(19,716)**	*(3,699)*
Decrease/(increase) in debtors	**127,749**	*(612,402)*
Increase/(decrease) in creditors	**75,105**	*(337,754)*
Net cash generated by operating activities	**389,743**	*996,431*

Analysis of cash and cash equivalents

	Group 2024	*2023*
	£	*£*
Cash in hand	**5,277,703**	*4,969,639*
Short-term investments (less than three months' notice)	**182,162**	*180,670*
	5,459,865	*5,150,309*

As Tree Aid has no debt, the requirement to disclose a net debt reconciliation is covered in the presentation of the consolidated statement of cashflows.

23. Legal status of the Charity

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 £10 per member of the Charity.

24. Related party transactions

Tree Aid transacted with its 100% subsidiary entities during the year. The value of transactions during the year, which were made in the normal course of business and comprised mainly grants to fund the Group's charitable activities, totalled:

	2024	*2023*
	£	*£*
From Tree Aid to Tree Aid Burkina Faso	**3,918,529**	*3,506,769*
From Tree Aid to Tree Aid Tree Aid Ghana	**423,835**	*449,612*

There were no balances outstanding at the year-end between the Charity and Tree Aid Burkina Faso or Tree Aid Ghana (2023: £nil).

There were no movements on loans for the social enterprise initiative during the current or prior year. The loans are unsecured and interest-free.

25. Operating lease commitments

Tree Aid had future minimum lease payments under non-cancellable operating leases at the year-end, expiring as follows:

			Group	
	Land & buildings	**Office equipment**	**2024**	*2023*
Expiring:	**£**	**£**	**£**	*£*
Within 1 year	18,495	363	**18,858**	*18,858*
2–5 years	-	-	**-**	-

			Charity	
	Land & buildings	**Office equipment**	**2024**	*2023*
	£	**£**	**£**	*£*
Within 1 year	13,279	363	**13,642**	*13,642*
2–5 years	-	-	**-**	-

26. Capital commitments

There were no capital commitments in the current or prior year.

27. Basic financial instruments

	Group		Charity	
	2024	*2023*	**2024**	*2023*
	£	*£*	**£**	*£*
Financial assets that are debt instruments measured at fair value:				
Accrued income on contracts	**246,098**	*121,311*	**246,098**	*121,311*
Trade debtors	**867,783**	*1,061,845*	**39,008**	*34,111*
Other debtors	**284,637**	*309,776*	**178,210**	*232,635*
Cash at bank and in hand	**5,277,703**	*4,969,639*	**3,194,227**	*3,680,776*
Short-term investments	**182,162**	*180,670*	**182,162**	*180,670*
Financial liabilities measured at fair value:				
Accruals	**108,734**	*87,647*	**60,979**	*42,986*
Other creditors	**13,525**	*33,088*	**8,339**	*20,788*

28. Prior year: consolidated statement of financial activities

	Restricted funds 2023 £	***Unrestricted funds 2023 £***	***Total funds 2023 £***
INCOME FROM			
Donations and legacies	*9,064,071*	*1,692,378*	***10,756,449***
Investment income	*-*	*3,699*	***3,699***
Other income	*-*	*19,971*	***19,971***
TOTAL	*9,064,071*	*1,716,048*	***10,780,119***
EXPENDITURE ON			
Raising funds	*-*	*(854,147)*	***(854,157)***
Charitable activities	*(6,934,475)*	*(1,048,595)*	***(7,983,070)***
TOTAL	*(6,934,475)*	*(1,902,752)*	***(8,837,227)***
Net (losses)/gains on investments	*-*	*(32,927)*	***(32,927)***
NET INCOME	*2,129,596*	*(219,631)*	***1,909,965***
Transfer between funds	*61,914*	*(61,914)*	*-*
Other recognised Gains/(losses):	*-*	*171,111*	***171,111***
NET MOVEMENT IN FUNDS	*2,191,510*	*(110,434)*	***2,081,076***

RECONCILIATION OF FUNDS

Total funds brought forward As previously stated	*485,356*	*3,113,999*	***3,599,355***
Prior Year Adjustment	*1,986,718*	*-*	***1,986,718***
Total funds brought forward (Restated)	*2,472,074*	*3,113,999*	***5,586,073***
Total funds carried forward	*4,663,584*	*3,003,565*	***7,667,149***

29. Prior year: Raising funds

	Delivery costs £	*Development costs £*	*Support costs £*	***Total 2023 £***
Supporter fundraising	*429,682*	*3,598*	*273,473*	***706,753***
Institutional fundraising	*115,783*	*-*	*31,621*	***147,404***
Total	*545,465*	*3,598*	*305,094*	***854,157***

30. Prior year: Charitable activities

	Delivery costs £	*Development costs £*	*Support costs £*	***Total 2023 £***
Programme delivery	*6,941,122*	*115,230*	*758,297*	***7,814,649***
Advocacy and awareness	*104,677*	*-*	*63,744*	***168,421***
Total	*7,045,799*	*115,230*	*822,041*	***7,983,070***

31. Prior year: Total expenditure

	Delivery costs £	*Development costs £*	*Support costs £*	***Total 2023 £***
Raising funds	*545,465*	*3,598*	*305,094*	***854,157***
Charitable activities	*7,045,799*	*115,230*	*822,041*	***7,983,070***
Total	*7,591,264*	*118,828*	*1,127,135*	***8,837,227***

32. Prior year: movements in funds – Group

	Opening Balance (Restated)	*Income*	*Expenditure*	*Investment & other gains*	*Transfers*	*Closing Balance*
	£	*£*	*£*	*£*	*£*	*£*
Restricted funds						
Burkina Faso						
Enhancement of NTFPs: Development and Phase 3	*174,087*	*2,548,954*	*(2,031,701)*	*-*	*-*	*691,340*
Local Governance of Forest Resources	*1,224,611*	*3,475,332*	*(2,317,123)*	*-*	*-*	*2,382,820*
Supporting Smallholder Farmer Resilience	*473,798*	*391,377*	*(755,953)*	*-*	*-*	*109,222*
Carbon Storage Evaluation	*565*	*1,273*	*(573)*	*-*	*-*	*1,265*
Pro-ADAPT project	*-*	*206,124*	*(824)*	*-*	*-*	*205,300*
Developing sustainable and inclusive value chains	*-*	*154,179*	*(5,261)*	*-*	*-*	*148,918*
NFTP value chains 2	*-*	*65,234*	*-*	*-*	*-*	*65,234*
Tree Foods Phase 2	*6,250*	*-*	*-*	*-*	*(6,250)*	*-*
Ghana						
Daka River Restoration 2	*-*	*235,176*	*(174,364)*	*-*	*-*	*60,812*
Daka River Restoration 3	*(101,929)*	*74,327*	*(23,456)*	*-*	*-*	*(51,058)*
Ghana Rural Agriculture and Cashew Enterprises	*-*	*4,000*	*(18,473)*	*-*	*14,473*	*-*
Northern Ghana Integrated Development	*106,150*	*74,014*	*(127,521)*	*-*	*-*	*52,643*
Bongo Reforestation	*35,345*	*141,169*	*(124,828)*	*-*	*-*	*51,686*
Yendi Tree Enrichment	*73,961*	*-*	*(43,361)*	*-*	*-*	*30,600*
Carbon Study Bongo	*-*	*-*	*(1,959)*	*-*	*1,959*	*-*
Ghana Shea Landscape Restoration	*-*	*95,437*	*(34,795)*	*-*	*-*	*60,642*
Ethiopia						
Frankincense: N Gondar 1	*(81)*	*122,440*	*(137,234)*	*-*	*14,875*	*-*
Frankincense: N Gondar 2	*17,429*	*-*	*(5,909)*	*-*	*4,778*	*16,298*
Metema PFM development	*(2,806)*	*-*	*(3,072)*	*-*	*5,878*	*-*
Community Resilience and Ecosystem Restoration	*3,762*	*187,690*	*(154,421)*	*-*	*-*	*37,031*

	Opening Balance (Restated)	Income	Expenditure	Investment & other gains	Transfers	Closing Balance
	£	£	£	£	£	£
Mali						
Regreening Nonkon and Nossombougou	-	56,304	(56,304)	-	-	-
Regreening Koulikoro	(9,724)	16,928	(5,602)	-	-	1,602
Strengthening Forest Management	600	600	-	-	(1,200)	-
Empowering Women in Rural Mali	-	116,726	(116,726)	-	-	-
Growing the Great Green Wall in Tominian	-	223,747	(35,515)	-	-	188,232
Forest Governance Segou	18,251	159,951	(130,507)	-	15,222	62,917
She Grows Expansion	59,864	82,445	(142,309)	-	-	-
Olympic Forest	176,208	609,644	(364,191)	-	-	421,661
Growing the Great Green Wall in Koulikoro	109,167	-	(121,994)	-	12,827	-
Niger						
Rehabilitation of Park W: Tamou	2,105	-	-	-	(2,105)	- -
Rehabilitation of Park W: Dosso	4,310	-	-	-	-	4,310
Enterprise Development in Falmey	-	15,000	-	-	-	15,000
Project Fund	78,786	-	-	-	-	78,786
Development Fund	21,365	6,000	(499)	-	1,457	28,323
Total restricted funds	***2,472,074***	***9,064,071***	***(6,934,475)***	***-***	***61,914***	***4,663,584***
Unrestricted funds						
Designated funds						
Woodland Investment Reserve	400,000	-	-	-	-	400,000
Fixed Asset Reserve	16,602	-	-	-	(7,394)	9,208
Driving forward our strategy	113,413	-	(113,413)	-	-	-

	Opening Balance (Restated)	Income	Expenditure	Investment & other gains	Transfers	Closing Balance
	£	£	£	£	£	£
Evidencing the impact of our work	*356,111*	*-*	*(77,000)*	*-*		*279,111*
Investment in M&E Systems and Equipment	*143,460*	*-*	*(103,000)*	*-*	*50,000*	*90,460*
Long-term sustainable funding	*406,648*	*-*	*(68,000)*	*-*	*100,000*	*438,648*
Managing risk	*80,015*	*-*	*-*	*-*	*(80,015)*	*-*
Infrastructure investment	*46,346*	*-*	*(15,000)*	*-*	*100,000*	*131,346*
Total designated funds	***1,562,595***	***-***	***(376,413)***	***-***	***162,591***	***1,348,773***
General reserves	*1,551,404*	*1,716,048*	*(1,526,339)*	*138,184*	*(224,505)*	*1,654,792*
Total unrestricted funds	***3,113,999***	***1,716,048***	***(1,902,752)***	***138,184***	***(61,914)***	***3,003,565***
Total funds	***5,586,073***	***10,780,119***	***(8,837,227)***	***138,184***	***-***	***7,667,149***

33. Prior year: analysis of net assets between funds – Group

	Restricted funds	Designated funds	Unrestricted funds	2023 Total
	£	£	£	£
Tangible fixed assets	*-*	*9,208*	*-*	***9,208***
Investments	*-*	*400,000*	*934,200*	***1,334,200***
Cash at bank & short-term investments	*4,542,271*	*939,565*	*(331,527)*	***5,150,309***
Debtors	*121,313*	*-*	*1,420,223*	***1,541,536***
Creditors falling due within one year	*-*	*-*	*(368,104)*	***(368,104)***
	4,663,584	***1,348,773***	***1,654,792***	***7,667,149***

Prior year: analysis of net assets between funds – Charity

	Restricted funds	Designated funds	Unrestricted funds	2023 Total
	£	£	£	£
Tangible fixed assets	*-*	*506*	*-*	***506***
Investments	*-*	*400,000*	*934,202*	***1,334,202***
Cash at bank & short-term Investments	*2,332,864*	*948,267*	*580,315*	***3,861,446***
Debtors	*159,070*	*-*	*229,072*	***388,142***
Creditors falling due within one year	*-*	*-*	*(205,758)*	***(205,758)***
	2,491,934	***1,348,773***	***1,537,831***	***5,378,538***

Legal and administrative details

LEGAL STATUS

Tree Aid is an incorporated company limited by guarantee, no. 03779545, and a registered charity, no. 1135156.

TRUSTEES

Elizabeth Davis [3]	Chair (from 1 August 2023)
Shireen Chambers [3]	Chair (resigned: term ended 1 August 2023)
Hilary Allison	Vice Chair
Tristram Holborn [1]	
Judith Twentyman [2]	(resigned: term ended 13 July 2023)
Nick Pride [2]	
Philip Songhurst-Thonet [1]	
Alexander Simuyandi [3]	
Defrim Dedej [1 2]	(appointed 13 July 2023)
Henry McLoughlin [3]	(appointed 13 July 2023)
Roger Davies [1]	(appointed 13 July 2023)

[1] Member of the Finance and Audit Committee
[2] Member of the Fundraising Standards Committee
[3] Member of the People Committee

SENIOR MANAGEMENT TEAM

Tom Skirrow	Chief Executive
Georges Bazongo	Director of Operations
Ben Sheahan	Director of Finance and Resources
Sally Airey	Director of Communications & Fundraising (joined 11 April 2023)
Natalia Deane	Director of Communications & Fundraising (maternity cover from 2 October 2023)

REGISTERED OFFICE AND PRINCIPAL OFFICE ADDRESS

Brunswick Court, Brunswick Square, Bristol, BS2 8PE.

ADVISORS

Bank

NatWest plc, 3 Temple Back East, Temple Quay, Bristol, BS1 9BW.

Auditor

Sayer Vincent LLP, 110 Golden Lane, London, EC1Y 0TG.

TREE AID

England & Wales - Charity number 1135156

Accounts

TREE AID ANNUAL REPORT & ACCOUNTS 2022/23

GROWING THE GREAT GREEN WALL

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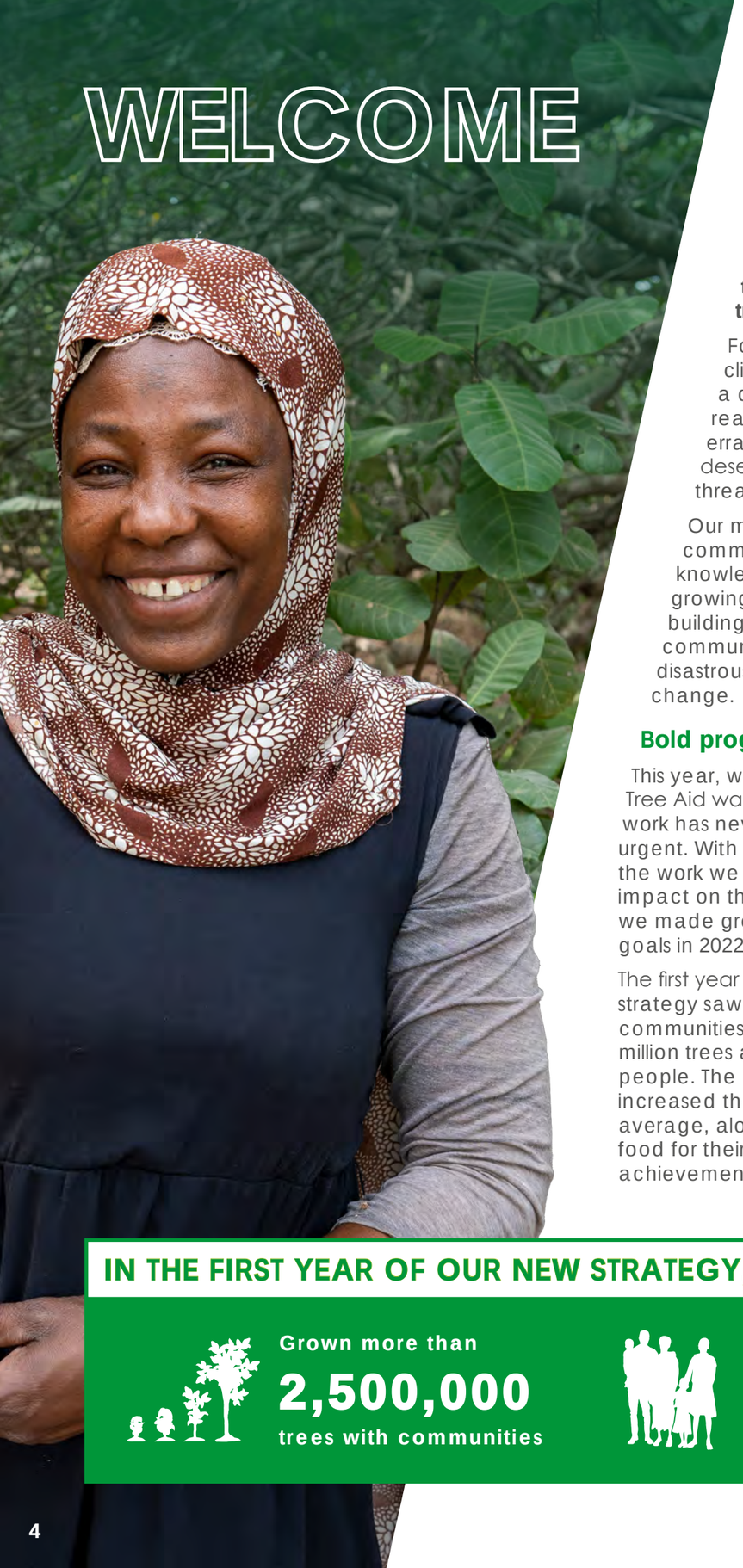
WELCOME



Tree Aid offers a lasting and powerful solution to the climate crisis and poverty. This report shows the impact we made in 2022/23 by growing trees, regenerating land and supporting people in the drylands of Africa to transform their lives.

For millions across the Sahel, climate change is no longer a distant threat, but a harsh reality. Rising temperatures, erratic rainfall and devastating desertification continue to threaten their daily lives.

Our mission is to empower local communities with the tools and knowledge to turn the tide. By growing trees, restoring land and building sustainable businesses, communities can mitigate the disastrous impacts of climate change.

Bold progress

This year, we marked 35 years since Tree Aid was first established and our work has never been more relevant or urgent. With a growing recognition that the work we do has a deep, enduring impact on the communities we serve, we made great strides forward with our goals in 2022/23.

The first year of our new five-year strategy saw us join forces with local communities to grow more than 2.5 million trees and support over 900,000 people. The people we worked with increased their incomes by 144% on average, alongside growing nutritious food for their families to eat. These achievements put us well on the way to our aim of growing 12 million trees and supporting 2.4 million people by 2026. They also moved us ever closer to our 20-year goal of reversing deforestation and land degradation in the drylands of Africa.

Our efforts this year are also contributing to progressing the realisation of the Great Green Wall – the epic, African-led movement to restore 100 million hectares of land across the continent's Sahelian zone and sequester 250 million tonnes of carbon by 2030.

Collaborating and advocating for success

We know that tackling the climate crisis and other challenges facing the Sahel is a monumental task, too great to manage alone. Collaborating with other stakeholders striving for change and making our voice heard with key decision-makers is vital.

We've joined with a wide range of stakeholders to help create a movement which will see the delivery of land restoration and sustainable livelihoods across the drylands of Africa. Our work as a leading organisation delivering on the ground results for the Great Green Wall has given us the opportunity to build new alliances with governments, the private sector, research organisations, the UN and other like-minded agencies.

We've brought the voices of those people we serve in the Sahel, and borne witness to the challenges they face, to some of the most important international stages in the world – including at the climate COP27, the UNCCD COP15, African Climate Week and New York Climate Week. We were delighted that President Emmanuel Macron dedicated his whole speech at COP27 to the Great Green Wall, backing our key point: it's accelerating, but local initiatives are struggling to reach funds – and changing this is critical. This was a fantastic amplification of our message, thanks to our advocacy and collaboration with other organisations on this issue. These moments have given us new impetus to challenge the status quo regarding climate action in the drylands of Africa and demand that better solutions are found to empower communities across the region.

Thank you

We were pleased to increase our income to £10.8 million this year, as donors continued to recognise the impact of our approach.

A huge thank you to everyone who supported Tree Aid in 2022/23 – our work is only possible because of you. Thank you also to all our hardworking staff, volunteers, partners and Trustees who have made our achievements possible this year.

Together with the people we serve, we can help rewrite the future of the Sahel, transforming it from a region scarred by climate change to a beacon of resilience and sustainability. We look forward to continuing our progress with you in 2023/24.

Tom
Tom Skirrow
Chief Executive

Shireen
Shireen Chambers
Chair of Trustees

TOM SKIRROW, CHIEF EXECUTIVE

SHIREEN CHAMBERS, CHAIR OF TRUSTEES

IN THE FIRST YEAR OF OUR NEW STRATEGY, WE HAVE...

Grown more than
2,500,000
trees with communities

Supported over
900,000
people across the Sahel

Increased incomes by
144%
on average

OUR APPROACH

WE GROW TREES TO PROTECT THE ENVIRONMENT

We support people to use trees to improve the fertility of soil and manage land in a way that helps them tackle the effects of the climate crisis.

WE GROW TREES FOR LONG-TERM CHANGE

We campaign for forests to be managed by the people who depend on them. We work with communities and local government so they can agree rules for using forests and their resources.

WE GROW TREES TO GROW BUSINESSES

We support communities to make and sell tree products, like shea butter and soap. The income they make from their businesses pays for essential healthcare and education.

WE GROW TREES FOR HEALTHY FOOD

Trees provide nutritious fruit, nuts and leaves, giving people stable supplies of food even when other crops fail, all year round.

WHAT WE DO

Tree Aid works with people in the drylands of Africa to tackle poverty and the effects of the climate crisis by growing trees and restoring and protecting land.

Led by local people, our projects make sure trees thrive so they can provide nutritious food and incomes today, and look after the environment for tomorrow.

We support people to manage their land and resources in a way that helps slow down the effects of the climate crisis and stops fertile soil being lost.

Together with local communities, we also work to influence policy and push for change that protects trees, people's livelihoods and our planet.

We play a vital role in one of the most urgent movements of our time – the Great Green Wall, an epic international initiative to grow a vast mosaic of trees, vegetation and fertile land across Africa's drylands.

OUR GOALS

We launched our new strategy in 2022, with ambitious aims to scale up our work over the next five years and move ever closer to our 20-year goal of reversing deforestation and land degradation in the drylands of Africa.

Our new strategy focuses on three key areas to restore 220,000 hectares of land and grow 12 million trees:

1. Empowered families

Thriving, resilient and empowered smallholder families are central to achieving sustainable social and ecological change across the drylands of Africa. We will support households to develop skills and knowledge to enable them to lift themselves out of poverty. Only through empowering households can we ensure that change at the community level and beyond is possible.

We will support over 2.4 million people to gain knowledge and skills so that they have the tools to grow and diversify their incomes, adapt farming to more sustainable and higher-yield approaches, increase dietary diversity and improve nutrition, address gender inequities within households and become more resilient to future climate shocks.

2. Empowered communities

We know collective action is vital to achieve our mission. In the coming five years, we will support 4,000 communities to work together to effectively manage their landscape. We will ensure they have systems, skills and means to manage and restore their local landscapes.

We will also work with local authorities and traditional leadership to ensure fair and equal access for all members. We will support the development of cooperatives too, to ensure groups can maximise their potential to grow as businesses and access new markets.

3. Empowering & enabling systems

We recognise that our work is part of a broader movement across Africa's drylands and that the scale of the challenges this region faces are too great to tackle alone. In line with our Theory of Change, true sustainable impact requires an enabling environment and systems which reinforce and empower communities to thrive.

We're committed to challenging and changing systems, to empower communities and families to restore their landscapes and lift themselves out of poverty. We will do this in collaboration with both the communities we work in partnership with and other stakeholders who strive for change.

STRATEGIC REPORT

OUR MISSION

To enable people living in the drylands of Africa to unlock the potential of trees to reduce poverty and protect the environment.

OUR VISION

Thriving, sustainable communities across the drylands of Africa.

OUR IMPACT IN 2022/23

2,548,871
trees grown with communities

905,430
people supported from 181,086 households

1,299
communities benefited from Tree Aid projects

57,258
hectares of land under sustainable management

144%
average increase in household income

60%
of people who we worked with directly were women

763
enterprises supported to process & sell tree products

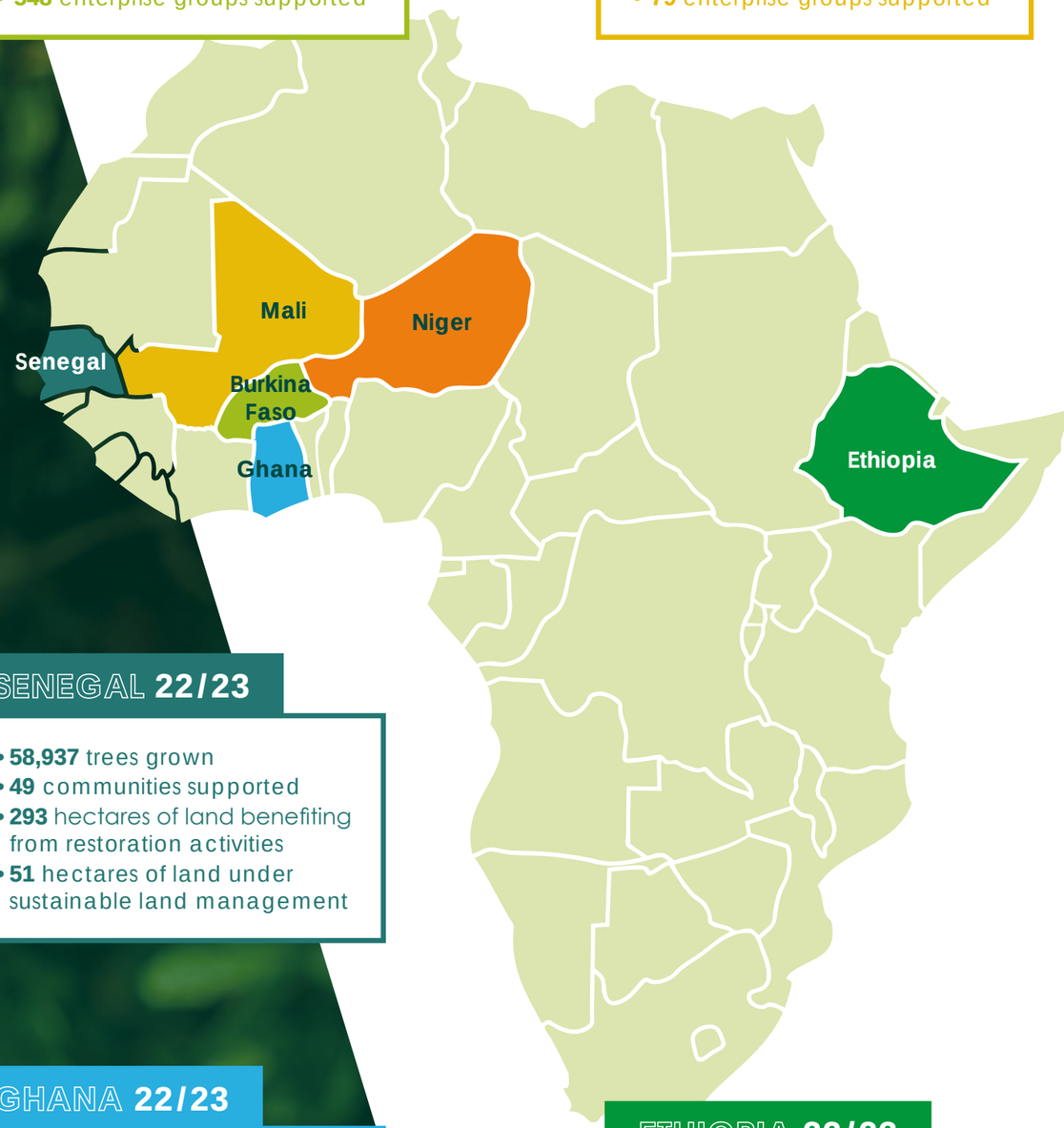
4,107
hectares of land benefiting from restoration activities

BURKINA FASO 22/23

- **1,404,863** trees grown
- **807,700** people supported
- **1,302** hectares of land benefiting from restoration activites
- **548** enterprise groups supported

MALI 22/23

- **251,925** trees grown
- **49,020** people supported
- **960** hectares of land benefiting from restoration activities
- **79** enterprise groups supported



SENEGAL 22/23

- **58,937** trees grown
- **49** communities supported
- **293** hectares of land benefiting from restoration activities
- **51** hectares of land under sustainable land management

GHANA 22/23

- **737,077** trees grown
- **35,255** people supported
- **1,213** hectares of land benefiting from restoration activities
- **95** enterprise groups supported

ETHIOPIA 22/23

- **96,069** trees grown
- **13,455** people supported
- **339** hectares of land benefiting from restoration activities
- **41** enterprise groups supported

WHO WE WORK WITH

Working with local communities

Local people lead our work in the Sahel region of Africa. Together, we harness their local knowledge and expertise and work to find long-term solutions to poverty and the climate crisis.

The communities we work with in the drylands of Africa rely on land for most of their food and income. But every day the climate crisis and growing insecurity in the region is making life harder for them. With low rainfall and poor-quality soil, local people can't grow enough food, so poverty and malnutrition are increasing. Many families survive on just one meal a day.

We believe everyone has the right to live a healthy life, free from poverty. We support communities to find other sources of income in addition to farming. This is particularly important for women, who have limited options when it comes to earning money.

SERINA SUMANI, PROJECT PARTICIPANT IN GHANA

"Joining Kanyitiwale Group gave me a voice. Now I am better able to provide for my children. Now, I am able to send them to school, buy clothes for them and also take good care of myself [...] I had no hope before Tree Aid came in. Now, the future looks bright."

Working with local, national and international partners

We collaborate with local, national and international organisations to grow trees, improve people's incomes, and restore and protect land. Working in partnership, we influence policy and push for change that protects trees, people's livelihoods and our planet.

This year, we worked with 43 partner organisations who share our knowledge, expertise and passion to support communities in the drylands of Africa to achieve their goals.

TEKLE JIRANE, CHIEF EXECUTIVE OF SUNARMA, ETHIOPIA

"SUNARMA and Tree Aid's partnership works because it is based on our common objectives to save the mother planet through forest restoration and build community resilience against negative impacts of climate change by promoting forest-based livelihoods."

FOCUS ON: SENEGAL

In 2021, we began work in Senegal for the first time, with an exciting project – collaborating with the International Olympic Committee (IOC) to grow around 590,000 trees, creating an 'Olympic Forest' across both Senegal and Mali. Contributing to the Great Green Wall, Olympic Forest is an important element of the IOC's strategy to address climate changewhich includes cutting emissions by 30% by 2024 and 50% by 2030, in line with the Paris Agreement. Over time, the Olympic Forest will remove carbon from the atmosphere, restore degraded land and create social and environmental benefits for local communities and nature.

Fighting back against crisis

In Senegal, many people living in rural areas depend on the land to grow food and make money. But land is rapidly losing its fertility and trees are being cut down. As a result, over a third of the population are living in poverty. Women in particular rarely have access to the land, equipment and training they need to grow food to eat and sell.

Our work to grow the Olympic Forest seeks to tackle these issues head-on. Two years in, we have worked with local communities to grow 72,505 trees, restoring large areas of degraded land in Mali and Senegal. The trees not only help slow climate change, but produce fruit, nuts and seeds that local people can eat and sell.

This year we also supported communities with conservation techniques like rainwater harvesting, to ensure they have the know-how to care for their trees and land for many years to come.

Supporting Rouguiyatou

"We've been farming since I was a little girl," says Rouguiyatou Diallo, who lives in Sinthiou, a village in Senegal impacted by climate change and deforestation. *"At that time, we had so much water and it rained a lot. But I have noticed that from 2006 up to now there is no subsistence in the forest. There is no grass, trees are being cut down and there are frequent fires. In the last few years, even if you were to farm, you wouldn't produce enough.*

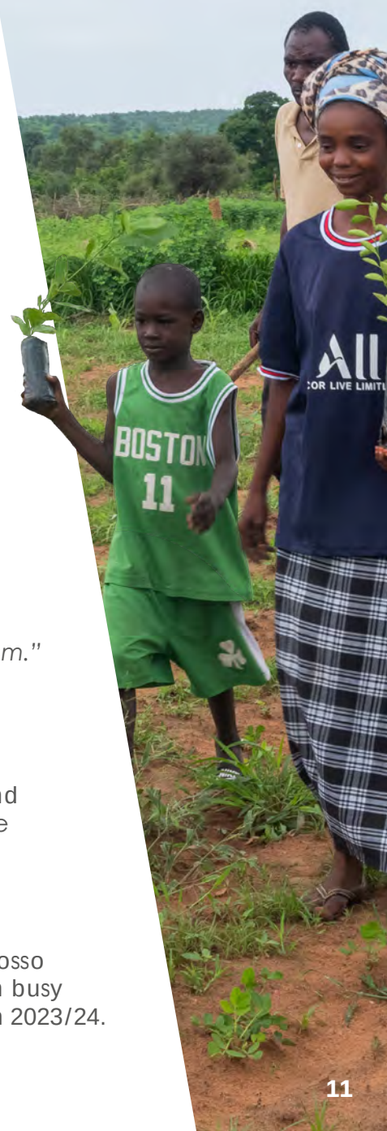
We hope, God willing, that in the future the new trees will stand for a long time so that our children and grandchildren can benefit from them."

FOCUS ON: NIGER

Niger is one of the world's poorest countries. The climate is very hot and dry, and most of the country is desert. As a result, over two-thirds of the population are living in extreme poverty.

Since 2013, Tree Aid has been supporting communities there to tackle poverty and improve the environment.

Our work protecting and restoring the ecosystem in the Tamou and Dosso regions of Park W came to an end last year, and this year we've been busy working on exciting new opportunities to support projects launching in 2023/24.



FOCUS ON: BURKINA FASO

In Burkina Faso, over 70% of people live rurally and depend on the land to grow food and make an income. But the climate crisis and deforestation are causing it to rapidly lose its fertility. As a result, over a third of the population are living in extreme poverty and hunger.

We've been working with communities in the country since 1994, growing and protecting trees to tackle poverty and the effects of the climate crisis.

PROJECT PROGRESS

Growing food and incomes

Through this important project we're aiming to give 400,000 people tools and training to use trees to grow nutritious foods to eat and sell by 2024. 70% of participants will be women and 50% young people. We're also focusing on supporting people forced to move within Burkina Faso due to poverty and conflict.

In 2022/23 we:

- Joined forces with 100 enterprise groups to develop plans to expand their tree products businesses, so they can make enough money to live well
- Trained 19,588 people in everything from harvesting techniques to making biscuits from tree products to sell and grow their income
- Supported communities to set up 97 nutrition gardens where they can use trees to grow nutritious food.

Protecting forests

Our forest governance programme has been working with communities across Burkina Faso since 2007 to manage 25 forest areas, protecting them against the effects of the climate crisis, so they can provide food and income for local people.

In 2022/23 we:

- Worked with local communities to plant 988,307 trees, and restore 470 hectares of degraded land
- Supported communities to come together for 32 meetings to plan how they can help their forests thrive in the future
- Provided training to support people to improve their trees' productivity, and to increase women's equality in local households.

Growing resilience with smallholder farmers

Techniques like composting and agroforestry (using the same land to both plant trees and for agriculture) are really effective tools to make farmland more productive. Focusing on these innovations, we're partnering with 210,000 smallholder farmers in western Burkina Faso to grow food to eat and sell.

In 2022/23 we:

- Supported local people to set up eight composting sites, where they can make compost rich in nutrients to boost the fertility of their land
- Supplied 60,775 farmers with kits of high-yield seeds including cowpea and maize they can plant to successfully grow crops to eat and sell
- Supported farmers to form 71 enterprise groups to create products including shea butter and honey to increase their income.

New projects

The scale of our work in Burkina Faso only grows. We launched another four projects in the country towards the end of 2022 aiming to plant trees, set up nutrition gardens, train farmers, protect forests, join forces with local people to set up enterprise groups, and more. We look forward to reporting on their results next year.

OUR IMPACT IN 2022/23

1,404,863 trees grown with communities in Burkina Faso

807,700 people supported from 161,540 households across 738 communities

1,302 hectares of land benefiting from restoration activties

548 enterprise groups supported to process and sell tree products

Food Security & Nutrition

CREATING NUTRITION GARDENS, TACKLING HUNGER

8.3 million people in Burkina Faso don't have enough to eat. Our work partnering with communities to grow nutritious trees in community-owned gardens is a key part of the solution to this.

Nutrition gardens are small, communal village plots dedicated to growing trees offering highly nutritious crops like moringa, 100g of which contains as much protein as an egg. These trees are also hardy, offering a stable supply of food all year round, even when other crops fail.

Reducing malnutrition

We've helped to create over 200 nutrition gardens across West Africa, and we plan to deliver nearly 300 more by 2024. Since 2017, our gardens have reduced chronic malnutrition in under-fives by 42% and undernourishment by 8% in communities. Gardens have also helped people increase their annual income by 161% on average, as communities can also sell what they grow.

MOUMOUNI, PROJECT PARTICIPANT IN BURKINA FASO

"Before we had heavy rains, the soil was rich, and plants would grow well. But today, the soil is so poor. Trees are really important for us because our families consume moringa and baobab. Tree Aid has helped us create momentum."

FOCUS ON: ETHIOPIA

Between 1993 and 2016, Ethiopia lost 2.2 million hectares of forest cover – equivalent to 1.5 million football pitches. Without trees, the land is losing its fertility – two billion tonnes of fertile soil is lost each year. This is making it hard for people to grow enough food. As a result, over 37 million people are living in extreme poverty.

Tree Aid has been working with communities in Ethiopia for 32 years to tackle hunger, poverty and the effects of the climate crisis.

PROJECT PROGRESS

Restoring the Central Rift Valley

Huge areas of the Central Rift Valley in southern Ethiopia are no longer able to support plant life, and farming is becoming impossible. This project is aiming to support the restoration of 148 hectares of degraded land, and help 350 local households set up enterprises to increase their income.

In 2022/23 we:

- Began supporting local people to set up enterprise groups to tap for frankincense and keep beehives
- Trained 1,211 local people on biodiversity conservation and environmental management.

Protecting the Metema forest

Ethiopia's Metema forest is the last green belt before the start of the desert.

But the climate crisis and deforestation have taken hold, and without action it could be extinct in 20 years. Our Future Forest and Developing Rural Resistance projects are partnering with communities to protect and govern their land and tackle the climate crisis.

In 2022/23 we:

- Supported communities to plant almost 100,000 trees
- Trained 85 community leaders and government officials on preventing forest fires, which are common in Metema, and can be devastating. They passed on the training to another 600 people.
- Supplied 200 women with fuel-saving stoves. Fuel-saving stoves use 45% less firewood compared to traditional stoves. This saves trees from being cut down, reducing deforestation. They also produce less smoke, improving people's health.
- Worked with 180 local people to set up beehives to produce honey to eat and sell. Since spring 2021, they've collectively produced 645kg, selling it for 290,250 birr (£4,300) in total.

Forest Governance

GOVERNING FORESTS, PROTECTING VITAL RESOURCES

Metema forest is particularly special because of its frankincense trees. People extract their resin to sell for use in incense and essential oils around the world.

However, the climate crisis, high rates of tree felling and unsustainable tapping are stopping the frankincense forest from regenerating. This is having a devastating impact on communities who rely on these trees.

This year, our Future Forest project supported communities and local government to agree rules for using the forest and its precious resources, so Metema can provide an income for people far into the future.

Working together

We helped bring together local people with officials from local government for regular meetings to make key decisions. Together, they've set up a taskforce to patrol the forest and stop illegal felling and tapping.

We also trained 30 government and police staff on forest laws and the value of the forest, inspiring them to support local people to protect it. 96% said the training had given them new skills.

DERESE, PROJECT PARTICIPANT IN ETHIOPIA

"The importance of [frankincense] trees in our area is tremendous. It has become a major cash source. If we get support and practical experience in how to use resources properly, I'm sure that the way we think and act will be changed. This very fragile ecosystem will be conserved and we will lead a good and peaceful life. I hope my children will work hard to improve the productivity of the forest, crops and other resources, and make poverty and destitution history."

OUR IMPACT IN 2022/23

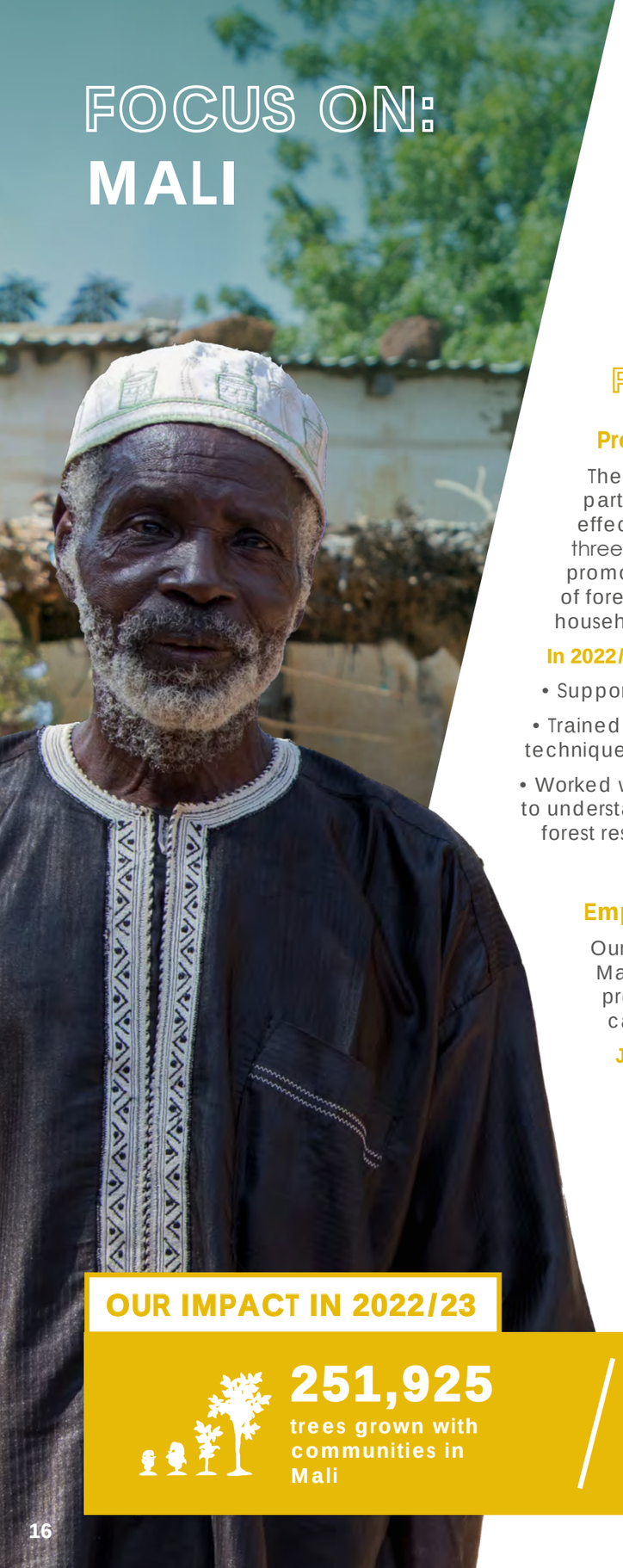
96,069 trees grown with communities in Ethiopia

13,455 people supported from 2,691 households across 20 communities

36,099 hectares of land under sustainable management

41 enterprise groups supported to process and sell tree products

FOCUS ON: MALI



Mali is one of the poorest countries in the world, with 44.7% of people living in severe multidimensional poverty.

In the south of Mali where we work, around 90% of people rely on farmland for food and income. But the climate crisis is making farming difficult and life tough. 2023 marks our 30th year of working with communities to tackle this.

PROJECT PROGRESS

Promoting forest governance

The Ségou region of Mali has been hit particularly hard by deforestation and the effects of the climate crisis. Through our three-year project there, we're aiming to promote good governance and management of forests, improving lives for 3,000 rural households.

In 2022/23 we:

- Supported local people to plant 10,336 trees
- Trained 3,000 people in soil and water retention techniques
- Worked with communities on a visioning process to understand how they would like to manage forest resources in the future.

Empowering women

Our two projects to support women in Mali's Koulikoro region to grow and sell tree products and improve gender equality came to an end this year.

Just some of their achievements included:

- Supporting 2,834 women to grow trees, food and incomes
- Joining forces with women to form 21 cooperatives to grow tree products such as fruit and nuts to eat and turn into products like soap and shea butter to sell
- Focusing on increasing women's equality through training and awareness-raising. Over the course of one of our projects, the proportion of women in local natural resource management decision-making positions rose from 20% to 50%.

Restoring Koulikoro

From 2019 to 2022, Tree Aid worked with communities in the Koulikoro region to restore and protect land, and improve people's diets and incomes.

The project's successes included:

- Supporting communities to plant 54,369 trees and regenerate a further 189,846
- Providing training for 200 farmers on sustainable practices, plus equipment, which they then used to restore 600 hectares of degraded land
- Partnering with communities to set up four nutrition gardens to grow baobab and moringa trees, improving the diversity of food on offer to local people.

New project

In 2023, we began a new project aiming to work with 44 villages in Ségou to restore land, develop green employment opportunities and improve people's incomes.

OUR IMPACT IN 2022/23

251,925 trees grown with communities in Mali

49,020 people supported from 9,804 households across 199 communities

21,108 hectares of land under sustainable management

79 enterprise groups supported to process and sell tree products

Natural Resource Management

MANAGING RESOURCES, TRANSFORMING LIVES

"When we were children there were many big trees. But all these have disappeared," says Samba, 67, about his home Koulikoro, Mali. There, deforestation and the effects of the climate crisis have resulted in gradual disappearance of trees, drought and poor agricultural production.

Our Growing the Great Green Wall project is working with people including Samba to plant and regenerate native trees. Our work is contributing to the Great Green Wall, the African-led initiative to grow an 8,000km mosaic of trees and vegetation across the continent to fight the climate crisis, poverty and hunger.

Innovative techniques

This year, our project joined forces with local communities to plant 240,000 new trees. We also supported people to use an innovative but low-cost approach called Farmer Managed Natural Regeneration (FMNR) to encourage growth and recovery of 55,543 existing trees.

FMNR techniques include coppicing and pollarding to encourage trees and shrubs to grow and recover. It's one of the key natural resource management approaches we're using across Africa's drylands to support people to lift themselves out of poverty.

Samba earns money by selling cereals and gardening products he grows. Thanks to the project, his fields have now been restored and fertilised.

SAMBA, PROJECT PARTICIPANT IN MALI

"The cowpea I grew this year will help me increase my income and make it easier to feed my children. My restored plots will be fertile, and I will have very good agricultural production in the future."

FOCUS ON: GHANA

In northern Ghana, where we've been working since 1994, a drastic reduction in fertile land and the climate crisis have devastated people's lives. Rainfall is unpredictable and drought and floods are becoming more frequent and severe. Poverty is rising and many are struggling to grow enough food.

Around half the people in the region are living in poverty. Our projects are working to change this.

PROJECT PROGRESS

Transforming land and livelihoods

Increasing income for women and young people is at the heart of this project, alongside promoting sustainable agriculture, decent work and social protection. Key to our success is partnering with 15 local civil society organisations to run climate change, advocacy and social protection projects.

In 2022/23 we:

- Supported 10,700 women with the tools and training they need to practise climate-resilient sustainable agriculture
- Supported women to form 111 Village Savings and Loans Associations, where they can save for their future and borrow money to start businesses
- Raised 24,783 people's awareness of women's rights and the important of their access to natural resources.

Bongo reforestation

We're working with 20 local communities to grow over 200,000 trees and restore and protect 450 hectares of land in the Bongo River area of northern Ghana. Together we're reducing river erosion, improving land fertility and promoting land management methods to secure natural resources for the long term.

In 2022/23 we:

- Joined forces with local people to plant 179,390 trees and regenerate another 32,288
- Supported all 20 communities to agree on plans to manage their forests, and to work towards setting laws to govern them with local authorities
- Partnered with people to plant 35,549 slips of vetiver along the Vea dam wall, lessening erosion by reducing the water's speed.

Restoring the Daka river

The Daka river is a vital source of water for drinking, eating, washing and farming. But a rapid loss of trees and soil fertility, and the effects of the climate crisis, mean the river can dry out for months on end. This has made growing food difficult, leading to high levels of poverty. Working with local people, we're growing trees to provide food and incomes and restore the river and land.

In 2022/23 we:

- Supported local people – 70% of whom are women – to form 61 enterprise groups to grow and sell products from trees
- Partnered with communities to plant 412,200 seedlings along the river, including mango and cashew trees
- Trained 385 farmers – including 262 women – in assisted natural regeneration, a technique to help young shrubs grow.

New project

We were excited to launch a new project in late 2022 to support people in the Gushiegu, Mion and Yendi districts of Ghana to grow 120,000 shea trees, and create and sell products from them.

OUR IMPACT IN 2022/23

737,077 trees grown with communities in Ghana

35,255 people supported from 7,051 households across 293 communities

1,213 hectares of land benefiting from restoration activties

95 enterprise groups supported to process and sell tree products

Enterprise Development

GROWING CASHEW BUSINESSES, INCREASING INCOMES

Cashew nuts are rich in protein and minerals like iron, meaning they're popular to eat and sell. Their trees are also drought-hardy, and grow well in a tropical climate.

That's why for two years we supported 3,000 smallholders to grow this extraordinary nut in Ghana's West Gonja Savannah region.We partnered with communities including Adongo's to grow cashew trees using climate-smart practices.

Developing enterprises

The project also supported entrepreneurs to develop skills to run sustainable businesses using their cashews. Participants learned how to make products like cashew apple jam to sell, increasing the average percentage of their income that came from tree products from 8% to 46%.

Our surveys showed people spent their income on essentials like education, health services and food. However, people most commonly reinvested their money back into businesses, transforming their lives for the longer-term.

We also trained people in how to grow other crops to eat and sell, including honey and vegetables, so they could diversify and protect their income.

ADONGO, PROJECT PARTICIPANT IN GHANA

"Tree Aid's training included how to transplant cashew seedlings, mulching, pruning and planting distance. Tree Aid also provided pruning saws, wellington boots, cutlasses and gloves. My wife was given groundnut seeds which she planted on my cashew farm. She had 340 kilos which was sold at GH7 per kilo. She's used the money to support our children's education."

OUR ADVOCACY WORK

We're committed to challenging and changing systems, to empower communities and families to restore their landscapes and grow themselves out of poverty.

To achieve our vision, we aim to influence governments, international bodies, the private sector and peer organisations to address systemic challenges which hinder progress in Africa's drylands.

Accessing funding for local civil society

Working towards our goal of improving access to funding for rural communities to grow trees, regenerate land and improve lives, in 2022/23 we focused on influencing carbon investors, Great Green Wall funders, potential investors in Sahelian value chains and climate finance providers.

Thanks to activities related to spreading our message and influence we had many successes, including networking and relationship building, taking part in coalitions, presentations and targeting key stakeholders. For example, we continued to develop a close working relationship with the United Nations Convention to Combat Desertification's Great Green Wall Accelerator (the unit working to mobilise resources for the initiative). We also provided technical input into the World Economic Forum's report on the Untapped Potential of the Sahel Value Chains. When President Emmanuel Macron dedicated his whole speech at COP27 to the Great Green Wall and the need for local initiatives to receive funding, we knew that our messages were getting heard.

We are proud to have co-created the MOSAIC consortium with CIFOR-ICRAF and ReSaD (Réseau Sahel Desertification) to promote a restoration model at scale with a more central role for local communities and civil society organisations across the Great Green Wall. The consortium has now signed memoranda of understanding with eight of the 11 founding countries that are part of Great Green Wall, plus the African Union and the Pan African Agency.

In the coming year, our focus will be to mobilise resources to implement the MOSAIC model. We will also develop compelling evidence that demonstrates the advantage of community-led restoration and the need for current Great Green Wall funding to be more accessible to local communities and civil society.

Building our capacity

We finalised our first ever national advocacy strategy and workplan, launched in Burkina Faso for the financial year 2023/24. Backed by evidence, it calls for increased public funding for community-based ecosystem restoration and improved access to land for vulnerable people, including women, young people and displaced people. We're looking forward to implementing it, and developing a similar strategy for Ethiopia in the coming year.

To have even more impact with advocacy going forward, we welcomed new staff, including new country directors in Ethiopia and Mali and an advocacy and communications officer in Burkina Faso. Our CEO was also re-elected on the board of the Global Shea Alliance and was invited to join the World Economic Forum and 1t.org stakeholder council for the informal coalition on the Sahel and the Great Green Wall.

OUR FUTURE

I am proud of what we achieved during the first year of our new strategy. As we move into 2023/24, we have exciting plans to continue catalysing change across the drylands of Africa to create resilient and thriving communities.

2022-23 was a successful year for Tree Aid, growing our programmes in Mali, Ghana and Burkina Faso, and successfully influencing key stakeholders on important issues affecting the communities we work with. We were also delighted that several new funding partners chose to work with us, including the Catalan Agency for Development Cooperation, Enabel and the Challenge Fund for Youth Employment.

In 2023/24, we will build on this momentum. We're developing a plan to expand the Olympic Forest in Senegal and Mali in partnership with the International Olympic Committee, and we will scale up our work in Burkina Faso, restoring 12,000 hectares of land in a pioneering new project. We look forward to establishing new forest governance and enterprise development work in Mali, as well asa new project in Niger.

Our work is built on new research and evidence and in the year ahead we will continue to improve how we collect and analyse our data to understand how we can make the biggest possible impact. Our advocacy work will also continue at pace; we will continue building momentum around the MOSAIC consortium and push for better and more consistent funding for the Great Green Wall that will directly benefit the communities who are driving this movement.

Thank you for your backing this year. We hope you'll continue to support us in the year ahead so we can keep pushing for change here in the drylands of Africa to support our 20-year vision, that of a thriving natural environment where deforestation and land degradation rates have been reversed.

GEORGES BAZONGO, DIRECTOR OF OPERATIONS

IMPROVING OUR **OPERATIONS**

People

Our staff teams, with their combination of expertise and deep understanding of local context, culture and language, provide Tree Aid with a unique ability to operate effectively in often difficult working environments. We seek to support our teams with capacity building and resources so they are able to carry out their duties effectively.

In 2022/23 our focus was both on supporting our teams with adjustments in ways of working, with the policies, equipment and systems they needed to work safely and effectively, and on ensuring we had adequate support to effectively manage our growing number of projects. We continued to develop our approaches to wellbeing and staff engagement during the year as needs changed, and introduced a staff engagement survey and quarterly staff workshops to monitor progress.

We recruited additional project teams in West Africa as well as finance and project specialists in the UK to support growth in our projects. In addition, we recruited a part-time HR expert in the UK to carry out policy reviews, audit HR records and support to our line managers.

Systems and processes

In 2022/23 we continued to develop our monitoring, evaluation and learning capacity: designing a new Information Management System for measuring against portfolio-level Key Performance Indicators and also project level indicators. Further development is planned to integrate non-electronic data and develop additional thematic dashboards.

We have also been supporting staff working remotely with system changes (moving from a server-based IT system to MS365, cloud-based) to facilitate new working practices.

Our compliance team, made up of staff in Europe and Burkina Faso, continued to make progress reviewing and improving our processes in areas such as legal compliance, procurement, contract reviews, risk management, internal audit and partner due diligence. The collaborative approach we use has had a positive impact on risk-awareness and organisational culture across the entire organisation.

As travel restrictions lifted, we made good use of the opportunity to carry out in-person internal audits in our African offices, building on our experiences from previous years. This involved using detailed questionnaires and follow-up testing, with risk-focused, in-person audits across most countries of operation.

Funding

We continued to seek opportunities for long-term partnerships with grant-making institutions, corporates, foundations, and trusts so we can expand our programmes and work with our supporter base to promote Tree Aid's work. The research for funding for Niger continued to be a priority for this year. In addition, we have been focusing on the development of several potential regional projects.

In 2022/23, we finalised new contracts with the Alliance for a Green Revolution in Africa (AGRA) and the Challenge Fund for Youth Employment (CFYE) in partnership with AUXFIN. Through these projects, Tree Aid will promote non-timber forest products in order to increase and diversify employment opportunities, incomes and nutrition in Burkina Faso.

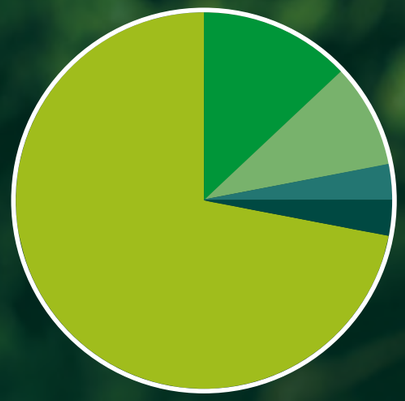
In addition, we began our work in partnership with Enabel on the promotion and the development non-timber forest products value chains in the Nakambé, Liptako and Gourma basins in Burkina Faso. The project aims to reduce vulnerability and food insecurity non-timber forest products.

Finally, we started the implementation of our project in support of the Great Green Wall initiative in Mali in collaboration with UNCCD. The project aims to tackle poverty and the effect of climate change by restoring land, developing the non-timber forest product value chains and exploring the potentiality of a carbon project in the region.

INCOME & **EXPENDITURE**

Income

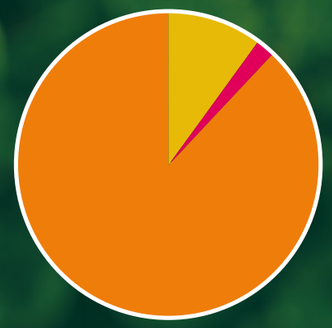
In 2022/23, Tree Aid's total income increased to £10.8 million, compared to £6.7 million (restated) in the previous year. Income has been restated to take account of a change in the basis for recognising restricted income (see note 34, page 60). Underlying income growth was largely due to the expansion of our Enhancement of Non-Timber Forest Products project in Burkina Faso, described above. **The chart below shows where our income came from:**



- INSTITUTIONAL GRANTS 72%
- CORPORATE & MAJOR DONORS 13%
- INDIVIDUALS 9%
- CHARITABLE TRUSTS 3%
- LEGACIES 3%

Expenditure

Our total expenditure rose to £8.8 million, compared to £7.2 million in the previous year. **A breakdown is shown in the chart below:**



- PROGRAMME DELIVERY 88%
- RAISING FUNDS 10%
- ADVOCACY & AWARENESS 2%

STRUCTURE, GOVERNANCE AND MANAGEMENT

Tree Aid as a charity and a company has specific responsibilities our Trustees are required to scrutinise and report on annually. Our Trustees focus on good governance and in 2022/23 reviewed:

- Our new five-year strategy
- Best practice for charities working internationally
- The Charity Code of Governance
- Risk and mitigation
- Board effectiveness and transition
- Safeguarding policy and practice
- Reserves policy and designation of funds
- Employment policies
- Delegation of Authority policy and limits
- Annual operational plans, budgets and staff remuneration
- Performance of Tree Aid's investments
- CC8: Internal Financial Controls for Charities
- The Fundraising Code of Practice
- CC20: Charity Fundraising: a Guide to Trustees' Duties.

Our Trustees review Tree Aid's performance in detail in the following areas each quarter:

- Programmes
- Finance
- Fundraising
- Compliance and risk
- Legal structure.

Tree Aid was established as a charity in 1987 and incorporated as a charitable company, limited by guarantee, in the UK, in April 2010. The Company was set up under a Memorandum of Association which established its objects and powers. It is governed under its Articles of Association. The Charity's purpose and main activities are described on page 27.

Group structure

Tree Aid, the Charity, has three wholly-owned subsidiary organisations which, together with the Charity, comprise the Group. In West Africa, Tree Aid Burkina Faso (an Association under the Law of Freedom of Association (10/92/ADP of 15 December 1992)) and Tree Aid Ghana (a company limited by guarantee under the Ghanaian Companies Act 1963) both have boards of directors and operate under similar charitable and non-profit-making objectives to those of Tree Aid. In the UK the Charity also has one wholly-owned subsidiary, Tree Aid Enterprises Limited, a company limited by shares, which is dormant.

Organisational structure

Our **Board of Trustees** makes sure Tree Aid is governed effectively and responsibly. The Board is collectively responsible for the delivery of our charitable objectives and for ensuring that we are governed in accordance with our Memorandum and Articles of Association. The Board meets quarterly and at 31 March 2023, comprised 8 Trustees. Each Trustee is also a Director of the Company for the purposes of company law. A list of Trustees is on page 61.

We recognise that a healthy Board identifies the mix of skills, knowledge and experience necessary for the efficient and effective governance of Tree Aid. A healthy Board will also make sure that the recruitment and appointment of Trustees provides adequate opportunities for reassessing and achieving that mix. Tree Aid is fully committed to equality of opportunity and diversity in its governance. We recruit Trustees to ensure the Board has the knowledge and skills required to achieve our mission and uphold our values. All new Trustees go through a full and open recruitment and interview process. Appointment is by Board resolution and all Trustees receive an induction on appointment and relevant training is made available.

The Board follows good practice by planning for succession and periodically reviews whether it has the appropriate skills and capacities going forward. The Board also evaluates its performance regularly.

In line with our Articles of Association, the Board delegates certain functions to sub-committees, under terms of reference it has approved. These sub-committees report to the Board at each Board meeting. There are three sub-committees of the Board:

The **Finance and Audit Committee** deals primarily with financial, audit and administrative matters and has oversight of the process of risk management. It comprises three Trustees with governance, business and risk experience.

The **Fundraising Standards Committee** reports to the Board on fundraising standards, compliance with regulation and risk in relation to fundraising standards. A member of the Board with fundraising expertise chairs this committee, and it includes two other Trustees with fundraising and marketing experience.

The **People Committee** is responsible for making recommendations on Board composition and for supporting the Chief Executive Officer to identify and recruit for Board and Senior Management Team vacancies. This sub-committee also reviews remuneration for staff, and ensures that safeguarding and human resources policies are regularly reviewed and updated. The Chair of the Board chairs the People Committee and it includes two other Trustees with human resources experience.

The Board appoints the **Chief Executive Officer** to manage the day-to-day running of Tree Aid under powers the Board delegates to the position. Working closely with the Chair of the Board, our Chief Executive leads the Senior Management Team to make sure our strategy and operations are aligned and effectively delivered.

The **Senior Management Team** has executive responsibilities and comprises the Chief Executive Officer, Director of Operations, Director of Finance and Resources, and Director of Communications and Fundraising.

Related parties

All Trustees give their time freely and none receive remuneration or other benefit from their work with Tree Aid. Any contractual relationship between a Trustee or senior manager of Tree Aid or our subsidiaries and a related party must be disclosed to the Board of Trustees. We have taken out Trustee indemnity insurance which indemnifies Trustees and Tree Aid up to £1 million. This cover is provided as part of a general charity insurance policy which cost £2,925 (2021/22: £2,924). Please see note 24 to the accounts for further details of related party transactions.

Remuneration policy for senior staff

The Board of Trustees and the Senior Management Team comprise the key management personnel responsible for directing, controlling, running and operating Tree Aid on a day-to-day basis. Details of Trustees' expenses and related party transactions are disclosed in notes 12 and 24 to the accounts.

The Board of Trustees reviews the remuneration of all staff annually, benchmarking salaries using Cendex and Birches voluntary sector salary data. We aim to offer salaries that are affordable and competitive, compared to those similar voluntary sector organisations offer.

The remuneration of key management personnel is disclosed in note 11 to the Accounts.

Risk management

Our Board identifies and reviews the strategic, business and operational risks Tree Aid is exposed to, and ensures that appropriate controls are in place to provide reasonable assurance against fraud and error. Our Board and Senior Management Team carry out a quarterly assessment of the risks facing the organisation. This assessment process is based on a risk register, which assigns management of risks to specific people, and recommends actions to mitigate them.

In 2022/23 we continued to build the capacity of our compliance team,

made up of a dedicated Head of Risk & Compliance in Europe supported by a Compliance Officer in Burkina Faso. This team monitors risk exposure and regulatory updates, trains our teams and partners in our policies and controls, and makes sure that compliance with these is audited, focusing on areas of highest risk.

Our compliance team made good progress this year reviewing in improving our processes in areas such as risk management, internal audit and partner due diligence. As an outcome of the work this team carries out on risk, the Board has identified the key risks below and put in place mitigation plans, which it monitors regularly:

Political unrest and staff safety: we have business continuity plans in place for each country to ensure continuity of programmes where possible. We supplement local knowledge by reviewing United Nations and UK Foreign, Commonwealth and Development Office security alerts. We also regularly review travel protocols. A Regional Security Officer is in post in West Africa.

People and culture: in a context of growth and of flexible working, we regularly assess employee wellbeing, workload and monitor the reasons for staff turnover closely. The Senior Management Team is dedicated to ensuring healthy work relations and to addressing any issues promptly.

Undetected fraud: Tree Aid has clear finance procedures in place with appropriate segregation of duties. Internal and external audits are carried out regularly. We have also established and implemented enhanced partner due diligence processes. Staff and Trustees are trained annually in anti-fraud policy and procedures.

Safeguarding: our staff, Trustees and implementing partners are trained annually in safeguarding policy and procedures. Adherence to policy is mandatory in partner contracts and enhanced whistleblowing procedures have been established throughout Tree Aid and with our partner organisations and programme participants. Our Board of Trustees regularly reviews our policy and approach and implements additional measures where appropriate.

Data protection and cyber-security: we have detailed IT security and recovery plans in place for each of our systems, managed by outsourced IT suppliers. The Board reviews system security measures periodically.

Management of organisational growth: we manage growth through large institutional grants by partnering with reliable, mature downstream partners, monitoring staff structures and workloads closely, and ensuring that we have adequate reserves to counter potential delays in disbursements.

Unbalanced portfolio: we continuously monitor our donor base and projects to build a healthy diversification between countries.

Risk of changes in governments' appetites for international development resulting in a reduction in funding: we monitor funding from individual governments as a proportion of total funding, with the aim of limiting exposure to one single donor.

Insufficient unrestricted income: we review the restricted/unrestricted ratio on a quarterly basis, while ensuring funds are generated from a wider range of fundraising sources as well as maximising cost recovery in new donor proposals.

In 2022/23 with regards to our performance against the Charity Governance Code, Trustees focused on the following areas:

The Board reviews its own performance and that of individual Trustees, including the Chair: the Board reviewed its own performance in December 2022, the evaluation lead by the Vice-Chair concluded the Board was effective.

The Board periodically takes part in training and/or reflection about diversity and understands its responsibilities in this area: the Board has initiated a recruitment process which takes account of its responsibility to ensure a diverse Board and has reviewed performance against diversity objectives.

In 2022/23 Trustees carried out their annual review of Tree Aid's internal controls against the Charity Commission's Internal Financial Controls Checklist (CC8). They concluded that, where applicable, internal control processes were in place in line with the Checklist.

Fundraising

We would not be able to do our important work without the support of our donors. We seek to maintain the highest possible standards in fundraising and relationships with our supporters and we take pride in providing excellent supporter care.

Tree Aid is registered with the Fundraising Regulator and bound by its Code of Fundraising Practice. We continue to monitor compliance as this Code is revised, to ensure all our fundraising activities are operating to the highest standards. We received zero complaints relating to fundraising via the Fundraising Regulator in 2022/23 and 13 directly. We responded to these promptly and resolved them in line with donors' preferences.

We are also registered with the Fundraising Preference Service and had four donors opt out of communications via the Fundraising Preference Service this year (23 in total since its launch in 2017). We ensure we are compliant with the General Data Protection Regulation (GDPR).

Trustees and the Senior Management Team regularly review all aspects of our fundraising, including plans, performance and compliance. We produce annual plans and reviews, and monitor performance against targets monthly and performance indicators quarterly.

We deliver some fundraising activities with the support of professional fundraising organisations. We ensure these organisations are fully compliant with fundraising regulations and with our own policies. We have clauses built into all our supplier contracts which ensure high standards in supporter care, data protection and working with vulnerable people.

We have a specific policy on Fundraising from vulnerable people. This includes our procedures and guiding principles on which all fundraising staff are trained.

Focus to ensure our activities achieve our charitable aims

Tree Aid's objectives, as set out in our Articles of Association, are to benefit the public through:

- Relieving the poverty of and promoting the welfare of poor persons overseas by promoting for the benefit of such persons the conservation and improvement of their natural environment especially through silviculture and job creation
- Promoting, for the public benefit, research into methods of reclaiming or preventing degradation of agricultural or forest land into desert land for its continued use for forestry, agricultural, industrial or commercial purposes and publishing the results of such research.

The Board regularly reviews Tree Aid's aims, objectives and activities and summarises our achievements and outcomes in this report. This review helps the Board ensure that the organisation's aims, objectives and activities remain focused on our stated purposes. By carrying out this review and as set out in detail in this report, the Trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the public benefit requirement under that Act.

FINANCIAL REVIEW

The Trustees' Annual Report and audited consolidated financial statements are prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, our Memorandum and Articles of Association, 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 United Kingdom and Republic of Ireland (FRS 102).

The legal and administrative information set out on page 61 forms part of this report.

Income

Our principal funding sources were institutional grants, individuals, companies and charitable trusts as follows:

	2023 £	2022 (Restated) £
Institutional grants	7,751,807	3,823,738
Charitable trusts	365,786	357,627
Corporate and major donors	1,362,332	1,310,583
Individuals	940,607	1,153,313
Legacies	316,405	87,566
Donations in kind	19,512	-
Donations and legacies	**10,756,449**	**6,732,827**
Investment and other income	23,670	5,388
Total income	**10,780,119**	**6,738,215**

Income from individual donations, legacies, corporate donors and charitable trusts increased slightly to £3.0 million compared to £2.9 million in 2021/22. The decrease in individual giving was offset by the increase in legacy and corporate income.

Grants from institutions increased to £7.8 million in 2022/23, compared to £3.8 million in 2021/22 (adjusted for a change in treatment of previously deferred income – see note 34). The underlying increase in activity was largely as a result of the Swedish International Development Cooperation Agency project in Burkina Faso and a full year of activity in Senegal for the Olympic Forest.

Expenditure

	2023 £	2022 £
Raising funds	854,157	786,017
Programme delivery	7,814,649	6,250,322
Advocacy and awareness	168,421	160,667
Total resources expended	**8,837,227**	7,197,006

To achieve future income growth, we continued to invest in institutional and supporter fundraising though at a lower level of activities than in 2021/22. Overall, our investment in raising funds at £0.9 million, was £0.1 million higher than in the previous year. The cost of raising funds is an unrestricted expense, but raises both restricted and unrestricted income.

Total expenditure on charitable activities, mainly comprising programme delivery and advocacy and awareness costs, was £8.0 million, £1.6 million higher than in the previous year.

Tree Aid ran 20 projects during the year (2021/22: 16) across the six countries we operate in, including major projects in Burkina Faso funded by the Swedish, Swiss and Dutch governments.

Tree Aid is primarily funded through a number of multi-year, restricted grants across our countries of operation. With the addition of matched and unrestricted funding these fully fund our project activities and our in-country operations costs. In addition we raise unrestricted funds to support project delivery and enable investment in innovation and growth, providing valuable technical support to our overseas teams and ensuring compliance, quality and consistency across our projects.

Tree Aid ended 2022/23 with a strong balance sheet, with a level of reserves adequate to support future growth. The Board aims to ensure that this strong financial base is not eroded as a result of any of the risks identified in the Risk Register described on pages 25 and 26.

We have made conservative assumptions in our recently completed going concern review on the levels of unrestricted funding likely to be raised, based on our experience and on our knowledge of and relationship with our committed supporters. The budget for 2023/24 and the going concern review indicate that Tree Aid has adequate reserves, backed by investments and other funds, to continue as a going concern for at least 12 months from the date of this report. Cashflow forecasts show positive balances of restricted and unrestricted funds and consequently the Board believes that Tree Aid can continue to account on a going concern basis. In view of the strength of the balance sheet on 31 March 2023, the Board believes that Tree Aid's financial position at the year-end was satisfactory.

Currency exchange rates remained volatile in 2022/23. To help manage exposure to currency fluctuations, we continued to carry a proportion of funding received in the UK in Euros. This funding will be spent in Central African Francs, the exchange rate for which is linked to the Euro. In addition, to mitigate against other currency fluctuations, we carry a proportion of grant funding received in dollars and UK pounds. This practice will continue in the next financial year.

Investment values in both of our managed investment funds have been volatile this year though the value of UK woodland remains high: the effect of this on Tree Aid's investment holdings is considered under Investment performance on page 30 of this report.

Reserves

Total funds held by the Charity at the year-end were £5.4 million (Group: £7.7 million) of which £2.5 million (Group: £4.7 million) were restricted and not available for the general purposes of the Charity.

We have identified the following primary criteria for holding unrestricted reserves as part of funds, at the appropriate levels to maintain general reserves (those unrestricted reserves which are not invested in fixed assets, designated for a specific purpose or otherwise committed) at the higher of either:

- The amount required to ensure the continuity of Tree Aid's activities in the event of unexpected setbacks, at a level equivalent to six months of unrestricted budgeted expenditure; or
- The amount required to close down Tree Aid, ensuring that there are sufficient resources available to fulfil legal obligations in the unlikely event that Tree Aid ceases to operate.

Reserves are monitored on a monthly basis and reported to the Board quarterly, with the target level of reserves reviewed annually as part of the budget process. Based on the 2023/24 budget, the Group target for free reserves was £1.6 million which compared to actual free reserves of £1.7 million. The Trustees decided to re-designate some reserves against planned future expenditure to support the new strategy and strategic growth. These are detailed further in note 20 to the accounts.

A budget has been set for 2023/24 including some costs which will be funded from designated reserves.

Net movement in funds

There was a £2.2 million net inflow to restricted funds in 2022/23 for the Group, leaving closing restricted funds at £4.7 million at the end of the year.

Unrestricted funds for the Group showed a reduction for the year of £0.1 million, including a loss on investments of £0.03 million. After the changes to designated reserves described in note 20 to the accounts, general reserves increased to £1.7 million.

Subsidiary companies

Our subsidiary companies, Tree Aid Burkina Faso and Tree Aid Ghana, continued to operate as integral elements of the Group, sharing and contributing to the achievements and performance within the financial parameters set by the Board of Trustees. Both were mainly grant-funded by the parent company.

Tree Aid Enterprises Limited's accounts have not been prepared on a going concern basis as the company is dormant.

Investment policy and objectives

Tree Aid has adopted an ethical investment policy. This means that we seek to avoid investments that conflict with our aims or create reputational risk. Our investment policy emphasises the use of positive ethical criteria.

We actively seek to invest in companies that are able to demonstrate:

- Responsible employment practices
- Good corporate governance practice
- Conscientiousness with regard to human rights
- Sustainable environmental practice
- Sensitivity towards the communities in which their business operates.

Tree Aid's policy is that assets can be invested widely and should be diversified by asset class (taking account of geographical location), manager and security. Asset classes could include cash, bonds, equities, property, land and any other asset that is deemed suitable for Tree Aid.

Investment management is delegated to two authorised professional investment managers, regulated by the Financial Conduct Authority.

The Board has set Tree Aid's investment objectives as follows:

- To produce the best financial return within an acceptable level of risk
- To generate a return in excess of inflation from long-term investments
- To preserve the capital value with a minimum level of risk for short-term investments.

Investment performance

Tree Aid's investment with Rathbone Greenbank, initially £0.2 million, fell at a level greater than the overall fall in global markets, decreasing by 6% during the year.

The value of investment in the CCLA COIF Charities Ethical Investment Fund units decreased by 2%. This compared with a benchmark composite comparator for the year with a decline of 4% for global equities. The closing value of Tree Aid's investment in the fund was £0.7 million taking into account the reinvestment of income.

The legacy gift of 25 hectares of woodland in Devon was externally revalued in 2021 to a value of £0.4 million by Tustins Group Ltd and continues to be carried at this value. Based on current valuations of similar woodland, we believe that this continues to be at fair value. The current valuation compares to a £0.3 million valuation on receipt in 2019.

STATEMENT OF THE TRUSTEES' RESPONSIBILITIES

The Charity Trustees (who are also the Directors of Tree Aid for the purposes of company law) are responsible for preparing a Trustees' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards. Charity law requires the Charity Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the Charity and the Group as at the end of the year and of its and the Group's financial activities during the year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards). In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgments and accounting estimates that are reasonable and prudent
- Follow applicable United Kingdom Accounting Standards and the Charities Statement of Recommended Practice, disclosing and explaining any departures in the accounts
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue to operate.

The Trustees are responsible for ensuring that adequate accounting records are maintained that are sufficient to show and explain the Charity's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and the Group, and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Charity and the Group and ensuring their proper application in accordance with charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure to our auditor

In so far as the Trustees are aware at the time of approving our Trustees' Annual Report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the Group's auditor is unaware, and
- The Trustees, having made enquiries of fellow Directors and the Group's auditor that they ought to have individually made, have each taken all steps that they are obliged to take as Directors to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Group accounts are prepared in accordance with section 398 of the Companies Act 2006, section 138 of the Charities Act 2011, and with the special provisions of part 15 of the Companies Act relating to small companies. They constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the Company. Tree Aid will put forward a resolution proposing the appointment of a statutory auditor.

Approved by the Board of Trustees on 13 July 2023 and signed on its behalf by:

Shireen Chambers MBE

Chair of the Board of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF TREE AID

Opinion

We have audited the financial statements of Tree Aid (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, 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 of the parent charitable company's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Tree Aid'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 trustees' annual report, including the strategic report, other than the group 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 group financial statements does not cover the other information, and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group 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 group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charites Act 2011 and report in accordance with those Acts.

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

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

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities,

including fraud and non-compliance with laws and regulations, our procedures included the following:

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

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

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

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Date: 9th August 2023
Noelia Serrano
Senior Statutory Auditor
For and on behalf of
Sayer Vincent LLP
Statutory Auditor
Invicta House
108-114 Golden Lane
London
EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an income and expenditure account)

	Notes	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds (Restated) 2022 £
Income from					
Donations and legacies	2	9,064,071	1,692,378	10,756,449	6,732,827
Investment income	3	-	3,699	3,699	2,166
Other income	4	-	19,971	19,971	3,222
Total income		**9,064,071**	**1,716,048**	**10,780,119**	**6,738,215**
Expenditure on					
Raising funds	5	-	(854,157)	(854,157)	(786,017)
Charitable activities	6	(6,934,475)	(1,048,595)	(7,983,070)	(6,410,989)
Total expenditure	7	**(6,934,475)**	**(1,902,752)**	**(8,837,227)**	**(7,197,006)**
Investments					
Net (losses)/gains on investments		-	(32,927)	(32,927)	93,703
Net income		**2,129,596**	**(219,631)**	**1,909,965**	**(365,088)**
Movement in funds					
Transfer between funds	20	61,914	(61,914)	-	-
Other recognised gains/(losses)		-	171,111	171,111	(6,429)
Net movement in funds	9	**2,191,510**	**(110,434)**	**2,081,076**	**(371,517)**
Reconciliation of funds					
Total funds brought forward as previously stated		485,356	3,113,999	3,599,355	3,015,434
Prior Year Adjustment	34	1,986,718	-	1,986,718	2,942,156
Total funds brought forward (Restated)	20	2,472,074	3,113,999	5,586,073	5,957,590
Total funds carried forward	20	**4,663,584**	**3,003,565**	**7,667,149**	**5,586,073**

The notes on pages 38 to 60 form part of these financial statements.

CONSOLIDATED AND CHARITY BALANCE SHEETS

	Notes	Group 2023 £	Group 2022 (Restated) £	Charity 2023 £	Charity 2022 (Restated) £
Fixed assets					
Tangible fixed assets	15	9,208	16,602	505	1,275
Investments	16	1,334,200	1,367,127	1,334,200	1,367,127
Investment in subsidiaries	16	-	-	2	2
Total fixed assets		**1,343,408**	**1,383,729**	**1,334,707**	**1,368,404**
Current assets					
Debtors	17	1,541,536	929,134	388,143	251,480
Short-term investments	18	180,670	342,146	180,670	342,146
Cash at bank and in hand		4,969,639	3,636,922	3,680,776	2,751,750
Total current assets		**6,691,845**	**4,908,202**	**4,249,589**	**3,345,376**
Current liabilities					
Creditors falling due within one year	19	(368,104)	(705,858)	(205,758)	(353,378)
Net current assets		**6,323,741**	4,202,344	**4,043,831**	2,991,998
Net assets	21	**7,667,149**	**5,586,073**	**5,378,538**	**4,360,402**
Funds					
Restricted funds	**20**	**4,663,584**	**2,472,074**	**2,491,934**	**1,717,474**
Designated reserves	20	1,348,773	1,562,595	1,348,773	1,562,595
Free reserves	20	1,654,792	1,551,404	1,537,831	1,080,333
Total unrestricted funds		**3,003,565**	**3,113,999**	**2,886,604**	**2,642,928**
Total funds	**20**	**7,667,149**	**5,586,073**	**5,378,538**	**4,360,402**

The Charity-only net income in the year was £1,018,136 (2022 restated: £443,922). The Group accounts are prepared in accordance with section 398 of the Companies Act 2006, section 138 of the Charities Act 2011, and with the special provisions of Part 15 of the Companies Act relating to small companies. They constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the Company.

Approved and authorised for issue by the Board of Trustees on 13 July 2023 and signed on their behalf by:

Tristram Hilborn
Chair of Finance & Audit Committee

The notes on pages 38 to 60 form part of these financial statements.

Tree Aid charity no. 1135156 Company no. 03779545.

CONSOLIDATED STATEMENT OF CASHFLOWS

	Notes	2023 £	2022 £
Cashflows from operating activities			
Net cash provided by/(used in) operating activities	22	**996,431**	(408,611)
Cashflows from investing activities			
Dividends and interest from investments		3,699	2,166
Purchase of property, plant and equipment		-	-
Net cash provided by investing activities		**3,699**	2,166
Increase/(decrease) in cash and cash equivalents in the reporting period		1,000,130	(406,445)
Cash and cash equivalents at the beginning of the reporting period		3,979,068	4,391,942
Decrease in cash and cash equivalents due to exchange rate movements		171,111	(6,429)
Cash and cash equivalents at the end of the reporting period		**5,150,309**	3,979,068

The notes on pages 38 to 60 form part of these financial statements.

NOTES TO THE ACCOUNTS

1.Principal accounting policies

a. Company information

The Charity is a company limited by guarantee (company no. 03779545) and a registered charity in England and Wales (charity no. 1135156), which is incorporated and domiciled in the United Kingdom. The address of the principal and registered office is Brunswick Court, Brunswick Square, Bristol, BS2 8PE.

b. Basis of preparation

The consolidated financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) issued on 16 July 2014 (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

Tree Aid meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value in accordance with applicable accounting standards unless otherwise stated in the relevant accounting policy note.

After making enquiries, the Trustees have a reasonable expectation that the Charity has adequate reserves to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the statement of Trustees' responsibilities on page 31.

c. Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent Company and all its subsidiaries. Entities over which the Group has the ability to exercise control are accounted for as subsidiaries. The accounts of Tree Aid subsidiaries are based on the accounting standards applicable in the country in which they reside.

Transactions and balances between Group companies are eliminated on consolidation.

No statement of financial activities is presented for the Charitable Company alone as the results of the subsidiary companies are separately identified within the Group accounts and the Charitable Company is exempt from presenting such a statement under section 408 of the Companies Act 2006.

d. Income recognition

Voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities when receivable. In line with the requirements of SORP (FRS 102), the value of time kindly contributed by volunteers is not included in the financial statements.

Legacy income is recognised when it is received, unless there is evidence in advance to allow Tree Aid to be sufficiently certain that the income will be received, and to be able to estimate the value of the legacy with reasonable certainty (receipt is more likely than not).

Income from grants is included in income when there is evidence of entitlement, the amount can be measured and the receipt is probable. When donors impose conditions which have to be fulfilled before the Charity becomes entitled to such income, the receipt of income is not included in income until the pre-conditions for use have been met.

Grants for the purchase of fixed assets are credited to restricted income when receivable. Depreciation of fixed assets purchased with such grants is charged against the restricted fund.

Income from Gift Aid tax reclaims is recognised for all donations made prior to the year-end, where a valid Gift Aid declaration is held.

Investment income is accounted for on the accruals basis.

e. Expenditure and basis of allocation of costs

Expenditure is recognised in the period in which it is incurred, and includes attributable VAT which cannot be recovered.

Expenditure is analysed into the following activities:

i. **Raising funds** – this includes the salaries, direct expenditure and support costs of staff engaged in fundraising activities. Fundraising costs are recognised in the year they are incurred although income derived from the initiatives may arise in future years.

ii. **Programme delivery** – this comprises direct purchases, the cost of Tree Aid's staff involved in the delivery of programmes, particularly those staff based in Africa, and the value of grants that have been made to implementing partners working on Tree Aid's projects, to the extent that this has been spent. Tree Aid staff provide specialist support, training and networking for partner organisations, as well as undertaking the research required to develop programmes. The cost of grants is included in the statement of financial activities in the year they are payable.

iii. **Advocacy and awareness** – this represents the costs incurred in raising awareness of institutions and members of the public on the issues being addressed by the Charity.

iv. **Governance costs** – these are the costs associated with the governance arrangements of the Charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the Charity's activities.

v. **Support costs** – expenditure is allocated to a particular activity where the cost relates directly to that activity. In addition, support costs incurred to facilitate activities (back-office costs, the costs of budgetary and financial control, information technology, depreciation, human resources and payroll) are apportioned to activities based on the proportion of staff time spent on each activity as shown in the table below.

Apportionment of support costs:

Activity	2023	2022
Raising funds	27%	30%
Programme delivery	66%	68%
Advocacy and awareness	7%	2%

Redundancy/termination payments are accounted for on the accruals basis.

f. Fund accounting

The Charity maintains three main types of fund as follows:

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

ii. **Unrestricted funds** representing income that is expendable at the discretion of the Trustees in the furtherance of the objects of the Charity

iii. **Designated funds** which are where the Trustees have set aside unrestricted funds for a specific purpose.

g. Tangible fixed assets and depreciation

Depreciation is calculated so as to write off the cost of tangible fixed assets by equal annual instalments over their estimated useful lives at the following rates:

United Kingdom fixtures and fittings	25%
Africa motor vehicles	25%
Africa fixtures and fittings	25%

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on a basis which is an estimate, based on staff time, of the amount attributable to each activity. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

h. Fixed asset investments

Investments are valued at market value at the balance sheet date.

i. Programme-related investments

The asset is valued at the amount invested into the fund, less any amounts written off due to non-repayment of loans by entrepreneur groups.

j. Debtors

Short-term debtors are initially measured at transaction price, less any impairment. Prepayments are measured at the amount prepaid.

k. Short-term investments

Short-term investments comprise cash deposit with notice periods of more than three months and less than 12 months.

l. Cash at bank and in hand

Cash at bank and in hand comprise cash

deposits with notice periods of less than three months, and petty cash balances held.

m. Creditors

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. There is a provision in place which provides for termination payments payable to staff in Burkina Faso and Niger on leaving their employment. The provision is related to the accumulated length of service for each member of staff.

n. Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the month-end rate of exchange for the month. Exchange differences are taken into account in arriving at the net movements in funds for the year.

o. Pensions

The Charity offers a defined contribution pension scheme to employees. The assets of the scheme are held in independently administered funds. Pension costs charged in the statement of financial activities represent the contributions payable by the Charity during the year. The liability and expense are apportioned to activities and between restricted and unrestricted funds based on the proportion of staff time spent on each activity.

p. Leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities in the year in which they fall due.

q. Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments, these being cash at bank, debtors and creditors (see note 27). Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

r. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The items in the financial statements where these estimates and judgements have been made include the following:

i. Accruals

Included in accruals are liabilities where the amount and/or timing of its settlement is uncertain. An accrual is only recognised where:

- There is a present obligation at the reporting date as a result of a past event;
- It is probable that a transfer of economic benefit will be required in settlement; and
- The amount of the settlement can be estimated reliably.

ii. Deferred income

Where terms and conditions have not been met, or uncertainty exists as to whether Tree Aid can meet the terms and conditions otherwise within its control, the income is not recognised but deferred as a liability until it is probable that the terms and conditions imposed can be met.

2. Donations and legacies

	Restricted funds £	Unrestricted funds £	Total 2023 £	Total 2022 (Restated) £
Institutional grants	7,751,807	-	7,751,807	3,823,738
Charitable trusts	274,046	91,740	365,786	357,627
Corporate and major donors	1,038,218	324,114	1,362,332	1,310,583
Individuals	-	940,607	940,607	1,153,313
Legacies	-	316,405	316,405	87,566
Donations in kind	-	19,512	19,512	-
Total	**9,064,071**	**1,692,378**	**10,756,449**	**6,732,827**

Included in institutional grant income are government grants received that fund projects in Africa as follows (unspent balances are carried forward in deferred income to future periods):

		Total 2023 £	Total 2022 £
United Kingdom	Department for Environment, Food and Rural Affairs	265,822	91,828
	Foreign Commonwealth and Development Office	198,375	122,969
Channel Islands	Jersey Overseas Aid	-	22,749
International	Swedish International Development Cooperation Agency	3,475,332	1,492,731
	Swiss Agency for Development and Co-operation	2,548,955	2,032,861
Total government grants		**6,488,484**	**3,763,138**

The amount of government grants recognised as income during the year was £6,350,497 (2022 restated: £3,287,925). This is calculated in line with Tree Aid's income recognition policy. This is different from amounts received from these and other funders in this period. There were no unspent grant balances repayable in the year (2022: £nil).

3. Investment Income

	Restricted funds £	Unrestricted funds £	Total 2023 £	Total 2022 £
Dividend income	-	-	-	995
Deposit account interest	-	3,699	3,699	1,171
Total	**-**	**3,699**	**3,699**	**2,166**

4. Other Income

	Restricted funds £	Unrestricted funds £	Total 2023 £	Total 2022 £
Sundry receipts	-	19,971	19,971	3,222
Total	**-**	**19,971**	**19,971**	**3,222**

All investment and other income received for 2022 and 2023 was unrestricted.

5. Raising funds

	Delivery costs £	Development costs £	Support costs £	Total 2023 £	Total 2022 £
Supporter fundraising	429,682	3,598	273,473	706,753	658,374
Institutional fundraising	115,783	-	31,621	147,404	127,643
Total	**545,465**	**3,598**	**305,094**	**854,157**	**786,017**

6. Charitable activities

	Delivery costs £	Development costs £	Support costs £	Total 2023 £	Total 2022 £
Programme delivery	6,941,122	115,230	758,297	7,814,649	6,250,322
Advocacy and awareness	104,677	-	63,744	168,421	160,667
Total	7,045,799	115,230	822,041	**7,983,070**	**6,410,989**

7. Total expenditure

	Delivery costs £	Development costs £	Support costs £	Total 2023 £	Total 2022 £
Raising funds	545,465	3,598	305,094	854,157	786,017
Charitable activities	7,045,799	115,230	822,041	7,983,070	6,410,989
Total	**7,591,264**	**118,828**	**1,127,135**	**8,837,227**	**7,197,006**

The main components of support costs are:

	Total 2023 £	Total 2022 £
Office costs	689,901	645,998
Depreciation	7,394	6,650
Administration and support salaries	312,459	266,096
Governance costs	117,381	86,216
Total	**1,127,135**	**1,004,960**

8. Grants analysed by country and project

Included within 'Charitable activities, Delivery costs' are grants made to various implementing partners, principally local NGOs based in the country of the project, for the following projects:

	Group 2023 £	Group 2022 £
Burkina Faso		
Local Governance of Forest Resources: Phase 3	1,458,772	729,745
Enhancement of Non-Timber Forest Products: Direction du développement et de la coopération (DDC)	349,994	286, 910
Inclusive approach to support the resilience of smallholders farmers	360,762	-
Total	**2,169,528**	**1,016,655**
Ethiopia		
Sustainable Livelihoods and Ecosystems	92,962	9,715
Frankincense: North Gondar Zone 1	4,445	10,028
Metema participatory forest management	3,072	9,663
Community resilience & eco-system restoration	68,499	6,664
Total	**168,978**	**36,070**
Mali		
Restoring Koulikoro	-	15,071
Empowering Women in Rural Mali	15,329	35,347
Re-greening Nonkon and Nossombougou		56,919
Olympic forest	155,593	-
Promoting Forest Governance for Resilience	81,465	-
Total	**252,387**	**107,337**
Niger		
Rehabilitation of Park W	-	10,308
Total	**-**	**10,308**
All countries		
Total	**2,590,893**	**1,170,370**

9. Net movement in funds

This is stated after charging:

	Group 2023 £	Group 2022 £
Auditor's remuneration – audit fee for year	19,800	19,350
Auditor's remuneration – audit fee under accrual prior year	2,625	-
Auditor's remuneration – non-audit services	1,980	1,890
Depreciation of tangible fixed assets	7,394	6,645
Operating lease costs	18,858	18,424

10. Employee numbers and costs

The average monthly head count was 105 employees, 91 engaged in charitable activities, 14 in fundraising (2022: 99, 84 charitable activities, 15 fundraising), the employment costs of which were:

	UK 2023 £	Overseas 2023 £	Group 2023 £	Group 2022 £
Wages and salaries	1,007,311	809,119	1,816,430	1,637,667
Social security costs	112,160	78,610	190,770	169,711
Pension costs	94,683	51,902	146,585	116,117
Total	**1,214,154**	**939,631**	**2,153,785**	**1,923,495**

For staff paid £60,000 or more per annum, the number of employees with emoluments in the following ranges were:

	Group 2023 (no.)	Group 2022 (no.)
£60,000 to £69,999	**1**	2
£70,000 to £79,999	**-**	-
£80,000 to £89,999	**1**	1

Tree Aid operates a defined contribution workplace pension scheme in the UK: employer contributions are funded from unrestricted income. Pension costs charged in the statement of financial activities represent the contributions payable by Tree Aid in the year. The Charity has no pension obligations other than the contributions payable in the year and there were no unpaid contributions at the year-end.

11. Key management personnel

The key management personnel of the Charity and the Group comprise the Chief Executive, Director Global Operations, Director Finance & Resources and Director Fundraising and Communications. The total salary and employee benefits of the key management personnel were £275,117 (2022: £284,045).

The remuneration of the key management personnel for the year was:

	Group 2023 £	Group 2022 £
Chief Executive	**99,306**	94,908
Director of Finance and Resources	**71,526**	68,420
Director Fundraising and Communications (resigned 22 August 2022)	**41,255**	68,231
Director of Operations	**63,030**	52,486

12. Trustee remuneration, expenses and donations

The Trustees were not paid and did not receive any other benefits from the Charity or its subsidiaries in the year (2022: £nil). No Trustee received payment for professional or other services supplied to the Charity (2022: £nil).

Directly incurred Trustee expenses borne by the Charity in the year totalled £1,055 (2022: £193), paid to 2 (2022: 1) Trustees. Those expenses were for travel and subsistence. The total amount of donations received from Trustees without conditions was £627 (2022: £1,152).

13. Taxation

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

14. Gross income and results – Charity only

	2023 £	2022 £
Income	7,254,648	4,972,654
Expenditure	(6,236,512)	(4,528,732)
Net income/(expenditure)	**1,018,136**	**443,922**

15. Tangible fixed assets – Group

	UK fixtures and fittings £	Africa motor vehicles £	Africa fixtures and fittings £	Total £
Cost				
At 1 April 2022	39,600	308,063	96,322	443,985
Additions	-	-	-	-
Disposals	-	-	-	-
Project assets	-	94,408	-	94,408
Total at 31 March 2023	**39,600**	**402,471**	**96,322**	**538,393**
Depreciation				
At 1 April 2022	38,325	308,038	81,020	427,383
Disposals - depreciation	-	-	-	-
Charge for the year	770	25	6,599	7,394
Project assets	-	94,408	-	94,408
Total at 31 March 2023	**39,095**	**402,471**	**87,619**	**529,185**
Net book value				
At 31 March 2023	**505**	**-**	**8,703**	**9,208**
At 31 March 2022	1,275	25	**15,302**	16,602

Tangible fixed assets – Charity

	UK fixtures and fittings £	Total £
Cost		
At 1 April 2022	39,600	39,600
At 31 March 2023	**39,600**	**39,600**
Depreciation		
At 1 April 2022	38,325	38,325
Charge for the year	770	770
At 31 March 2023	**39,095**	**39,095**
Net book value		
At 31 March 2023	**505**	**505**
At 31 March 2022	1,275	1,275

16. Investments – market value

	COIF Charities Ethical Investment Fund £	Rathbone Greenbank investments £	Investment in woodland £	Other unlisted investments £	Group & Charity total 2023 £	Group & Charity total 2022 £
Valuation at 1 April	710,621	238,876	400,000	17,630	1,367,127	1,273,424
Revaluation	(14,227)	(14,965)	-	(3,735)	(32,927)	93,703
At 31 March	**696,394**	**223,911**	**400,000**	**13,895**	**1,334,200**	**1,367,127**

Management of the COIF Charities Ethical Investment Fund and Rathbone Greenbank investments is delegated to authorised professional investment managers, regulated by the Financial Conduct Authority.

The legacy gift of 25 hectares of woodland in Devon was externally revalued as at 31 March 2021 to a value of £0.4 million by Tustins Group Ltd. This compares to the £0.3 million valuation on receipt in 2019. Based on current woodland valuations in the south west of England, we believe that this valuation still reflects fair value.

Other investments represent shares received under a legacy or gifted to the Charity.

Investments in subsidiaries – Charity

	2023 £	2022 £
Cost and net book value		
At 1 April 2022	2	2
At 31 March 2023	**2**	**2**

There are three subsidiaries:

Name	Registration	Registered office	Principal place of business
Tree Aid Burkina Faso	Association under the Law of Freedom of Association (10/92/ ADP, 15 December 1992) in Burkina Faso	1200 Logements Ouagadougou Burkina Faso	Burkina Faso
Tree Aid Ghana	Company limited by guarantee under the Ghanaian Companies Act 1963	318 North Kanivili Tamale Northern Region Ghana	Ghana
Tree Aid Enterprises Ltd	Registered company incorporated in England, company number: 9199430	Brunswick Court Brunswick Square Bristol BS2 8PE, UK	UK

Tree Aid is the sole member of each subsidiary and has the power to appoint the directors. Tree Aid Burkina Faso and Tree Aid Ghana are non-profit-making organisations with similar objectives to Tree Aid.

Tree Aid Enterprises Ltd is limited by shares and is now dormant. It was the holding company for a social enterprise entity in Burkina Faso (Tree Aid Enterprises sa) which was wound up in the previous year.

	Tree Aid Enterprises Ltd*	Tree Aid Burkina Faso	Tree Aid Ghana
Charity's shareholdings in subsidiaries	100%	100%	100%
Balances at 31 March 2023 £			
Tangible fixed assets	-	7,132	1,569
Current assets	2	2,344,116	87,706
Current liabilities	(99,886)	(198,937)	(1,996)
Total funds	**(99,884)**	**2,152,311**	**87,279**
Results for the year to 31 March 2023 £			
Income	-	6,808,715	523,626
Expenditure	-	(5,894,171)	(502,410)
Net expenditure	**-**	**914,544**	**21,216**

*The accounts for Tree Aid Enterprises Ltd have been prepared on the breakup basis as the company is in the process of becoming dormant.

17. Debtors

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Amounts falling due within one year				
Trade debtors	1,106,845	852,137	34,112	62,236
Prepayments and accrued income	124,915	40,371	121,396	40,519
Other debtors	309,776	36,591	232,635	20,926
Amounts owed by Group and associated undertakings	-	35	-	127,799
Total	**1,541,536**	**929,134**	**388,143**	**251,480**

18. Short-term investments

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Cash held on deposit	**180,670**	**342,146**	**180,670**	**342,146**

19. Creditors falling due within one year

	Group 2023 £	Group 2022 (Restated) £	Charity 2023 £	Charity 2022 (Restated) £
Project creditors	95,132	173,805	107,861	174,222
Other creditors	33,088	43,889	20,788	39,291
Accruals	87,647	317,187	42,986	51,421
Provisions for liabilities	113,209	86,848	8,573	17,724

	Group 2023 £	Group 2022 (Restated) £	Charity 2023 £	Charity 2022 (Restated) £
Deferred income	-	47,950	-	47,950
Tax and social security	39,028	36,179	25,550	22,770
Total	**368,104**	**705,858**	**205,758**	**353,378**

Provision for liabilities

The provision for liabilities relates to dilapidations of the UK office and termination payments payable to staff in Burkina Faso and Niger on leaving employment with Tree Aid. The termination provision is related to the accumulated length of service for each member of staff. The timing of the outflow is uncertain as the dates of staff leaving their employment is not known.

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
At 1 April 2022	86,848	78,919	17,724	17,724
Additions	-	7,929	-	-
Amounts charged	-	-	-	-
Amounts released	26,361	-	(9,151)	-
At 31 March 2023	**113,209**	**86,848**	**8,573**	**17,724**

Deferred income comprise

	Group 2023 £	Group 2022 (Restated) £	Charity 2023 £	Charity 2022 (Restated) £
Regreening Nonkon and Nossombougou	-	47,950	-	47,950
Total	**-**	**47,950**	**-**	**47,950**

Deferred income in 2022 has been restated to reflect the change in treatment explained further in note 34.

20. Movements in funds – Group

	Opening balance (Restated) £	Income £	Expenditure £	Investment and other gains £	Transfers £	Closing balance £
Restricted funds						
Burkina Faso						
Enhancement of NTFPs: Development and Phase 3	174,087	2,548,954	(2,031,701)	-	-	691,340
Local Governance of Forest Resources	1,224,611	3,475,332	(2,317,123)	-	-	2,382,820
Supporting Smallholder Farmer Resilience	473,798	391,377	(755,953)	-	-	109,222
Carbon Storage Evaluation	565	1,273	(573)	-	-	1,265
Pro-ADAPT project	-	206,124	(824)	-	-	205,300
Developing sustainable and inclusive value chains	-	154,179	(5,261)	-	-	148,918
NFTP value chains 2	-	65,234	-	-	-	65,234
Tree Foods Phase 2	6,250	-	-	-	(6,250)	-
Ghana						
Daka River Restoration 2	-	235,176	(174,364)	-	-	60,812
Daka River Restoration 3	(101,929)	74,327	(23,456)	-	-	(51,058)
Ghana Rural Agriculture and Cashew Enterprises	-	4,000	(18,473)	-	14,473	-
Northern Ghana Integrated Development	106,150	74,014	(127,521)	-	-	52,643
Bongo Reforestation	35,345	141,169	(124,828)	-	-	51,686
Yendi Tree Enrichment	73,961	-	(43,361)	-	-	30,600
Carbon Study Bongo	-	-	(1,959)	-	1,959	-
Ghana Shea Landscape Restoration	-	95,437	(34,795)	-	-	60,642
Ethiopia						
Frankincense: North Gondar 1	(81)	122,440	(137,234)	-	14,875	-
Frankincense: North Gondar 2	17,429	-	(5,909)	-	4,778	16,298
Metema PFM development	(2,806)	-	(3,072)	-	5,878	-
Community Resilience and Ecosystem Restoration	3,762	187,690	(154,421)	-	-	37,031
Mali						
Regreening Nonkon and Nossombougou	-	56,304	(56,304)	-	-	-
Regreening Koulikoro	(9,724)	16,928	(5,602)	-	-	1,602
Strengthening Forest Management	600	600	-	-	(1,200)	-
Empowering Women in Rural Mali	-	116,726	(116,726)	-	-	-
Growing the Great Green Wall in Tominian	-	223,747	(35,515)	-	-	188,232
Forest Governance Segou	18,251	159,951	(130,507)	-	15,222	62,917
She Grows Expansion	59,864	82,445	(142,309)	-	-	-
Olympic Forest	176,208	609,644	(364,191)	-	-	421,661
Growing the Great Green Wall in Koulikoro	109,167	-	(121,994)	-	12,827	-

	Opening balance (Restated) £	Income £	Expenditure £	Investment and other gains £	Transfers £	Closing balance £
Niger						
Rehabilitation of Park W: Tamou	2,105	-	-	-	(2,105)	-
Rehabilitation of Park W: Dosso	4,310	-	-	-	-	4,310
Enterprise Development in Falmey	-	15,000	-	-	-	15,000
Project Fund	78,786	-	-	-	-	78,786
Development Fund	21,365	6,000	(499)	-	1,457	28,323
Total restricted funds	**2,472,074**	**9,064,071**	**(6,934,475)**	**-**	**61,914**	**4,663,584**
Unrestricted funds						
Woodland Investment Reserve	400,000	-	-	-	-	400,000
Fixed Asset Reserve	16,602	-	-	-	(7,394)	9,208
Driving forward our strategy	113,413	-	(113,413)	-	-	-
Evidencing the impact of our work	356,111	-	(77,000)	-		279,111
Investment in M&E Systems and Equipment	143,460	-	(103,000)	-	50,000	90,460
Long-Term Sustainable Funding	406,648	-	(68,000)	-	100,000	438,648
Managing Risk	80,015	-	-	-	(80,015)	-
Investment in Infrastructure	46,346	-	(15,000)	-	100,000	131,346
Total designated funds	**1,562,595**	**-**	**(376,413)**	**-**	**162,591**	**1,348,773**
General reserves	1,551,404	1,716,048	(1,526,339)	138,184	(224,505)	1,654,792
Total unrestricted funds	**3,113,999**	**1,716,048**	**(1,902,752)**	**138,184**	**(61,914)**	**3,003,565**
Total funds	**5,586,073**	**10,780,119**	**(8,837,227)**	**138,184**	**-**	**7,667,149**

Purpose of restricted funds

Restricted funds are generated when the donor stipulates how the income may be expended. In most cases there will be a timing difference between when the income is received and when it is spent, resulting in balances being held on these funds at year-end. The purpose of the various restricted funds is outlined below.

Burkina Faso:

Enhancement of Non-Timber Forest Products Development and Phase 3

Improving non-timber forest product value chains, creating market gardens and improving nutrition for 14,500 households in Burkina Faso. This project is funded by the Swiss Agency for Development and Cooperation. The latest, scale-up phase started in January 2021 and will run to 2024.

Local Governance of Forest Resources Phase 3

Decentralised forest governance through transferring rights and responsibilities for forest stewardship to community-led forest management groups in 18 new communes. The project is funded by the Swedish International Development Cooperation Agency (Sida) and the second half of the project has now been contracted – running from 2021 to 2024.

Supporting Smallholder Farmer Resilience

Inclusive approach to support the resilience of smallholders farmers in Burkina Faso (Pro-RES Burkina). This project, funded by the Alliance for a Green Revolution in Africa (AGRA) aims to improve the food security and income of 210,000 smallholder farmers in the Hauts-Bassins, Cascade, Boucle du Mouhoun and Centre-Ouest regions as well as strengthen the resilience to climate change in these regions. Tree Aid is partnering with the Ecological Center Albert Schweitzer of Burkina Faso (CEAS).

Carbon Storage Evaluation

Evaluation of baseline data on the carbon storage potential of agroforestry ecosystems in Burkina Faso. Tree Aid is supporting INERA in certain activities around the potential of agroforestry to capture and store carbon. It has a small budget to support workshops and data collection.

Pro-ADAPT project

The project builds on the Pro-RES project by constructing 10 nutrition gardens, establishing 11 NTFP parks, sensitising 20,000 people farmers on NTFP consumption, protecting 55 ha of forest and planting 32,000 trees. The Alliance for a Green Revolution in Africa (AGRA) funds this project alongside the Supporting Smallholder Farmer Resilience project above. Developing sustainable and inclusive value chains for non-timber forest products in the Nakambé and Niger basins of Burkina Faso. The project will support 11,250 direct beneficiaries (4,750 men and 6,500 women, including 4,510 youth) by reducing their vulnerability and food insecurity through their integration into a sustainable NTFP productive cycle and by increasing their NTFP consumption.

Non-Timber Forest Products - value chains 2

The project, funded by Challenge Fund for Youth Employment (CFYE) aims to create and improve 3,370 jobs through the deployment of digital rural service ecosystem and support for the cultivation and processing and marketing of NTFPs. This project will assist local groups to develop Nutritious Gardens (NGs) and Village Tree Enterprises (VTEs) to process and market Non-Timber Forest Products (NTFP) and deploys a digital financial service ecosystem to realise efficient financial and other services to facilitate further development of the value chain.

Ghana:

Daka River Restoration 2 & 3

Community-led tree planting and regeneration along the Daka River in Northern Ghana. These are phases of a project funded by Ecosia along with various trusts and foundations. The initial two-year Ecosia project finished in early 2022, and a new phase is now running until the end of 2024 in the Yendi region.

Ghana Rural Agriculture and Cashew Enterprises

Supporting poor smallholder cashew farmers to increase and diversify incomes from improved cashew yields, intercropping nitrogen-fixing legumes and honey production to promote pollination. This project started in August 2019 with funding from UK Aid Direct and trusts and foundations. The UK Foreign, Commonwealth and Development Office ceased their support for this project in April 2021 and the project was completed with funding raised from other sources in August 2022.

Northern Ghana Integrated Development

Promoting opportunities for sustainable agriculture, social protection and decent work in the agrarian sector targeting civil society organisations. Led by ActionAid Ghana, the consortium is funded by the EU. Tree Aid is responsible for delivery in four of the 15 target districts. This project finishes in May 2023.

Bongo Reforestation

This project, funded by Trees for All, aims to restore ecosystem services along selected rivers and around the VEA Dam, near Bolgatanga in the Bongo District of Northern Ghana, improving the livelihoods of 20 riverine communities. This project targets the planting of 150,000 trees, restoring 50 kilometres (in 450 hectares) of riparian buffer zones in the Bongo River catchment area. It will last for three years with a further seven years of monitoring.

Yendi Tree Enrichment

The work in Yendi for Ecosia under the Daka River Restoration project also included planting and geotagging trees for a corporate partner, Treedom. There is a negative funds balance on phase 2 and a positive balance on phase 3, the offset of which had not been concluded at

the year-end. A third contract was signed for planting in 2021 in Yendi, which has a positive balance. This contract finished in 2022.

Carbon Study Bongo

Pre-feasibility study into carbon certification in the Bongo District for Blue Deal, a Dutch organisation. This small project is looking at the potential for enrichment planting and agroforestry to support a carbon sequestration project in the Bongo District.

Ghana Shea Landscape Restoration Project

The project will take place in the Gushiegu Municipal District, Mion District, and Yendi Municipal District in the Northern Region of Ghana. Tree Aid currently works in these three districts as part of the 'Daka River Restoration' project funded by Ecosia, which aims to grow over 2 million trees in riparian buffer zones, open parklands, and farmlands in 61 villages. There is a high shea resource base in the communities which are not well harnessed to benefit the people, especially women, and these shea trees are being cut to open space for farming and to process charcoal.

Ethiopia:

Frankincense: North Gondar 1 & 2

This project started in December 2021, with Tree Aid funds. UK Aid Match funding was available from April 2022. The project focuses on the frankincense value chain in the Metema forests. While the collection of frankincense will be made more sustainable through training in best practices, the income that tappers get for their efforts will be improved through training and provision of equipment to improve quality and prices. The project will also work with communities to manage the boswellia (frankincense) forest in a more sustainable way – targeting reductions in grazing of cattle and bushfires that cause low survival rate of new saplings.

Metema PFM development

A small project was conducted, using funds remaining from the Sustainable Livelihoods and Ecosystems project. This was focused on some small planting activities and engaging the groups that will form part of the frankincense project in North Gondar.

Community Resilience and Ecosystem Restoration

Developing Rural Pathways to Community Resilience and Ecosystem Restoration is a complementary project to the Frankincense project mentioned above. The project is looking more at research and partnering with UK-based and Ethiopia-based institutions to further the protection and management of forests work in the Metema area.

Mali:

Regreening Nonkon and Nossombougou

The project finished in December 2021 and the remaining balance was invested in the Tree Aid Mali programme, as agreed with the donor, Timberland.

Regreening Koulikoro

Supporting communities to restore parkland trees and reverse serious land degradation. This project was funded by the Turing Foundation. An evaluation of the project and final report were completed in October 2022.

Strengthening Forest Management

The project is now completed including implementation of forest management plans for two forest areas in Segou region and strengthening non-timber forest product value chains. This project is funded by the Darwin Initiative and various trusts and foundations.

Empowering Women in Rural Mali through Improved Forest Access and Enterprises

The project has facilitated the granting of land for 10 women's cooperatives, and provide the skills and means for the regeneration of that land. Livelihoods have been improved through the provision of training, tools and equipment for the development of small enterprises based on honey and shea. The project was funded by the Foreign, Commonwealth & Development Office and the contract was signed in February 2020. The project activities finished in February 2023 and the final report will be completed in August 2023.

Growing the Great Green Wall in Tominian

Funded by the Turkish government, through the UNCCD (The United Nations Conventions to Combat Desertification), this project supports the Great Green Wall Initiative by working with 10 communes (44 villages) in Segou region, to tackle poverty and the effects of the climate crisis. With capacity development, provision of inputs to local communities and further expansion of the non-timber forest product (NTFP) value chains in the region, Tree Aid will restore degraded lands in and around Duwa and Sutebwo forest while developing green employment opportunities that improve people's income.

Forest Governance Segou

Promoting forest governance for resilient ecosystems and communities in Segou. This project aims to strengthen promotion of local forest governance, investments in forests and valorisation of non-timber forest products for sustainable improvement of livelihoods for 3,000 rural households in Tominian circle, Mali. Funding comes from the Darwin Initiative.

She Grows Expansion

Funded by the Catalan government, this project took the She Grows approach and targeted participants in neighbouring communes that have been part of the Regreening Koulikoro project. It was completed in December 2022.

Olympic Forest (Senegal and Mali)

Through this project, Tree Aid and the International Olympic Committee (IOC) will grow thousands of trees and restore huge areas of land across Mali and Senegal, contributing to the Great Green Wall movement. Together with communities living in the path of the Great Green Wall, we will grow trees and restore degraded land, helping to sequester 200,000 tonnes of CO2e over 25 years. Tree Aid has partnered with a new organisation in Senegal, and set up its own office in Kayes, Mali.

Growing the Great Green Wall in Koulikoro

This project was completed in December 2022. The project was funded by a corporate partner, Vero Moda, having established nurseries, enterprise groups and nutrition gardens. A total of 197,840 trees were planted for NTFP production and a further 25,000 acacia trees planted for land restoration.

Niger:

Rehabilitation of the Ecosystem of the National Park W Landscape (Tamou)

The project finished in 2021. The remaining balance was used on the Niger programme, as agreed with the donors.

Rehabilitation of the Ecosystem of the National Park W Landscape (Dosso)

This project finished in 2022. The remaining balance will be returned to the donor, the Swedish Postcode Lottery. The project focused on supporting local livelihoods by establishing community forest governance through better management of local natural resources and the development of tree enterprises.

Enterprise Development in Falmey

This small project looks to help support 10 Village Tree Enterprises (VTEs) which were created in other projects, to further women's ability to obtain income and to manage their resources. The 10 VTE's will receive further training in how produce shea butter, peanuts and other non-timber forest products. The VTEs will also be supported in helping to commercialise their products. It is funded by the Roughly Foundation.

Project Fund

Donations restricted to development work on certain projects or in certain countries.

Development Fund

Donations restricted to the Development Fund are utilised for activities that strengthen and expand Tree Aid's impact and influence through leveraging institutional funding, releasing unrestricted funding and bringing donors closer to Tree Aid by providing them with unique insights.

Purpose of unrestricted funds

Unrestricted funds are generated when there is no stipulation from the donor as to how the income may be spent. They include designated funds where the Trustees have set aside monies for a specific purpose.

Designated funds are provided for the following purposes:

Evidencing the impact of our work

To better communicate and advocate our work we will use the evidence we gather to influence policy and practice in the Sahel and will invest in our advocacy capacity and activities in the coming years. This investment will be a short-term kick-start to a broader plan for increasing our annual activities around influencing which currently is not easily funded by restricted grant funding. Over the next few years we will invest £0.3 million in this area.

Investment in M&E Systems and Equipment

We will be investing an additional £0.1 million in the coming years in deepening our capacity and tools to measure, monitor

and demonstrate the levels of degradation and the impact of our work to combat this. Such evidence will be vital in our efforts to communicate the urgency of action required and the potential of our approaches as a key method for combatting the crisis of deforestation and land degradation in the African drylands.

Long-term sustainable funding

To continue on this strategic path of raising our voice on the issues most critical to our charitable mission, it is essential that Tree Aid achieves a stronger balance of unrestricted funding which will enable sustained investment into evidence, advocacy and communications. Over the coming three years we will look to invest £0.5 million additional reserves into growing our digital fundraising capacity with an aim to secure a sustained growth in unrestricted public giving.

Investment in infrastructure

Tree Aid will need to adapt to the reality of new ways of working. As such it is essential we invest in our offices and infrastructure to ensure we have the necessary environment to work much more flexibly and remotely. We have set aside £0.1 million to invest in this area to ensure we remain adaptable and provide adequate infrastructure for our staff to continue to work effectively.

At the year-end there were two designated reserves which represent the carrying value of the Investment in woodland, £0.4 million, and Fixed assets, to recognise these separately from general reserves.

Transfers between funds

Transfers between funds represent the application of income to particular project funds whose objectives fall within the wider restrictions of the funds from which those funds are transferred with the explicit agreement of the donor for restricted funds transfers.

21. Analysis of net assets between funds – Group

	Restricted funds £	Designated funds £	Unrestricted funds £	Total 2023 £
Tangible fixed assets	-	9,208	-	9,208
Investments	-	400,000	934,200	1,334,200
Cash at bank and short-term investments	3,651,526	939,565	559,218	5,150,309
Debtors	1,012,058	-	529,478	1,541,536
Creditors falling due within one year	-	-	(368,104)	(368,104)
Total	**4,663,584**	**1,348,773**	**1,654,792**	**7,667,149**

Analysis of net assets between funds – Charity

	Restricted funds £	Designated funds £	Unrestricted funds £	Total 2023 £
Tangible fixed assets	-	506	-	506
Investments	-	400,000	934,202	1,334,202
Cash at bank and short-term investments	2,332,864	948,267	580,315	3,861,446
Debtors	159,070	-	229,072	388,142
Creditors falling due within one year	-	-	(205,758)	(205,758)
Total	2,491,934	1,348,773	1,537,831	5,378,538

22. Reconciliation of net movement in funds to net cashflow from operating activities

	Group 2023 £	Group 2022 (Restated) £
Net income for the reporting period	1,909,965	(365,088)
Adjustments for		
Depreciation charges	7,394	6,645
Gains on investments	32,927	(93,703)
Investment income	(3,699)	(2,166)
Increase in debtors	(612,402)	(279,033)
(Decrease)/increase in creditors	(337,754)	324,704
Net cash generated by/(used in) operating activities	**996,431**	**(408,611)**

Analysis of cash and cash equivalents

	Group 2023 £	Group 2022 £
Cash in hand	4,969,639	3,636,922
Short-term investments (less than three months' notice)	180,670	342,146
Total	**5,150,309**	**3,979,068**

As Tree Aid has no debt, the requirement to disclose a net debt reconciliation is covered in the presentation of the consolidated statement of cashflows.

23. Legal status of the Charity

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 £10 per member of the Charity.

24. Related party transactions

Tree Aid transacted with its 100% subsidiary entities during the year. The value of transactions during the year, which were made in the normal course of business and comprised mainly grants to fund the Group's charitable activities, totalled:

	2023 £	2022 £
From Tree Aid to Tree Aid Burkina Faso	3,506,769	2,224,564
From Tree Aid to Tree Aid Ghana	449,612	456,277

There were no balances outstanding at the year-end between the Charity and Tree Aid Burkina Faso or Tree Aid Ghana (2021/22: £nil).

There were no movements on loans for the social enterprise initiative during the current or prior year. The loans are unsecured and interest-free.

25. Operating lease commitments

Tree Aid had future minimum lease payments under non-cancellable operating leases at the year-end, expiring as follows:

	Land and buildings £	Office equipment £	Group 2023 £	Group 2022 £
Expiring				
Within 1 year	18,495	363	18,858	18,061
2–5 years	-	-	-	363

	Land and buildings £	Office equipment £	Charity 2023 £	Charity 2022 £
Expiring				
Within 1 year	13,279	363	13,642	13,219
2–5 years	-	-	-	363

26. Capital commitments

There were no capital commitments in the current or prior year.

27. Basic financial instruments

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Financial assets that are debt instruments measured at fair value:				
Accrued income on contracts	121,311	40,448	121,311	40,448
Trade debtors	1,106,845	852,137	34,112	62,236
Other debtors	309,776	36,591	232,635	20,926
Cash at bank and in hand	4,969,639	3,636,922	3,680,776	2,751,750
Short-term investments	180,670	342,146	180,670	342,146
Financial liabilities measured at fair value:				
Accruals	87,647	317,187	42,986	51,421
Other creditors	33,088	43,889	20,788	39,291

28. Prior year: consolidated statement of financial activities (restated)

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Income from			
Donations and legacies	4,998,940	1,733,887	6,732,827
Investment income	-	2,166	2,166
Other income	-	3,222	3,222
Total	4,998,940	1,739,275	**6,738,215**
Expenditure on			
Raising funds	-	(786,017)	**(786,017)**
Charitable activities	(5,802,484)	(608,505)	**(6,410,989)**
Total	(5,802,484)	(1,394,522)	**(7,197,006)**
Investments			
Net gains/(losses) on investments	-	93,703	**93,703**
Net income	(803,544)	438,456	**(365,088)**
Movement in funds			
Transfer between funds	37,078	(37,078)	**-**
Other currency exchange losses	-	(6,429)	**(6,429)**
Net movement in funds	(766,466)	394,949	**(371,517)**
Reconciliation of funds			
Total funds brought forward	3,238,540	2,719,050	**5,957,590**
Total funds carried forward	2,472,074	3,113,999	**5,586,073**

29. Prior year: Raising funds

	Delivery costs £	Development costs £	Support costs £	Total 2022 £
Supporter fundraising	406,877	4,931	246,566	**658,374**
Institutional fundraising	87,348	-	40,295	**127,643**
Total fundraising	494,225	4,931	286,861	**786,017**

30. Prior year: Charitable activities

	Delivery costs £	Development costs £	Support costs £	Total 2022 £
Programme delivery	5,481,714	99,042	669,566	**6,250,322**
Advocacy and awareness	112,134	-	48,533	**160,667**
Total charitable activities	5,593,848	99,042	718,099	**6,410,989**

31. Prior year: Total expenditure

	Delivery costs £	Development costs £	Support costs £	Total 2022 £
Raising funds	494,225	4,931	286,861	**786,017**
Charitable activities	5,593,848	99,042	718,099	**6,410,989**
Total expenditure	6,088,073	103,973	1,004,960	**7,197,006**

32. Prior year: movements in funds – Group (restated)

	Opening balance £	Income £	Expenditure £	Investment & other gains £	Transfers £	Closing balance £
Restricted funds						
Burkina Faso						
Enhancement of NTFPs: Development and Phase 3	1,355,563	1,419,073	(2,609,859)	-	9,302	174,079
Local Governance of Forest Resources Phase 3	1,408,190	1,492,724	(1,676,303)	-	-	1,224,611
Tree Foods Phase 2	-	6,250	-	-	-	6,250
Supporting Smallholder Farmer Resilience	-	560,735	(86,937)	-	-	473,798
Carbon Storage Evaluation	-	1,251	(686)	-	-	565
Ghana						
Daka River Restoration 2	68,767	-	-	-	(68,767)	-
Daka River Restoration 3	(70,934)	225,149	(290,694)	-	34,550	(101,929)
Treedom: West Gonja	17,148	-	(317)	-	(16,831)	-
Ghana Rural Agriculture and Cashew Enterprises	2,681	128,604	(151,270)	-	19,985	-
Grow Hope	(22,495)	22,749	(2,685)	-	2,431	-
Northern Ghana Integrated Development	47,650	209,313	(150,813)	-	-	106,150
Shea Parkland Management	757	700	-	-	(1,457)	-
Bongo Reforestation	43,089	57,834	(65,578)	-	-	35,345
Yendi Tree Enrichment	-	59,514	(36,601)	-	51,048	73,961
Carbon Study Bongo	-	20,144	(24,112)	-	3,968	-
Ethiopia						
Sustainable Livelihoods and Ecosystems	13,170	-	25,266	-	(38,436)	-
Initiative for Sustainable Landscapes	-	(2,467)	-	-	2,467	-
Frankincense: North Gondar 1	20,000	-	(20,081)	-	-	(81)
Frankincense: North Gondar 2	-	15,222	(21,668)	-	23,875	17,429
Metema PFM development	-	-	(16,292)	-	13,486	(2,806)
Community Resilience and Ecosystem Restoration	-	28,853	(25,091)	-	-	3,762
Mali						
Regreening Nonkon and Nossombougou	-	54,403	(54,403)	-	-	-
Regreening Koulikoro	11,450	24,000	(45,174)	-	-	(9,724)
Strengthening Forest Management	-	600	-	-	-	600
Empowering Women in Rural Mali	-	79,128	(79,128)	-	-	-
Growing the Great Green Wall in Koulikoro	105,905	79,439	(76,177)	-	-	109,167
Forest Governance Segou	-	35,924	(17,673)	-	-	18,251
She Grows Expansion	-	64,849	(4,985)	-	-	59,864
Olympic Forest	-	379,897	(203,689)	-	-	176,208
Niger						
Rehabilitation of Park W: Tamou	19,667	29,052	(46,614)	-	-	2,105
Rehabilitation of Park W: Dosso	124,174	-	(119,864)	-	-	4,310
Project fund	78,786	-	-	-	-	78,786
Development fund	14,972	6,000	(1,064)	-	1,457	21,365
Total restricted funds	**3,238,540**	**4,998,940**	**(5,802,484)**	**-**	**37,078**	**2,472,074**
Unrestricted funds						
Designated funds						
Woodland Investment Reserve	400,000	-	-	-	-	400,000
Covid-19 Reserve	287,822	-	-	-	(287,822)	-
Fixed Asset Reserve	23,247	-	-	-	(6,645)	16,602
Driving Forward our Strategy	50,000	-	(36,587)	-	100,000	113,413
Evidencing the Impact of our Work	200,000	-	(93,889)	-	250,000	356,111
Investment in M&E Systems and Equipment	100,000	-	(6,540)	-	50,000	143,460
Long-Term Sustainable Funding	226,691	-	(120,043)	-	300,000	406,648
Managing Risk	100,000	-	-	-	(19,985)	80,015
Investment in Infrastructure	50,000	-	(3,654)	-	-	46,346
Total designated funds	**1,437,760**	**-**	**(260,713)**	**-**	**385,548**	**1,562,595**
General reserves	1,281,290	1,739,275	(1,133,809)	87,274	(422,626)	1,551,404
Total unrestricted funds	**2,719,050**	**1,739,275**	**(1,394,522)**	**87,274**	**(37,078)**	**3,113,999**
Total funds	**5,957,590**	**6,738,215**	**(7,197,006)**	**87,274**	**-**	**5,586,073**

33. Prior year: analysis of net assets between funds – Group (restated)

	Restricted funds £	Designated funds £	Unrestricted funds £	Total 2022 £
Tangible fixed assets	-	16,602	-	16,602
Investments	-	400,000	967,127	1,367,127
Cash at bank and short-term investments	1,614,230	1,145,993	1,218,845	3,979,068
Debtors	905,794	-	23,340	929,134
Creditors falling due within one year	(47,950)	-	(657,908)	(705,858)
Total	**2,472,074**	**1,562,595**	**1,551,404**	**5,586,073**

Prior year: analysis of net assets between funds – Charity

	Restricted funds £	Designated funds £	Unrestricted funds £	Total 2022 £
Tangible fixed assets	-	1,275	-	1,275
Investments	-	400,000	967,129	1,367,129
Cash at bank and short-term investments	1,658,634	1,161,320	273,942	3,093,896
Debtors	106,790	-	144,690	251,480
Creditors falling due within one year	(47,950)	-	(305,428)	(353,378)
Total	**1,717,474**	**1,562,595**	**1,080,333**	**4,360,402**

34. Prior Year Adjustment – Group

In accordance with Charity SORP, the unspent amounts on performance-related grants that are within the control of the charity are to be recognised as restricted funds. 2021/22 comparatives have therefore been adjusted accordingly to reflect this. The adjustment has impacted funds and results for the prior year as follows:

	Restricted funds 1 April 2021 £	Unrestricted funds 1 April 2021 £	Total 1 April 2021 £
Impact on Reserves			
Funds previously reported on	296,384	2,719,050	3,015,434
Prior year adjustment: Income recognition	2,942,156	-	2,942,156
Restated funds balance	3,238,540	2,719,050	5,957,590

	1 April 2022 £	1 April 2022 £	1 April 2022 £
Funds previously reported on	**485,356**	**3,113,999**	**3,599,355**
Prior year adjustment: Income recognition	**1,986,718**	**-**	**1,986,718**
Restated funds balance	**2,472,074**	**3,113,999**	**5,586,073**

	Restricted income 2021/22 £	Unrestricted income 2021/22 £	Total 2021/22 £
Impact on Income			
Income previously reported on	5,954,378	1,739,275	7,693,653
Prior year adjustment: Income recognition	(955,438)	-	(955,438)
Income Restated	4,998,940	1,739,275	6,738,215

LEGAL AND ADMINISTRATIVE DETAILS

Legal status

Tree Aid is an incorporated company limited by guarantee, no. 03779545, and a registered charity, no. 1135156.

Trustees

Shireen Chambers MBE [3]	Chair
Hilary Allison	Vice Chair
Tristram Hilborn [1]	
Judith Twentyman [2]	
Trevor Reaney [3]	(resigned 14 July 2022)
Alex Rees [4]	(resigned 14 July 2022)
Elizabeth Davis [1 3]	
Nick Pride [2]	
Philip Songhurst-Thonet [1]	
Alexander Simuyandi [3]	
Mairi Tejani	(resigned 22 September 2022)

[1] Member of the Finance and Audit Committee
[2] Member of the Fundraising Standards Committee
[3] Member of the People Committee
[4] Member of the Programmes Advisory Group

Senior Management Team

Tom Skirrow	Chief Executive
Georges Bazongo	Director of Programmes
Ben Sheahan	Director of Finance and Resources
Sally Airey	Director of Communications and Fundraising (appointed 11 April 2023)
Melanie Knight	Director of Fundraising and Communications (resigned 22 August 2022)

Registered office and principal office address

Brunswick Court, Brunswick Square, Bristol, BS2 8PE

Advisors

Bank

NatWest plc, 3 Temple Back East, Temple Quay, Bristol, BS1 9BW

Auditor

Sayer Vincent LLP, Invicta House, 108-114 Golden Lane, London, EC1Y 0TL

THANK YOU

On behalf of the 905,430 people we supported in the drylands of Africa in 2022/23, we would like to thank the corporate supporters, trusts, foundations, institutions and individuals who made our work possible. We are extremely grateful for your support.

Thank you to our funders, including:

2000Trees
A B. Pollen
Action Aid
Aitchison-Tait Trust
Alland & Robert
Alliance for a Green Revolution in Africa
Answer Connect
Barton Hyett
Blackmoor Nurseries
Blue Skies
Carbon Underwriting
Catalan Agency for Development Cooperation (ACCD)
Caterham Overseas Aid Trust
Challenge Fund for Youth Employment
Cirque Furniture
Converted Media
Darwin Initiative
Doyle Collection
Dreaming Fish
Ecosia
Enabel
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Global Shea Alliance
Helen Fletcher Trust
IDH – The Sustainable Trade Initiative
International Olympic Committee (IOC)
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Swedish International Development Cooperation Agency (SIDA)
Swiss Development Cooperation
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The Mill Garden Trust
The Morel Charitable Trust
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The Patrick and Helena Frost Foundation
The Paul Foundation
The Rest-Harrow Trust
The Rolfe Charitable Trust
The Rosanna Pearson Trust
The Rotary Clubs of Oxford and Bonn-Rheinbach
The Roughley Charitable Trust
The Serve All Trust
The Shekinah Trust
The Souter Charitable Trust
The Whitaker Charitable Trust
The Wyatt-Spearman Trust
Trees for All
Turing Foundation
Unicorn Grocery
United Nation Convention to Combat Desertification (UNCCD)
United Nations Development Programme (UNDP)
Vera Moda
Vernet-Trump Charitable Trust
Whitley Neill

SPOTLIGHT ON OUR FUNDING PARTNERS

Sida

Sida is Sweden's government agency for development cooperation, striving to reduce poverty and oppression around the world. In cooperation with organisations, government agencies and the private sector, SIDA invests in sustainable development for all people.

Sida funds our Protecting Forests project in Burkina Faso.

International Olympic Committee

Sustainability is a central element of the IOC's strategic roadmap Olympic Agenda 2020+5. Olympic Forest is part of the IOC's climate commitment, which includes cutting emissions 30% by 2024 and 50% by 2030, in line with the Paris Agreement, removing more than the remaining emissions from the atmosphere, and using the organisation's influence to help make sport more sustainable.

The IOC funds our Growing the Olympic Forest project in Mali and Senegal.

Swiss Development & Cooperation

Switzerland's international cooperation strategy is a foreign policy instrument that is rooted in the Federal Constitution. Its purpose is to alleviate need and poverty around the world, to foster respect for human rights, to promote democracy and to conserve the environment.

SDC funds our Growing Food and Incomes project in Burkina Faso.

AGRA

AGRA is a farmer-centred, African-led and partnerships-driven institution that is transforming Africa's smallholder farming from a solitary struggle to survive to businesses that thrive. AGRA's vision is to contribute to a food system-inspired inclusive agricultural transformation across Africa, to reduce hunger, improve nutrition, and adapt to climate.

AGRA funds our Growing Resilience with Smallholder Farmers project in Burkina Faso.

Patrons

The Trustees would like to express their thanks to Tree Aid's patrons, Joanna Lumley DBE FRGS, Zoë Wanamaker CBE, Adjoa Andoh and Hilary Benn MP, for the time and support that they have given during the year.

Staff and volunteers

The Trustees recognise the huge and ongoing contribution made by staff in our offices in Addis Ababa, Bamako, Bristol, Niamey, Ouagadougou and Tamale, and in particular those staff working directly with our programme participants. We extend our gratitude to them all and acknowledge their energetic commitment to Tree Aid's mission, values and programmes.

The Trustees are also extremely grateful to the volunteers who donated their time to Tree Aid during the year, who have assisted in office-based administration and other support.

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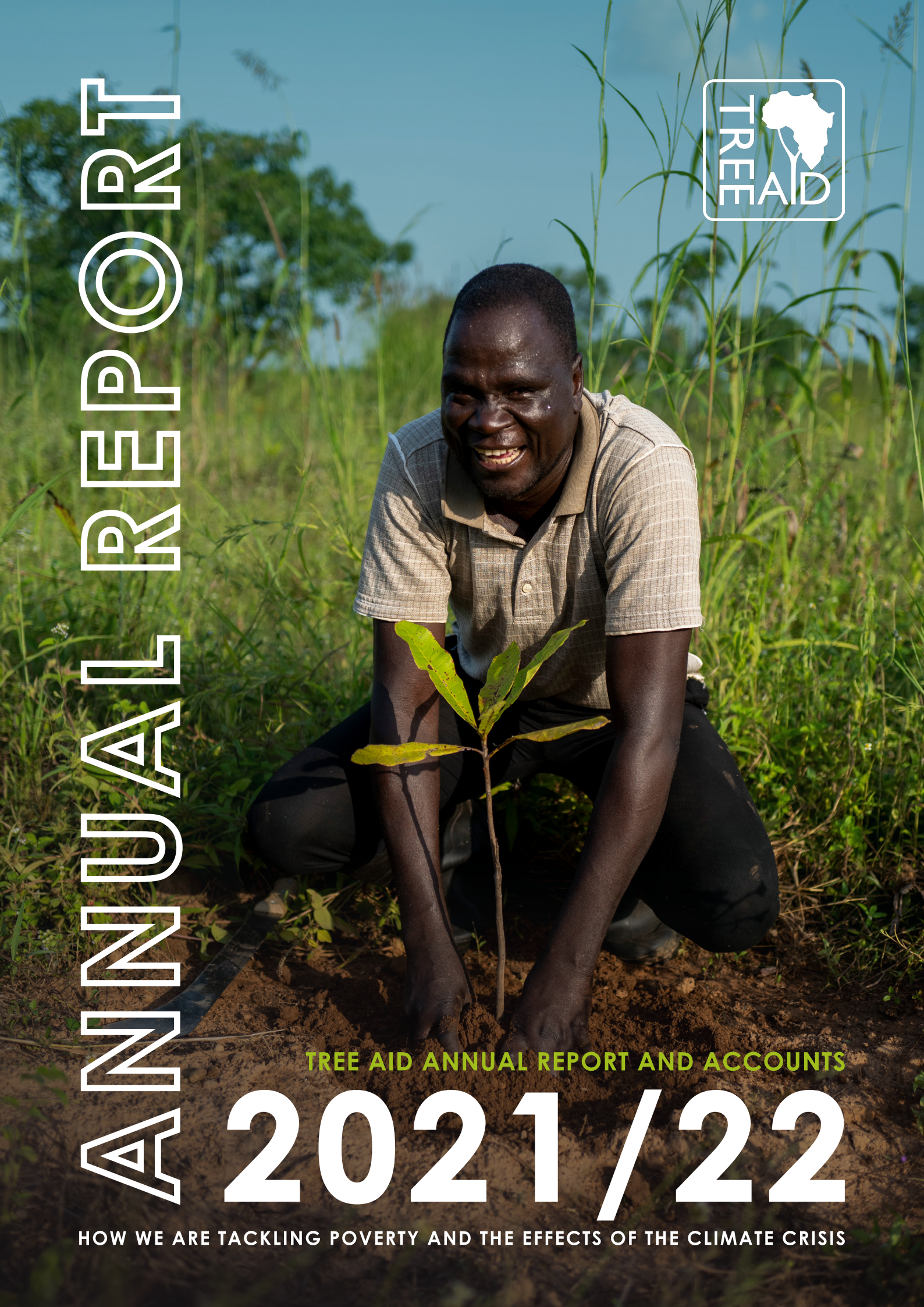
Registered with FUNDRAISING REGULATOR

Tree Aid is a registered charity in England, no. 1135156 and a company limited by guarantee registered in England, no. 03779545 at Brunswick Court, Brunswick Square, Bristol, BS2 8PE.

TREE AID

England & Wales - Charity number 1135156

Accounts



ANNUAL REPORT

TREE AID ANNUAL REPORT AND ACCOUNTS

2021/22

HOW WE ARE TACKLING POVERTY AND THE EFFECTS OF THE CLIMATE CRISIS

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WELCOME

Growing trees and restoring land are proven solutions to the climate crisis and global poverty. Tree Aid's work plays a key role in supporting communities in the drylands of Africa to do both. This report shows the impact we had in 2021/22 – all thanks to supporters like you.

2021/22 saw Covid-19 continue, food prices rise and instability grow in the Sahel. This underscored that our mission to restore ecosystems and enhance livelihoods – hand-in-hand with those on the frontline of the climate crisis – is needed more than ever.

This year marked the launch of the UN Decade on Ecosystem Restoration, pulling together efforts across the globe to restore and protect landscapes. We're proud that our Forest Governance Project in Burkina Faso was named as a 'Founding 50' project for its vital restoration work showcasing the Decade's spirit. We were also recognised as an 'Actor' partner for the Decade, allowing us to contribute to the global effort over the next 10 years.

To kick off our work as part of the UN Decade, we had phenomenal support from the public through our 'Future Forest' campaign. Raising over £1.2m with matched funding from the UK Government, our campaign allowed us to begin new programming in the Boswellia frankincense forests in Northern Ethiopia.

Growing the Olympic Forest

We were also delighted to announce our partnership with the International Olympic Committee (IOC) this year to grow the Olympic Forest in Mali and Senegal. Launched in June 2021, our project will responsibly offset the IOC's carbon emissions, planting approximately 355,000 diverse native trees. These will sequester 200,000 tonnes of CO_2 across 2,120 hectares. We'll work closely with local communities to monitor the project's impact using GPS tracking, with Plan Vivo certifying the whole project.

The potential to scale new solutions like this is significant, so we plan to carefully monitor progress. The project also marks the exciting launch of our programming in Senegal, opening the door to new, collaborative opportunities in an influential West African country.

Meeting new challenges with innovation

2021/22 saw insecurity rise across the Sahel, fuelled by the climate crisis and political instability. In Burkina Faso alone, there are now more than 1.8m IDPs (Internally Displaced People). While this impacted our delivery, we quickly adapted projects to meet emerging needs, working with displaced families and host communities to set up nutrition gardens. These promote social cohesion as well as food security. Political and social unrest in Burkina Faso, Mali and Ethiopia this year highlighted the challenges that come from working on the frontline of the climate crisis. It also demonstrates the urgency of Tree Aid's work.

Sharing Tree Aid's Impact

We marked a big step forward in communicating our impact this year. We scaled our monitoring, evaluation and learning work, continuing our Learning Papers series with the publication of a new paper, 'Growing food and incomes from forest products in rural Burkina Faso'. This won strong coverage from Sky News, with mentions in the Guardian and on the BBC Earth website, where it formed part of a feature on the Great Green Wall. The report showed the power of robust, original research to demonstrate the value of Tree Aid's work, while projecting vital solutions into influential public fora. It was an invaluable tool for raising Tree Aid's profile in advocacy circles, and we look forward to building on this success with future Impact Papers.

Raising Tree Aid's influencing voice

2021 was a year of global action on tackling the climate crisis, biodiversity loss and poverty. Tree Aid's profile has grown in the African drylands restoration movement, reflected in the number of invitations we received to present our evidence at events. These ranged from COP26 in Glasgow to Africa Climate Week and the Global Landscapes Forum, as well as the range of coalitions we have recently joined

We spent much of this year consulting inside and outside the organisation to bring new focus on our advocacy goals. With greater investment in advocacy in-country, and recruitment of two new country directors in Ethiopia and Ghana, we're now building a strong platform from which to develop our global voice.

Introducing new Tree Aid patron and trustees

"The climate crisis is the biggest challenge facing humanity. As a British/Ghanaian daughter, I am particularly impressed by Tree Aid's practical, empowering approach to working with local communities in Africa's drylands." – Adjoa Andoh

In April we were thrilled to welcome a new patron to the Tree Aid family – globally acclaimed actor and director Adjoa Andoh. Passionate about the role of trees in tackling the climate crisis, Adjoa is especially looking forward to visiting our projects in Ghana in the near future. We also welcomed four new trustees to our board in 2021 – Hilary Allison, Mairi Ahamed-Tejani, Alex Simuyandi and Tristram Hilborn.

With the scaling-up of our programme work, the launch of new collaborations and a new nomination for the prestigious Earthshot Prize, it's an exciting time to be part of the Tree Aid family.

With your continued support, and Tree Aid's new five-year strategy, we look forward to growing even more trees and restoring even larger land areas.

Tom
Tom Skirrow
Chief Executive

Shireen
Shireen Chambers
Chair of Trustees

SINCE TREE AID BEGAN IN 1987, WE HAVE...

GROWN **27,616,546 TREES** with communities across the dryland region of africa

RESTORED AND PROTECTED **167,057 HECTARES** of degraded land – that's bigger than Greater London

SUPPORTED **39,045 PEOPLE** to develop enterprise groups selling tree products

STRATEGIC REPORT

OUR MISSION

To enable people living in the drylands of Africa to unlock the potential of trees to reduce poverty and protect the environment

OUR VISION

Thriving, sustainable communities across the drylands of Africa

OUR IMPACT

3,073,983 trees grown

97% average income increase for households

781,700 people supported

71 community forest management plans developed

2,235 new hectares of land protected

83% of the people we directly worked with were women

19 new enterprise groups set up to process and sell tree products

Tree Aid works with people in the drylands of Africa to tackle poverty and the effects of the climate crisis by growing trees, improving people's incomes, and restoring and protecting land.

MALI

535,662 trees grown
35,300 people supported
856 new hectares of land protected

GHANA

2,313,856 trees grown
53,615 people supported
395 new households working in village tree enterprises

NIGER

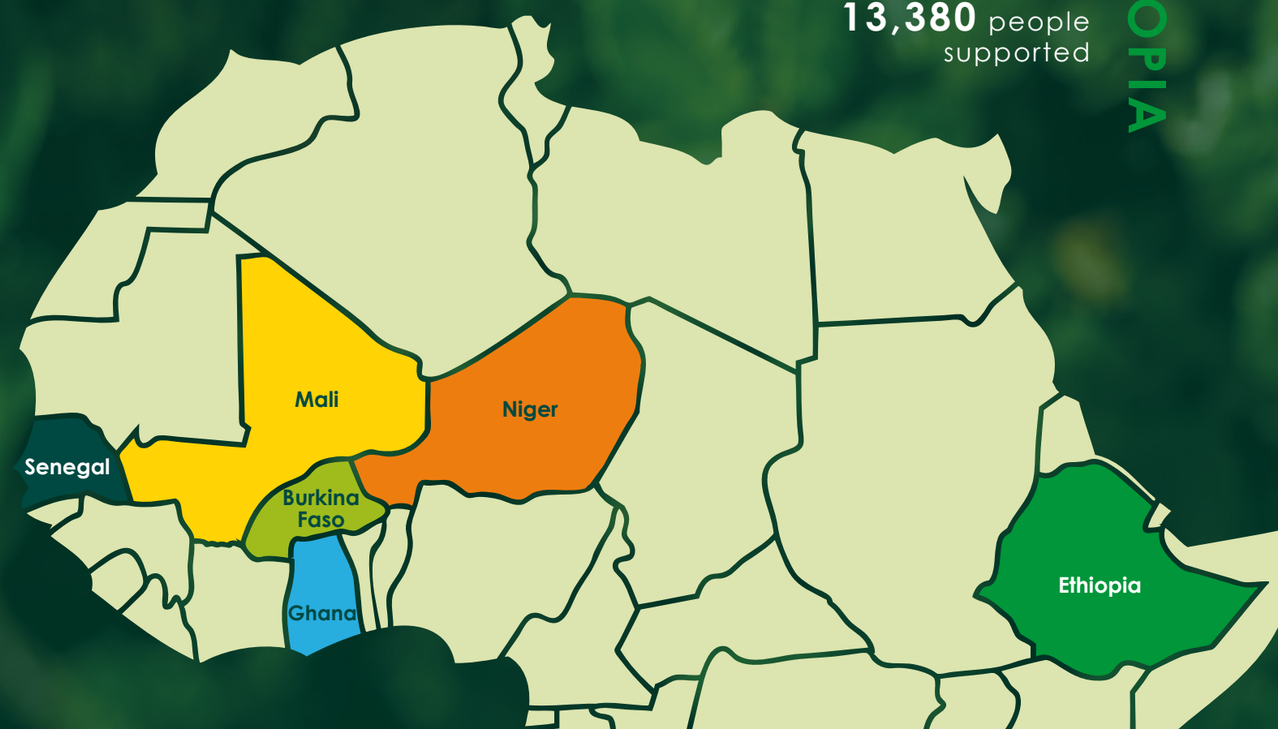
19,525 trees grown
10,490 people supported
20 village tree enterprises groups currently supported

BURKINA FASO

174,500 trees grown
668,915 people supported
521 enterprise groups currently supported

ETHIOPIA

29,440 trees grown
13,380 people supported



OUR STRATEGY

Looking back at our 2017-22 Grow Hope strategy:

Over the past five years Tree Aid has seen many successes. These have set us on a path to achieving our vision in the coming two decades. We have significantly scaled up our work in five countries and, in 2021, we started to operate a sixth country programme in Senegal.

Over the strategy period we have:

- Grown 10.7 million trees
- Supported over 1.3 million people
- Restored 137,000 hectares of land
- Worked with 978 organisations with a membership of 35,000
- Grown incomes by an average of 104%
- Secured around £40 million in grant funding and £6 million in donations

We also worked hard to influence policy and push for change that protects trees, people's livelihoods and our planet. We showcased our on-the-ground knowledge, experience and quantifiable evidence to increase our involvement in international platforms and connect with other development actors.

Using our unique position as one of the few NGOs dedicated to delivering on the Great Green Wall, we have taken a strong position in monitoring, advocating for and delivering work on the ground. We sit on both the Great Green Wall Steering Committee and the World Economic Forum Round Table on the Great Green Wall.

We are also now a recognised Actor for the UN Decade on Ecosystem Restoration and an active member of the Climate Action Network. Furthermore, we hold observer status with both the United Nations Convention to Combat Desertification (UNCCD) and United Nations Convention on Biological Diversity (UNCBD).

Grown **10,700,000** trees

Supported over **1,300,000** people

Restored **137,000** hectares of land

Worked with **35,000** enterprise members

Grown community incomes by an average of **104%**

Secured around **£46 million** in grant funding and donations

A CHANGE FOR CHANGE

Our new five-year strategy:

The need has never been more profound or more urgent. And the opportunity to create a seismic shift across the drylands of Africa has never been so real.

We plan to scale up our work to meet the level of challenge. This strategy is the next step towards achieving our wider 20-year vision.

Our vision: Transformative change for the drylands of Africa

By 2040 we will see a thriving natural environment where deforestation and land degradation rates have been reversed. We will build resilient communities, who have the skills and tools they need to manage their landscapes and grow their businesses.

Land tenure systems will encourage investment in landscape resources. Decentralised forest governance policies will put the control of local assets into local hands.

We will also see sustainable private sector investment into Africa's natural resources.

Our objectives

The power and potential of grassroots action is at the heart of our approach.

1. Empowered families

Thriving households are central to achieving lasting change across the drylands. 2.4 million people will gain the skills, knowledge and tools required to liftthemselves out of poverty.

2. Empowered communities

We know that collective action is vital to achieve change. 4,000 communities will be supported to manage 240,000 hectares of land.

3. Empowering and enabling systems

Our work is part of a broader movement and the scale of the challenges are too great to tackle alone. We will work in collaboration to change systems and empower communities.

OUR APPROACH

We grow and protect trees so people can live from them for years to come.

In the Sahel region of Africa, people live with the effects of the climate crisis every day. Land is rapidly losing its fertility. People can't grow enough food and poverty is increasing. We believe tackling poverty and protecting the environment are inseparable.

Trees offer a solution. They help land to stay fertile so people can grow food. They produce tree products to sell. They also protect our planet, absorbing carbon dioxide, a cause of the climate crisis.

Every year, we grow millions of trees and protect huge areas of land. But we don't just plant trees and walk away. We make sure local people have the training and tools they need to make each tree thrive. We also ensure the right trees are planted in the right places, selecting each species for both community and ecosystem needs.

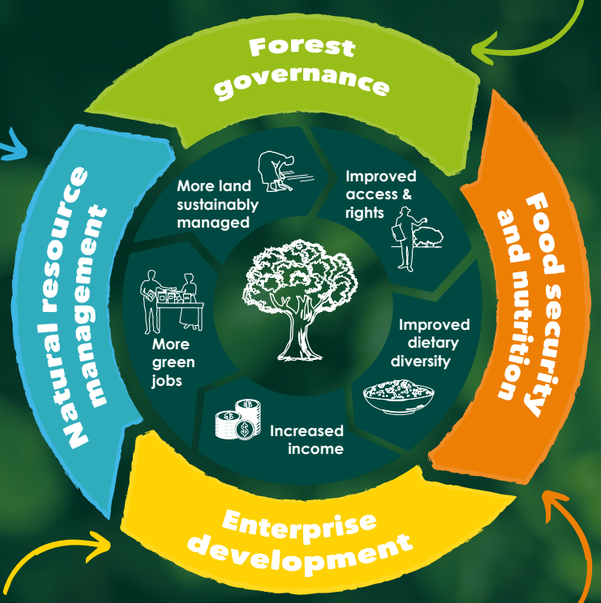
At Tree Aid, we learn what works and share it – locally, nationally and internationally. Together with local communities, we influence policy and push for change that protects trees, people and our planet.

We grow trees to protect the environment

We support people to use trees to improve the fertility of soil and manage land in a way that helps them tackle the effects of the climate crisis.

We grow trees for long-term change

We campaign for forests to be managed by the people who depend on them. We work with communities and local government so they can agree rules for using forests and their resources.



We grow trees to grow businesses

We support communities to make and sell tree products, like shea butter and soap. The income they make from their businesses pays for essential healthcare and education.

We grow trees for healthy food all year round

Trees provide nutritious fruit, nuts and leaves, giving people stable supplies of food even when other crops fail.

WHO WE WORK WITH

Working with local communities

Local people lead our work in the Sahel region of Africa. Together, we harness their local knowledge and expertise and work to find long-term solutions to poverty and the climate crisis.

The communities we work with in the drylands of Africa rely on land for most of their food and income. But every day the climate crisis and growing insecurity in the region is making life harder for them. With low rainfall and poor-quality soil, local people can't grow enough food, so poverty and malnutrition are increasing. Many families survive on just one meal a day.

We believe everyone has the right to live a healthy life, free from poverty. We support communities to find other sources of income in addition to farming. This is particularly important for women, who have limited options when it comes to earning money.

"The project allowed us to increase our income, and this contributed to the consolidation of our village. The children have and will have food through moringa and baobab leaves."

Setou, who is part of our project to grow trees and empower women in Mali.

Working with local, national and international partners

We collaborate with local, national and international organisations to grow trees, improve people's incomes, and restore and protect land. Working in partnership, we influence policy and push for change that protects trees, people's livelihoods and our planet.

This year, we worked with 45 partner organisations who share our knowledge, expertise and passion to support communities in the drylands of Africa to achieve their goals.

"Since we have known Tree Aid, a lot of things have improved in the village. We manage the plants to feed our families. We also manage to sell some of fruit and powders from tree products to be able to get some income to help our children at school. Thanks to Tree Aid, what we earn we can use to help the village school with school supplies."

Alizeta, who is part of our project to grow food and incomes in Burkina Faso.

MANAGING LAND

OUR NATURAL RESOURCE MANAGEMENT APPROACH

We support people to use trees to improve the fertility of soil and manage land in a way that helps them tackle the devastating effects of the climate crisis.

Planting millions of trees

Trees have the power to protect people from poverty, hunger, drought and floods. When you invest in a tree, you invest in people and our planet – and fight back against the climate crisis.

This year, we joined forces with local communities in Africa's drylands to grow and regenerate 3,073,983 trees. This included supporting people living around the Daka River in Ghana to plant 931,133 new trees, and regenerate 1,159,118 more.

Our two-year project working with communities in Mali to re-green their land also ended in 2022 having planted 308,203 trees – exceeding our original target of 255,000.

Returning land to health

Healthy, fertile soil is essential for trees and other crops to grow. We work with people to improve the fertility of their soil. In Niger we trained 65 farmers in soil and water conservation techniques, and tree planting and management. These farmers went on to share what they learned with 300 others. Community members have restored 186 hectares of land with our support using the tools we provided.

Producing fuel-efficient stoves

Fuel-saving stoves use 45% less firewood compared to traditional stoves. This saves trees from being cut down, reducing deforestation. They also produce less smoke, improving people's health. This year, the 46 women we previously trained in Mali to make these stoves continued to train others, upskilling another 711 women. Women in the area have now built 1,436 stoves in total.

Preventing forest fires

Forest fires can wipe out trees and destroy land. In the drylands of Africa, they often spread very quickly across large areas. We trained people in 61 communities in Ghana this year on how to avoid fires starting and supported them to build fire breaks.

> ***"With the arrival of the project, I learned many things, notably techniques to fight erosion such as stone lines and zai pits, making compost, planting techniques and the necessary knowledge to manufacture and market non-timber forest products."***
>
> SÉKOURA, MALI

Image: Sèkoura Diarra in Ouolodo village, Mali © Tree Aid 2021

CASE STUDY

MANAGING LAND IN MALI

Sékoura is just one of the women in Mali using natural resource management techniques she learnt from Tree Aid to make her land more fertile – protecting it for the future and increasing her income.

"Before the project, our fields suffered enormously from rain and wind erosion. They were practically deprived of trees," says Sékoura.

"The soil was poor and we didn't have enough land to have fallow periods. There are fewer trees, too much wind and rainfalls are becoming rarer and rarer. The traditional production methods and techniques are exhausting and unprofitable. My income sources suffered from a lot of difficulties."

Tree Aid's She Grows project in Mali is working with women to tackle these problems. We're supporting women with the tools and training they need to keep their land healthy, mitigate the effects of climate change and plant trees. They can then produce nutritious food to eat, and manufacture products like soap and shea butter to sell.

Now at the end of its second year, the project has reached 1,853 people, 90% of whom are women. This far exceeds its target of reaching 1,000 women within three years.

Effective training

We've worked closely with 10 women's cooperatives to train members in effective and sustainable land management practices. These include planting crops and trees, regenerating trees, digging zai pits and half-moons to collect rainwater, leaf litter and run-off, and gully control to prevent destructive erosion.

A March 2022 survey showed that 100% of the women we supported were now using biological techniques like regenerating trees, up from 49% two years ago. 100% of the women were also using soil and water conservation techniques, a rise from 54%.

The project has exceeded our tree-planting target for the first two years too, with 7,554 seedlings planted on cooperatives' land. In addition, it has begun to help women earn more money, with the lowest-earning women taking part seeing a 57% average increase in their income from tree products.

Making life better for Sékoura

"With the arrival of the project, I learned many things, notably techniques to fight erosion such as stone lines and zai pits, making compost, planting techniques and the necessary knowledge to manufacture and market non-timber forest products," says Sékoura.

"My family and I have learned about capacity-building and resilience towards climate change. Our family relies on agriculture and crops are often badly affected by poor rainfall. The project has helped us overcome these difficulties by teaching us a number of adaptation strategies."

"Now I hope to have more income to be able to provide for my needs and those of my children and offer them better nutrition and clothing. I want to be able to pay for their school fees."

ACROSS ALL OUR PROJECTS

2,235
new hectares of land protected

3,073,983
trees grown and regenerated

A PROJECT IN MALI

1,853
people supported to make their land more fertile, grow trees and make more money

100%
of women trained in soil and water conservation techniques now applying them

PROTECTING FORESTS

OUR FOREST GOVERNANCE APPROACH

For people in the drylands of Africa to thrive, they need to protect and manage the forests and land they depend on. We campaign for forests to be managed by local people, working with communities and local government to agree rules for using forests and their resources.

Governing forests

We partner with local communities to help them put plans in place to manage their forests sustainably and fairly. Trees can then provide food and income, help restore land and protect the environment.

In Niger we joined forces with members of 10 village land tenure commissions to increase their skills and knowledge to support them to manage local natural resources. This included training on local land management laws and rural codes. Every group said that they felt able to have a positive effect on reducing conflicts about who owns and uses land thanks to the training.

Influencing policy

We work with communities and local governments to influence policy and push for change that protects trees, people and our planet. In Ghana, we supported 61 communities to design and develop their own byelaws to manage natural resources well.

Creating protected areas

We help communities set up areas of land protected from damaging practices, like clearing trees for farming, working with them to develop management plans and byelaws.

With our support, communities in the Koulikoro area of Mali completely closed off 714 hectares of severely degraded land from destructive activities like livestock grazing and tree cutting.

Empowering women

In many communities in the drylands of Africa, women are prevented from owning and accessing land and trees to grow food and products to sell. This can exacerbate the cycle of poverty and hunger. This is why many of our projects focus on supporting women to gain more power over the management of land and resources.

Our She Grows project in Mali helped increase the number of women in management positions in organisations responsible for natural resources from 37 to 145 this year. Women now hold 48% of all management positions, compared to 27% in 2019.

“Thanks to the project with Tree Aid, we have really improved our incomes. It has improved our living conditions a lot and above all, the living conditions of our children.”

DOLI, BURKINA FASO

Image: Doli Tapsoba in Sapouy, Burkina Faso © Tree Aid 2021

CASE STUDY

HELPING FORESTS THRIVE IN BURKINA FASO

We’re supporting people with the tools and training they need to manage, restore and protect 25 forest areas in Burkina Faso.

Over 70% of people in Burkina Faso rely on the land and trees for food to eat and products to sell for an income. But the effects of the climate crisis and deforestation are causing land to rapidly lose its fertility. As a result, poverty and hunger are major issues here.

To make matters worse, communities that rely on forests often don’t have the authority to manage and protect this important asset. Our forest governance programme has joined forces with communities to change this, working with communities and local authorities to agree rules for using forests and their resources and providing tools and training to protect them.

A successful year

The project has seen several successes in 2021/22. We helped communities develop 21 local policies on forest management. We continued to bring communities together to voice their views and share good practice too. For example, 1,355 people came together to work on local budgets for natural resource management. We also provided training on everything from forest protection techniques to building firewalls.

Our support and training are helping Burkina Faso’s forests to thrive. With Tree Aid’s support, local people demarcated the limits of 21 forests totalling more than 25,000 hectares. They’ll set up new communes in these forests, managing them, protecting them, and using them to grow products to eat and sell.

Communities also planted 41,780 seedlings and put their land management training into action to recover 71 hectares of degraded land.

Protecting forests has helped local people thrive too. Between 2018 and 2021, households taking part in the project increased their income by 113% on average. Households living below the poverty line reduced by 8%.

“Trees have a great importance in life. But nowadays, we notice the number of trees has reduced a lot. This is because of human actions,” says Doli, who’s part of the programme.

“Thanks to the project with Tree Aid, we received training on how to extract oil from neem, baobab and moringa trees. We have really improved our incomes. It has improved our living conditions a lot and above all, the living conditions of our children.”

Giving women a voice

Another key focus of our forest governance programme is giving women more power to manage the natural resources they depend so heavily on.

We made good progress with this throughout 2021. For example, during the first quarter of the year 31% of the women taking part said they felt able to speak publicly. This rose to 36% by the end of the year. Women who felt they had no control over household savings also fell from 14% to 8%.

OUR IMPACT BY COUNTRY

292%
increase in women in management positions in natural resource management organisations in Mali

61
communities in Ghana supported to discuss and develop byelaws

A PROJECT IN BURKINA FASO

1,355
people brought together to work on local budgets for natural resource management

41,780
seedlings planted

GROWING BUSINESSES

OUR ENTERPRISE DEVELOPMENT APPROACH

We support communities to make and sell tree products, like shea butter and soap. The income they make from their businesses alleviates poverty, helping them to pay for essential healthcare and education.

Increasing incomes

We support people – often women – to set up and develop businesses. This gives them a much-needed income today and stability for the future. We work with local people in groups called village tree enterprises. They work together to produce things that come from trees which aren't timber, like seeds, fruits, honey, leaves and nuts, and process them to sell at market. This year, we supported people to form 19 new village tree enterprises, bringing the total we work with to 997.

Over the past three years in Burkina Faso we've supported people to set up 179 village tree enterprises to produce and sell baobab leaves, shea nuts, moringa leaves and honey. Members have increased their incomes by 161% on average, and there's been a 12% reduction in households living in extreme poverty.

Skills and equipment

We support our village tree enterprises with training and tools. In Ghana, we provided farmers with wellington boots and cutlasses to help them regenerate trees.

Wellington boots and cutlasses provided by Tree Aid © Ecosia 2021

We also trained 1,525 farmers in vegetable production, regenerating trees and setting up nurseries.

Marketing products

Supporting people to sell the products they grow is another important part of our work. This year in Burkina Faso we joined forces with village tree enterprises in four communities to set up showcases where people could come and buy their products.

Shea butter processing in Navio, Ghana © Tree Aid 2021

Image: Beekeeper in West Gonja, Ghana © Tree Aid 2021

CASE STUDY

SUPPORTING ENTERPRISE IN ETHIOPIA

From 2017 to 2021, we supported 2,381 people in Dugda-Meki, Ethiopia, to increase their household income by an average of 22%.

Over the past 40 years, forest cover in Ethiopia has rapidly reduced. Without trees to keep the soil healthy, land has lost its fertility. This makes it harder for people to grow enough food or products to sell. Almost a third of the population is living in extreme poverty.

We joined forces with communities in the Central Rift Valley to plant 379,145 trees to tackle these issues. Not only are these trees helping the land regain its fertility, they're giving people an income to pay for food, healthcare and education for their children.

With our support, local people have organised into 17 enterprise groups to grow products from trees to eat and sell. These include vegetables, honey and soap. Group members have grown their monthly income from these products from an average of US$3.45 to US$117.93.

Supporting Urgesa to produce honey

Since 2017, we've helped 420 people to form eight beekeeping management groups and produce over 5,600kg of honey. They've made more than US$21,000 selling the honey, and it's also an important source of food.

Urgesa is one of the management group members.

He says: *"Previously we needed to 'hunt' honey using poles. We often killed lots of bees. Now we have training, we set up hives in the right way."*

"We understand that the bees need management and fencing to stop human interference. We have been told to clean the compound and we see bees as an asset now – not a dangerous animal."

"We expected only 3-4kgs of honey but have produced 10kg. We are amazed by this product. We have eaten small amounts with our friends and family. Our neighbours are interested in buying honey."

"We want to add to our savings and buy more hives. Our wishes are unlimited – we wish to have houses in town. The town houses have guarantees and our children could go to college."

Soap and vegetables

Honey isn't the only product we've helped local people make.

Our women-led soap-production group has made more than 2,400 soaps from moringa and aloe plants to sell. We trained the group on how to make soap and helped them build a shelter where they can work.

With our support, 148 people have formed five enterprise groups to grow vegetables including kale, tomatoes, chili peppers, green beans and onions. We provided tools, plus training on vegetable production and water pump management.

OUR IMPACT BY COUNTRY

161%
rise in income for village tree enterprise members in Burkina Faso

1,525
farmers trained in vegetable production in Ghana

A PROJECT IN ETHIOPIA

379,145
trees grown

Average income increased from US$3.45 to **US$117.93**

GROWING NUTRITIOUS FOOD

OUR FOOD SECURITY AND NUTRITION APPROACH

Trees provide stable supplies of food, even when other crops fail due to the climate crisis. We work with communities to grow and protect trees so they can provide nutritious fruits, nuts and leaves.

Diverse food to eat

We join forces with local people in the drylands of Africa to produce a wider range of food, including produce from trees like nuts, seeds and fruit, so they can diversify their diet and improve their health.

Over the past three years in Burkina Faso, we've worked with communities to set up 212 nutrition gardens. These are small, communal village plots dedicated to growing food to eat and sell, including moringa and baobab leaves. This has resulted in a 42% fall in chronic malnutrition in children under five, and an 8% fall in undernourishment in the community as a whole.

Growing fruit trees

Fruit trees are a great source of nutrition, and people can also sell fruit to generate an income. In Ethiopia, 471 people planted 7,110 papaya and mango trees with our support. These mainly provide food to eat for local people, but people also sell them to make money.

Mah Diarra harvesting leaves in Koulikoro, Mali
© Tree Aid 2021

Harvested leaves, Ghana © Ecosia 2021

Raising awareness

We work to raise awareness, and encourage consumption, of the nutritional products that come from trees. In Mali, we helped set up cooking demonstrations to encourage people to use moringa leaves – packed with vitamins – in their meals, emphasising the benefits they can have for their health.

> ***"I am learning a lot from Tree Aid's work as I raise tree seedlings, plant the seedlings to protect our river and restore our degraded lands, and support existing young trees to grow. I also work with my colleagues to grow tree vegetables to improve our food and nutrition status."***
>
> AKOSUA, GHANA

CASE STUDY

EASING HUNGER IN GHANA

61 communities in northern Ghana have set up nutrition gardens to grow vegetables with our support. These are now providing much-needed nutrition for everyone from children, pregnant women and breastfeeding mothers to elderly people.

The Daka River flows through Northern Ghana and is a vital source of water for drinking, washing, cooking and farming. But the climate crisis has hit the river hard. Water levels can easily run low, and the river can dry out for months on end. In recent years, soil around the river has been rapidly losing its fertility. People have been struggling to grow enough food and earn an income.

Since 2017, we've supported riverside communities to grow almost 3.2 million new trees – providing nutritious food and incomes. The trees have also helped restore the river as a reliable source of water all year round. In total, we've supported 2,285 households with tools and training to help them restore and protect their land.

Growing nutritious food

Along the river, enterprise groups have grown over 280,000 baobab and moringa trees to provide nutritious leaves they and their families can eat. They also grow jute mallow, spinach and amaranthus.

We've worked together with the groups to provide training on how to make sure their crops survive during the dry season, which can last 7-8 months each year. We've also supported 12 communities to create boreholes where people can easily access water to help their crops thrive.

Helping Akosua feed her family

Akosua is one of the women taking part in the project. She helps plant and grow tree seedlings, as well as cultivating vegetables including peppers and okra to feed herself, her husband and their seven children. She also sells some of her vegetables, using the money to pay for school for her children, healthcare and clothes.

"Life was better when I was young," says Akosua. *"There was good crop yield and a lot of trees. But trees have been disappearing."*

"I am learning a lot from Tree Aid's work as I raise tree seedlings, plant the seedlings to protect our river and restore our degraded lands, and support existing young trees to grow. I also work with my colleagues to grow tree vegetables to improve our food and nutrition status."

"I am happy to be part of Tree Aid's work to protect the environment and improve my living conditions."

Tree planting along the Daka River in Ghana
© Tree Aid 2019

OUR IMPACT BY COUNTRY

42%
reduction in chronic malnutrition in under-fives in Burkina Faso

7,110
papaya and mango trees planted in Ethiopia

A PROJECT IN GHANA

61
communities supported to set up nutrition gardens

Almost
3,200,000
new trees grown

IMPROVING OUR OPERATIONS

People

In 2021/22 our priority was to make sure the people we support through our programmes and our staff stayed safe throughout the continued Covid-19 pandemic. We supported our teams in Africa and the UK with the equipment and systems they needed to work safely and effectively. We also began developing models for hybrid working across our organisation. We continued to focus on wellbeing to help our staff through another difficult year.

Despite the lack of opportunities to meet face-to-face, we continued to promote cross-team working between our teams in Africa and the UK wherever possible, to support learning and development. All staff regularly receive training in key areas including safeguarding, anti-fraud and bribery measures, and data protection.

During the second half of the year we worked with our teams across the organisation to prepare for our new five-year strategic period. As part of this, to sit alongside the new strategy, we began building a resourcing strategy, including plans focused on staff engagement and development.

Systems and processes

In 2021/22 we made significant progress in developing our monitoring, evaluation and learning capacity. We built on our partnership with the University of Bristol, working with the 180 Degree student group to develop a dashboard to analyse and visualise data collected on land benefiting from restoration activities.

The majority of statistical data we collect now is in electronic format using Open Data Kit (ODK) software. This allows us to push on with designing and developing an organisational Information Management System (IMS). This will automate the amalgamation, analysis and visualisation of a range of socio-economic and ecological metrics across projects. It will allow us to improve our project management, evidence of impact, and advocacy messaging.

Our growing compliance team, made up of staff in the UK and Burkina Faso, made good progress reviewing and improving our processes in areas such as risk management, internal audit and partner due diligence. The collaborative approach we use has had a positive impact on risk-awareness across the entire organisation. We continued to use our innovative, remote internal audit programme, building on our experiences from last year. This involved using detailed questionnaires and follow-up remote testing, with risk-focused, in-person audits where these were necessary and possible.

Funding

We continued to seek opportunities for long-term partnerships with grant-making institutions and trusts so we can expand our programmes and work with our supporter base to promote Tree Aid's work.

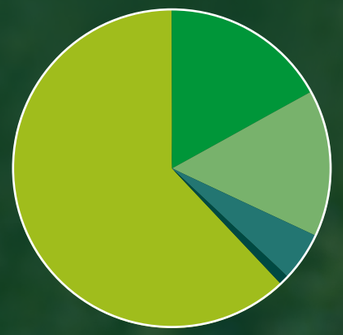
In 2021/22 we finalised new multi-year contracts with our long-term partners the Swedish International Development Cooperation and the Swiss Development Cooperation in partnership with the Netherlands Cooperation.

We also secured a new four-year, £2.3 million funding contract with the Alliance for a Green Revolution in Africa (AGRA). Through this project, Tree Aid will help to improve the food security and income of 210,000 smallholder farmers in Burkina Faso. In addition, we began our work "Growing the Olympic forest" in Mali and Senegal in partnership with the International Olympic Committee. We also started working in the Metema region in Ethiopia, funded by UK Aid Match and the Darwin Initiative. We're working with communities to increase their income, training them in the protection and sustainable use of frankincense trees.

INCOME AND EXPENDITURE

Income

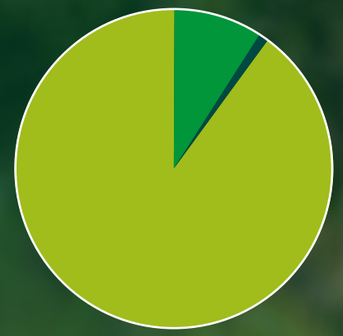
In 2021/22 Tree Aid's total income increased to £7.7 million, compared to £7.0 million in the previous year. This growth was largely due to the expansion of our Enhancement of Non-Timber Forest Products project in Burkina Faso, described above. The chart below shows where our income came from:



- Institutional grants 62%
- Corporate and major donors 17%
- Individuals 15%
- Charitable trusts 5%
- Legacies 1%

Expenditure

Our total expenditure rose to £7.2 million, compared to £7.0 million in the previous year. A breakdown is shown in the chart below:



- Programme delivery 87%
- Raising funds 11%
- Advocacy and awareness 2%

OUR FUTURE

Our 2022-2027 strategy looks to leverage the depth of experience Tree Aid holds in this critical moment – advancing our work to a scale commensurate with the challenge. Our new strategy is a step towards reversing deforestation and land degradation in the drylands of Africa. We want to catalyse change across the region to create resilient and thriving communities.

Empowered families

We have secured funding from AGRA to work in Burkina Faso with 210,000 smallholder farmers, to increase resilience to climate change and improve food security and incomes. 868 of the farmers will be trained as village-based advisors to support other families in their communities to adopt climate-smart approaches to agriculture. The project will include 5,000 women and young people, helping them find an additional source of income.

Empowered communities

This year we are delivering the first phase? [To avoid repetition] of the UK Aid Match Future Forest project in the Boswellia forests of Metema, in northwest Ethiopia. This project will focus on strengthening the community-based management, restoration and sustainable use of forest products – particularly frankincense. Eight local community groups will manage more than 30,000 hectares of Boswellia forest. These groups will be made up of 2,852 members, 822 of whom will be women. They will develop management plans to look after the forests, grow trees and restore land.

Empowering and enabling systems

The challenges faced by the communities who live in the Sahel are too great to tackle alone. Tree Aid is committed to challenging and changing systems to empower the communities and families in this region. We will continue to work with local and central governments in Burkina Faso to implement decentralised forest governance plans. These 'wins' make a huge difference to communities in the Sahel, supporting them to look after the forests and benefit from their ecosystems. Tree Aid's international advocacy work raises the voice of these communities at international forums and coalitions, unlocking support and access to much needed resources.

Global investment in nature-based solutions as a carbon-positive method of combatting climate change is crucial for achieving the climate change goals set in the Paris Agreement. Tree Aid will continue to develop carbon-positive projects as part of the global drive, reducing the environmental impact of the climate crisis that we are seeing globally and that communities are experiencing in the drylands of Africa.

OUR FIVE-YEAR OBJECTIVES

To support delivery of our strategy, each year we develop operational plans that break our strategic outcomes into specific and time-bound objectives. We developed our 2022/23 objectives by functional team (programmes, fundraising, finance and resources) aligned to the strategic outcomes they support.

1. EMPOWERED FAMILIES

2.4 million people will gain the skills needed to raise themselves out of poverty.

- Train farmers in conservation techniques
- Upskill enterprise members to grow their incomes
- Enhance year-round access to nutritious tree foods
- Support women to access employment opportunities

2. EMPOWERED COMMUNITIES

4,000 communities will be supported to manage their landscapes.

- Support communities to form land management committees & plans
- Strengthen partnerships between communities & government
- Develop cooperatives and trade associations
- Grow 12 million trees and restore 220,000 hectares of land

3. EMPOWERING AND ENABLING SYSTEMS

We will work in collaboration to change systems and empower communities.

- Demand increased international climate and development funding
- Raise the voice of those we represent at international forum
- Endorse national level policies and action
- Partner with governments to develop restoration plans & markets

STRUCTURE, GOVERNANCE AND MANAGEMENT

Tree Aid as a charity and a company has specific responsibilities our Trustees are required to scrutinise and report on annually.

Our Trustees focus on good governance and in 2021/22 reviewed:

- The development of our new five-year strategy
- Best practice for charities working internationally
- The Charity Code of Governance
- Board effectiveness and transition
- Safeguarding policy and practice
- Reserves policy and designation of funds
- Performance of Tree Aid's investments
- CC8: Internal Financial Controls for Charities
- The Fundraising Code of Practice
- CC20: Charity Fundraising: a Guide to Trustees' Duties

Our Trustees review our performance in the following areas quarterly:

- Programmes
- Finance
- Fundraising
- Compliance and risk

Legal structure

Tree Aid was established as a charity in 1987 and incorporated as a charitable company, limited by guarantee, in the UK, in April 2010. The Company was set up under a Memorandum of Association which established its objects and powers. It is governed under its Articles of Association. The Charity's purpose and main activities are described on page 27

Group structure

Tree Aid, the Charity, has three wholly-owned subsidiary organisations which, together with the Charity, comprise the Group. In West Africa, Tree Aid Burkina Faso (an Association under the Law of Freedom of Association (10/92/ADP of 15 December 1992)) and Tree Aid Ghana (a company limited by guarantee under the Ghanaian Companies Act 1963) both have boards of directors and operate under similar charitable and non-profit-making objectives to those of Tree Aid. In the UK the Charity also has one wholly-owned subsidiary, Tree Aid Enterprises Limited, a company limited by shares, which is dormant.

Organisational structure

Our **Board of Trustees** makes sure Tree Aid is governed effectively and responsibly. The Board is collectively responsible for us delivering our charitable objectives and for ensuring that we are governed in accordance with our Memorandum and Articles of Association. The Board meets quarterly and at 31 March 2022, comprised 11 Trustees. Each Trustee is also a Director of the Company for the purposes of company law. A list of Trustees is on page 61.

We recognise that a healthy Board identifies the mix of skills, knowledge and experience necessary for the efficient and effective governance of Tree Aid. A healthy Board will also make sure that the recruitment and appointment of Trustees provides adequate opportunities for reassessing and achieving that mix. Tree Aid is fully committed to equality of opportunity and diversity in its governance. We recruit Trustees to ensure the Board has the knowledge and skills required to achieve our mission and uphold our values. All new Trustees go through a full and open recruitment and interview process. Appointment is by Board resolution and all Trustees receive an induction on appointment and relevant training courses are made available.

The Board follows good practice by planning for succession and periodically reviews whether it has the appropriate skills and capacities going forward. The Board also evaluates its performance regularly.

In line with our Articles of Association, the Board delegates certain functions to sub-committees, under terms of reference it has approved. These sub-committees report to the Board at each Board meeting. There are three sub-committees of the Board and an advisory group:

- The **Finance and Audit Committee** deals primarily with financial, audit and administrative matters and has oversight of the process of risk management. It comprises three Trustees with governance, business and risk experience.
- The **Fundraising Standards Committee** reports to the Board on fundraising standards, compliance with regulation and risk in relation to fundraising standards. A member of the Board with fundraising expertise chairs this committee, and it includes two other Trustees with fundraising and marketing experience.
- The **People Committee** (previously the Nominations & Remuneration Committee) is responsible for making recommendations on Board composition and for supporting the Chief Executive Officer to identify and recruit for Board and Senior Management Team vacancies. This sub-committee also reviews remuneration for staff, and ensures that safeguarding and human resources policies are regularly reviewed and updated. The Chair of the Board chairs the People Committee and it includes two other Trustees with human resources experience.
- The **Programmes Advisory Group** provides expert advice and support to the operations team and Trustees and acts as a 'critical friend' to support continuous improvement in programming. A Trustee chairs the group, and other external members are co-opted for their relevant skills and experience.
- The Board appoints the **Chief Executive Officer** to manage the day-to-day running of Tree Aid under powers the Board delegates to the position. Working closely with the Chair of the Board, our Chief Executive leads the Senior Management Team to make sure our strategy and operations are aligned and effectively delivered.
- The **Senior Management Team** has executive responsibilities and comprises the Chief Executive Officer, Director of Operations, Director of Finance and Resources, and Director of Fundraising and Communications.

Related parties

All Trustees give their time freely and none receive remuneration or other benefit from their work with Tree Aid. Any contractual relationship between a Trustee or senior manager of Tree Aid or our subsidiaries and a related party must be disclosed to the Board of Trustees. We have taken out Trustee indemnity insurance which indemnifies Trustees and Tree Aid up to £1 million. This cover is provided as part of a general charity insurance policy which cost £2,924 (2020/21: £2,567). Please see note 24 to the accounts for further details of related party transactions.

Remuneration policy for senior staff

The Board of Trustees and the Senior Management Team comprise the key management personnel responsible for directing, controlling, running and operating Tree Aid on a day-to-day basis. Details of Trustees' expenses and related party transactions are disclosed in notes 12 and 24 to the accounts.

The Board of Trustees reviews the remuneration of all staff annually, benchmarking salaries using Cendex and Birches voluntary sector salary data. We aim to offer salaries that are competitive compared to those similar voluntary sector organisations offer.

The remuneration of key management personnel is disclosed in note 11 to the Accounts.

Risk management

Our Board identifies and reviews the strategic, business and operational risks Tree Aid is exposed to, and ensures that appropriate controls are in place to provide reasonable assurance against fraud and error. Our Board and Senior Management Team carry out a quarterly assessment of the risks facing the organisation. This assessment process is based on a risk register, which assigns management

of risks to specific people, and recommends actions to mitigate them.

In 2021/22 we continued to build the capacity of our compliance team, made up of a dedicated Compliance Manager in the UK supported by a Compliance Officer in Burkina Faso. This team monitors risks, trains our teams and partners in our policies and controls, and makes sure that compliance with these is audited, focusing on areas of highest risk.

Our compliance team made good progress this year reviewing and improving our processes in areas such as risk management, internal audit and partner due diligence. As an outcome of the work this team carries out on risk, the Board has identified the key risks below and put in place mitigation plans, which it monitors regularly:

- **Political unrest and staff safety:** we have business continuity plans in place for each country to ensure continuity of programmes where possible. We supplement local knowledge by reviewing United Nations and UK Foreign, Commonwealth and Development Office security alerts. We also regularly review travel protocols. A Regional Security Officer is in post in West Africa
- **Undetected fraud:** we have clear finance procedures in place with segregation of duties. Internal and external audits are carried out regularly. We have also established and implemented enhanced partner due diligence processes. Staff and Trustees are trained annually in fraud policy and procedures.
- **Safeguarding:** our staff and Trustees are trained annually in safeguarding policy and procedures. Adherence to policy is mandatory in partner contracts and enhanced whistleblowing procedures have been established throughout Tree Aid and with our partner organisations and programme participants. Our Board of Trustees regularly reviews our policy and approach and implements additional measures where appropriate.
- **Data protection and cyber-security:** we have detailed IT security and recovery plans in place for each of our systems, managed by outsourced IT suppliers. The Board reviews system security measures periodically.
- **People and culture:** in a context of growth and of flexible working, we regularly assess employee wellbeing, workload and turnover. The Senior Management Team is dedicated to ensuring healthy work relations and to addressing any issues promptly.
- **Management of organisational growth:** we manage growth through large institutional grants by partnering with reliable, mature downstream partners, monitoring staff structures and workloads closely, and ensuring that we have adequate reserves to counter delays in cashflows.
- **Unbalanced portfolio:** we continuously monitor our donor base and projects to build a healthy diversification between countries.
- **Risk of changes in governments' appetites for international development resulting in a reduction in funding:** we monitor funding from individual governments as a proportion of total funding, with the aim of limiting exposure to one single donor.

In 2021/22 we reviewed our performance against the updated Charity Governance Code, so Trustees could assess how well Tree Aid is applying the Code and where further work is needed. This review concluded that the following actions were necessary:

- **The Board reviews its own performance and that of individual Trustees, including the Chair:** the Board reviews its own performance periodically and plans to carry out an internal evaluation lead by the Vice-Chair.
- **The Board periodically takes part in training and/or reflection about diversity and understands its responsibilities in this area:** The Board has initiated a recruitment process which takes account of its responsibility to ensure a diverse Board and has plans to review its performance against diversity objectives.

In 2021/22 Trustees carried out their annual review of Tree Aid's internal controls against the Charity Commission's Internal Financial Controls Checklist (CC8). They concluded that, where applicable, internal control processes were in place in line with the Checklist.

Fundraising

We would not be able to do our important work without the support of our donors. We seek to maintain the highest possible standards in fundraising and relationships with our supporters.

Tree Aid is registered with the Fundraising Regulator and bound by its Code of Fundraising Practice. We continue to monitor compliance as this Code is revised to ensure all our fundraising activities are operating to the highest standards. We received 15 complaints via the Fundraising Regulator in 2021/22 which we have addressed individually.

We are also registered with the Fundraising Preference Service and had 9 donors opt out of communications via the Fundraising Preference Service this year (19 in total since its launch in 2017). We ensure we are compliant with the General Data Protection Regulation (GDPR).

Trustees and the Senior Management Team regularly review all aspects of our fundraising, including plans, performance and compliance. We produce annual plans and reviews, and monitor performance against targets monthly and performance indicators quarterly.

We deliver some fundraising activities with the support of professional fundraising organisations. We ensure these organisations are fully compliant with fundraising regulations and with our own policies. We have clauses built into all our supplier contracts which ensure high standards in supporter care, data protection and working with vulnerable people.

The experience our supporters have with Tree Aid is important to us and we take pride in providing excellent supporter care. During 2021/22 we received a total of 9 complaints relating to fundraising. We responded to these promptly and resolved them in line with donors' preferences.

Focus to ensure our activities achieve our charitable aims

Tree Aid's objectives, as set out in our Articles of Association, are to benefit the public through:

1. Relieving the poverty of and promoting the welfare of poor persons overseas by promoting for the benefit of such persons the conservation and improvement of their natural environment especially through silviculture and job creation.
2. Promoting, for the public benefit, research into methods of reclaiming or preventing degradation of agricultural or forest land into desert land for its continued use for forestry, agricultural, industrial or commercial purposes and publishing the results of such research.

The Board regularly reviews Tree Aid's aims, objectives and activities and summarises our achievements and outcomes in this report. This review helps the Board ensure that the organisation's aims, objectives and activities remain focused on our stated purposes.

By carrying out this review and as set out in detail in this report, the Trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the public benefit requirement under that Act.

FINANCIAL REVIEW 2021/22

The Trustees' Annual Report and audited consolidated financial statements are prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, our Memorandum and Articles of Association, 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 United Kingdom and Republic of Ireland (FRS 102).

The legal and administrative information set out on page 61 forms part of this report.

Income

Our principal funding sources were institutional grants, individuals, companies and charitable trusts as follows:

	2022 (£)	2021 (£)
Institutional grants	4,779,176	4,810,278
Charitable trusts	357,627	277,871
Corporate and major donors	1,310,583	961,973
Individuals	1,153,313	879,912
Legacies	87,566	63,793
Donations in kind	-	23,574
Total donations and legacies	**7,688,265**	**7,017,401**
Investment & other income	5,388	13,597
Total income	**7,693,653**	**7,030,998**

Income from individual donations, legacies, corporate donors and charitable trusts increased to £2.9 million compared to £2.2 million in 2020/21. This was partly due to the start of a carbon offset project in Senegal funded under corporate income by the International Olympic Committee. It was also the result of increased individual giving following a UK Government Aid Match fundraising campaign. Grants from institutions remained at £4.8 million, the same level as in 2020/21.

Expenditure

	2022 (£)	2021 (£)
Raising funds	786,017	764,883
Programme delivery	6,250,322	6,153,262
Advocacy and awareness	160,667	52,502
Total resources expended	**7,197,006**	**6,970,647**

To achieve future income growth, we continued to invest in institutional and supporter fundraising with costs being managed closely, with Trustees and the Senior Management Team monitoring levels of activity and return on investment. Overall, our investment in raising funds at £0.8 million, was slightly higher compared to the previous year. The cost of raising funds is an unrestricted fund expense, but raises both restricted and unrestricted income.

Total expenditure on charitable activities, mainly comprising programme delivery and advocacy and awareness costs, was £6.4 million, £0.2 million higher than in the previous year.

Tree Aid ran 18 projects during the year (2020: 16) across the five countries we operate in, including the two major projects in Burkina Faso referred to on page 20.

Tree Aid is primarily funded through a number of multi-year, restricted grants across our countries of operation. With the addition of matched and unrestricted funding these fully fund our project activities and our in-country operations costs. In addition we raise unrestricted funds to support project delivery and enable investment in innovation and growth, providing valuable technical support to our overseas teams and ensuring compliance, quality and consistency across our projects.

Tree Aid ended 2021/22 with a strong balance sheet, with a level of reserves adequate to support future growth. The Board aims to ensure that this strong financial base is not eroded as a result of any of the risks identified in the Risk Register described on pages 25 and 26.

We have made conservative assumptions in our recently completed going concern review on the levels of unrestricted funding likely to be raised, based on our experience and on our knowledge of and relationship with our committed supporters.

The budget for 2022/23 and the going concern review indicate that Tree Aid has adequate reserves, backed by investments and other funds, to continue as a going concern for at least 12 months from the date of this report. Cashflow forecasts show positive balances of restricted and unrestricted funds and consequently the Board believes that Tree Aid can continue to account on a going concern basis. In view of the strength of the balance sheet on 31 March 2022, the Board believes that Tree Aid's financial position at the year-end was satisfactory.

Currency exchange rates remain volatile. To help manage exposure to currency fluctuations, we continued to carry a proportion of funding received in the UK in Euros. This funding will be spent in Central African Francs, the exchange rate for which is linked to the Euro. This practice will continue in the next financial year.

Investment values have recovered in both of our managed investment funds and the value of UK woodland remains high: the effect of this on Tree Aid's investment holdings is considered under Investment performance on page 30 of this report.

Reserves

Total funds held by the Charity at the year-end were £3.0 million (Group: £3.6 million) of which £0.4 million (Group: £0.5 million) were restricted and not available for the general purposes of the Charity.

We have identified the following primary criteria for holding unrestricted reserves as part of funds, at the appropriate levels to maintain general reserves (those unrestricted reserves which are not invested in fixed assets, designated for a specific purpose or otherwise committed) at the higher of either:

- The amount required to ensure the continuity of Tree Aid's activities in the event of unexpected setbacks, at a level equivalent to six months of unrestricted budgeted expenditure; or
- The amount required to close down Tree Aid, ensuring that there are sufficient resources available to fulfil legal obligations in the unlikely event that Tree Aid ceases to operate

Reserves are monitored on a monthly basis and reported to the Board quarterly, with the target level of reserves reviewed annually as part of the budget process. Based on the 2022/23 budget, the Group target for free reserves was £1.5 million which compared to actual free reserves of £1.6 million.

The Trustees decided to re-designate some reserves against planned future expenditure to support the new strategy and strategic growth. These are detailed further in note 20 to the accounts.

A deficit budget has been set for 2022/23 including some costs which will be funded from designated reserves.

Net movement in funds

There was a £0.2 million net inflow to restricted funds in 2021/22 for the Group, leaving closing restricted funds at £0.5 million at the end of the year.

Unrestricted funds for the Group showed a surplus for the year of £0.4 million, including gains on investments of £0.1 million. After the changes to designated reserves described in note 20 to the accounts, general reserves increased to £1.6 million.

Subsidiary companies

Our subsidiary companies, Tree Aid Burkina Faso and Tree Aid Ghana, continued to operate as integral elements of the Group, sharing and contributing to the achievements and performance within the financial parameters set by the Board of Trustees. Both were mainly grant-funded by the parent Company.

Tree Aid Enterprises Limited's accounts have not been prepared on a going concern basis as the company is dormant.

Investment policy and objectives

Tree Aid has adopted an ethical investment policy. This means that we seek to avoid investments that conflict with our aims or create reputational risk. Our investment policy emphasises the use of positive ethical criteria.

We actively seek to invest in companies that are able to demonstrate:

- Responsible employment practices
- Good corporate governance practice
- Conscientiousness with regard to human rights
- Sustainable environmental practice
- Sensitivity towards the communities in which their business operates

Tree Aid's policy is that assets can be invested widely and should be diversified by asset class (taking account of geographical location), manager and security. Asset classes could include cash, bonds, equities, property, land and any other asset that is deemed suitable for Tree Aid.

Investment management is delegated to two authorised professional investment managers, regulated by the Financial Conduct Authority.

The Board has set Tree Aid's investment objectives as follows:

- To produce the best financial return within an acceptable level of risk
- To generate a return in excess of inflation from long-term investments
- To preserve the capital value with a minimum level of risk for short-term investments

Investment performance

Tree Aid's investment with Rathbone Greenbank, initially £0.2 million, grew below the level of global markets, increasing by 2% during the year.

The value of investment in the CCLA COIF Charities Ethical Investment Fund units increased by 12%. This compared with a benchmark composite comparator for the year of 12% for global equities. The closing value of Tree Aid's investment in the fund was £0.7 million taking into account the reinvestment of income.

The legacy gift of 25 hectares of woodland in Devon was externally revalued in 2021 to a value of £0.4 million by Tustins Group Ltd and continues to be carried at this value. This compares to the £0.3 million valuation on receipt in 2019.

STATEMENT OF THE TRUSTEES' RESPONSIBILITIES

The Charity Trustees (who are also the Directors of Tree Aid for the purposes of company law) are responsible for preparing a Trustees' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards. Charity law requires the Charity Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the Charity and the Group as at the end of the year and of its and the Group's financial activities during the year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards). In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgments and accounting estimates that are reasonable and prudent
- Follow applicable United Kingdom Accounting Standards and the Charities Statement of Recommended Practice, disclosing and explaining any departures in the accounts
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue to operate

The Trustees are responsible for ensuring that adequate accounting records are maintained that are sufficient to show and explain the Charity's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and the Group, and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Charity and the Group and ensuring their proper application in accordance with charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure to our auditor

In so far as the Trustees are aware at the time of approving our Trustees' Annual Report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the Group's auditor is unaware, and
- The Trustees, having made enquiries of fellow Directors and the Group's auditor that they ought to have individually made, have each taken all steps that they are obliged to take as Directors to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Group accounts are prepared in accordance with section 398 of the Companies Act 2006, section 138 of the Charities Act 2011, and with the special provisions of part 15 of the Companies Act relating to small companies. They constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the Company.

Crowe UK LLP has indicated its willingness to be reappointed as statutory auditor. Tree Aid will put forward a resolution proposing the appointment of auditors during 2022/23

This report, which includes the Strategic Report, was approved by the Board of Trustees on 14 July 2022 and signed on its behalf by:

Shireen Chambers MBE
Chair of the Board of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF TREE AID

Opinion

We have audited the financial statements of Tree Aid ('the Charitable Company') and its subsidiaries ('the Group') for the year ended 31 March 2022 which comprise the consolidated statement of financial activities, consolidated balance sheet, consolidated statement of cashflows, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the Group's and the Charitable Company's affairs as at 31 March 2022 and of the Group's income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council (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 Charitable Company's or the Group's ability to continue as a going concern for a period of at least 12 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 Trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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, 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

In light of the knowledge and understanding of the Group and Charitable Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate and proper accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 31, the Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations, are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members including internal specialists and significant component audit teams. We then designed and performed audit procedures responsive to those risks,

including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Charitable Company and Group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102), Health and Safety Act and Employment Law. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Charitable Company's and the Group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Charitable Company and the Group for fraud.

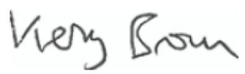
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within income recognition and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, component auditors and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and income, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Date: 18th August 2022
Kerry Brown
Senior Statutory Auditor
For and on behalf of
Crowe UK LLP
Statutory Auditor
Black Country House
Rounds Green Road
Oldbury
B69 2DG

Crowe UK LLP is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITES

(Incorporating an income and expenditure account)

	Notes	Restricted funds 2022 (£)	Unrestricted funds 2022 (£)	Total funds 2022 (£)	Total funds 2021 (£)
Income from					
Donations and legacies	2	5,954,378	1,733,887	7,688,265	7,017,401
Investment income	3	-	2,166	2,166	5,087
Other income	4	-	3,222	3,222	8,510
Total income		**5,954,378**	**1,739,275**	**7,693,653**	**7,030,998**
Expenditure on					
Raising funds	5	-	(786,017)	(786,017)	(764,883)
Charitable activities	6	(5,802,484)	(608,505)	(6,410,989)	(6,205,764)
Total expenditure	7	**(5,802,484)**	**(1,394,522)**	**(7,197,006)**	**(6,970,647)**
Investments					
Net gains on investments	16	-	93,703	93,703	280,002
Net income		**151,894**	**438,456**	**590,350**	**340,353**
Movement in funds					
Transfer between funds	20	37,078	(37,078)	-	-
Other currency exchange losses		-	(6,429)	(6,429)	(4,456)
Net movement in funds	9	**188,972**	**394,949**	**583,921**	**335,897**
Reconciliation of funds					
Total funds brought forward	20	296,384	2,719,050	3,015,434	2,679,537
Total funds carried forward	20	**485,356**	**3,113,999**	**3,599,355**	**3,015,434**

The notes on pages 38 to 60 form part of these financial statements.

CONSOLIDATED AND CHARITY BALANCE SHEETS

	Notes	Group 2022 (£)	Group 2021 (£)	Charity 2022 (£)	Charity 2021 (£)
Fixed assets					
Tangible fixed assets	15	16,602	23,247	1,275	2,045
Investments	16	1,367,127	1,273,424	1,367,127	1,273,424
Investment in subsidiaries	16	-	-	2	2
Total fixed assets		**1,383,729**	**1,296,671**	**1,368,404**	**1,275,471**
Current assets					
Debtors	17	929,134	650,131	251,480	199,966
Short-term investments	18	342,146	342,146	342,146	342,146
Cash at bank and in hand		3,636,922	4,049,796	2,751,750	2,590,237
Total current assets		**4,908,202**	**5,042,073**	**3,345,376**	**3,132,349**
Current liabilities					
Creditors falling due within one year	19	(2,692,576)	(3,323,310)	(1,692,211)	(1,830,173)
Net current assets		**2,215,626**	**1,718,763**	**1,653,165**	**1,302,176**
Net assets	21/30	**3,599,355**	**3,015,434**	**3,021,569**	**2,577,647**
Funds					
Restricted funds	20	**485,356**	**296,384**	**378,641**	**248,734**
Designated reserves	20	1,562,595	1,437,760	1,562,595	1,437,760
Free reserves	20	1,551,404	1,281,290	1,080,333	891,153
Total unrestricted funds		**3,113,999**	**2,719,050**	**2,642,928**	**2,328,913**
Total funds	20	**3,599,355**	**3,015,434**	**3,021,569**	**2,577,647**

The notes on pages 38 to 60 form part of these financial statements.

The Charity-only net income in the year was £443,922 (2021: £314,958). The Group accounts are prepared in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. They constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the Company.

Approved and authorised for issue by the Board of Trustees on 14 July 2022 and signed on their behalf by:

Tristram Hilborn
Chair of Finance & Audit Committee
Tree Aid charity no. 1135156 Company no. 03779545.

CONSOLIDATED STATEMENT OF CASHFLOWS

	Notes	2022 (£)	2021 (£)
Cashflows from operating activities			
Net cash used in operating activities	22	**(408,611)**	(80,169)
Cashflows from investing activities			
Dividends and interest from investments		2,166	5,087
Purchase of property, plant and equipment		-	(2,222)
Net cash used in investing activities		**2,166**	2,865
Decrease in cash and cash equivalents in the reporting period		(406,445)	(77,304)
Cash and cash equivalents at the beginning of the reporting period		4,391,942	4,473,702
Decrease in cash and cash equivalents due to exchange rate movements		(6,429)	(4,456)
Cash and cash equivalents at the end of the reporting period		**3,979,068**	4,391,942

The notes on pages 38 to 60 form part of these financial statements.

NOTES TO THE ACCOUNTS

1.Principal accounting policies

a. Company information

The Charity is a company limited by guarantee (company no. 03779545) and a registered charity in England and Wales (charity no. 1135156), which is incorporated and domiciled in the United Kingdom. The address of the principal and registered office is Brunswick Court, Brunswick Square, Bristol, BS2 8PE.

b. Basis of preparation

The consolidated financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) issued on 16 July 2014 (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

Tree Aid meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value in accordance with applicable accounting standards unless otherwise stated in the relevant accounting policy note.

After making enquiries, the Trustees have a reasonable expectation that the Charity has adequate reserves to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the statement of Trustees' responsibilities on page 33.

c. Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent Company and all its subsidiaries. Entities over which the Group has the ability to exercise control are accounted for as subsidiaries. The accounts of Tree Aid subsidiaries are based on the accounting standards applicable in the country in which they reside.

Transactions and balances between Group companies are eliminated on consolidation.

No statement of financial activities is presented for the Charitable Company alone as the results of the subsidiary companies are separately identified within the Group accounts and the Charitable Company is exempt from presenting such a statement under section 408 of the Companies Act 2006.

d. Income recognition

Voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities when receivable. In line with the requirements of SORP (FRS 102), the value of time kindly contributed by volunteers is not included in the financial statements.

Legacy income is recognised when it is received, unless there is sufficient evidence in advance to allow Tree Aid to be sufficiently certain that the income will be received, and to be able to estimate the value of the legacy with reasonable certainty (receipt is more likely than not).

Income from grants is included in income when there is evidence of entitlement, the amount can be measured and the receipt is probable. When donors impose conditions which have to be fulfilled before the Charity becomes entitled to such income or where the donor has specified that the income is to be expended in a future period, the receipt of income is not included in income until the pre-conditions for use have been met.

Grants for the purchase of fixed assets are credited to restricted income when receivable. Depreciation of fixed assets purchased with such grants is charged against the restricted fund.

Income from Gift Aid tax reclaims is recognised for all donations made prior to the year-end, where a valid Gift Aid declaration is held. Investment income is accounted for on the accruals basis.

e. Expenditure and basis of allocation of costs

Expenditure is recognised in the period in which it is incurred, and includes attributable VAT which cannot be recovered.

Expenditure is analysed into the following activities:

i. Raising funds – this includes the salaries, direct expenditure and support costs of staff engaged in fundraising activities. Fundraising costs are recognised in the year they are incurred although income derived from the initiatives may arise in future years.

ii. Programme delivery – this comprises direct purchases, the cost of Tree Aid's staff involved in the delivery of programmes, particularly those staff based in Africa, and the value of grants that have been made to implementing partners working on Tree Aid's projects, to the extent that this has been spent. Tree Aid staff provide specialist support, training and networking for partner organisations, as well as undertaking the research required to develop programmes. The cost of grants is included in the statement of financial activities in the year they are payable.

iii. Advocacy and awareness – this represents the costs incurred in raising awareness of institutions and members of the public on the issues being addressed by the Charity.

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

v. Support costs – expenditure is allocated to a particular activity where the cost relates directly to that activity. In addition, support costs incurred to facilitate activities (back-office costs, the costs of budgetary and financial control, information technology, depreciation, human resources and payroll) are apportioned to activities based on the proportion of staff time spent on each activity as shown in the table below.

Apportionment of support costs:

Activity	2022	2021
Raising funds	30%	31%
Programme delivery	68%	68%
Advocacy and awareness	2%	1%

Redundancy/termination payments are accounted for on the accruals basis.

f. Fund accounting

The Charity maintains three main types of fund as follows:

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

ii. Unrestricted funds representing income that is expendable at the discretion of the Trustees in the furtherance of the objects of the Charity

iii. Designated funds which are where the Trustees have set aside unrestricted funds for a specific purpose

g. Tangible fixed assets and depreciation

Depreciation is calculated so as to write off the cost of tangible fixed assets by equal annual instalments over their estimated useful lives at the following rates:

United Kingdom fixtures and fittings	25%
Africa motor vehicles	25%
Africa fixtures and fittings	25%

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on a basis which is an estimate, based on staff time, of the amount attributable to each activity. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

h. Fixed asset investments

Investments are valued at market value at the balance sheet date.

i. Programme-related investments

The asset is valued at the amount invested into the fund, less any amounts written off due to non-repayment of loans by entrepreneur groups.

j. Debtors

Short-term debtors are initially measured at transaction price, less any impairment. Prepayments are measured at the amount prepaid.

k. Short-term investments

Short-term investments comprise cash deposits with notice periods of more than three months and less than 12 months.

l. Cash at bank and in hand

Cash at bank and in hand comprise cash deposits with notice periods of less than three months, and petty cash balances held.

m. Creditors

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

There is a provision in place which provides for termination payments payable to staff in Burkina Faso and Niger on leaving their employment. The provision is related to the accumulated length of service for each member of staff.

n. Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the month-end rate of exchange for the month. Exchange differences are taken into account in arriving at the net movements in funds for the year.

o. Pensions

The Charity offers a defined contribution pension scheme to employees. The assets of the scheme are held in independently administered funds. Pension costs charged in the statement of financial activities represent the contributions payable by the Charity during the year. The liability and expense are apportioned to activities and between restricted and unrestricted funds based on the proportion of staff time spent on each activity.

p. Leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities in the year in which they fall due.

q. Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments, these being cash at bank, debtors and creditors (see note 27). Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

r. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The items in the financial statements where these estimates and judgements have been made include the following:

i. Accruals

Included in accruals are liabilities where the amount and/or timing of its settlement is uncertain. An accrual is only recognised where:

- There is a present obligation at the reporting date as a result of a past event;
- It is probable that a transfer of economic benefit will be required in settlement; and
- The amount of the settlement can be estimated reliably.

ii. Deferred income

Where terms and conditions have not been met, or uncertainty exists as to whether Tree Aid can meet the terms and conditions otherwise within its control, the income is not recognised but deferred as a liability until it is probable that the terms and conditions imposed can be met.

2. Donations and legacies

	Restricted funds (£)	Unrestricted funds (£)	Total 2022 (£)	Total 2021 (£)
Institutional grants	4,779,176	-	4,779,176	4,810,278
Charitable trusts	273,397	84,230	357,627	277,871
Corporate and major donors	901,805	408,778	1,310,583	961,973
Individuals	-	1,153,313	1,153,313	879,912
Legacies	-	87,566	87,566	63,793
Donations in kind	-	-	-	23,574
Total	**5,954,378**	**1,733,887**	**7,688,265**	**7,017,401**

Included in institutional grant income are government grants received that fund projects in Africa as follows (unspent balances are carried forward in deferred income to future periods):

		Total 2022 (£)	Total 2021 (£)
United Kingdom	Department for Environment, Food and Rural Affairs	91,828	33,969
	Foreign Commonwealth and Development Office	122,969	149,308
Channel Islands	Jersey Overseas Aid	22,749	90,994
International	Swedish International Development Cooperation Agency	1,492,731	2,194,642
	Swiss Agency for Development and Co-operation	2,032,861	1,897,550
Total government grants		**3,763,138**	**4,366,463**

The amount of government grants recognised as income during the year was £4,566,066 (2021: £4,703,215). This is calculated in line with Tree Aid's income recognition policy under which income is recognised when the conditions for entitlement have been fulfilled. This is different from amounts received from these and other funders in this period. There were no unspent grant balances repayable in the year (2021: £nil).

3. Investment Income

	Restricted funds (£)	Unrestricted funds (£)	Total 2022 (£)	Total 2021 (£)
Dividend income	-	995	995	98
Deposit account interest	-	1,171	1,171	4,989
Total	**-**	**2,166**	**2,166**	**5,087**

4. Other Income

	Restricted funds (£)	Unrestricted funds (£)	Total 2022 (£)	Total 2021 (£)
Sundry receipts	-	3,222	3,222	8,510
Total	**-**	**3,222**	**3,222**	**8,510**

5. Raising funds

	Delivery costs (£)	Development costs (£)	Support costs (£)	Total 2022 (£)	Total 2021 (£)
Supporter fundraising	406,877	4,931	246,566	658,374	677,068
Institutional fundraising	87,348	-	40,295	127,643	87,815
Total	**494,225**	**4,931**	**286,861**	**786,017**	**764,883**

6. Charitable activities

	Delivery costs (£)	Development costs (£)	Support costs (£)	Total 2022 (£)	Total 2021 (£)
Programme delivery	5,481,714	99,042	669,566	6,250,322	6,153,262
Advocacy and awareness	112,134	-	48,533	160,667	52,502
Total	5,593,848	99,042	718,099	**6,410,989**	6,205,764

7. Total expenditure

	Delivery costs (£)	Development costs (£)	Support costs (£)	Total 2022 (£)	Total 2021 (£)
Raising funds	494,225	4,931	286,861	786,017	764,883
Charitable activities	5,593,848	99,042	718,099	6,410,989	6,205,764
Total	**6,088,073**	**103,973**	**1,004,960**	**7,197,006**	6,970,647

The main components of support costs are:

	Total 2022 (£)	Total 2021 (£)
Office costs	645,998	545,177
Depreciation	6,650	8,918
Administration and support salaries	266,096	191,641
Governance costs	86,216	62,901
Total	**1,004,960**	808,637

8. Grants analysed by country and project

Included within 'Charitable activities, Delivery costs' are grants made to various implementing partners, principally local NGOs based in the country of the project, for the following projects:

	Group 2022 (£)	Group 2021 (£)
Burkina Faso		
Local Governance of Forest Resources	729,745	953,728
Enhancement of Non-Timber Forest Products	286,910	148,306
Tree Foods Phase 2	-	930
Total	**1,016,655**	1,102,964
Ethiopia		
Initiative for Sustainable Landscapes	-	29,892
Sustainable Livelihoods and Ecosystems	9,715	71,952
Frankincense: North Gondar Zone 1	10,028	-
Metema Participatory Forest Management development	9,663	-
Community Resilience and Ecosystem Restoration	6,664	-
Total	**36,070**	101,844
Ghana		
Ghana Rural Agriculture and Cashew Enterprises	-	1,862
Grow Hope	-	29,754
Total	**-**	**31,616**
Mali		
Empowering Women in Rural Mali	35,347	28,918
Re-greening Nonkon and Nossombougou	56,919	17,990
Regreening Koulikoro	15,071	24,817
Strengthening Forest Management	-	15,425
Total	**107,337**	**87,150**
Niger		
Rehabilitation of Park W	10,308	10,646
Total	**10,308**	**10,646**
All countries		
Total	**1,170,370**	1,334,220

9. Net movement in funds

This is stated after charging:

	Group 2022 (£)	Group 2021 (£)
Auditor's remuneration – audit	19,350	22,875
Auditor's remuneration – non-audit services	1,890	1,020
Depreciation of tangible fixed assets	6,645	8,918
Operating lease costs	18,424	18,147

10. Employee numbers and costs

The average monthly head count was 99 employees, 84 engaged in charitable activities, 15 in fundraising (2021: 77, 64 charitable activities, 13 fundraising), the employment costs of which were:

	Group 2022 (£)	Group 2021 (£)
Wages and salaries	1,637,667	1,407,050
Social security costs	169,711	130,855
Pension costs	116,117	102,557
Total	**1,923,495**	1,640,462

For staff paid £60,000 or more per annum, the number of employees with emoluments in the following ranges were:

	Group 2022 (no.)	Group 2021 (no.)
£60,000 to £69,999	**2**	2
£70,000 to £79,999	**-**	-
£80,000 to £89,999	**1**	1

Tree Aid operates a defined contribution workplace pension scheme in the UK: employer contributions are funded from unrestricted income. Pension costs charged in the statement of financial activities represent the contributions payable by Tree Aid in the year. The Charity has no pension obligations other than the contributions payable in the year and there were no unpaid contributions at the year-end.

11. Key management personnel

The key management personnel of the Charity and the Group comprise the Chief Executive, Director of Operations, Director of Finance and Resources, and Director of Fundraising and Communications. The total remuneration (including National Insurance and pension contributions) of the key management personnel was £284,045 (2021: £280,410).

The remuneration of the key management personnel for the year was:

	Group 2022 (£)	Group 2021 (£)
Chief Executive	**94,908**	90,470
Director of Finance and Resources	**68,420**	70,964
Director Fundraising and Communications	**68,231**	68,234
Director of Operations	**52,486**	50,742

12. Trustee remuneration, expenses and donations

The Trustees were not paid and did not receive any other benefits from the Charity or its subsidiaries in the year (2021: £nil). No Trustee received payment for professional or other services supplied to the Charity (2021: £nil).

Directly incurred Trustee expenses borne by the Charity in the year totalled £193 (2021: £204), paid to one Trustee (2021: two). Those expenses were for training, travel and subsistence. The total amount of donations received from Trustees without conditions was £1,152 (2021: £1,147).

13. Taxation

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

14. Gross income and results – Charity only

	2022 (£)	2021 (£)
Income	4,972,654	6,421,178
Expenditure	(4,528,732)	(6,106,220)
Net income/(expenditure)	**443,922**	**314,958**

15. Tangible fixed assets – Group

	UK fixtures and fittings (£)	Africa motor vehicles (£)	Africa fixtures and fittings (£)	Total (£)
Cost				
At 1 April 2021	56,997	305,771	96,322	459,090
Additions	-	-	-	-
Disposals	(17,397)	-	-	(17,397)
Project assets	-	2,292	-	2,292
Total at 31 March 2022	**39,600**	**308,063**	**96,322**	**443,985**
Depreciation				
At 1 April 2021	54,952	305,665	75,226	435,843
Disposals - depreciation	(17,397)	-	-	(17,397)
Charge for the year	770	81	5,794	6,645
Project assets	-	2,292	-	2,292
Total at 31 March 2022	**38,325**	**308,038**	**81,020**	**427,383**
Net book value				
At 31 March 2022	**1,275**	**25**	**15,302**	**16,602**
At 31 March 2021	2,045	106	**21,096**	23,247

Tangible fixed assets – Charity

	UK fixtures and fittings (£)	Total (£)
Cost		
At 1 April 2021	56,997	56,997
Disposals	(17,397)	(17,397)
At 31 March 2022	**39,600**	**39,600**
Depreciation		
At 1 April 2021	54,952	54,952
Disposals - depreciation	(17,397)	(17,397)
Charge for the year	770	770
At 31 March 2022	**38,325**	**38,325**

Net book value		
At 31 March 2022	**1,275**	**1,275**
At 31 March 2021	2,045	2,045

16. Investments – market value

	COIF Charities Ethical Investment Fund (£)	Rathbone Greenbank investments (£)	Investment in woodland (£)	Other unlisted investments (£)	Group & Charity total 2022 (£)	Group & Charity total 2021 (£)
Valuation at 1 April	635,773	233,472	400,000	4,179	1,273,424	993,422
Revaluation	74,848	5,404	-	13,451	93,703	280,002
At 31 March	**710,621**	**238,876**	**400,000**	**17,630**	**1,367,127**	**1,273,424**

Management of the COIF Charities Ethical Investment Fund and Rathbone Greenbank investments is delegated to authorised professional investment managers, regulated by the Financial Conduct Authority.

The legacy gift of 25 hectares of woodland in Devon was externally revalued as at 31 March 2021 to a value of £0.4 million by Tustins Group Ltd. This compares to the £0.3 million valuation on receipt in 2019.

Other investments represent shares received under a legacy or gifted to the Charity.

Investments in subsidiaries – Charity

	2022 (£)	2021 (£)
Cost and net book value		
At 1 April 2021	2	2
At 31 March 2022	**2**	2

There are three subsidiaries:

Name	Registration	Registered office	Principal place of business
Tree Aid Burkina Faso	Association under the Law of Freedom of Association (10/92/ ADP, 15 December 1992) in Burkina Faso	1200 Logements Ouagadougou Burkina Faso	Burkina Faso
Tree Aid Ghana	Company limited by guarantee under the Ghanaian Companies Act 1963	318 North Kanivili Tamale Northern Region Ghana	Ghana
Tree Aid Enterprises Ltd	Registered company incorporated in England, company number: 9199430	Brunswick Court Brunswick Square Bristol BS2 8PE, UK	UK

Tree Aid is the sole member of each subsidiary and has the power to appoint the directors. Tree Aid Burkina Faso and Tree Aid Ghana are non-profit-making organisations with similar objectives to Tree Aid.

Tree Aid Enterprises Ltd is limited by shares and is the trading subsidiary in the UK and was the holding company for a social enterprise entity in Burkina Faso (Tree Aid Enterprises sa) which was wound up in the previous year.

	Tree Aid Enterprises Ltd*	Tree Aid Burkina Faso	Tree Aid Ghana
Charity's shareholdings in subsidiaries	100%	100%	100%
Balances at 31 March 2022 (£)			
Tangible fixed assets	-	13,465	1,860
Current assets	2	1,609,262	70,836
Current liabilities	(99,886)	(384,967)	(6,633)
Total funds	**(99,884)**	**1,237,760**	**66,063**
Results for the year to 31 March 2022			
Income	-	4,260,431	588,828
Expenditure	-	(4,749,910)	(589,734)
Net expenditure	**-**	**(489,479)**	**(906)**

*The accounts for Tree Aid Enterprises Ltd have been prepared on the breakup basis as the company is in the process of becoming dormant.

17. Debtors

	Group 2022 (£)	Group 2021 (£)	Charity 2022 (£)	Charity 2021 (£)
Amounts falling due within one year				
Trade debtors	852,137	474,709	62,236	20,287
Prepayments and accrued income	40,371	113,145	40,519	32,583
Other debtors	36,591	62,277	20,926	38,870
Amounts owed by Group and associated undertakings	35	-	127,799	108,226
Total	**929,134**	**650,131**	**251,480**	**199,966**

18. Short-term investments

	Group 2022 (£)	Group 2021 (£)	Charity 2022 (£)	Charity 2021 (£)
Cash held on deposit	**342,146**	**342,146**	**342,146**	**342,146**

19. Creditors falling due within one year

	Group 2022 (£)	Group 2021 (£)	Charity 2022 (£)	Charity 2021 (£)
Project creditors	173,805	8,611	174,222	13,818
Other creditors	43,889	48,453	39,291	38,675
Accruals	317,187	114,497	51,421	48,295
Provisions for liabilities	86,848	78,919	17,724	17,724
Deferred income	2,034,668	3,044,509	1,386,783	1,688,946
Tax and social security	36,179	28,321	22,770	22,715
Total	**2,692,576**	**3,323,310**	**1,692,211**	**1,830,173**

Provision for liabilities

The provision for liabilities relates to dilapidations of the UK office and termination payments payable to staff in Burkina Faso and Niger on leaving employment with Tree Aid. The termination provision is related to the accumulated length of service for each member of staff. The timing of the outflow is uncertain as the dates of staff leaving their employment is not known.

	Group 2022 (£)	Group 2021 (£)	Charity 2022 (£)	Charity 2021 (£)
At 1 April 2021	78,919	73,862	17,724	30,792
Additions	7,929	18,125	-	-
Amounts charged	-	(13,068)	-	(13,068)
At 31 March 2022	**86,848**	**78,919**	**17,724**	**17,724**

Deferred income comprise

	Group 2022 (£)	Group 2021 (£)	Charity 2022 (£)	Charity 2021 (£)
Local Governance of Forest Resources	1,224,611	1,408,190	1,224,611	1,408,190
Enhancement of NTFPs in Burkina Faso	174,087	1,355,563	-	-
Rehabilitation of the Ecosystem of the Park W Landscape	-	7,702	-	7,702
Shea parkland management	-	757	-	757
Bongo reforestation	35,345	43,089	35,345	43,089
Ghana Rural Agriculture & Cashew Enterprises	-	2,681	-	2,681
Park W: Dosso	-	124,174	-	124,174
Regreening Nonkon and Nossombougou	47,950	102,353	47,950	102,353
Supporting Smallholder Farmer Resilience	473,798	-	-	-
She Grows Expansion	58,864	-	58,864	-
Developing Rural Pathways to Community Resilience and Ecosystem Restoration	1,762	-	1,762	-
Forest Governance Segou	18,251	-	18,251	-
Total	**2,034,668**	**3,044,509**	**1,386,783**	**1,688,946**

Deferred income relates to institutional and corporate grant income received in advance for work to be performed in the next financial year. In the Group, deferred income of £2,034,668 (2021: £3,044,509) arose in the year and £3,044,509 (2021: £3,098,287) brought forward from last year was utilised. In the Charity, deferred income of £1,386,783 (2021: £1,688,946) arose in the year and £1,688,946 (2021: £2,913,178) brought forward from last year was utilised.

20. Movements in funds – Group

	Opening balance (£)	Income (£)	Expenditure (£)	Investment and other gains (£)	Transfers (£)	Closing balance (£)
Restricted funds						
Burkina Faso						
Enhancement of NTFPs: Development and Phase 3	-	2,600,549	(2,609,851)	-	9,302	-
Local Governance of Forest Resources Phase 3	-	1,676,303	(1,676,303)	-	-	-
Tree Foods Phase 2	-	6,250	-	-	-	6,250
Supporting Smallholder Farmer Resilience	-	86,937	(86,937)	-	-	-
Carbon Storage Evaluation	-	1,251	(686)	-	-	565
Ghana						
Daka River Restoration 2	68,767	-	-	-	(68,767)	-
Daka River Restoration 3	(70,934)	225,149	(290,694)	-	34,550	(101,929)
Treedom: West Gonja	17,148	-	(317)	-	(16,831)	-
Ghana Rural Agriculture and Cashew Enterprises	-	131,285	(151,270)	-	19,985	-
Grow Hope	(22,495)	22,749	(2,685)	-	2,431	-
Northern Ghana Integrated Development	47,650	209,313	(150,813)	-	-	106,150
Shea Parkland Management	-	1,457	-	-	(1,457)	-
Bongo Reforestation	-	65,578	(65,578)	-	-	-
Yendi Tree Enrichment	-	59,514	(36,601)	-	51,048	73,961
Carbon Study Bongo	-	20,144	(24,112)	-	3,968	-
Ethiopia						
Sustainable Livelihoods and Ecosystems	13,170	-	25,266	-	(38,436)	-
Community Resilience	-	27,091	(25,091)	-	-	2,000

	Opening balance (£)	Income (£)	Expenditure (£)	Investment and other gains (£)	Transfers (£)	Closing balance (£)
Initiative for Sustainable Landscapes	-	(2,467)	-	-	2,467	-
Frankincense: North Gondar 1	20,000	-	(20,081)	-	-	(81)
Frankincense: North Gondar 2	-	15,222	(21,668)	-	23,875	17,429
Metema PFM Development	-	-	(16,292)	-	13,486	(2,806)
Mali						
Regreening Nonkon and Nossombougou	-	54,403	(54,403)	-	-	-
Regreening Koulikoro	11,450	24,000	(45,174)	-	-	(9,724)
Strengthening Forest Management	-	600	-	-	-	600
Empowering Women in Rural Mali	-	79,128	(79,128)	-	-	-
Growing the Great Green Wall in Koulikoro	105,905	79,439	(76,177)	-	-	109,167
Forest Governance Segou	-	17,673	(17,673)	-	-	-
She Grows Expansion	-	5,985	(4,985)	-	-	1,000
Olympic Forest	-	379,897	(203,689)	-	-	176,208
Niger						
Rehabilitation of Park W: Tamou	11,965	36,754	(46,614)	-	-	2,105
Rehabilitation of Park W: Dosso	-	124,174	(119,864)	-	-	4,310
Project Fund	78,786	-	-	-	-	78,786
Development Fund	14,972	6,000	(1,064)	-	1,457	21,365
Total restricted funds	**296,384**	**5,954,378**	**(5,802,484)**	**-**	**37,078**	**485,356**
Unrestricted funds						
Woodland Investment Reserve	400,000	-	-	-	-	400,000
Covid-19 Reserve	287,822	-	-	-	(287,822)	-
Fixed Asset Reserve	23,247	-	-	-	(6,645)	16,602
Driving Forward our Strategy	50,000	-	(36,587)	-	100,000	113,413
Evidencing the Impact of our Work	200,000	-	(93,889)	-	250,000	356,111
Investment in M&E Systems and Equipment	100,000	-	(6,540)	-	50,000	143,460
Long-Term Sustainable Funding	226,691	-	(120,043)	-	300,000	406,648
Managing Risk	100,000	-	-	-	(19,985)	80,015
Investment in Infrastructure	50,000	-	(3,654)	-	-	46,346
Total designated funds	**1,437,760**	**-**	**(260,713)**	**-**	**385,548**	**1,562,595**
General reserves	1,281,290	1,739,275	(1,133,809)	87,274	(422,626)	1,551,404
Total unrestricted funds	**2,719,050**	**1,739,275**	**(1,394,522)**	**87,274**	**(37,078)**	**3,113,999**
Total funds	**3,015,434**	**7,693,653**	**(7,197,006)**	**87,274**	**-**	**3,599,355**

Purpose of restricted funds

Restricted funds are generated when the donor stipulates how the income may be expended. In most cases there will be a timing difference between when the income is received and when it is spent, resulting in balances being held on these funds at year-end. The purpose of the various restricted funds is outlined below.

Burkina Faso:

Enhancement of Non-Timber Forest Products Development and Phase 3

Improving non-timber forest product value chains, creating market gardens and improving nutrition for 14,500 households in Burkina Faso. This project is funded by the Swiss Agency for Development and Cooperation. The latest, scale-up phase started in January 2021 and will run to 2024.

Local Governance of Forest Resources Phase 3

Decentralised forest governance through transferring rights and responsibilities for forest stewardship to community-led forest management groups in 18 new communes. The project is funded by the Swedish International Development Cooperation Agency (Sida) and the second half of the project has now been contracted – running from 2021 to 2024.

Supporting Smallholder Farmer Resilience

Inclusive approach to support the resilience of smallholder farmers in Burkina Faso (ProRES-Burkina).

This project, funded by the Alliance for a Green Revolution in Africa (AGRA) aims to improve the food security and income of 210,000 smallholder farmers in the Hauts-Bassins, Cascade, Boucle du Mouhoun and Centre-Ouest regions as well as strengthen the resilience to climate change in these regions. Tree Aid is partnering with the Ecological Center Albert Schweitzer of Burkina Faso (CEAS).

Carbon Storage Evaluation

Evaluation of baseline data on the carbon storage potential of agroforestry ecosystems in Burkina Faso. Tree Aid is supporting INERA in certain activities around the potential of agroforestry to capture and store carbon. It has a small budget to support workshops and data collection.

Ghana:

Daka River Restoration 2 & 3

Community-led tree planting and regeneration along the Daka River in Northern Ghana. This project is funded by Ecosia and trusts and foundations. The two-year Ecosia project finished in early 2022, and a new project is being contracted to run for three years in the Yendi region.

Yendi Tree Enrichment

The work in Yendi for Ecosia also included planting and geotagging trees for a corporate partner, Treedom. There is a negative funds balance on phase 2 and a positive balance on phase 3, the offset of which had not been concluded at the year-

end. A third contract was signed for planting in 2021 in Yendi, which has a positive balance too. A new contract has been signed for 2022.

Ghana Rural Agriculture and Cashew Enterprises

Supporting poor smallholder cashew farmers to increase and diversify incomes from improved cashew yields, intercropping nitrogen-fixing legumes and honey production to promote pollination. This project started in August 2019 with funding from UK Aid Direct and trusts & foundations. The UK Foreign, Commonwealth and Development Office ceased their support for this project in April 2021 and we are looking at alternative options to continue this work.

West Gonja geotagging

The second phase of the planting and geotagging work for Treedom also took place in the West Gonja area of Northern Ghana.

Grow Hope

Creating and strengthening non-timber forest product cooperatives in Northern Ghana. This project is funded by Jersey Overseas Aid and AG Leventis Foundation. The funds balance at the year-end was negative and remaining funds on this project are expected to be received once final reporting has been agreed.

Northern Ghana Integrated Development

Promoting opportunities for sustainable agriculture, social protection and decent work in the agrarian sector targeting civil society organisations. Led by ActionAid Ghana, the consortium is funded by the EU. Tree Aid is responsible for delivery in four of the 15 target districts.

Shea Parkland Management Project

This project is for one year, supporting AAK (private shea enterprise) in shea parkland management by planting 1,000 shea trees and providing farmer-managed natural regeneration training for seven communities. The planting in 2020 actually saw 1,800 trees planted as AAK supplied additional trees.

Bongo Reforestation

This project, funded by Trees for All, aims to restore ecosystem services along selected rivers and around the VEA Dam, near Bolgatanga in the Bongo District of Northern Ghana, improving the livelihoods of 20 riverine communities. This project targets the planting of 150,000 trees, restoring 50 kilometres (in 450 hectares) of riparian buffer zones in the Bongo River catchment area. It will last for three years with a further seven years of monitoring.

Carbon Study Bongo

Pre-feasibility study into carbon certification in the Bongo District for Blue Deal, a Dutch organisation. This small project is looking at the potential for enrichment planting and agroforestry to support a carbon sequestration project in the Bongo District.

Ethiopia:

Sustainable Livelihoods and Ecosystems

Restoration of 300 hectares of degraded land, and improving incomes and nutritional diversity of households in Meki district. This project is funded by RPS Group plc and ended in December 2020.

Initiative for Sustainable Landscapes

Restoration of 120 hectares of degraded land, and improving incomes and nutritional diversity of households in Meki district. This is an expansion of the Sustainable Livelihoods and Ecosystems Project funded by the Sustainable Trading Initiative (IDH). The project ended in December 2020.

Frankincense: a root to climate smart resilience for vulnerable communities in West Gondar Zone in Ethiopia

This project started in December 2021, with Tree Aid funds. UK Aid Match funding will be available from April 2022. The project will focus on the frankincense value chain in the Metema forests. While the collection of frankincense will be made more sustainable through training in best practices, the income that tappers get for their efforts will be improved through training and provision of equipment to improve quality and prices. The project will also work with communities to manage the boswellia (frankincense) forest in a more sustainable way – targeting reductions in grazing of cattle and bushfires that cause low survival rate of new saplings.

Metema PFM development

A small project was conducted, using funds remaining from the Sustainable Livelihoods and Ecosystems project. This was focused on some small planting activities and engaging the groups that will form part of the frankincense project in North Gondar.

Community Resilience and Ecosystem Restoration

Developing Rural Pathways to Community Resilience and Ecosystem Restoration is a complementary project to the Frankincense project mentioned above. The project is looking more at research and partnering with UK-based and Ethiopia-based institutions to further the protection and management of forests work in the Metema area.

Mali:

Regreening Nonkon and Nossombougou

Cultivation of 300,000 trees for planting in 600 hectares of land targeted for restoration. Training 2,000 lead farmers in tree care. Planting is also planned in schools and along roads. Part of the programme is happening around Koulikoro, which is not far from Bamako and relatively secure. Timberland is funding this project.

Regreening Koulikoro

Supporting communities to restore parkland trees and reverse serious land degradation. This project was funded by the Turing Foundation.

Strengthening Forest Management

Development and implementation of forest management plans for two forest areas in Segou region and strengthening non-timber forest product value chains. This project is funded by the Darwin Initiative and trusts and foundations.

Empowering Women in Rural Mali through Improved Forest Access and Enterprises

The project will facilitate the granting of land for 10 women's cooperatives, and provide the skills and means for the regeneration of that land. Livelihoods will be improved through the provision of training, tools and equipment for the development of small enterprises based on honey and shea. The project is funded by the Department for International Development and the contract was signed in February 2020.

Growing the Great Green Wall in Koulikoro

This project will contribute to the Great Green Wall, working with communities to plant 90,000 and regenerate 20,000 native trees to regreen the area of Massantola in the Koulikoro region. Tree Aid will support local communities through the provision of training and equipment, as well as the establishment of community-based nurseries to raise trees that will be planted across farmland and degraded communal land. The project is funded by a corporate partner, Vero Moda.

Forest Governance Segou

Promoting forest governance for resilient ecosystems and communities in Segou. This project aims to strengthen promotion of local forest governance, investments in forests and valorisation of non-timber forest products for sustainable improvement of livelihoods for 3,000 rural households in the Tominian circle, Mali. Funding comes from the Darwin Initiative.

She Grows expansion

Funded by the Catalan government, this project takes the She Grows approach and targets participants in neighbouring communes that have been part of the Regreening Koulikoro project.

Olympic Forest (Senegal and Mali)

Tree Aid is implementing the International Olympic Committee's (IOC) Olympic Forest project by planting around 355,000 native trees and restoring huge areas of land across Mali and Senegal, contributing to the Great Green Wall movement. Together with communities living in the path of the Great Green Wall, we will grow trees and restore degraded land, helping to sequester 200,000 tonnes of CO2e over 25 years. Tree Aid has partnered with a new organisation in Senegal, and set up its own office in Kayes, Mali.

Niger:

Rehabilitation of the Ecosystem of the National Park W Landscape (Tamou)

Protecting wildlife and supporting local livelihoods by establishing community forest governance through partnerships between the local communities and National Park W management and tree enterprises. This

project is funded by the Darwin Initiative and trusts & foundations.

Rehabilitation of the Ecosystem of the National Park W Landscape (Dosso)

Supporting local livelihoods by establishing community forest governance through better management of local natural resources and the development of tree enterprises. This project is funded by the Swedish Postcode Lottery.

Project Fund

Donations restricted to development work on certain projects or in certain countries.

Development Fund

Donations restricted to the Development Fund are utilised for activities that strengthen and expand Tree Aid's impact and influence through leveraging institutional funding, releasing unrestricted funding by funding core charitable activities, creating a sense of community within our donors and bringing donors closer to Tree Aid by providing them with unique insights.

Purpose of unrestricted funds

Unrestricted funds are generated when there is no stipulation from the donor as to how the income may be spent. They include designated funds where the Trustees have set aside funds for a specific purpose.

Designated funds are provided for the following purposes:

Driving forward our strategy

As we develop our strategy for 2022–2027 we will be identifying core areas for further investment which will enable us to effectively deliver on our targets. As such, a designated reserve of £0.1 million is necessary to ensure available funding is available to drive that strategy forward.

Evidencing the scale of the problem and the impact of our work

We will also be investing a planned £0.4 million in the coming years in deepening our capacity and tools to measure, monitor and demonstrate the levels of degradation and the impact of our work to combat this. Such evidence will be vital in our efforts to communicate the urgency of action required and the potential of our approaches as a key method for combatting the crisis of deforestation and land degradation in the African drylands.

To better communicate and advocate our work, we will use the newly built capacity of evidence to influence policy and practice in the Sahel and will invest in our advocacy capacity and activities in the coming years. This investment will be a short-term kick-start to a broader plan for increasing our annual activities around influencing which currently is not easily funded by restricted grant funding. Over the next three years we will invest £0.4 million in this area.

Investment in monitoring & evaluation systems and equipment

To build on the quality of our programmes and data, in line with our new strategy, we will invest in improving our monitoring & evaluation systems and equipment.

Long-term sustainable funding

To continue on this strategic path of raising our voice on the issues most critical to our charitable mission, it is essential that Tree Aid achieves a stronger balance of unrestricted funding which will enable sustained investment into evidence, advocacy and communications. Over the coming three years we will look to invest £0.4 million additional reserves into growing our digital fundraising capacity with an aim to secure a sustained growth in unrestricted public giving.

Managing risk in uncertain times

As we set out ambitious growth and impact targets there still remains a significant risk that the global economic downturn could hinder those plans. We have already seen the impact on the UK aid budget as a result of financial cuts but what other international donors do in the future remains uncertain as the new economic realities unfold. Additionally, the impact on the economy could lead to a longer-term downturn in our public giving programme. It is therefore prudent for Tree Aid to retain its 2020/21 Risk reserve at £0.1 million until the full extent of the impact on donor economies becomes clearer.

Finally, Tree Aid will need to adapt to the reality of new ways of working. As such it is essential we invest in our offices and infrastructure to ensure we have the necessary environment to work much more flexibly and remotely. We have set aside £0.1 million to invest in this area to include a redesign of our office in Bristol as well as enhancing the capacity of staff to work effectively from remote locations.

At the year-end there were two designated reserves which represent the carrying value of the investment in woodland, £0.4 million, and fixed assets, to recognise these separately from general reserves.

Transfers between funds

Transfers between funds represent the application of income to particular project funds whose objectives fall within the wider restrictions of the funds from which those funds are transferred with the explicit agreement of the donor for restricted funds transfers.

21. Analysis of net assets between funds – Group

	Restricted funds (£)	Designated funds (£)	Unrestricted funds (£)	Total 2022 (£)
Tangible fixed assets	-	16,602	-	16,602
Investments	-	400,000	967,127	1,367,127
Cash at bank and short-term investments	2,479,576	1,145,993	353,499	3,979,068
Debtors	32,846	-	896,288	929,134
Creditors falling due within one year	(2,027,066)	-	(665,510)	(2,692,576)
Total	**485,356**	**1,562,595**	**1,551,404**	**3,599,355**

Analysis of net assets between funds – Charity

	Restricted funds (£)	Designated funds (£)	Unrestricted funds (£)	Total 2022 (£)
Tangible fixed assets	-	1,275	-	1,275
Investments	-	400,000	967,129	1,367,129
Cash at bank and short-term investments	2,052,356	1,161,320	(119,780)	3,093,896
Debtors	40,448	-	211,032	251,480
Creditors falling due within one year	(1,714,163)	-	21,952	(1,692,211)
Total	378,641	1,562,595	1,080,333	3,021,569

22. Reconciliation of net movement in funds to net cashflow from operating activities

	Group 2022 (£)	Group 2021 (£)
Net income for the reporting period	590,350	340,353
Adjustments for		
Depreciation charges	6,645	8,918
Gains on investments	(93,703)	(280,002)
Investment income	(2,166)	(5,087)

	Group 2022 (£)	Group 2021 (£)
(Increase)/decrease in debtors	(279,003)	308,419
Decrease in creditors	(630,734)	(452,770)
Net cash used in operating activities	**(408,611)**	**(80,169)**

Analysis of cash and cash equivalents

	Group 2022 (£)	Group 2021 (£)
Cash in hand	3,636,922	4,049,796
Short-term investments (less than three months' notice)	342,146	342,146
Totals	**3,979,068**	**4,391,942**

As Tree Aid has no debt, the requirement to disclose a net debt reconciliation is covered in the presentation of the consolidated statement of cashflows.

23. Legal status of the Charity

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 £10 per member of the Charity.

24. Related party transactions

Tree Aid transacted with its 100% subsidiary entities during the year. The value of transactions during the year, which were made in the normal course of business and comprised mainly grants to fund the Group's charitable activities, totalled:

	2022 (£)	2021 (£)
From Tree Aid to Tree Aid Burkina Faso	2,224,564	3,761,970
From Tree Aid to Tree Aid Ghana	456,277	577,201

There were no balances outstanding at the year-end between the Charity and Tree Aid Burkina Faso or Tree Aid Ghana (2020/21: £nil).

There were no movements on loans for the social enterprise initiative during the current or prior year. The loans are unsecured and interest-free.

25. Operating lease commitments

Tree Aid had future minimum lease payments under non-cancellable operating leases at the year-end, expiring as follows:

	Land and buildings (£)	Office equipment (£)	Group 2022 (£)	Group 2021 (£)
Expiring				
Within 1 year	17,137	924	18,061	17,162
2–5 years	-	363	363	985

	Land and buildings (£)	Office equipment (£)	Charity 2022 (£)	Charity 2021 (£)
Expiring				
Within 1 year	12,295	924	13,219	12,866
2–5 years	-	363	363	985

26. Capital commitments

There were no capital commitments in the current or prior year.

27. Basic financial instruments

	Group 2022 (£)	Group 2021 (£)	Charity 2022 (£)	Charity 2021 (£)
Financial assets that are debt instruments measured at amortised cost:				
Accrued income on contracts	40,448	33,186	40,448	23,199
Trade debtors	852,137	474,709	62,236	20,287
Other debtors	36,591	62,277	20,926	38,870
Cash at bank and in hand	3,636,922	4,049,196	2,751,750	2,590,237
Short-term investments	342,146	342,146	342,146	342,146
Financial liabilities measured at amortised cost:				
Accruals	317,187	114,497	51,421	48,295
Other creditors	43,889	48,453	39,291	38,675

28. Prior year: consolidated statement of financial activities

	Restricted funds 2021 (£)	Unrestricted funds 2021 (£)	Total funds 2021 (£)
Income from			
Donations and legacies	5,761,513	1,255,888	7,017,401
Investment income	-	5,087	5,087
Other income	-	8,510	8,510
Total	5,761,513	1,269,485	**7,030,998**
Expenditure on			
Raising funds	-	(764,883)	**(764,883)**
Charitable activities	(5,728,928)	(476,836)	**(6,205,764)**
Total	(5,728,928)	(1,241,719)	**(6,970,647)**
Investments			
Net gains/(losses) on investments	-	280,002	**280,002**
Net income	32,585	307,768	**340,353**

	Restricted funds 2021 (£)	Unrestricted funds 2021 (£)	Total funds 2021 (£)
Movement in funds			
Transfer between funds	33,079	(33,079)	-
Other (losses)	-	(4,456)	**(4,456)**
Net movement in funds	65,664	270,233	**335,897**
Reconciliation of funds			
Total funds brought forward	230,720	2,448,817	**2,679,537**
Total funds carried forward	296,384	2,719,050	**3,015,434**

29. Prior year: movement in funds – Group

	Opening balance (£)	Income (£)	Expenditure (£)	Investment & other gains (£)	Transfers (£)	Closing balance (£)
Restricted funds						
Daka River Restoration 2	16,118	63,358	(11,633)	-	924	68,767
Enhancement of NTFPs	-	614,328	(614,328)	-	-	-
Ghana Rural Agriculture and Cashew Enterprises	56,536	164,723	(221,259)	-	-	-
Grow Hope	(2,544)	90,994	(110,945)	-	-	(22,495)
Initiative for Sustainable Landscapes	-	62,334	(62,334)	-	-	-
Regreening Koulikoro	40,764	31,272	(60,586)	-	-	11,450
Rehabilitation of Park W: Tamou	-	102,010	(90,045)	-	-	11,965
Strengthening Forest Management	-	31,263	(31,063)	-	(200)	-
Sustainable Livelihoods and Ecosystems	28,883	90,648	(106,361)	-	-	13,170
Tree Foods Phase 2	-	-	(40,229)	-	40,229	-
Wof Washa Forest Sustainable Management	3,192	-	-	-	(3,192)	-
Local Governance of Forest Resources Phase 3		-3,469,265	(3,469,265)	-	-	-
Northern Ghana Integrated Development	-	122,542	(74,892)	-	-	47,650
Ghana RHoMIS Survey	-	4,682	-	-	(4,682)	-
Empowering Women in Rural Mali Through Improve Forest Access and Enterprises	-	65,680	(65,680)	-	-	-
Regreening Nonkon and Nossombougou	-	53,709	(53,709)	-	-	-
Rehabilitation of Park W: Dosso	261	72,612	(72,873)	-	-	-
Enhancement of NTFPs: development & phase 3	-	164,952	(164,952)	-	-	-
Frankincense: North Gondar	-	20,000	-	-	-	20,000
Daka River Restoration 3	-	370,558	(441,492)	-	-	(70,934)
Treedom: West Gonja	-	28,407	(11,259)	-	-	17,148
Shea Parkland Management Project	-	7,001	(7,001)	-	-	-
Bongo Reforestation	-	6,337	(6,337)	-	-	-
Growing the Great Green Wall in Koulikoro	-	116,838	(10,933)	-	-	105,905
Project Fund	78,786	-	-	-	-	78,786
Development Fund	8,724	8,000	(1,752)	-	-	14,972
Total restricted funds	**230,720**	**5,761,513**	**(5,728,928)**	**-**	**33,079**	**296,384**
Unrestricted funds						
Designated funds						
Woodland Investment Reserve	290,000	-	-	110,000	-	400,000
Covid-19 Reserve	302,822	-	(15,000)	-	-	287,822
Fixed Asset Reserve	29,943	-	-	-	(6,696)	23,247
Improving the Quality of our Work	43,197	-	(30,000)	-	(13,197)	-
Growing our income	351,144	-	(300,000)	-	(51,144)	-
Improving our Ability to Generate Data, Evidence and Communication	92,350	-	(20,000)	-	(72,350)	-
Driving forward our strategy	-	-	-	-	50,000	50,000
Evidencing the impact of our work	-	-	-	-	200,000	200,000
Investment in M&E systems and equipment	-	-	-	-	100,000	100,000
Long-term sustainable funding	-	-	-	-	226,691	226,691
Managing risk	-	-	-	-	100,000	100,000
Investment in infrastructure	-	-	-	-	50,000	50,000
Total designated funds	**1,109,456**	**-**	**(365,000)**	**110,000**	**583,304**	**1,437,760**
General reserves	1,339,361	1,269,485	(876,719)	165,546	(616,383)	1,281,290
Total unrestricted funds	**2,448,817**	**1,269,485**	**(1,241,719)**	**275,546**	**(33,079)**	**2,719,050**
Total funds	**2,679,537**	**7,030,998**	**(6,970,647)**	**275,546**	**-**	**3,015,434**

30. Prior year: analysis of net assets between funds – Group

	Restricted funds (£)	Designated funds (£)	Unrestricted funds (£)	Total 2021 (£)
Tangible fixed assets	-	23,247	-	23,247
Investments	-	400,000	873,424	1,273,424
Cash at bank and short-term investments	3,256,596	1,014,513	120,833	4,391,942
Debtors	100,095	-	550,036	650,131
Creditors falling due within one year	(3,060,307)	-	(263,003)	(3,323,310)
Total	**296,384**	**1,437,760**	**1,281,290**	**3,015,434**

Prior year: analysis of net assets between funds – Charity

	Restricted funds (£)	Designated funds (£)	Unrestricted funds (£)	Total 2021 (£)
Tangible fixed assets	-	2,045	-	2,045
Investments	-	400,000	873,426	1,273,426
Cash at bank and short-term investments	1,777,374	1,035,715	119,294	2,932,383
Debtors	32,112	-	167,854	199,966
Creditors falling due within one year	(1,560,752)	-	(269,421)	(1,830,173)
Total	**248,734**	**1,437,760**	**891,153**	**2,577,647**

LEGAL AND ADMINISTRATIVE DETAILS

Legal status

Tree Aid is an incorporated company limited by guarantee, no. 03779545, and a registered charity, no. 1135156.

Trustees

Shireen Chambers MBE [3]	Chair
Terence Jagger [1]	Vice Chair (resigned 2 December 2021)
Hilary Allison	Vice Chair (appointed 2 December 2021)
Tristram Hilborn [1]	(appointed 2 December 2021)
Judith Twentyman [2]	
Trevor Reaney [3]	
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Tom de Pass [2]	(resigned 2 December 2021)
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Nick Pride [2]	
Philip Songhurst-Thonet [1]	
Alexander Simuyandi [3]	(appointed 2 December 2021)
Mairi Tejani	(appointed 2 December 2021)

[1] Member of the Finance and Audit Committee
[2] Member of the Fundraising Standards Committee
[3] Member of the People Committee
[4] Member of the Programmes Advisory Group

Senior Management Team

Tom Skirrow	Chief Executive
Georges Bazongo	Director of Programmes
Ben Sheahan	Director of Finance and Resources
Melanie Knight	Director of Fundraising and Communications

Registered office and principal office address

Brunswick Court, Brunswick Square, Bristol, BS2 8PE

Advisors

Bank

NatWest plc, 3 Temple Back East, Temple Quay, Bristol, BS1 9BW

Auditor

Crowe UK LLP, Black Country House, Rounds Green Road, Oldbury, B69 2DG.

THANK YOU

On behalf of our programme participants we would like to thank the many individual and corporate supporters, trusts, foundations and institutions who enabled us to support more communities to thrive in the drylands of Africa in 2021/22. We are totally dependent on your support. Without it our work would simply not be possible.

Partners and institutional funders

Thank you to our partners and institutional funders, including:

Suède Sverige

the sustainable trade initiative

AGRA Growing Africa's Agriculture

actionaid

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DARWIN INITIATIVE

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Schweizerische Eidgenossenschaft
Confédération suisse
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Foreign, Commonwealth & Development Office

JOA JERSEY OVERSEAS AID

Patrons

The Trustees would like to express their thanks to Tree Aid's patrons, Joanna Lumley OBE, FRGS, Zoë Wanamaker CBE and Hilary Benn MP, for the time and support that they have given during the year.

Staff and volunteers

The Trustees recognise the huge and ongoing contribution made by staff in our offices in Addis Ababa, Bamako, Bristol, Niamey, Ouagadougou and Tamale, and in particular those staff working directly with our programme participants. We extend our gratitude to them all and acknowledge their energetic commitment to Tree Aid's mission, values and programmes.

The Trustees are also extremely grateful to the volunteers who donated their time to Tree Aid during the year, who have assisted in office-based administration and other support.

Thank you to the following trusts, foundations and corporate supporters for their support throughout the year:

Corporate supporters

2000trees Festival
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Registered with FUNDRAISING REGULATOR

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Tree Aid is a registered charity in England, no. 1135156 and a company limited by guarantee registered in England, no. 03779545 at Brunswick Court, Brunswick Square, Bristol, BS2 8PE.

TREE AID

England & Wales - Charity number 1135156

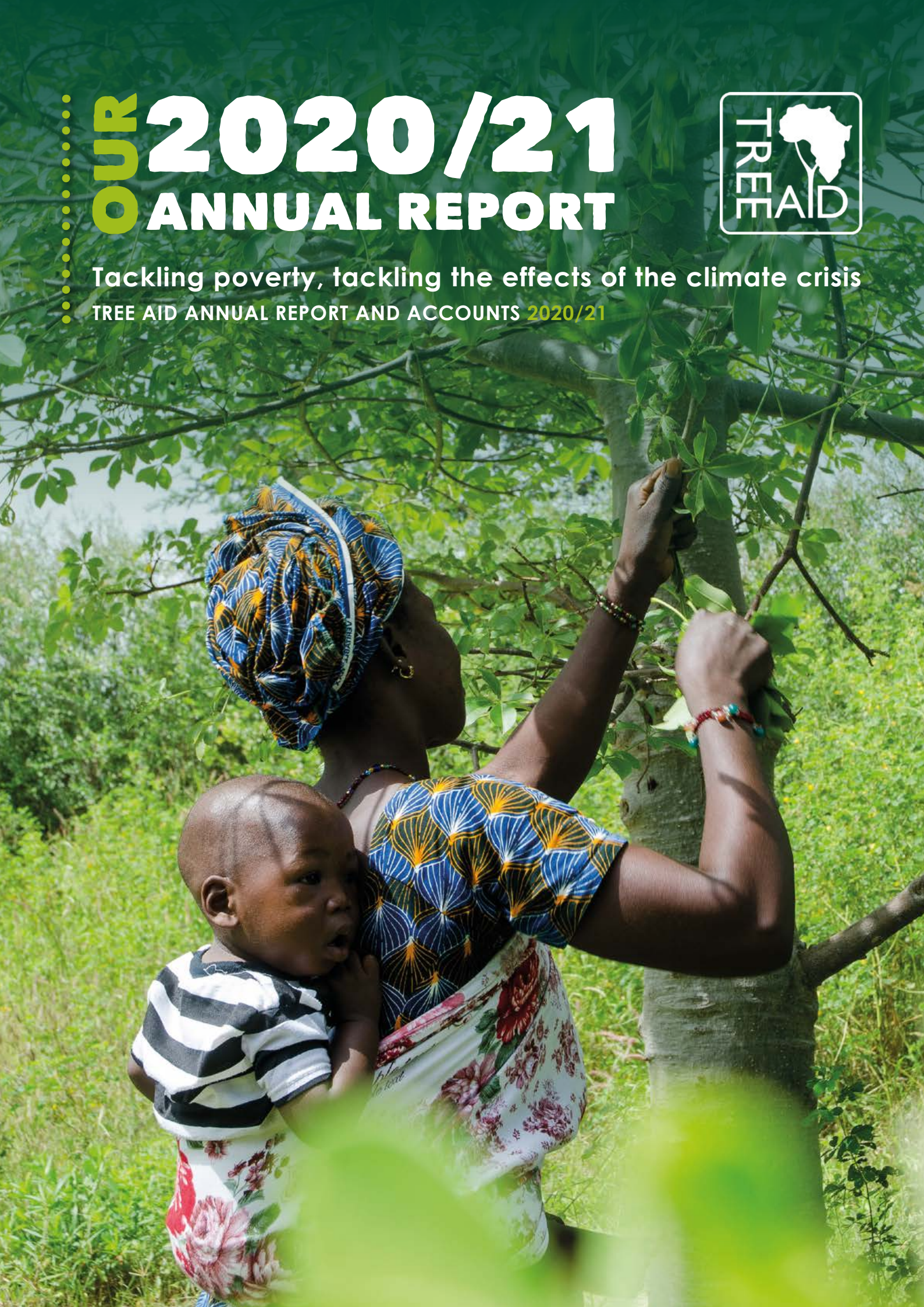
Accounts

OUR 2020/21 ANNUAL REPORT

TREE AID

Tackling poverty, tackling the effects of the climate crisis

TREE AID ANNUAL REPORT AND ACCOUNTS 2020/21



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Thank you

WELCOME

Growing trees offers proven solutions to the climate crisis and global poverty - something that is gaining increased recognition. This report shows the incredible impact we had in 2020/21, all thanks to supporters like you.

Tree Aid's projects across the drylands of Africa have always taken a long-term approach, tackling poverty and inequality today, while restoring land, trees and soil for tomorrow.

Now, as the climate crisis gathers pace, global attention is shifting to solutions with more holistic approaches like ours. Solutions that protect vulnerable communities from climate shocks and stresses, while ensuring land and resources are secured for future years.

This year, against the backdrop of the Covid pandemic which effected all of our lives, but especially those in already vulnerable communities, we significantly increased our work on the ground. We also stepped up efforts to share our programme successes and expertise more widely, finding new ways to raise the voices of the communities we work with.

The Covid crisis has been a huge concern for all of our staff and partners, particularly due to the remoteness of the communities we work with, and lack of information and technology. But we have been heartened by the continued support of our donors, despite the significant pressures of the pandemic, and by how quickly staff and partners have adapted our programme to provide hygiene materials, and up to date information on the pandemic and preventative measures as part of our work.

Influencing to tackle the effects of the climate crisis

Globally, Africa is hardest hit by the climate crisis, despite contributing to it the least. Temperatures across the Sahel have risen by nearly 1°C in the last 30 years, almost twice the global average.

With worsening weather patterns, communities are finding it more difficult to prevent, halt and reverse land degradation and provide food and income for their families.

We sought to get Tree Aid's expertise heard more widely as world leaders prepare for pivotal international events such as the G7, G20, COP15 and COP26 meetings, to ensure the problems faced by people on the frontline of the climate crisis are heard.

This means promoting what works, and evidencing the positive impact our interventions can have on the communities we serve.

In 2020/21 we began to produce a new series of Impact Reports, starting with our first paper reviewing project work in Mali. Strengthening our evidence base has helped build a springboard for new coalitions and stronger organisational voice, for example our work with the Committee for the Review of the Implementation of the Convention to the UNCCD (CRIC19) and in the UK through our advocacy work with BOND, the network of international development organisations.

Strengthening the Great Green Wall

Tree Aid is a partner in the inspirational Great Green Wall movement, an African-led initiative to grow an 8,000km mosaic of trees, vegetation and fertile land across the Sahel. By 2030, the movement aims to have restored 100 million hectares of land across the entire width of Africa, providing nutritious food and green jobs for the millions living along its path.

In September 2020, a UNCCD report on the Great Green Wall's progress, which Tree Aid contributed to, identified 18 million hectares of land as restored so far under the initiative. While there is clearly a long way to go, 18 million hectares has still had dramatic impact on the lives of millions of people. It is enough to allow 9 million families to grow the food they need to survive every year. For the $200 million cost to date, that represents an investment of just over $20 per household.

It is clear the Great Green Wall movement presents challenges to implement in its entirety, but it should not deter us from pushing forward. The report was a vital step in this effort, and one Tree Aid strongly welcomed. It paves the way for the movement to increase collaboration and scale-up, with increased funding pledged at the global One Planet Summit for Biodiversity in January 2021.

Act now to protect land and livelihoods

We know that joining up with people in the drylands of Africa to protect land and livelihoods is working – this report tells the story. Tree Aid's communities now have larger, more secure harvests and more food to eat and sell. But with the climate crisis worsening, and the impacts of the Covid pandemic spreading, we need to do more, and faster.

With your support, we will grow even more trees and restore even larger areas of land. Together, we will stand with people living in the drylands of Africa to tackle poverty and the effects of the climate crisis.

Tom
Tom Skirrow
Chief Executive

Shireen
Shireen Chambers
Chair of Trustees

Tom Skirrow

Shireen Chambers

Since Tree Aid began in 1987, we have...

Grown
24,542,563
trees with communities across the Sahel region

Restored and protected
164,822
hectares of degraded and infertile land – that's a bit bigger than the size of Greater London

Supported
38,650
people to develop enterprise groups selling seeds, fruit and nuts and products like oil, soap and honey

STRATEGIC REVIEW

Tree Aid works with people in the drylands of Africa to tackle poverty and the effects of the climate crisis by growing trees, improving people's incomes, and restoring and protecting land.

OUR VISION

Thriving, sustainable communities across the drylands of Africa.

OUR MISSION

To enable people living in the drylands of Africa to unlock the potential of trees to reduce poverty and protect the environment.

Mali 2020/21:

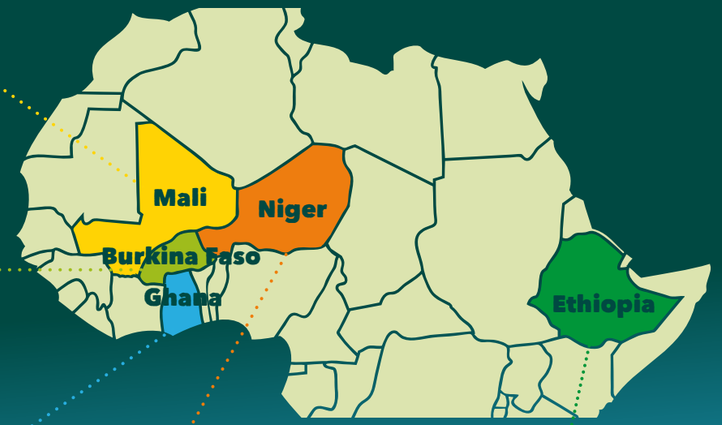
- **333,979** trees grown
- **28,150** people supported
- **3,276** new hectares of land protected

Burkina Faso 2020/21:

- **843,227** trees grown
- **594,655** people supported
- **6,270** new hectares of land protected

Ghana 2020/21:

- **1,193,447** trees grown
- **44,480** people supported
- **3,600** new households working in village tree enterprises



Niger 2020/21:

- **28,900** trees grown
- **10,490** people supported
- **10** new village tree enterprises supported

Ethiopia 2020/21:

- **201,362** trees grown
- **18,420** people supported
- **1,001** local people supported to produce fuel-efficient stoves

OUR IMPACT 2020/21

2,600,945
trees grown

9,600
new hectares of land protected – that's around the same size as 23,722 football pitches

77%
of the people we directly worked with were women

96
new village tree enterprise groups set up to process and sell tree products

54,824
people supported with new fuel-efficient stoves that use half as much wood as traditional ones

696,195
people supported

OUR STRATEGY

Our Growing Hope strategy covers 2017 to 2022. Our aims are to:

1 Support 2.5 million people through increased incomes, diversified diets and better access to trees.

So far, over the strategy period, we have partnered with 1,353,520 people. By working with the same people over a number of years, we have been able to have a profound impact on their lives – from improving their access to land through local charters, to enhancing their incomes and diets through businesses based around tree products.

Our goal over five years was to work with 15,000 households as part of village tree enterprises. These are groups that grow, process and sell products that come from trees which aren't wood, like seeds, fruits and nuts. Working with 16,237 households in these groups in 2020/21 means we've already more than doubled our five-year target, supporting 34,129 households since 2017.

In 2020/21 we established 96 new village tree enterprise groups and worked with a total of 566 groups. An established village tree enterprise group can make an average profit of $1,500 a year.

2 Join forces with local people to grow 8 million trees and restore 250,000 hectares of degraded land.

In 2020/21 we grew 2,600,945 trees, taking us over 90% of the way to our target. We also protected 9,600 new hectares of land, bringing our total up to 134,546 hectares, which is now under sustainable land management (54% of our target).

3 Maximise our impact by sharing our learning, expertise and passion, and influence forest policy to take the needs of the people we work with into account.

In 2020/21 we published our first impact report on the benefits of our ecosystem restoration work in Mali, now also a case study in a Nature Based Solutions report by the International Institute for Environment and Development. We also launched a partnership with Crowther Labs and their Restor.eco digital platform, the official partner of the UN Decade of Ecosystem Restoration, to better showcase our work.

Working with other civil society organisations (CSOs), we influenced international and national policy. Two of our messages were included in the final CSO statement during the Committee for the Review of the Implementation of the Convention to the UNCCD (CRIC 19). We also helped shape the Glasgow Action Plan for the COP26 global climate talks through our BOND membership.

We joined various international platforms too, taking part in the World Economic Forum Working Group on the Great Green Wall and stepping up our engagement with the Global Shea Alliance with our new CEO, Tom Skirrow, being invited to join the Global Shea Alliance Executive Committee. We also recruited a Policy and Advocacy Advisor to grow our influencing work going forward.

During our five-year Growing Hope strategy from 2017-22, we have:

97%

Grown almost
7.7 million
trees meaning we are over 90% of the way to our target of 8 million trees

112%

Influenced
38
local, regional and national policies to take the needs of the people we work with into account, exceeding our target of 34 policies

54%

Worked with
1,353,520
people, taking us 54% of the way to our target of 2.5 million people.

228%

Supported
34,129
households as part of enterprise groups, more than doubling our target of 15,000 households

54%

Sustainably managed
134,546
hectares of land out of our target of 250,000 hectares

OUR APPROACH

We grow and protect trees so people can live from them for years to come.

In the Sahel region of Africa, people live with the effects of the climate crisis every day. Land is rapidly losing its fertility. People can't grow enough food and poverty is increasing. We believe tackling poverty and protecting the environment are inseparable.

Trees offer a solution. They help land to stay fertile so people can grow food and produce items to sell. Trees protect our planet, absorbing carbon dioxide, a cause of the climate crisis.

Every year, we grow millions of trees and protect huge areas of land. But we don't just plant trees and walk away. We make sure local people have the training and tools they need to make each tree thrive. We also ensure the right trees are planted in the right places, selecting each species for both community and ecosystem needs.

At Tree Aid, we learn what works and share it – locally, nationally and internationally. Together with local communities, we influence policy and push for change that protects trees, people and our planet.

We grow trees for long-term change.

We campaign for forests to be managed by the people who depend on them. We work with communities and local government so they can agree rules for using forests and their resources.

We grow trees to protect the environment.

We support people to use trees to improve the fertility of soil and manage land in a way that helps them tackle the effects of the climate crisis.

We grow trees for healthy food all year round.

Trees provide nutritious fruit, nuts and leaves, giving people stable supplies of food even when other crops fail.

We grow trees to grow businesses.

We support communities to make and sell tree products, like shea butter and soap. The income they make from their businesses pays for essential healthcare and education.

WHO WE WORK WITH

Working with local communities

Local people, with local knowledge and expertise, lead our work in the Sahel region of Africa. Together, we work to find long-term solutions to poverty and the climate crisis.

The communities we work with in the drylands of Africa rely on land for most of their food and income. But every day the climate crisis is making life harder for them. With low rainfall and poor-quality soil, local people can't grow enough food and poverty is increasing. Many families survive on just one meal a day.

We believe everyone has the right to live a healthy life, free from poverty. We support communities to find other sources of income apart from farming. This is particularly important for women, who have limited options when it comes to earning money.

"Before, the environment wasn't as degraded as we see today. Now, big trees are scarce. But with support from Tree Aid, I became a member of the women's group for shea processing. Before we sold the butter for around $0.50 per kilo. Today we sell it for $1 - $1.85. It allowed us to completely change our lives."

Bernadette, who is part of our project to strengthen forest management in Mali

"Tree Aid has made us aware of our responsibilities, what to do and what not to do. So thanks to Tree Aid, hope is the order of the day and long live Tree Aid because the tree is life... Tree Aid has involved us in actions and we've learned a lot from them about liquid fertiliser, composting, the full range of technology. With Tree Aid, we are sure that we can achieve our goals."

Alouna Traore, Deputy Mayor of the Commune of Bassy, Burkina Faso, where Tree Aid works

Working with local, national and international partners

We collaborate with local, national and international organisations to grow trees, improve people's incomes, and restore and protect land. Working in partnership, we influence policy and push for change that protects trees, people's livelihoods and our planet.

This year, we worked with 48 partner organisations who share our knowledge, expertise and passion to support communities in the drylands of Africa to achieve their goals.

MANAGING LAND FOR THE FUTURE

We support people to manage the effects of the climate crisis on their land now – and stop more fertile soil being lost in the future.

Our natural resource management approach

Growing trees

Trees provide protection from the effects of climate change. They shelter people, wildlife and crops from harsh sunshine and wind. They store water when there's no rain and help the land to stay fertile so other crops can grow. Trees also protect the planet, absorbing carbon dioxide, a cause of the climate crisis.

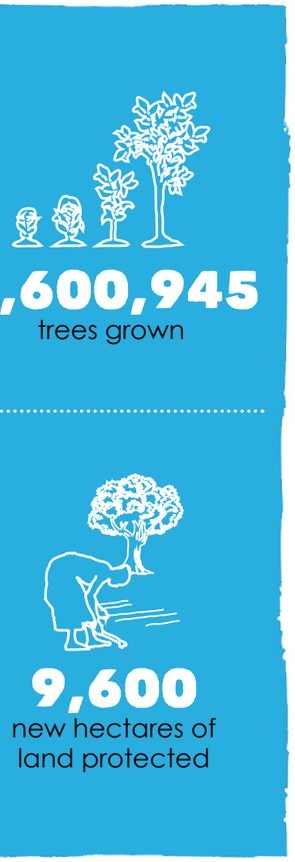
We supported people in Africa's drylands to grow 2,600,945 trees this year. This included 843,227 trees grown in Burkina Faso as part of a project to manage forests more sustainably.

Restoring land

We work with people to manage land in a way that improves the fertility of soil, so it can support trees and other crops to grow. In 2020/21 we worked with local communities to restore and protect 9,600 new hectares of land. In Ethiopia we worked on 120 hectares of degraded land where we trained 169 farmers on soil management and water conservation. We also equipped these farmers with 300 shovels and pick-axes so they could create structures like stone bunds to retain water and keep their soil healthy.

Preventing conflict

In the Dosso region of Niger it is common for trees to be cleared to make room for other activities such as farming. This forces wild animals out of their habitats and into local villages, causing damage to people's homes, crops and cattle as they search for food. We've trained 85 local people on ways to rehabilitate land and reduce human-wildlife conflicts. Techniques for protecting crops from roaming animals included using vegetative barriers and acoustic deterrents.



REPLENISHING LAND IN GHANA

***"We used to harvest firewood to sell to pay for our children's school fees and buy food for the family. More and more often there is no wood for us to cut. The forest is being depleted because everyone is trying to survive,"* says Kachana, who lives in Nakolo village in Ghana.**

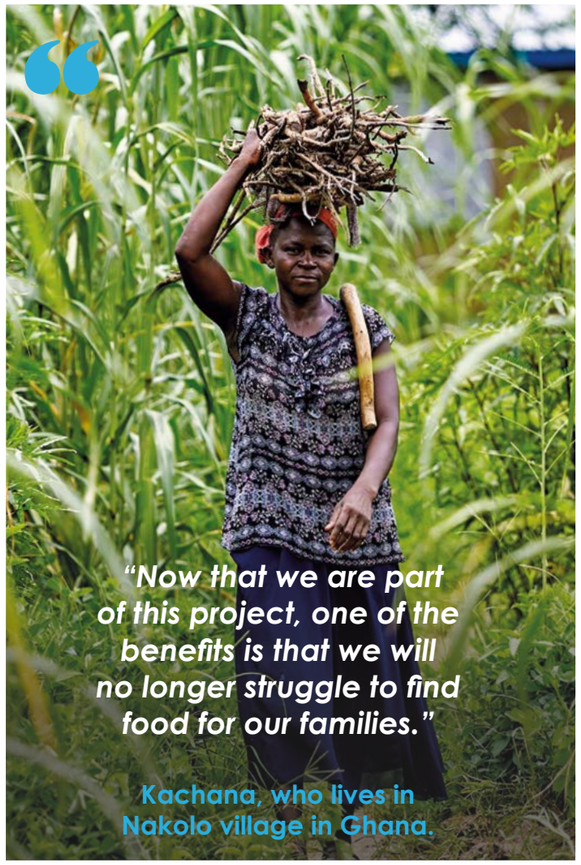
Until Tree Aid started working with local people to improve the health and sustainability of their land, these problems were common for many in Upper East Ghana.

The region is one of the most environmentally degraded parts of the country. Due to the effects of the climate crisis, soil that was once fertile can no longer support plant life. With many people relying on the land for food and income, hunger and poverty are growing.

Since 2017, we've supported people in the region to protect, restore and manage their land. Local people are learning to grow trees and care for them sustainably, so they can produce products to eat and sell, while protecting the ecosystem for future generations.

More than 1,600 farmers have taken part in our training on natural resource management. They've learned not only how to improve the survival of their trees, but also how to preserve the health and fertility of their land in the long term. Just some of the topics covered include managing water, improving yields of fruits and nuts from trees, caring for tree seedlings, managing bushfires and understanding the importance of planting new trees in place of those cut down.

97% of the farmers say they've put their new knowledge into practice. The training didn't end with just those farmers either – we estimate that they passed on what they learned to over 7,000 more farmers to put into action.



"We are trained in bushfire management, shea and baobab processing, financial education and tree planting," says Kachana. *"Unlike before the project when I struggled to get money, now I feel that getting food for my family is no longer a challenge. For myself and my children, all we hope for is good health and to be able to feed ourselves well."*

Fuel-efficient stoves

We have also supported women's pottery groups in Ghana to make and distribute more than 265 fuel-saving stoves this year. The stoves use 45% less firewood compared to traditional ones, meaning fewer trees are being cut down, improving the health of the ecosystem for the long term. They also produce less smoke, improving women's health.

Our project in Ghana...

1,606 farmers supported to learn land conservation techniques since 2017

265 fuel-efficient stoves made and distributed by women's pottery groups, cutting the amount of firewood needed by 45%

PROTECTING FORESTS

For lasting change, local people need to protect and manage the forests and land they depend on. Working with communities, organisations and policy-makers, we do everything we can to make sure forests thrive.

Our forest governance approach

Managing forests

We work with local people to ensure communities have the tools and training needed to not only restore and protect land, but put plans in place for sustainable, equitable management.
For example, in Burkina Faso we've worked with more than 1,800 people to create forest management plans and put them into action, supporting the 739,200 trees we planted there in 2020/21 to flourish.

Influencing policy

We recognise the vital role of local communities and farmers in using, protecting and restoring their natural environment. We campaign for forests to be managed by the people who depend on them. We work with communities and local governments so they can agree rules that recognise and foster the rights and responsibilities of local forest users and communities who depend on forests for their livelihoods.

In Ghana, we trained 40 leaders from eight local organisations on how to influence authorities to manage local forests sustainably and fairly, and to allow the local community to be part of decision-making.

Harvesting water

This year we joined forces with over 1,300 people in Burkina Faso to build 145 water-conserving boulis – each the size of an Olympic swimming pool – to keep their forests healthy.

Boulis are large pits dug deep into the ground that hold significant amounts of water throughout the year and keep it cool, even when temperatures are very high. With limited rainfall over the drylands of Africa, they're key to helping forests survive and thrive.

739,200
trees planted as part of our forest governance work in Burkina Faso

145
water-harvesting boulis built to hold up to 2.5 million litres of water and help forests thrive

LAND RIGHTS FOR WOMEN IN MALI

In Mali, we're working with women like Setou to take control of land, learn to manage it sustainably and make sure forests flourish for years to come.

Traditional customs can prevent women in rural Mali from owning and accessing land and trees. With few other sources of food or income aside from products they can grow, this can lead to devastating poverty and hunger.

"Trees are vital, especially for us women," says Setou. *"Without trees, we wouldn't eat. Agriculture is all we do, and we are entirely dependent on the rain."*

Our She Grows project, launched in early 2020 in Mali, is empowering local women to fight for access rights to land, so they can grow food and make the money they need to survive.

We've supported 10 women's cooperatives to sign agreements with local authorities giving them control over land. Over three-quarters (76%) of the women we worked with said they now feel they have more control over tree resources and products.

Sustainable management

With access secured, we're now working with these women to manage their land sustainably, so it can provide an income and food both for them and generations to come. Women are working together to grow, process and sell shea nuts and butter, lifting them and their children out of poverty. They've benefited from training on topics including reforestation and soil and water conservation techniques, so they can improve soil fertility. A survey we conducted saw a 54% increase in women using improved soil and water conservation techniques.

We've also helped local natural resource management committees to restructure to include more women and give them more influence, and trained elected and village officials on gender roles, challenging traditional perspectives.

Over the next three years, together with local our plan is to support local women to plant 5,000 trees, learn how to care for them and help their local forests thrive. These trees will help to keep the soil fertile, the positive effects of which will be felt by the whole community, now and in the future.

Setou is hopeful that with tools and training from the project, she'll be able to transform her family's life. *"I want them [my children] to study well at school so they have a better future. I am hopeful that we will have enough food to eat all year and my children will study at school,"* she says.

Adapting to Covid-19

The She Grows project launched around the time that Covid-19 was declared a pandemic. We're now supporting the people we work with – who don't always have access to reliable, outside information – to stop the spread, providing vital advice about hygiene and social distancing.

A project in Mali...

10
women's cooperatives given the right to use land to grow food and generate income

54%
more women using sustainable soil and water conservation techniques

GROWING BUSINESSES

From production skills to tools, we work with local people so they have what they need to make and sell products from their trees, like shea butter and soap. The income generated pays for essential healthcare and education, helping communities to tackle poverty.

Our enterprise development work

Sustainable income

We grow businesses, often led by women. Together with communities, we work to create produce from trees, like seeds, fruits and nuts, and process them to sell. We work with local people in groups called village tree enterprises. This year, we supported people to form 96 new village tree enterprises, bringing the total established to 978.

In Ghana, village tree enterprise members' income rose by 331% on average – from $57 to $244 a year. Thanks to our three-year project in Burkina Faso, where we worked with local people to make and sell products like shea butter, we have helped more than 27,000 people lift themselves out of extreme poverty.

Skills and equipment

We boost the skills of people in village tree enterprises and equip them with tools so their businesses can prosper. In Ghana, this year we trained 120 village tree enterprises on managing finances and credit, and also held training sessions on negotiation, entrepreneurship and business development.

We also worked with village tree enterprise groups to develop a market information system to keep members up to date with current prices and market conditions for the products they grow. We offered training on orchard and tree management and distributed 500 vital pruning saws to farmers too.

Income during Covid-19

Each year, many people in rural Niger travel for temporary work during the dry season following harvest. However, this was impossible in 2020 due to Covid-19. We supported people to replace this lost income, and avoid falling deeper into poverty and hunger, by involving them in rehabilitating degraded communal land to earn money.

96
new village tree enterprises set up, bringing the total to 978

331%
rise in income for village tree enterprise members in Ghana

MULTIPLYING INCOMES IN MALI

In Mali, partnering with local people has seen their incomes boosted by 270% on average and reduced poverty by 34%.

Duwa and Sutèbwo forests have been struck by the full force of deforestation, and are now severely degraded. With rainfall becoming more unpredictable and soil losing its fertility, people are struggling to grow trees and crops which they depend on for an income and food.

"In my childhood, there were a lot of trees. Lorries came to cut them down and take them away," says Ané, who lives in the region.

In 2017, our Strengthening Forest Management in Mali project began partnering with local communities to restore and protect these forests. We've also supported more than 2,500 households – including Ané's – to use the forests sustainably to grow products to give them an income. They've formed enterprise groups to process and market tree products like shea butter and honey.

Our project came to an end in July 2020. Thanks to our monitoring and evaluation work, it's given us some of the most in-depth data we've ever had – data we will use to make our work tackling poverty and the climate crisis even more effective in the future.

Our evaluation found that households' incomes rose by $1,169 a year on average, thanks to our project. That's lifted 905 families above the poverty line, giving them more money to eat nutritious food, send their children to school and pay for healthcare.

Over a quarter of the people we worked with now derive their income from trees, compared to less than 3% before the project, giving them a steady and stable source of money that is less affected by climate shocks and stresses.

Transforming Ané's life

"The project trained and equipped us. This has allowed us to improve our income" said Ané who was part of the project in the Ségou region of Mali.

"We are lucky that the project brought us women together and equipped us to process shea butter and soap. We learnt to make good shea butter. It allowed me to have money for myself. It's like a kind of freedom," explains Ané. *"The children all go to school and we are now able to guarantee enough food."*

Also thanks to this work in Mali...

- **672,000** new trees have been grown;
- **11,619** hectares of forests have been protected and restored; and
- **87%** of women say they're more able to choose how to spend their own income.

GROWING NUTRITIOUS FOOD

We work with communities to grow and protect trees so they can provide nutritious fruits, nuts and leaves, giving people stable supplies of food even when other crops fail due to the climate crisis.

Our food security and nutrition approach

Diversifying diets

We work with local people in the drylands of Africa to produce a wider range of food, including produce from trees like nuts, seeds and fruit, so they can diversify their diet and improve their health.

In Ethiopia we trained 462 people to better understand the nutritional value of foods from trees, and how to prepare moringa leaves, which are rich in important nutrients. In Burkina Faso, we distributed nearly 10,000 flyers with recipes using nutritious ingredients derived from trees in different local languages.

Planting fruit trees

Fruit trees are a great source of nutrition, and people can also sell fruit to generate an income. In Ghana, we worked with 210 farmers this year to plant 7,350 fruit trees.

Protection from Covid-19

The people we work with depend on our projects to grow nutritious food to eat, and to earn money to spend on other essentials. When the Covid-19 pandemic arrived in March 2020, we knew we had to do everything possible to keep our projects going.

Because of the remoteness of their communities, many of the people we work with have heard very little about Covid-19. A lack of technology and reliance on word of mouth gives the potential for misinformation to spread easily. To manage this, we've been dedicating time to explaining the situation to the people we work with, and providing face masks, hand sanitiser and soap.

Thanks to the great work of our local staff and partners, we have largely been able to continue our work throughout 2020 and 2021.

Almost
10,000
recipe flyers using ingredients derived from trees distributed in Burkina Faso

462
people trained in Ethiopia about the nutritional value of foods from trees, including fruit, nuts and seeds

ALLEVIATING HUNGER IN BURKINA FASO

From 2017 to 2020, we supported more than 98,000 people in Burkina Faso to produce and sell products – including nutritious food – from trees. As a result, almost 2,000 children no longer suffer from severe malnutrition, and around 27,000 people have lifted themselves out of extreme poverty.

Poverty and hunger are widespread in Burkina Faso. A third of the country's farmland is already degraded due to the effects of the climate crisis and deforestation. For many, it's hard to grow enough food to eat.

Over four years, we equipped people with the tools and skills to plant more than 782,155 trees in the project sites and regenerate 202,133 more. From these trees, people can harvest food and ingredients to make everything from shea butter to biscuits and honey. Not only did this mean they have more nutritious food, but they can also sell the products to earn money. The average income of the food producers we worked with increased almost three-fold.

Fatimata's story: *"Now the garden is our gold"*

A key part of the project was establishing 212 'nutrition gardens' with more than 6,700 local people, where they can now grow nutritious food to eat and sell.

Fatimata explains how having access to a nutrition garden transformed her life: *"Before I joined the project, there was not much to do in the dry season, so I would go searching for gold at mining sites, but it's a hard way to make a living. You can often work for a week without finding anything and when you do find some gold, the money you get for it hardly covers your subsistence."*

"We are working hard to develop and grow the garden and I hope one day to see many more trees growing in the fields once again for the benefit of the whole community."

"I hope to use any extra money I earn from the garden to pay for medicine when we are ill and for my children to go to school. When they grow up I want them to work at something that benefits them, their children and their community."

Thanks to our project in Burkina Faso...

98,000+ people are growing and selling tree products – including nutritious food

Almost **2,000** children no longer suffer from severe malnutrition

Around **27,000** people have lifted themselves out of extreme poverty

IMPROVING OUR OPERATIONS

People

In 2020/21 we focused on making sure the people that we work with through our programmes, and our staff, stayed safe as the Covid-19 pandemic spread across the world. We made sure our teams in Africa and the UK were provided with the equipment, systems and support they needed to continue working safely and effectively as we moved from office to home-based working across the organisation. We also increased our focus on wellbeing to help our staff through a difficult year.

All our staff teams adapted well to these new ways of working, without international travel and using different technologies to communicate. We are learning lessons from these enforced changes to make sure we keep positive aspects as we move forward and start to consider a hybrid approach to returning to office working.

During the year we started working with staff to prepare our new strategy. We also continued to promote cross-team working between our teams in Africa and the UK to support learning and development. We continued to improve the human resources support we give to our teams, with accessible policies and procedures. All staff regularly receive training in key areas including safeguarding, anti-fraud and anti-bribery measures, and data protection.

Systems and processes

In 2020/21 we made further progress in developing our monitoring and evaluation capability, improving the way we collect and analyse data across our programmes. We continued our partnership with the University of Edinburgh's School of Geosciences, looking at how we can better understand the growth rates of the indigenous species we use in our reforestation and agroforestry activities. Knowing more precise growth rates will help us improve the way we estimate the long-term changes in biomass across the areas we work in. This will help us demonstrate our work's true impact.

Our recently established compliance team, made up of staff in the UK and Burkina Faso, made good progress reviewing and improving our processes in areas such as risk management, training and partner due diligence. We also designed and put into practice an innovative internal audit programme. This involved detailed questionnaires and follow-up remote testing, with regional risk-focused, in-person audits where these were necessary and possible.

Funding

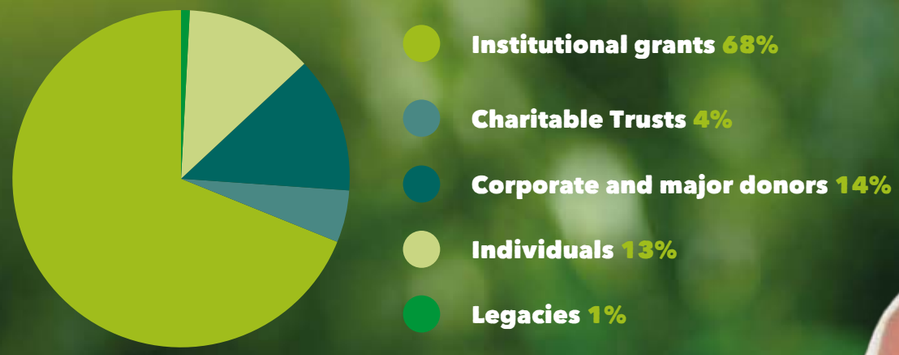
We continued to seek opportunities for long-term partnerships with grant-making institutions and trusts so we can expand our programmes and work with our supporter-base to promote Tree Aid's work in the UK.

In 2020/21 we began the first stage of a major expansion of our forest governance work in Burkina Faso, funded by the Swedish International Development Cooperation (Sida).

We also secured a new four-year £7.4 million funding contract with the Swiss Development Cooperation in partnership with the Netherlands Development Cooperation. This will allow us to expand significantly our project to work with people in Burkina Faso to produce and sell things that come from trees which aren't wood, like seeds, fruits and nuts. Tree Aid is leading this project and is engaging with the Burkina Faso Ministry of Environment and local organisations to implement it.

Income

In 2020/21 Tree Aid's total income increased to £7.0 million, compared to £5.5 million in the previous year. This growth was largely due to the expansion of two major projects in Burkina Faso described above. The chart below shows where our income came from:



Expenditure

Our total expenditure rose to £7.0 million, compared to £5.3 million in the previous year. A breakdown is shown in the chart below:

OUR FUTURE

Net loss of forest and farmable land continues at a rate which means the next 20 years are critical for the survival of ecosystems and communities across the Sahel.

Our work has never been more urgent or more necessary. Action is required at scale and at pace to meet the ambitious targets such as the Great Green Wall, the UN Decade of Ecosystem Restoration, the Bonn Challenge and the UN Sustainable Development Goals.

As we enter the final year of our strategy, Growing Hope, Tree Aid has started to develop our future plans. This year we set out our vision for the future of Tree Aid and for our work in the drylands of Africa to:

- **Reverse the rate** of deforestation and land degradation and **achieve net gains** across the region;
- **Increase resilience** of communities across the region through diversified incomes and greater skills in business and land management;
- Ensure **land tenure systems** are in place which allow for and incentivise local control and local investment in land resources;
- Ensure that **decentralised forest governance** policies are adopted and implemented across the region; and
- Increase **sustainable private sector investment** into African natural resource bases for win-win solutions.

Tree Aid will develop a strategy over the coming 12 months to meet that challenge both through expansion of our own programming and beyond that how we can catalyse change on a broader scale in the drylands of Africa.

Rural life, where 80% of Africa's poor are, is more susceptible to climate risk than urban life. It is increasingly important to mitigate fragility to protect people's progress and keep them from falling back or falling further into poverty. Ensuring resilience to an ever more variable climate is central to our anti-poverty agenda.

We will harness evidence of our impact to advocate and influence the international community as well as key national actors to make a step change in the fight against poverty and the climate crisis.

The impact of the Covid-19 pandemic is discussed in this report and there remains uncertainty as to the longer-term impact on Tree Aid. We continue to monitor the changing situation closely, in particular the ongoing risks to our staff teams, project participants and programme activities.

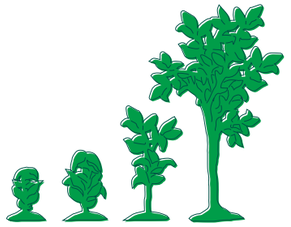
Our review of the financial impact of the Covid-19 pandemic (page 29) gives the Board confidence that we are currently in a satisfactory financial position. Though the global pandemic will continue to affect our ability to achieve some elements of our strategy in 2021/22, we believe that, with good management, the impact will be limited.

ANNUAL OBJECTIVES 2021/22

To support delivery of our strategy, each year we develop operational plans that break our strategic outcomes into specific and time bound objectives and set out the key actions for Tree Aid in the next year to ensure we achieve our strategic goals. We developed our 2021/22 objectives by functional team (programmes, fundraising, finance and resources) aligned to the strategic outcomes they support and these are set out below:

Growing incomes

- Scale-up of our Non-Timber Forest Product programme in Burkina Faso.
- Develop the capacity of smallholder groups to maximise their incomes from tree products.



Growing trees

- Plant and regenerate two million trees across our five country programmes.
- Complete a new phase of programming on the Daka River in Ghana.

Growing influence

- Scale up and invest in our influencing work both in-country and internationally, deepening our work with national and donor governments and policy groups.

Fundraising

- Launch the 2021 UKAM Appeal and raise £352,000 between April and July 2021.
- Launch a new donor recruitment campaign, combining this with our marketing activities to increase response rates.
- Invest in our online activity and increase digital spend, growing and diversifying our online presence to generate a strong pipeline of new supporters.
- Increase strategic media and PR to grow our profile.

Finance & resources

- Ensure compliance with our policies and procedures in a year of likely expansion: build on remote internal audits, monitor procurements closely and follow up outstanding action points.
- Take learnings from staff teams and develop plans for phased return to office working, with more use of home working and remote connection than previously.
- Ensure our IT systems are fit-for-purpose and we are making the best use of them.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Tree Aid as a charity and a company has specific responsibilities our Trustees are required to scrutinise and report on annually.

Our Trustees focus on good governance and in 2020/21 reviewed:

- The Charity Code of Governance
- IT security
- Contingency planning as a result of Covid-19
- Safeguarding policy and practice
- Reserves policy and designations
- CC8: Internal Financial Controls for Charities
- The Fundraising Code of Practice
- CC20: Charity Fundraising: a Guide to Trustees' Duties

Trustees review our performance in the following areas quarterly:

- Programmes
- Finance
- Fundraising
- Compliance and risk

Legal structure

Tree Aid was established as a charity in 1987 and incorporated as a charitable company, limited by guarantee, in the UK, in April 2010. The Company was set up under a Memorandum of Association which established its objects and powers. It is governed under its Articles of Association. The Charity's purpose and main activities are described on page 27.

Group structure

Tree Aid, the Charity, has three wholly-owned subsidiary organisations which, together with the Charity, comprise the Group. In West Africa, Tree Aid Burkina Faso (an Association under the Law of Freedom of Association (10/92/ADP of 15 December 1992)) and Tree Aid Ghana (a company limited by guarantee under the Ghanaian Companies Act 1963) both have boards of directors and operate under similar charitable and non-profit-making objectives to those of Tree Aid. In the UK the Charity also has one wholly-owned subsidiary, Tree Aid Enterprises Limited, a company limited by shares which is now dormant.

Organisational structure

Our **Board of Trustees** makes sure Tree Aid is governed effectively and responsibly. The Board is collectively responsible for us delivering our charitable objectives and for ensuring that we are governed in accordance with our Memorandum and Articles of Association. The Board meets quarterly and at 31 March 2021, comprised nine Trustees. Each Trustee is also a Director of the Company for the purposes of company law. A list of Trustees is on page 61.

We recognise that a healthy Board has the mix of skills, knowledge and experience necessary for the efficient and effective governance of Tree Aid. A healthy Board will also make sure that the recruitment and appointment of Trustees provides adequate opportunities for reassessing and achieving that mix. Tree Aid is fully committed to equality of opportunity and diversity in its governance. We recruit Trustees to ensure the Board has the knowledge and skills required to achieve our mission and uphold our values. All new Trustees go through a full and open recruitment and interview process. Appointment is by Board resolution and all Trustees receive an induction on appointment and relevant training courses are made available.

The Board follows good practice by planning for succession and periodically reviews whether it has the appropriate skills and capacities going forward. The Board also evaluates its performance regularly.

In line with our Articles of Association, the Board delegates certain functions to sub-committees, under terms of reference it has approved. These sub-committees report to the Board at each Board meeting. There are three sub-committees of the Board and an advisory group:

- The **Finance and Audit Committee** deals primarily with financial, audit and administrative matters and has oversight of the process of risk management. The Treasurer chairs this committee and it includes three other Trustees with governance, business and risk experience.
- The **Fundraising Standards Committee** reports to the Board on fundraising standards, compliance with regulation and risk in relation to fundraising standards. A member of the Board with fundraising expertise chairs this committee, and it includes one other Trustee with fundraising and marketing experience.
- The **Nominations and Remuneration Committee** is responsible for making recommendations on Board composition and for supporting the Chief Executive Officer to identify and recruit for Board and Senior Management Team vacancies. This sub-committee also reviews remuneration for staff, and ensures that safeguarding and human resources policies are regularly reviewed and updated. The Chair of the Board chairs the Nominations and Remuneration Committee and it includes two other Trustees with human resources experience.
- The **Programmes Advisory Group** provides expert advice and support to the operations team and Trustees and acts as a 'critical friend' to support continuous improvement in programming. A Trustee chairs the group, and other external members are co-opted for their relevant skills and experience.
- The Board appoints the **Chief Executive Officer** to manage the day-to-day running of Tree Aid under powers the Board delegates to the position. Working closely with the Chair of the Board, our Chief Executive leads the Senior Management Team to make sure our strategy and operations are aligned and effectively delivered.
- The **Senior Management Team** has executive responsibilities and comprises the Chief Executive Officer, Director of Operations, Director of Finance and Resources, and Director of Fundraising and Communications. Following an open recruitment process, Tom Skirrow, formerly Tree Aid's Director of Operations, was appointed Chief Executive Officer in July 2020. Georges Bazongo, formerly West Africa Director of Operations, was appointed Interim Director of Operations effective from July 2020 and after an open recruitment process, was appointed to the permanent post in March 2021. The Senior Management Team fulfilled the duties of the Chief Executive Officer between March and July 2020.

Related parties

All Trustees give their time freely and none receive remuneration or other benefit from their work with Tree Aid. Any contractual relationship between a Trustee or senior manager of Tree Aid or our subsidiaries and a related party must be disclosed to the Board of Trustees. We have taken out Trustee indemnity insurance which indemnifies Trustees and Tree Aid up to £1 million. This cover is provided as part of a general charity insurance policy which cost £2,567 (2019/20: £2,441). Please see note 24 to the Accounts for further details of related party transactions.

Remuneration policy for senior staff

The Board of Trustees and the Senior Management Team comprise the key management personnel responsible for directing, controlling, running and operating Tree Aid on a day-to-day basis. Details of Trustees' expenses and related party transactions are disclosed in notes 12 and 24 to the Accounts.

Our Board of Trustees reviews the remuneration of staff annually, benchmarking salaries using the NCVO-approved Voluntary Sector Salary Survey. We aim to offer salaries that are competitive compared to those similar voluntary-sector organisations offer.

The remuneration of key management personnel is disclosed in note 11 to the Accounts.

Risk management

Our Board identifies and reviews the strategic, business and operational risks Tree Aid is exposed to, and ensures that appropriate controls are in place to provide reasonable assurance against fraud and error. Our Board and Senior Management Team carry out a quarterly assessment of the risks facing the organisation. This assessment process is based on a risk register, which assigns management of risks to specific people, and recommends actions to mitigate them.

In 2020/21 we continued to build the capacity of our compliance team, made up of a dedicated Compliance Manager in the UK supported by a Compliance Officer in Burkina Faso. This team monitors risks, trains our teams and partners in our policies and controls and makes sure that compliance with these is audited, focusing on areas of highest risk.

As an outcome of this work, the Board has identified the key risks below and put in place mitigation plans, which it monitors regularly:

- Safeguarding: our staff are trained in safeguarding policy and procedures. Adherence to policy is mandatory in partner contracts and enhanced whistleblowing procedures have been established throughout Tree Aid and with our partner organisations and programme participants. Our Board of Trustees regularly reviews our policy and approach and implements additional measures where appropriate.
- Political unrest and insecurity in areas of operation: we have business continuity plans in place for each country to ensure continuity of programmes where possible. We supplement local knowledge by reviewing United Nations and UK Foreign, Commonwealth and Development Office security alerts. We also regularly review travel protocols. A Regional Security Officer is in post in West Africa.
- Risks associated with the ongoing Covid-19 pandemic: Our Trustees initially assessed these using a separate risk register. They are described in more detail on pages 26 and 27.
- Data protection and cyber-security: we have detailed IT security and recovery plans in place for each of our systems, managed by outsourced IT suppliers. The Board reviews system security measures periodically.
- Management of organisational growth: we manage growth through large institutional grants by partnering with reliable, mature downstream partners, monitoring staff structures and workloads closely, and ensuring that we have adequate reserves to counter any material delays in cashflows.
- Risk of changes in governments' appetites for international development resulting in a reduction in funding: we monitor funding from individual governments as a proportion of total funding, with the aim of limiting exposure to one single donor.
- Risk of fraud: we have clear finance procedures in place with segregation of duties. Internal and external audits are carried out regularly. We have also established and implemented enhanced partner due diligence processes.

In 2020/21 we reviewed our performance against the updated Charity Governance Code, so Trustees could assess how well Tree Aid is applying the Code and where further work is needed. This review concluded that the following actions were necessary:

- The Board reviews its own performance and that of individual Trustees, including the Chair and plans to carry out an external evaluation.
- The Board takes part in training and/or reflection about diversity and understands its responsibilities in this area: The Board will set diversity objectives against which performance can be measured and attend training led by a specialist.

In 2020/21 Trustees carried out their annual review of Tree Aid's internal controls against the Charity Commission's Internal Financial Controls Checklist (CC8) and guidance on How to Manage Risk When Working Internationally. They concluded that, where applicable, internal control processes were in place in line with the Checklist and guidance.

During the course of a routine support visit and follow-up internal audit of our Niger field office in late 2020, we discovered a number of financial irregularities. We carried out a full review and the value of the transactions in question was found to be £8,986. Tree Aid's Board, our donors in Niger and our auditors have been kept informed and we have reported this matter to the Charity Commission. We are actively seeking recovery of the funds in question following legal process in Niger.

Covid-19 pandemic-related risks

A group of Trustees, including the Chair of the Board, assessed risks associated with the Covid-19 pandemic in a separate risk register. They highlighted the areas below for further actions. We have now taken most of these actions, though the Board continues to monitor the impacts of the pandemic closely.

Impact of Covid-19 on Tree Aid's operations: our teams in Africa are working from home where possible. We are closely monitoring and adhering to travel and other restrictions on a country-by-country basis. Where necessary, we have reviewed project workplans with donors and other stakeholders and substituted, delayed or scaled-back activities as appropriate. At the date of this report no projects have been suspended due to the pandemic.

- **Impact of Covid-19 on UK support teams:** All UK staff have been working from home since March 2020. They have been provided with equipment, systems and support so they can continue to work safely and effectively.
- **Sickness in the Tree Aid team:** our Senior Management Team is monitoring the health of our teams in the UK and Africa and has developed appropriate contingency plans to cover staff absence. The roll-out of vaccines is being monitored country-by-country.
- **Financial risk to Tree Aid:** we regularly refreshed our budget for 2021/22 as changes occurred. We closely monitored cashflows against our budget. We reviewed and re-designated reserves where appropriate. We also undertook a going concern review. The Financial Review on page 29 sets out the conclusions from this in further detail.

Fundraising

We would not be able to do our important work without the support of our donors. We seek to maintain the highest possible standards in fundraising and relationships with our supporters.

Tree Aid is registered with the Fundraising Regulator and bound by its Code of Fundraising Practice. We continue to monitor compliance as this code is revised to ensure all our fundraising activities are operating to the highest standards. We received no complaints via the Fundraising Regulator or Charity Commission in 2020/21.

We are also registered with the Fundraising Preference Service and had nine donors opt out of communications via the Fundraising Preference Service (14 in total since its launch in 2017). We ensure we are compliant with the General Data Protection Regulation (GDPR).

Trustees and the Senior Management Team regularly review all aspects of our fundraising, including plans, performance and compliance. We produce annual plans and reviews, and monitor performance against targets monthly and performance indicators quarterly.

We deliver some fundraising activities with the support of professional fundraising organisations. We ensure these organisations are fully compliant with fundraising regulation and with our own policies. We have clauses built in to all our supplier contracts which ensure high standards in supporter care, data protection and working with vulnerable people.

The experience our supporters have with Tree Aid is important to us and we take pride in providing excellent supporter care. During 2020/21 we received a total of six complaints relating to fundraising. We responded to these promptly and resolved them in line with donors' preferences.

Focus to ensure our activities achieve our charitable aims

Tree Aid's objectives, as set out in our Articles of Association, are to benefit the public through:

- Relieving the poverty of and promoting the welfare of poor persons overseas by promoting for the benefit of such persons the conservation and improvement of their natural environment especially through silviculture and job creation; and
- Promoting, for the public benefit, research into methods of reclaiming or preventing degradation of agricultural or forest land into desert land for its continued use for forestry, agricultural, industrial or commercial purposes and publishing the results of such research.

The Board regularly reviews Tree Aid's aims, objectives and activities and summarises our achievements and outcomes in this report. This review helps the Board ensure that the organisation's aims, objectives and activities remain focused on our stated purposes.

By carrying out this review and as set out in detail in this report, the Trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the public benefit requirement under that Act.

FINANCIAL REVIEW

The Trustees' Annual Report and audited consolidated financial statements are prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, our Memorandum and Articles of Association, 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 United Kingdom and Republic of Ireland (FRS 102).

The legal and administrative information set out on page 61 forms part of this report.

Income

Our principal funding sources were institutional grants, charitable trusts, individuals and companies as follows:

	2021 (£)	2020 (£)
Institutional grants	4,810,278	3,655,642
Charitable trusts	277,871	270,374
Corporate and major donors	961,973	585,430
Individuals	879,912	822,184
Legacies	63,793	115,109
Donations in kind	23,574	1,051
Total donations and legacies	**7,017,401**	**5,449,790**
Investment and other income	13,597	25,600
Total income	**7,030,998**	**5,475,390**

Income from individual donations, legacies, corporate donors and charitable trusts increased to £2.2 million compared to £1.8 million in 2019/20, largely as a result of scale-up in the Daka River restoration project funded by Ecosia GmbH.

Grants from institutions increased to £4.8 million from £3.7 million in 2019/20. Institutional income came mainly from funding for two projects in Burkina Faso: Sida funded the expansion of our forest governance project (£3.5 million) and the Swiss Agency for Development and Cooperation funded the enhancement of our Non-Timber Forest Products project (£0.8 million), which entered a new, scaled-up phase during the year.

Expenditure

	2021 (£)	2020 (£)
Raising funds	764,883	727,197
Programme delivery	6,153,262	4,460,724
Advocacy and awareness	52,502	57,047
Total resources expended	**6,970,647**	**5,244,968**

To achieve future income growth, we continued to invest in supporter fundraising. The Trustees and Senior Management Team are actively monitoring levels of activity and return on investment. Overall, our investment in raising funds remained at £0.7 million, the same level as in the previous year. The cost of raising funds is an unrestricted fund expense, but raises both restricted and unrestricted income. Total expenditure on charitable activities, mainly comprising programme delivery and advocacy and awareness costs, was £6.2 million, £1.7 million higher than in the previous year.

Tree Aid ran 16 projects during the year (2020/21) across the five countries we operate in, including the two major projects in Burkina Faso referred to on page 20.

Review of the financial impact of the Covid-19 pandemic

As explained under the risk section of this report on page 25, the financial impact of the Covid-19 pandemic continues to affect Tree Aid and this is reflected in our approved budget, operational plans and risk register for 2020/21. In addition, we have carried out a going concern review to assess future cashflows and the need to re-designate reserves to cover forecast expenditure related to the Covid-19 pandemic.

Tree Aid is primarily funded through a number of multi-year, restricted grants across our countries of operation. With the addition of matched and unrestricted funding these fully fund our project activities and our in-country operations costs. In addition, we raise unrestricted funds to support project delivery and enable investment in innovation and growth, providing valuable technical support to our overseas teams and ensuring compliance, quality and consistency across our projects.

Tree Aid ended 2020/21 with a strong balance sheet, with a level of reserves adequate to support future growth. The Board aims to ensure that this strong financial base is not eroded as a result of any financial impacts of the Covid-19 pandemic.

There is uncertainty as to how Covid-19 will impact the global economy. It is possible that individual countries' ability to fund international development may decline further over the next few years. Given that much of Tree Aid's funding (existing and pipeline) comes from European government agencies, there is a risk to these sources of income in the longer term. In the short and medium term however, the Board believes that, with multi-year contracts already in place and in development with committed, long-term institutional partners, Tree Aid will be able to continue our operations broadly as planned for the remainder of this strategic period (up to March 2022), with a possible drop-off in activity levels during 2021/22 due to restrictions in public gatherings in our countries of operation which impact our ability to deliver community training and mass tree planting. Where necessary we will continue to work with our donors to develop revised workplans on a project-by-project basis.

We have made conservative assumptions in our recently completed going concern review on the levels of unrestricted funding likely to be raised, based on our experience so far during the pandemic and on our knowledge of and relationship with our committed supporters.

The budget for 2021/22 and the going concern review indicate that Tree Aid has adequate reserves, backed by investments and other funds, to continue as a going concern for at least twelve months from the date of this report. Cashflow forecasts show positive balances of restricted and unrestricted funds and consequently the Board believes that Tree Aid can continue to account on a going concern basis. In view of the strength of the balance sheet on 31 March 2021, the Board believes that Tree Aid's financial position at the year-end was satisfactory.

Investment values have recovered in both of our managed investment funds and the value of UK woodland continues to increase: the effect of this on Tree Aid's investment holdings is considered under Investment performance on page xx of this report.

Reserves

Total funds held by the Charity at the year-end were £2.6 million (Group: £3.0 million) of which £0.2 million (Group: £0.3 million) were restricted and not available for the general purposes of the Charity. We have identified the following primary reasons for holding unrestricted reserves as part of funds, at the appropriate levels to maintain general reserves (those unrestricted reserves which are not invested in fixed assets, designated for a specific purpose or otherwise committed) at the higher of either:

- The amount required to ensure the continuity of Tree Aid's activities in the event of unexpected setbacks, at a level equivalent to six months of unrestricted budgeted expenditure; or

- The amount required to close down Tree Aid, ensuring that there are sufficient resources available to fulfil legal obligations in the unlikely event that Tree Aid ceases to operate.

Reserves are monitored on a monthly basis and reported to the Board quarterly, with the target level of reserves reviewed annually as part of the budget process. Based on the 2021/22 Budget, the Group target for free reserves is £1.3 million which compared to actual free reserves of £1.3 million.

The Trustees decided to re-designate some reserves against planned future expenditure in order to support strategic growth. These are detailed further in note 20 to the Accounts.

A deficit budget has been set for 2021/22 including some costs which will be funded from designated reserves.

Net movement in funds

There was a £0.1 million net inflow to restricted funds in 2020/21 for the Group, leaving closing restricted funds at £0.3 million at the end of the year.

Unrestricted funds for the Group showed a surplus for the year of £0.3 million, including gains on investments of £0.3 million. After the changes to designated reserves described in note 20 to the Accounts, general reserves remained at £1.3 million.

Subsidiary companies

Our subsidiary companies, Tree Aid Burkina Faso and Tree Aid Ghana, continued to operate as integral elements of the Group, sharing and contributing to the achievements and performance within the financial parameters set by the Board of Trustees. Both were mainly grant-funded by the parent Company.

Tree Aid Enterprises Limited's accounts have not been prepared on a going concern basis as the company is dormant.

Investment policy and objectives

Tree Aid has adopted an ethical investment policy. This means that we seek to avoid investments that conflict with our aims or create reputational risk. Our investment policy emphasises the use of positive ethical criteria.

We actively seek to invest in companies that are able to demonstrate:

- Responsible employment practices;
- Good corporate governance practice;
- Conscientiousness with regard to human rights;
- Sustainable environmental practice; and
- Sensitivity towards the communities in which their business operates.

Tree Aid's policy is that assets can be invested widely and should be diversified by asset class (taking account of geographical location), manager and security. Asset classes could include cash, bonds, equities, property, land and any other asset that is deemed suitable for Tree Aid. Investment management is delegated to two authorised professional investment managers, regulated by the Financial Conduct Authority. The Board has set Tree Aid's investment objectives as follows:

- To produce the best financial return within an acceptable level of risk.
- To generate a return in excess of inflation from long-term investments.
- To preserve the capital value with a minimum level of risk for short-term investments.

Investment performance

Tree Aid's investment with Rathbone Greenbank, initially £0.2 million, recovered in line with global markets from a low value at 31 March 2020, increasing by 26% during the year.

The value of investment in the CCLA COIF Charities Ethical Investment Fund units also increased from a low base on 31 March 2020 by 24%. This compared with a benchmark composite comparator for the year of 22% for global equities. The closing value of Tree Aid's investment in the fund was £0.6 million taking into account the reinvestment of income. The legacy gift of 25 hectares of woodland in Devon was externally revalued as at 31 March 2021 to a value of £0.4 million by Tustins Group Ltd. This compares to the £0.3 million valuation on receipt in 2019.

STATEMENT OF THE TRUSTEES' RESPONSIBILITIES

The Charity Trustees (who are also the Directors of Tree Aid for the purposes of company law) are responsible for preparing a Trustees' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards. Charity law requires the Charity Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the Charity and the Group as at the end of the year and of its and the Group's financial activities during the year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent;
- Follow applicable United Kingdom Accounting Standards and the Charities Statement of Recommended Practice, disclosing and explaining any departures in the Accounts; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue to operate.

The Trustees are responsible for ensuring that adequate accounting records are maintained that are sufficient to show and explain the Charity's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and the Group, and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Charity and the Group and ensuring their proper application in accordance with charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure to our auditor

In so far as the Trustees are aware at the time of approving our Trustees' Annual Report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the Group's auditor is unaware; and
- The Trustees, having made enquiries of fellow Directors and the Group's auditor that they ought to have individually made, have each taken all steps that they are obliged to take as Directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Group Accounts are prepared in accordance with section 398 of the Companies Act 2006, section 138 of the Charities Act 2011, and with the special provisions of part 15 of the Companies Act relating to small companies. They constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the Company.

Crowe UK LLP has indicated its willingness to be reappointed as statutory auditor. Tree Aid will put forward a resolution proposing that Crowe UK LLP will be reappointed as auditor.

Approved by the Board of Trustees on 15 July 2021 and signed on its behalf by:

Shireen Chambers MBE
Chair of the Board of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF TREE AID

Opinion

We have audited the financial statements of Tree Aid ('the Charitable Company') and its subsidiaries ('the Group') for the year ended 31 March 2021 which comprise Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Consolidated Statement of Cash Flows, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the Group's and the Charitable Company's affairs as at 31 March 2021 and of the Group's income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council (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 Charitable Company's or the Group's ability to continue as a going concern for a period of at least 12 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 Trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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, 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.
- 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

In light of the knowledge and understanding of the Group and Charitable Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate and proper accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' Directors' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 31, the Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations, are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members

including internal specialists and significant component audit teams. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Charitable Company and Group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102), Health and Safety Act and Employment Law. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Charitable Company's and the Group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Charitable Company and the Group for fraud.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within income recognition and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, component auditors and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, sample testing on income, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Kerry Brown

Kerry Brown
Senior Statutory Auditor
For and on behalf of
Crowe UK LLP
Statutory Auditor
Black Country House
Rounds Green Road
Oldbury
B69 2DG

Date: 08/09/2021
Crowe UK LLP is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an income and expenditure account)

	Notes	Restricted funds 2021 (£)	Unrestricted funds 2021 (£)	Total funds 2021 (£)	Total funds 2020 (£)
Income from					
Donations and legacies	2	5,761,513	1,255,888	7,017,401	5,449,790
Investment income	3	-	5,087	5,087	12,687
Other income	4	-	8,510	8,510	12,913
Total income		**5,761,513**	**1,269,485**	**7,030,998**	**5,475,390**
Expenditure on					
Raising funds	5	-	(764,883)	(764,883)	(727,197)
Charitable activities	6	(5,728,928)	(476,836)	(6,205,764)	(4,517,771)
Total expenditure	7	**(5,728,928)**	**(1,241,719)**	**(6,970,647)**	**(5,244,968)**
Investments					
Net gains/(losses) on investments		-	280,002	280,002	(14,524)
Net income	16	**32,585**	**307,768**	**340,353**	**215,898**
Movement in funds					
Transfer between funds	20	33,079	(33,079)	**-**	-
Other currency exchange (losses)		-	(4,456)	(4,456)	(10,595)
Net movement in funds	9	**65,664**	**270,233**	**335,897**	**205,303**
Reconciliation of funds					
Total funds brought forward	20	230,720	2,448,817	**2,679,537**	2,474,234
Total funds carried forward	20	**296,384**	**2,719,050**	**3,015,434**	**2,679,537**

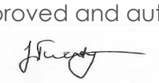
The notes on page 38 to 60 form part of these financial statements.

CONSOLIDATED AND CHARITY BALANCE SHEETS

	Notes	Group 2021 (£)	Group 2020 (£)	Charity 2021 (£)	Charity 2020 (£)
Fixed assets					
Tangible fixed assets	15	23,247	29,943	2,045	2,885
Investments	16	1,273,424	993,422	1,273,424	993,422
Investment in subsidiaries	16	-	-	2	2
Total fixed assets		**1,296,671**	**1,023,365**	**1,275,471**	**996,309**
Current assets					
Debtors	17	650,131	958,550	199,966	244,776
Short-term investments	18	342,146	520,520	342,146	520,520
Cash at bank and in hand		4,049,796	3,953,182	2,590,237	3,692,288
Total current assets		**5,042,073**	**5,432,252**	**3,132,349**	**4,457,584**
Current liabilities					
Creditors falling due within one year	19	(3,323,310)	(3,776,080)	(1,830,173)	(3,191,204)
Net current assets		**1,718,763**	**1,656,172**	**1,302,176**	**1,266,380**
Net assets	21/30	**3,015,434**	**2,679,537**	**2,577,647**	**2,262,689**
Funds					
Restricted funds	20	**296,384**	**230,720**	**248,734**	**230,720**
Designated reserves	20	1,437,760	1,109,456	1,437,760	1,109,456
Free reserves	20	1,281,290	1,339,361	891,153	922,513
Unrestricted funds		**2,719,050**	**2,448,817**	**2,328,913**	**2,031,969**
Total funds	20	**3,015,434**	**2,679,537**	**2,577,647**	**2,262,689**

The Charity-only net income in the year was £314,958 (2020: net expenditure £108,596). The Group Accounts are prepared in accordance with section 398 of the Companies Act 2006, section 138 of the Charities Act 2011, and with the special provisions of Part 15 of the Companies Act relating to small companies. They constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the Company.

Approved and authorised for issue by the Board of Trustees on 15 July 2021 and signed on their behalf by:



Judith Twentyman, Treasurer

The notes on page 38 to 60 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASHFLOWS

	Notes	2021 (£)	2020 (£)
Cashflows from operating activities			
Net cash (used in)/provided by operating activities	22	**(80,169)**	2,768,592
Cashflows from investing activities			
Dividends and interest from investments		5,087	12,687
Purchase of property, plant and equipment		(2,222)	(25,455)
Net cash provided by/(used in) investing activities		**2,865**	(12,768)
(Decrease)/increase in cash and cash equivalents in the reporting period		(77,304)	2,755,824
Cash and cash equivalents at the beginning of the reporting period		4,473,702	1,728,473
(Decrease) in cash and cash equivalents due to exchange rate movements		(4,456)	(10,595)
Cash and cash equivalents at the end of the reporting period	22	**4,391,942**	4,473,702

The notes on page 38 to 60 form part of these financial statements.

NOTES TO THE ACCOUNTS

1.Principal accounting policies

a. Company information

The Charity is a company limited by guarantee (company no. 03779545) and a registered charity in England and Wales (charity no. 1135156), which is incorporated and domiciled in the United Kingdom. The address of the principal and registered office is Brunswick Court, Brunswick Square, Bristol, BS2 8PE.

b. Basis of preparation

The consolidated financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) issued on 16 July 2014 (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

Tree Aid meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value in accordance with applicable accounting standards unless otherwise stated in the relevant accounting policy note.

After making enquiries, the Trustees have a reasonable expectation that the Charity has adequate reserves to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the statement of Trustees' responsibilities on pages 31. The Trustees have carried out a review of various financial scenarios in relation to the impact of the Covid-19 pandemic, as set out on page 29, and on the basis of this have concluded that there are no material uncertainties over the Charitable Company's ability to continue as a going concern.

c. Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent Company and all its subsidiaries. Entities over which the Group has the ability to exercise control are accounted for as subsidiaries. The accounts of Tree Aid subsidiaries are based on the accounting standards applicable in the country in which they reside.

Transactions and balances between Group companies are eliminated on consolidation. No Statement of Financial Activities is presented for the Charitable Company alone as the results of the subsidiary companies are separately identified within the Group Accounts and the Charitable Company is exempt from presenting such a statement under section 408 of the Companies Act 2006.

d. Income recognition

Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable. In line with the requirements of SORP (FRS 102), the value of time kindly contributed by volunteers is not included in the financial statements.

Legacy income is recognised when it is received, unless there is sufficient evidence in advance to allow Tree Aid to be sufficiently certain that the income will be received, and to be able to estimate the value of the legacy with reasonable certainty (receipt is more likely than not).
Income from grants is included in income when there is evidence of entitlement, the amount can be measured and the receipt is probable. When donors impose conditions which have to be fulfilled before the Charity becomes entitled to such income or where the donor has specified that the income is to be expended in a future period, the receipt of income is not included in income until the pre-conditions for use have been met.
Grants for the purchase of fixed assets are credited to restricted income when receivable. Depreciation of fixed assets purchased with such grants is charged against the restricted fund.
Income from Gift Aid tax reclaims is recognised for all donations made prior to the year-end, where a valid Gift Aid declaration is held.

Investment income is accounted for on the accruals basis.

e. Expenditure and basis of allocation of costs

Expenditure is recognised in the period in which it is incurred, and includes attributable VAT which cannot be recovered.

Expenditure is analysed into the following activities:

i. Raising funds – This includes the salaries, direct expenditure and support costs of staff engaged in fundraising activities. Fundraising costs are recognised in the year they are incurred although income derived from the initiatives may arise in future years.
ii. Programme delivery – This comprises direct purchases, the cost of Tree Aid's staff involved in the delivery of programmes, particularly those staff based in Africa, and the value of grants that have been made to implementing partners working on Tree Aid's projects, to the extent that this has been spent. Tree Aid staff provide specialist support, training and networking for partner organisations, as well as undertaking the research required to develop programmes. The cost of grants is included in the statement of financial activities in the year they are payable.
iii. Advocacy and awareness – This represents the costs incurred in raising awareness of institutions and members of the public on the issues being addressed by the Charity.
iv. Governance costs – These are the costs associated with the governance arrangements of the Charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the Charity's activities.
v. Support costs – Expenditure is allocated to a particular activity where the cost relates directly to that activity. In addition, support costs incurred to facilitate activities (back-office costs, the costs of budgetary and financial control, information technology, depreciation, human resources and payroll) are apportioned to activities based on the proportion of staff time spent on each activity as shown in the table below.

Apportionment of support costs:

Activity	2021	2020
Raising funds	31%	31%
Programme delivery	68%	66%
Advocacy and awareness	1%	3%

Redundancy/termination payments are accounted for on the accruals basis.

f. Fund accounting

The Charity maintains three main types of fund as follows:

i. Restricted funds which are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the
ii. Unrestricted funds representing income that is expendable at the discretion of the Trustees in the furtherance of the objects of the Charity
iii. Designated funds which are where the Trustees have set aside unrestricted funds for a specific purpose

g. Tangible fixed assets and depreciation

Depreciation is calculated so as to write off the cost of tangible fixed assets by equal annual instalments over their estimated useful lives at the following rates:

United Kingdom Fixtures & Fittings	25%
Africa Motor Vehicles	25%
Africa Fixtures & Fittings	25%

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on a basis which is an estimate, based on staff time, of the amount attributable to each activity. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

h. Fixed asset investments

Investments are valued at market value at the balance sheet date.

i. Programme-related investments

The asset is valued at the amount invested into the fund, less any amounts written off due to non-repayment of loans by entrepreneur groups.

j. Debtors

Short-term debtors are initially measured at transaction price, less any impairment. Prepayments are measured at the amount prepaid.

k. Short-term investments

Short-term investments comprise cash deposits with notice periods of more than three months and less than 12 months.

l. Cash at bank and in hand

Cash at bank and in hand comprise cash deposits

with notice periods of less than three months, and petty cash balances held.

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

There is a provision in place which provides for termination payments payable to staff in Burkina Faso and Niger on leaving their employment. The provision is related to the accumulated length of service for each member of staff.

n. Foreign currencies
Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the month-end rate of exchange for the month. Exchange differences are taken into account in arriving at the net movements in funds for the year.

o. Pensions
The Charity offers a defined contribution pension scheme to employees. The assets of the scheme are held in independently administered funds. Pension costs charged in the Statement of Financial Activities represent the contributions payable by the Charity during the year. The liability and expense are apportioned to activities and between restricted and unrestricted funds based on the proportion of staff time spent on each activity.

p. Leases
Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities in the year in which they fall due.

q. Financial instruments
The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments, these being cash at bank, debtors and creditors (see note 27). Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

r. Judgements in applying accounting policies and key sources of estimation uncertainty
Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.
The items in the financial statements where these estimates and judgements have been made include the following:

i. Accruals
- Included in accruals are liabilities where the amount and/or timing of its settlement is uncertain. An accrual is only recognised where:
- There is a present obligation at the reporting date as a result of a past event;
- It is probable that a transfer of economic benefit will be required in settlement; and
- The amount of the settlement can be estimated reliably.

ii. Deferred income
Where terms and conditions have not been met, or uncertainty exists as to whether Tree Aid can meet the terms and conditions otherwise within its control, the income is not recognised but deferred as a liability until it is probable that the terms and conditions imposed can be met.

2. Donations and legacies

	Restricted funds (£)	Unrestricted funds (£)	Total 2021 (£)	Total 2020 (£)
Institutional grants	4,810,278	-	4,810,278	3,655,642
Charitable trusts	223,609	54,262	277,871	270,374
Corporate and major donors	727,626	234,347	961,973	585,430
Individuals	-	879,912	879,912	822,184
Legacies	-	63,793	63,793	115,109
Donations in kind	-	23,574	23,574	1,051
Total	**5,761,513**	**1,255,888**	**7,017,401**	**5,449,790**

Included in institutional grant income are government grants received that fund projects in Africa as follows (unspent balances are carried forward in deferred income to future periods):

		Total 2021 (£)	Total 2020 (£)
United Kingdom	Department for Environment, Food and Rural Affairs	33,969	210,709
	Foreign Commonwealth and Development Office	149,308	160,728
Channel Islands	Jersey Overseas Aid	90,994	126,379
International	Swedish International Development Cooperation Agency	2,194,642	4,425,710
	Swiss Agency for Development and Co-operation	1,897,550	817,335
Total government grants		**4,366,463**	**5,740,915**

The amount of government grants recognised as income during the year was £4,703,215 (2020: £3,088,890). This is calculated in line with Tree Aid's income recognition policy under which income is recognised when the conditions for entitlement have been fulfilled. This is different from amounts received from these and other funders in this period. There were no unspent grant balances repayable in the year (2020: £nil).

3. Investment Income

	Restricted funds (£)	Unrestricted funds (£)	Total 2021 (£)	Total 2020 (£)
Dividend income	-	98	98	658
Deposit account interest	-	4,989	4,989	12,029
Total	**-**	**5,087**	**5,087**	**12,687**

4. Other Income

	Restricted funds (£)	Unrestricted funds (£)	Total 2021 (£)	Total 2020 (£)
Sundry receipts	-	8,510	8,510	12,913
Total	**-**	**8,510**	**8,510**	**12,913**

5. Raising funds

	Delivery costs (£)	Restricted funds (£)	Unrestricted funds (£)	Total 2021 (£)	Total 2020 (£)
Supporter fundraising	458,396	485	218,187	677,068	629,533
Institutional fundraising	58,656	-	29,159	87,815	97,664
Total	**517,052**	**485**	**247,346**	**764,883**	**727,197**

6. Charitable activities

	Delivery costs (£)	Restricted funds (£)	Unrestricted funds (£)	Total 2021 (£)	Total 2020 (£)
Programme delivery	5,540,783	62,321	550,158	6,153,262	4,460,765
Social enterprise – trading	-	-	-	-	(41)
Advocacy and awareness	41,369	-	11,133	52,502	57,047
Total	5,582,152	62,321	561,291	**6,205,764**	4,517,771

7. Total expenditure

	Delivery costs (£)	Restricted funds (£)	Unrestricted funds (£)	Total 2021 (£)	Total 2020 (£)
Raising funds	517,052	485	247,346	764,883	727,197
Charitable activities	5,582,152	62,321	561,291	6,205,764	4,517,771
Total	**6,099,204**	**62,806**	**808,637**	**6,970,647**	**5,244,968**

The main components of support costs are:

	Total 2021 (£)	Total 2020 (£)
Office costs	545,177	545,318
Depreciation	8,918	6,887
Administration and support salaries	191,641	183,066
Governance costs	62,901	70,848
Total	**808,637**	**806,119**

8. Grants analysed by country and project

Included within 'Charitable activities, Delivery costs' are grants made to various implementing partners, principally local NGOs based in the country of the project, for the following projects:

	Group 2021 (£)	Group 2020 (£)
Burkina Faso		
Forest Governance Phase 2	953,728	**457,700**
Enhancement of Non-Timber Forest Products	148,306	**228,731**
Tree Foods Phase 2	930	-
Total	**1,102,964**	**686,431**
Ethiopia		
Initiative for Sustainable Landscapes Programme	29,892	68,783
Sustainable Livelihoods and Ecosystems	71,952	59,667
Total	**101,844**	**128,450**
Ghana		
Ghana Rural Agriculture and Cashew Enterprises	1,862	35,116
Grow Hope	29,754	21,691
Ghana RHoMIS Survey	-	3,950
Total	**31,616**	**60,757**
Mali		
Empowering Women in Rural Mali	28,918	-
Re-greening Nonkon and Nossombougou	17,990	-
Mali Restoring Koulikoro	24,817	26,435
Strengthening Forest Management	15,425	42,650
Total	**87,150**	**69,085**
Niger		
Rehabilitation of the Ecosystem of National Park W Landscape	10,646	23,436
Total	**10,646**	**23,436**
All countries total	**1,334,220**	**968,159**

9. Net movement in funds

This is stated after charging:

	Group 2021 (£)	Group 2020 (£)
Auditor's remuneration – audit	22,875	16,125
Auditor's remuneration – non-audit services	1,020	1,050
Depreciation of tangible fixed assets	8,918	6,887
Operating lease costs	18,147	17,789

10. Employee numbers and costs

The average monthly head count was 77 employees, 64 engaged in charitable activities, 13 in fundraising (2020: 59, 48 charitable activities, 11 fundraising), the employment costs of which were:

	Group 2021 (£)	Group 2020 (£)
Wages and salaries	1,407,050	1,226,495
Social security costs	130,855	126,124
Pension costs	102,557	99,544
Total	**1,640,462**	1,452,163

For staff paid £60,000 or more per annum, the number of employees with emoluments in the following ranges were:

	Group 2021 (no.)	Group 2020 (no.)
£60,000 to £69,999	**2**	1
£70,000 to £79,999	**-**	1
£80,000 to £89,999	**1**	-

Tree Aid operates a defined contribution workplace pension scheme in the UK: employer contributions are funded from unrestricted income. Pension costs charged in the Statement of Financial Activities represent the contributions payable by Tree Aid in the year. The Charity has no pension obligations other than the contributions payable in the year and there were no unpaid contributions at the year-end.

11.Key management personnel

The key management personnel of the Charity and the Group comprise the Chief Executive, Director of Operations, Director of Finance and Resources, and Director of Fundraising and Communications. The total remuneration (including National Insurance and pension contributions) of the key management personnel was £280,410 (2020: £281,559).

The remuneration of the key management personnel for the year was:

	Group 2021 (£)	Group 2020 (£)
Chief Executive	**90,470**	84,655
Director of Finance and Resources	**70,964**	66,078
Director Fundraising and Communications	**68,234**	65,060
Director of Operations	**50,742**	65,766

12. Trustee remuneration, expenses and donations

The Trustees were not paid and did not receive any other benefits from the Charity or its subsidiaries in the year (2020: £nil). No Trustee received payment for professional or other services supplied to the Charity (2020: £nil).

Directly incurred Trustee expenses borne by the Charity in the year totalled £204 (2020: £5,623), paid to two Trustees (2020: six). Those expenses were for training, travel and subsistence. The total amount of donations received from Trustees without conditions was £1,147 (2020: £1,480).

13. Taxation

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

14. Gross income and results – Charity only

	2021 (£)	2020 (£)
Income	6,421,178	4,235,590
Expenditure	(6,106,220)	(4,344,186)
Net (expenditure)/income	**314,958**	**(108,596)**

15. Tangible fixed assets – Group

	UK fixtures and fittings (£)	Africa motor vehicles (£)	Africa fixtures and fittings (£)	Total (£)
Cost				
At 1 April 2020	56,997	278,406	94,100	429,503
Additions	-	-	2,222	2,222
Project assets	-	27,365	-	27,365
Total at 31 March 2021	**56,997**	**305,771**	**96,322**	**459,090**

	UK fixtures and fittings (£)	Africa motor vehicles (£)	Africa fixtures and fittings (£)	Total (£)
Depreciation				
At 1 April 2020	54,112	278,135	**67,313**	399,560
Charge for the year	840	165	7,913	8,918
Project assets	-	27,365	-	27,365
Total at 31 March 2021	**54,952**	**305,665**	**75,226**	**435,843**
Net book value				
At 31 March 2021	**2,045**	**106**	**21,096**	**23,247**
At 31 March 2020	2,885	271	**26,787**	29,943

Tangible fixed assets – Charity

	UK fixtures and fittings (£)	Total (£)
Cost		
At 1 April 2020	56,997	56,997
At 31 March 2021	**56,997**	**56,997**
Depreciation		
At 1 April 2020	54,112	54,112
Charge for the year	840	840
At 31 March 2021	**54,952**	**54,952**
Net book value		
At 31 March 2021	**2,045**	**2,045**
At 31 March 2020	2,885	2,885

16. Investments – market value

	COIF Charities Ethical Investment Fund (£)	Rathbone Greenbank investments (£)	Investment in woodland (£)	Other unlisted investments (£)	Group & Charity total 2021 (£)	Group & Charity total 2020 (£)
Valuation at 1 April	514,231	185,012	290,000	4,179	993,422	1,007,946
Revaluation	121,542	48,460	110,000	-	280,002	(14,524)
At 31 March	**635,773**	**233,472**	**400,000**	**4,179**	**1,273,424**	**993,422**

Management of the COIF Charities Ethical Investment Fund and Rathbone Greenbank investments is delegated to authorised professional investment managers, regulated by the Financial Conduct Authority.

The legacy gift of 25 hectares of woodland in Devon was externally revalued as at 31 March 2021 to a value of £0.4 million by Tustins Group Ltd. This compares to the £0.3 million valuation on receipt in 2019.

Other investments represent shares received under a legacy or gifted to the Charity.

Investment in subsidiaries – Charity

	2021 (£)	2020 (£)
Cost and net book value		
At 1 April 2020	**2**	2
At 31 March 2021	**2**	2

There are three subsidiaries:

Name	Registration	Registered office	Principal place of business
Tree Aid Burkina Faso	Association under the Law of Freedom of Association (10/92/ADP, 15 December 1992) in Burkina Faso	1200 Logements Ouagadougou Burkina Faso	Burkina Faso
Tree Aid Ghana	Company limited by guarantee under the Ghanaian Companies Act 1963	318 North Kanivili Tamale Northern Region Ghana	Ghana
Tree Aid Enterprises Ltd	Registered company incorporated in England, company number: 9199430	Brunswick Court Brunswick Square Bristol BS2 8PE, UK	UK

Tree Aid is the sole member of each subsidiary and has the power to appoint the directors.

Tree Aid Burkina Faso and Tree Aid Ghana are non-profit-making organisations with similar objectives to Tree Aid.

Tree Aid Enterprises Ltd is limited by shares and is the trading subsidiary in the UK and was the holding company for a social enterprise entity in Burkina Faso (Tree Aid Enterprises sa) which was wound up in the previous year.

	Tree Aid Enterprises Ltd*	Tree Aid Burkina Faso	Tree Aid Ghana
Charity's shareholdings in subsidiaries	100%	100%	100%
Balances at 31 March 2021 (£)			
Tangible fixed assets	-	19,044	2,157
Current assets	2	1,877,810	83,004
Current liabilities	(99,886)	(169,615)	(6,742)
Total funds	**(99,884)**	**1,727,240**	**78,419**
Results for the year to 31 March 2021			
Income	-	5,668,686	658,730
Expenditure	-	(4,502,850)	(722,548)
Net income/(expenditure)	**-**	**1,165,837**	**(63,818)**

*The accounts for Tree Aid Enterprises Ltd have been prepared on the breakup basis as the company is in the process of becoming dormant.

17. Debtors

	Group 2021 (£)	Group 2020 (£)	Charity 2021 (£)	Charity 2020 (£)
Amounts falling due within one year				
Trade debtors	474,709	509,968	20,287	6,898
Prepayments and accrued income	156,991	350,430	76,429	23,794
Other debtors	62,277	98,152	38,870	76,479
Amounts owed by Group and associated undertakings	-	-	108,226	137,605
Total	**693,977**	**958,550**	**243,812**	**244,776**

18. Short-term investments

	Group 2021 (£)	Group 2020 (£)	Charity 2021 (£)	Charity 2020 (£)
Cash held on deposit	**342,146**	**520,520**	**342,146**	**520,520**

19. Creditors falling due within one year

	Group 2021 (£)	Group 2020 (£)	Charity 2021 (£)	Charity 2020 (£)
Project creditors	8,611	455,601	13,818	147,384
Other creditors	48,453	39,050	38,675	31,091
Accruals	114,497	67,222	48,295	37,956
Provisions for liabilities	78,919	73,862	17,724	30,792
Deferred income	3,044,509	3,098,287	1,688,946	2,913,178
Tax and social security	28,321	42,058	22,715	30,803
Total	**3,323,310**	**3,776,080**	**1,830,173**	**3,191,204**

Provision for liabilities

The provision for liabilities relates to dilapidations of the UK office and termination payments payable to staff in Burkina Faso and Niger on leaving employment with Tree Aid. The termination provision is related to the accumulated length of service for each member of staff. The timing of the outflow is uncertain as the dates of staff leaving their employment is not known.

	Group 2021 (£)	Group 2020 (£)	Charity 2021 (£)	Charity 2020 (£)
At 1 April 2020	73,862	56,471	30,792	8,619
Additions	18,125	22,173	-	22,173
Amounts charged	(13,068)	-	(13,068)	-
Amounts released	-	(4,782)	-	-
At 31 March 2021	**78,919**	**73,862**	**17,724**	**30,792**

Deferred income comprises:

	Group 2021 (£)	Group 2020 (£)	Charity 2021 (£)	Charity 2020 (£)
Local Governance of Forest Resources	1,408,190	2,682,811	1,408,190	2,682,811
Enhancement of NTFPs in Burkina Faso	1,355,563	185,109	-	-
Strengthening Forest Management	-	675	-	675
Rehabilitation of the Ecosystem of the Park W Landscape	7,702	15,212	7,702	15,212
Ghana RHoMIS Survey	-	4,682	-	4,682
Shea parkland management	757	-	757	-
Bongo reforestation	43,089	-	43,089	-
Ghana Rural Agriculture and Cashew Enterprises	2,681	25,830	2,681	25,830
Park W: Dosso	124,174	27,906	124,174	27,906
Regreening Nonkon and Nossombougou	102,353	156,062	102,353	156,062
Total	**3,044,509**	**3,098,287**	**1,688,946**	**2,913,178**

Deferred income relates to institutional and corporate grant income received in advance for work to be performed in the next financial year. In the Group, deferred income of £3,044,509 (2020: £3,098,287) arose in the year and £3,098,287 (2020: £311,684) brought forward from last year was utilised. In the Charity, deferred income of £1,688,946 (2020: £2,913,178) arose in the year and £2,913,178 (2020: £161,563) brought forward from last year was utilised.

20. Movements in funds – Group

	Opening balance (£)	Income (£)	Expenditure (£)	Investment and other gains (£)	Transfers (£)	Closing balance (£)
Restricted funds						
Daka River Restoration 2	16,118	63,358	(11,633)	-	924	68,767
Enhancement of NTFPs	-	614,328	(614,328)	-	-	-
Ghana Rural Agriculture and Cashew Enterprises	56,536	164,723	(221,259)	-	-	-
Grow Hope	(2,544)	90,994	(110,945)	-	-	(22,495)
Initiative for Sustainable Landscapes	-	62,334	(62,334)	-	-	-
Regreening Koulikoro	40,764	31,272	(60,586)	-	-	11,450
Rehabilitation of Park W: Tamou	-	102,010	(90,045)	-	-	11,965
Strengthening Forest Management	-	31,263	(31,063)	-	(200)	-
Sustainable Livelihoods and Ecosystems	28,883	90,648	(106,361)	-	-	13,170
Tree Foods Phase 2	-	-	(40,229)	-	40,229	-
Wof Washa Forest Sustainable Management	3,192	-	-	-	(3,192)	-
Local Governance of Forest Resources Phase 3	-	3,469,265	(3,469,265)	-	-	-
Northern Ghana Integrated Development	-	122,542	(74,892)	-	-	47,650
Ghana RHoMIS Survey	-	4,682	-	-	(4,682)	-
Empowering Women in Rural Mali Through Improved Forest Access and Enterprises	-	65,680	(65,680)	-	-	-
Regreening Nonkon and Nossombougou	-	53,709	(53,709)	-	-	-
Rehabilitation of Park W: Dosso	261	72,612	(72,873)	-	-	-
Enhancement of NTFPs: Development and Phase 3	-	164,952	(164,952)	-	-	-
Frankincense: North Gondar	-	20,000	-	-	-	20,000
Daka River Restoration 3	-	370,558	(441,492)	-	-	(70,934)
Treedom: West Gonja	-	28,407	(11,259)	-	-	17,148
Shea Parkland Management Project	-	7,001	(7,001)	-	-	-
Bongo Reforestation	-	6,337	(6,337)	-	-	-
Growing the Great Green Wall in Koulikoro	-	116,838	(10,933)	-	-	105,905
Project Fund	78,786	-	-	-	-	78,786
Development Fund	8,724	8,000	(1,752)	-	-	14,972
Total restricted funds	**230,720**	**5,761,513**	**(5,728,928)**	**-**	**33,079**	**296,384**
Unrestricted funds						
Woodland Investment Reserve	290,000	-	-	110,000	-	400,000
Covid-19 Reserve	302,822	-	(15,000)	-	-	287,822
Fixed Asset Reserve	29,943	-	-	-	(6,696)	23,247
Improving the Quality of our Work	43,197	-	(30,000)	-	(13,197)	-
Growing our Income	351,144	-	(300,000)	-	(51,144)	-
Improving our Ability to Generate Data, Evidence and Communication	92,350	-	(20,000)	-	(72,350)	-
Driving Forward our Strategy	-	-	-	-	50,000	50,000
Evidencing the Impact of our Work	-	-	-	-	200,000	200,000
Investment in M&E Systems and Equipment	-	-	-	-	100,000	100,000
Long-Term Sustainable Funding	-	-	-	-	226,691	226,691
Managing Risk	-	-	-	-	100,000	100,000
Investment in Infrastructure	-	-	-	-	50,000	50,000
Total designated funds	**1,109,456**	**-**	**(365,000)**	**110,000**	**583,304**	**1,437,760**
General reserves	**1,339,361**	**1,269,485**	**(876,719)**	**165,546**	**(616,383)**	**1,281,290**
Total unrestricted funds	**2,448,817**	**1,269,485**	**(1,241,719)**	**275,546**	**(33,079)**	**2,719,050**
Total funds	**2,679,537**	**7,030,998**	**(6,970,647)**	**275,546**	**-**	**3,015,434**

Purpose of restricted funds

Restricted funds are generated when the donor stipulates how the income may be expended. In most cases there will be a timing difference between when the income is received and when it is spent, resulting in balances being held on these funds at year-end. The purpose of the various restricted funds is outlined below.

Burkina Faso:

Enhancement of Non-Timber Forest Products

Improving non-timber forest product value chains, creating market gardens and improving nutrition for 14,500 households in Burkina Faso. This project is funded by the Swiss Agency for Development and Cooperation. The latest, scale-up phase started in January 2021.

Local Governance of Forest Resources Phase 3

Decentralised forest governance through transferring rights and responsibilities for forest stewardship to community-led forest management groups in 18 new communes. The project is funded by the Swedish International Development Cooperation Agency (Sida) and ended in May 2021. The next phase is planned to start in June 2021.

Tree Foods Phase 2

This project, funded by a major donor and now renamed Aorema Cooperative Livelihoods, Nutrition and Land Restoration project, is an extension of our work on nutrition gardens and land restoration focused on a cooperative in Aorema.

Ghana:

Daka River Restoration 2 & 3 and Treedom: West Gonja

Community-led tree planting and regeneration along the Daka River in Northern Ghana. This project is funded by Ecosia and trusts and foundations with phase 2 finishing and phase 3 starting in January 2020. This project also included planting and geotagging trees for a corporate partner, Treedom. The second phase of the planting and geotagging work for Treedom took place in the West Gonja area of Northern Ghana. There is a negative funds balance on phase 2 and a positive balance on phase 3, the offset of which had not been concluded at the year-end.

Ghana RHoMIS Survey

We were contracted by Aduna, a private corporation based in the UK that imports baobab, to conduct a household survey on communities they had been working with.

Ghana Rural Agriculture and Cashew Enterprises

Supporting poor smallholder cashew farmers to increase and diversify incomes from improved cashew yields, intercropping nitrogen-fixing legumes and honey production to promote pollination. This project started in August 2019 with funding from UK Aid Direct and trusts and foundations. The UK Foreign, Commonwealth and Development Office ceased their support for this project in April 2021 and we are looking at alternative options to continue this work.

Grow Hope

Creating and strengthening non-timber forest product cooperatives in Northern Ghana. This project is funded by Jersey Overseas Aid and AG Leventis Foundation. The funds balance at the year-end was negative and remaining funds on this project are expected to be received once final reporting has been agreed.

Northern Ghana Integrated Development

Promoting opportunities for sustainable agriculture, social protection and decent work in the agrarian sector targeting civil society organisations. Led by ActionAid Ghana, the consortium is funded by the EU. Tree Aid is responsible for delivery in four of the 15 target districts.

Shea Parkland Management Project

The project is for one year, supporting AAK (private shea enterprise) in shea parkland management by planting 1,000 shea trees and providing farmer-managed natural regeneration training for 7 communities. The planting in 2020 actually saw 1,800 trees planted as AAK supplied additional trees.

Bongo Reforestation

This project, funded by Trees for All, aims to restore ecosystem services along selected rivers and around the VEA Dam, near Bolgatanga in the Bongo District of Northern Ghana, improving livelihoods of 20 riverine communities. This project targets the planting of 150,000 trees, restoring 50 kilometres (in 450 hectares) of riparian buffer zones in the Bongo River catchment area, near the VEA Dam and it will last for 3 years with a further 7 years of monitoring.

Ethiopia:

Sustainable Livelihoods and Ecosystems

Restoration of 300 hectares of degraded land, and improving incomes and nutritional diversity of households in Meki district. This project is funded by RPS Group plc and ended in December 2020.

Initiative for Sustainable Landscapes

Restoration of 120 hectares of degraded land, improved incomes and nutritional diversity of households in Meki district. This is an expansion of the Sustainable Livelihoods and Ecosystems Project funded by the Sustainable Trading Initiative (IDH). The project ended in December 2020.

Frankincense: North Gondar

This project is due to start in early 2022, with UK Aid Match funding. The project will focus on the frankincense value chain in the Metema forests. Whilst the collection of frankincense will be made more sustainable through training in best practices, the income that tappers get for their efforts will be improved through training and provision of equipment to improve quality and prices. The project will also work with communities to manage the boswellia (frankincense) forest in a more sustainable way – targeting reductions in grazing of cattle and bushfires that cause low survival rate of new saplings.

Mali:

Regreening Nonkon and Nossombougou

Cultivation of 300,000 trees for planting in 600 hectares of land targeted for restoration. Training 2,000 lead farmers in tree care. Planting also planned in schools and along roads. Part of the programme is happening around Koulikoro, which is not far from Bamako and relatively secure. Timberland is funding this project.

Regreening Koulikoro

Supporting communities to restore parkland trees and reverse serious land degradation. This project was funded by the Turing Foundation.

Strengthening Forest Management

Development and implementation of forest management plans for two forest areas in Segou region and strengthening non-timber forest product value chains. This project is funded by the Darwin Initiative and trusts and foundations.

Empowering Women in Rural Mali through Improved Forest Access and Enterprises

The project will facilitate the granting of land for 10 women's cooperatives, and provide the skills and means for the regeneration of that land. Livelihoods will be improved through the provision of training, tools and equipment for the development of small enterprises based on honey and shea. The project is funded by DfID and the contract was signed in February 2020.

Growing the Great Green Wall in Koulikoro

This project will contribute to the Great Green Wall, working with communities to plant 90,000 and regenerate 20,000 native trees to regreen the area of Massantola in the Koulikoro region. Tree Aid will support local communities through the provision of training and equipment, as well as the establishment of community-based nurseries to raise trees that will be planted across farmland and degraded communal land. The project is funded by a corporate partner, Vero Moda.

Niger:

Rehabilitation of the Ecosystem of the National Park W Landscape (Tamou)

Protecting wildlife and supporting local livelihoods by establishing community forest governance through partnerships between the local communities and National Park W management and tree enterprises. This project is funded by the Darwin Initiative and trusts and foundations.

Rehabilitation of the Ecosystem of the National Park W Landscape (Dosso)

Supporting local livelihoods by establishing community forest governance through better management of local natural resources and the development of tree enterprises. This project is funded by the Swedish Postcode Lottery.

Project Fund

Donations restricted to development work on certain projects or in certain countries.

Development Fund

Donations restricted to the Development Fund are utilised for activities that strengthen and expand Tree Aid's impact and influence through leveraging institutional funding, releasing unrestricted funding by funding core charitable activities, creating a sense of community within our donors and bringing donors closer to Tree Aid by providing them with

unique insights.

Purpose of unrestricted funds

Unrestricted funds are generated when there is no stipulation from the donor as to how the income may be spent. They include designated funds where the Trustees have set aside monies for a specific purpose.

Designated funds are provided for the following purposes:

Driving forward our strategy
As we develop our strategy for 2022–2027 we will be identifying core areas for further investment which will enable us to effectively deliver on our targets. As such, a designated reserve of £0.1 million is necessary to ensure available funding is available to drive that strategy forward.

Evidencing the scale of the problem and the impact of our work
We will also be investing a planned £0.1 million in the coming years in deepening our capacity and tools to measure, monitor and demonstrate the levels of degradation and the impact of our work to combat this. Such evidence will be vital in our efforts to communicate the urgency of action required and the potential of our approaches as a key method for combatting the crisis of deforestation and land degradation in the African drylands.

To better communicate and advocate our work we will use the newly built capacity of evidence to influence policy and practice in the Sahel and will invest in our advocacy capacity and activities in the coming years. This investment will be a short-term kick-start to a broader plan for increasing our annual activities around influencing which currently is not easily funded by restricted grant funding. Over the next three years we will invest £0.2 million in this area.

Long-term sustainable funding
To continue on this strategic path of raising our voice on the issues most critical to our charitable mission, it is essential that Tree Aid achieves a stronger balance of unrestricted funding which will enable sustained investment into evidence, advocacy and communications. Over the coming three years we will look to invest £0.2 million additional reserves into growing our digital fundraising capacity with an aim to secure a sustained growth in unrestricted public giving.

Managing risk in uncertain times
As we set out ambitious growth and impact targets there still remains a significant risk that the global economic downturn, as a result of Covid-19, could significantly hinder those plans. We have already seen the impact on the UK Aid budget as a result of financial cuts but what other international donors do in the future remains uncertain as the new economic realities unfold. Additionally the impact on the economy could lead to a longer-term downturn in our public giving programme. It is therefore prudent for Tree Aid to retain its 2020/21 Covid-19 reserve at £0.3 million until the full extent of the impact on donor economies becomes clearer.

As a result of our strong reserve position and budget surplus in 2020/21 we are in a position to deal with funding shocks effectively. We have made the strategic decision to allocate £0.1 million to ensure our GRACE programme in Ghana will be able to continue, despite the Foreign, Commonwealth and Development Office cancelling its funding. The final year of the project will be minimally affected by recently announced cuts. This funding will be a maximum allocated amount to bridge any gaps as we seek additional funding to close out the programme effectively in line with the original project schedule for 2021/22.

Finally Tree Aid will need to adapt to the reality of new ways of working. As such it is essential we invest in our offices and infrastructure to ensure we have the necessary environment to work much more flexibly and remotely. We have set aside £0.1 million to invest in this area to include a redesign of our office in Bristol as well as enhancing the capacity of staff to work effectively from remote locations.

At the year-end there were two designated reserves which represent the carrying value of the **investment in woodland**, £0.4 million, and **fixed assets**, to recognise these separately from general reserves.

Transfers between funds
Transfers between funds represent the application of income to particular project funds whose objectives fall within the wider restrictions of the funds from which those funds are transferred with the explicit agreement of the donor for restricted

21. Analysis of net assets between funds – Group

	Restricted funds (£)	Designated funds (£)	Unrestricted funds (£)	Total 2021 (£)
Tangible fixed assets	-	23,247	-	23,247
Investments	-	400,000	873,424	1,273,424
Cash at bank and short-term investments	3,256,596	1,014,513	120,833	4,391,942
Debtors	100,095	-	550,036	650,131
Creditors falling due within one year	(3,060,307)	-	(263,003)	(3,323,310)
Total	**296,384**	**1,437,760**	**1,281,290**	**3,015,434**

Analysis of net assets between funds – Charity

	Restricted funds (£)	Designated funds (£)	Unrestricted funds (£)	2021 total (£)
Tangible fixed assets	-	2,045	-	2,045
Investments	-	400,000	873,426	1,273,426
Cash at bank and short-term investments	1,777,374	1,035,715	119,294	2,932,383
Debtors	32,112	-	167,854	199,966
Creditors falling due within one year	(1,560,752)	-	(269,421)	(1,830,173)
Total	**248,734**	**1,437,760**	**891,153**	**2,577,647**

22. Reconciliation of net movement in funds to net cashflow from operating activities

	Group 2021 (£)	Group 2020 (£)
Net income for the reporting period	340,353	215,898
Adjustments for		
Depreciation charges	8,918	6,887
(Gains)/losses on investments	(280,002)	14,524
Investment income	(5,087)	(12,687)
Decrease/(increase) in debtors	308,419	(638,413)
(Decrease)/increase in creditors	(452,770)	3,182,383
Net cash (used in)/provided by operating activities	**(80,169)**	**2,768,592**

Analysis of cash and cash equivalents

	Group 2021 (£)	Group 2020 (£)
Cash in hand	4,049,796	3,953,182
Short-term investments (less than three months' notice)	342,146	520,520
Totals	**4,391,942**	**4,473,702**

As Tree Aid has no debt, the requirement to disclose a net debt reconciliation is covered in the presentation of the consolidated statement of cashflows.

23. Legal status of the Charity

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 £10 per member of the Charity.

24. Related party transactions

Tree Aid transacted with its 100% subsidiary entities during the year. The value of transactions during the year, which were made in the normal course of business and comprised mainly grants to fund the Group's charitable activities, totalled:

	2021 (£)	2020 (£)
From Tree Aid to Tree Aid Burkina Faso	3,761,970	2,320,900
From Tree Aid to Tree Aid Tree Aid Ghana	577,201	409,455

25. Operating lease commitments

Tree Aid had future minimum lease payments under non-cancellable operating leases at the year-end, expiring as follows:

	Land and buildings (£)	Office equipment (£)	Group 2021 (£)	Group 2020 (£)
Expiring				
Within 1 year	16,238	924	17,162	17,487
2–5 years	-	985	985	302

	Land and buildings (£)	Office equipment (£)	Charity 2021 (£)	Charity 2020 (£)
Expiring				
Within 1 year	11,942	924	**12,866**	12,648
2–5 years	-	985	**985**	302

26. Capital commitments

There were no capital commitments in the current or prior year.

27. Financial instruments

	Group and Charity 2021 (£)	Group and Charity 2020 (£)
Financial assets measured at fair value through income & expenditure	**869,245**	**699,243**

Financial assets measured at fair value through income & expenditure comprise listed investment

28. Prior year: consolidated statement of financial activities

	Restricted funds 2020 (£)	Unrestricted funds 2020 (£)	Total funds 2020 (£)
Income from			
Donations and legacies	4,062,796	1,386,994	5,449,790
Investment income	-	12,687	12,687
Other income	-	12,913	12,913
Total	4,062,796	1,412,594	**5,475,390**
Expenditure on			
Raising funds	-	(727,197)	**(727,197)**
Charitable activities	(4,123,601)	(394,170)	**(4,517,771)**
Total	(4,123,601)	(1,121,367)	**(5,244,968)**
Investments			
Net gains/(losses) on investments	-	(14,524)	**(14,524)**
Net income	(60,805)	276,703	**215,898**
Movement in funds			
Transfer between funds	16,455	(16,455)	-
Other (losses)	-	(10,595)	**(10,595)**
Net movement in funds	(44,350)	249,653	**205,303**
Reconciliation of funds			
Total funds brought forward	275,070	2,199,164	**2,474,234**
Total funds carried forward	230,720	2,448,817	**2,679,537**

29. Prior year: movements in funds – Group

	Opening balance (£)	Income (£)	Expenditure (£)	Investment & other gains (£)	Transfers (£)	Closing balance (£)
Restricted funds						
Bongo River Trees	14,252	-	-	-	(14,252)	-
West Africa Forest Farm Interface (Burkina Faso)	-	3,334	(2,902)	-	(432)	-
West Africa Forest Farm Interface (Ghana)	-	-	(432)	-	432	-
Daka River Restoration 1	3,794	-	-	-	(3,794)	-
Daka River Restoration 2	53,077	66,695	(121,700)	-	18,046	16,118
Drylands Development	-	416,060	(416,060)	-	-	-
Enhancement of NTFPs	-	782,346	(782,346)	-	-	-
Forest Governance Phase 2	-	89,842	(97,008)	-	7,166	-
Ghana Rural Agriculture and Cashew Enterprises	54,979	169,203	(148,896)	-	(18,750)	56,536
Grow Hope	1,657	148,379	(152,580)	-	-	(2,544)
Initiative for Sustainable Landscapes	-	115,316	(115,316)	-	-	-
Regreening Samine and Sakoiba	-	2,999	(2,999)	-	-	-
Regreening Koulikoro	53,077	50,220	(62,533)	-	-	40,764
Rehabilitation of Park W: Tamou	-	106,991	(125,741)	-	18,750	-
Strengthening Forest Management	-	108,470	(108,470)	-	-	-
Sustainable Livelihoods and Ecosystems	-	134,108	(105,225)	-	-	28,883
Tree Foods Phase 2	1,500	-	(10,789)	-	9,289	-
Wof Washa Forest Sustainable Management	3,192	-	-	-	-	3,192
Local Governance of Forest Resources Phase 3	-	1,742,899	(1,742,899)	-	-	-
Northern Ghana Integrated Development	-	26,819	(26,819)	-	-	-
Ghana RHoMIS Survey	-	4,878	(4,878)	-	-	-
Empowering Women in Rural Mali Through Improved Forest Access and Enterprises	-	8,418	(8,418)	-	-	-
Regreening Nonkon and Nossombougou	-	6,572	(6,572)	-	-	-
Rehabilitation of Park W: Dosso	-	73,247	(72,986)	-	-	261
Project Fund	83,400	-	(4,614)	-	-	78,786
Development Fund	6,142	6,000	(3,418)	-	-	8,724
Total restricted funds	**275,070**	**4,062,796**	**(4,123,601)**	**-**	**16,455**	**230,720**
Unrestricted funds						
Designated funds						
Woodland Investment Reserve	290,000	-	-	-	-	290,000
Covid-19 Reserve	-	-	-	-	302,822	302,822
Fixed Asset Reserve	11,375	-	-	-	18,568	29,943
Improving the Quality of our Work	63,697	-	(20,500)	-	-	43,197
Growing our income	547,353	-	(196,209)	-	-	351,144
Improving our Ability to Generate Data, Evidence and Communication	109,351	-	(17,001)	-	-	92,350
Total designated funds	**1,021,776**	**-**	**(233,710)**	**-**	**321,390**	**1,109,456**
General reserves	1,177,388	1,412,594	(887,657)	(25,119)	(337,845)	1,339,361
Total unrestricted funds	**2,199,164**	**1,412,594**	**(1,121,367)**	**(25,119)**	**(16,455)**	**2,448,817**

30. Prior year: analysis of net assets between funds – Group

	Restricted funds (£)	Designated funds (£)	Unrestricted funds (£)	Total 2020 (£)
Tangible fixed assets	-	29,943	-	29,943
Investments	-	290,000	703,422	993,422
Cash at bank and short-term investments	3,295,821	789,513	388,368	4,473,702
Debtors	345,468	-	613,082	958,550
Creditors falling due within one year	(3,410,569)	-	(365,511)	(3,776,080)
Total	**230,720**	**1,109,456**	**1,339,361**	**2,679,537**

Prior year: analysis of net assets between funds – Charity

	Restricted funds (£)	Designated funds (£)	Unrestricted funds (£)	Total 2020 (£)
Tangible fixed assets	-	2,885	-	2,885
Investments	-	290,000	703,424	993,424
Cash at bank and short-term investments	3,120,700	816,571	275,537	4,212,808
Debtors	23,199	-	221,577	244,776
Creditors falling due within one year	(2,913,179)	-	(278,025)	(3,191,204)
Total	**230,720**	**1,109,456**	**922,513**	**2,262,689**

LEGAL AND ADMINISTRATIVE DETAILS

Legal status

Tree Aid is an incorporated company limited by guarantee, no. 03779545, and a registered charity, no. 1135156.

Trustees

Shireen Chambers MBE [3]
Terence Jagger [1]
Judith Twentyman [1]
Trevor Reaney [3]
Alex Rees [2 4]
Tom de Pass [2]
Elizabeth Davis [1 3]
Nick Pride [2]
Philip Songhurst-Thonet [1]

[1] Member of the Finance and Audit Committee
[2] Member of the Fundraising Standards Committee
[3] Member of the Nominations and Remuneration Committee
[4] Member of the Programmes Advisory Group

Senior Management Team

Tom Skirrow
Chief Executive (from 1 July 2020, previously Director of Operations)

Ben Sheahan
Director of Finance and Resources

Melanie Knight
Director of Fundraising and Communications

Georges Bazongo
Director of Operations (Interim from 1 July 2020, permanent from 1 March 2021)

Registered office and principal office address

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Advisors

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Auditor
Crowe UK LLP, Carrick House, Lypiatt Road, Cheltenham, Gloucestershire, GL50 2QJ

THANK YOU

On behalf of our programme participants we would like to thank the many individual and corporate supporters, trusts, foundations and institutions who enabled us to support more communities to thrive in the drylands of Africa in 2020/21. We are totally dependent on your support. Without it our work would simply not be possible.

Institutional funders

Thank you to our institutional funders, including:

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idh the sustainable trade initiative

Patrons

The Trustees would like to express their thanks to Tree Aid's patrons, Joanna Lumley OBE, FRGS, Zoë Wanamaker CBE and Hilary Benn MP, for the time and support that they have given during the year.

Staff and volunteers

The Trustees recognise the huge and ongoing contribution made by staff in our offices in Addis Ababa, Bamako, Bristol, Niamey, Ouagadougou and Tamale, and in particular those staff working directly with our programme participants. We extend our gratitude to them all and acknowledge their energetic commitment to Tree Aid's mission, values and programmes. The Trustees are also extremely grateful to the volunteers who donated their time to Tree Aid during the year, who have assisted in office-based administration and other support.

Trusts, foundations and corporate supporters

Thank you also to the following trusts, foundations and corporate supporters for their support throughout the year:

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ABOUT TREE AID

We work with people in the drylands of Africa to tackle poverty and the effects of the climate crisis by growing trees, improving people's incomes, and restoring and protecting land.

Led by local people, our projects make sure trees thrive so they can provide nutritious food and incomes today and look after the environment for tomorrow. We support people to manage their land and resources in a way that helps slow down the effects of the climate crisis and stops fertile soil being lost.

Together, we influence policy and push for change that protects trees, people's livelihoods and our planet.

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