



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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ANNUAL ACCOUNTS

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WE GROW FOREST

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 CO₂ 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

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

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



TOM SKIRROW

SHIREEN CHAMBERS

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

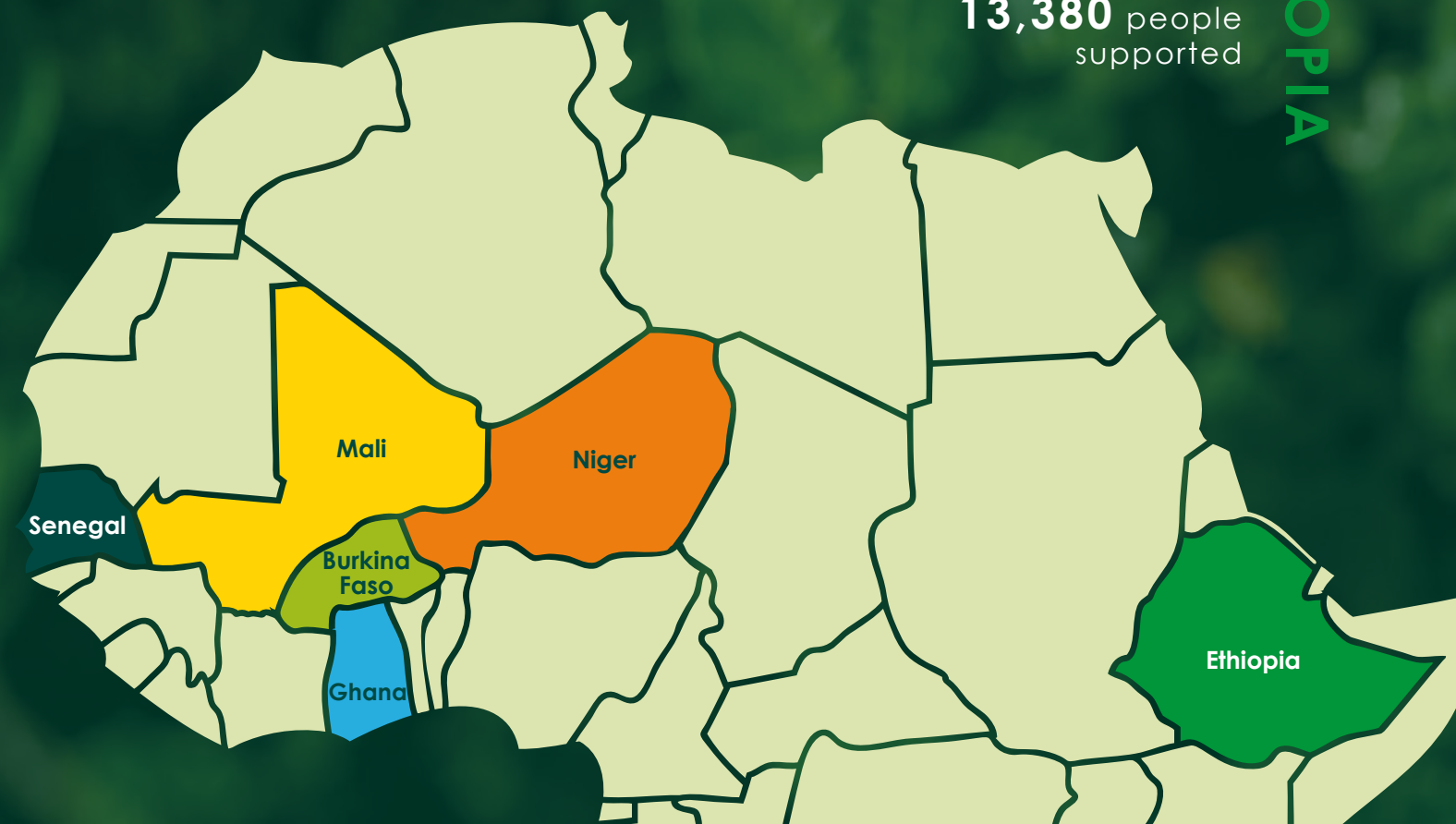
19,525 trees grown
10,490 people supported
20 village tree enterprises groups currently supported

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 CHANCE 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 lift themselves 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.

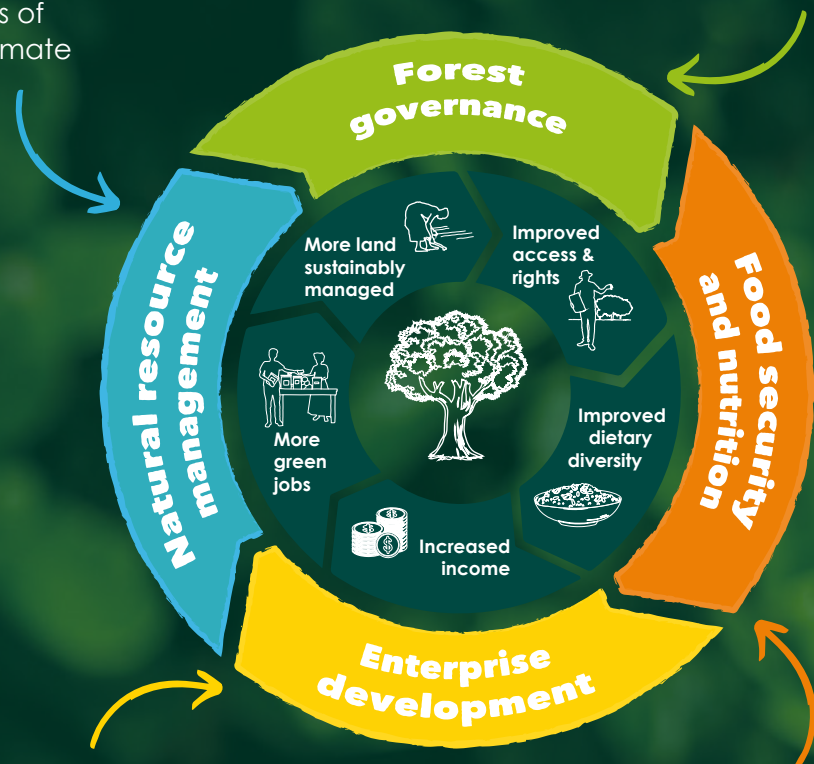
At Tree Aid, we learn what works and share it – locally, nationally and internationally. Together with local communities, we influence policy and push for change that protects trees, people and our planet.

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.”

SEKOURA, MALI

Image: Sékoura 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**

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.

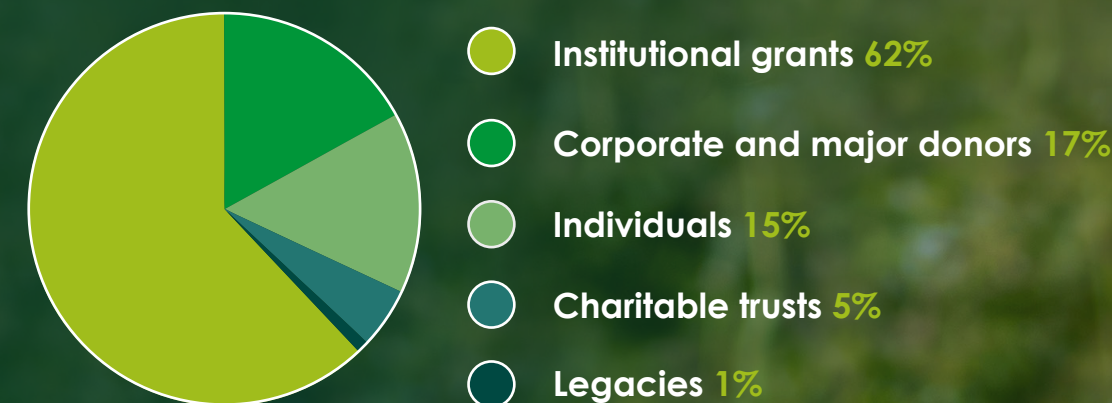
In 2021/22 we finalised new multi-year contracts with our long-term partners the Swedish International Development Cooperation and the Swiss Development Cooperation in partnership with the Netherlands Cooperation.

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

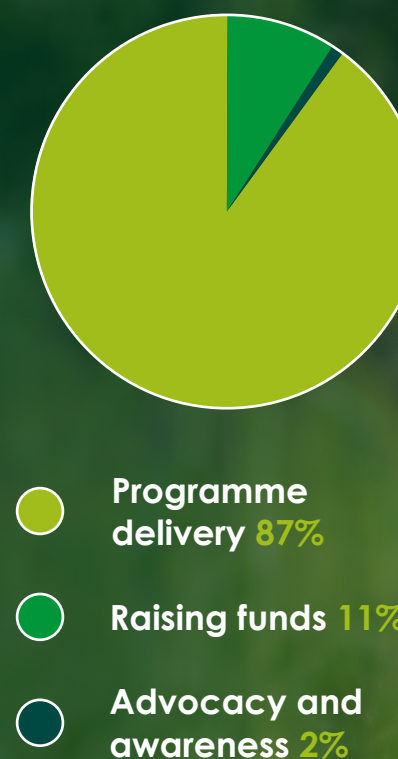
Income

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:



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:



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.

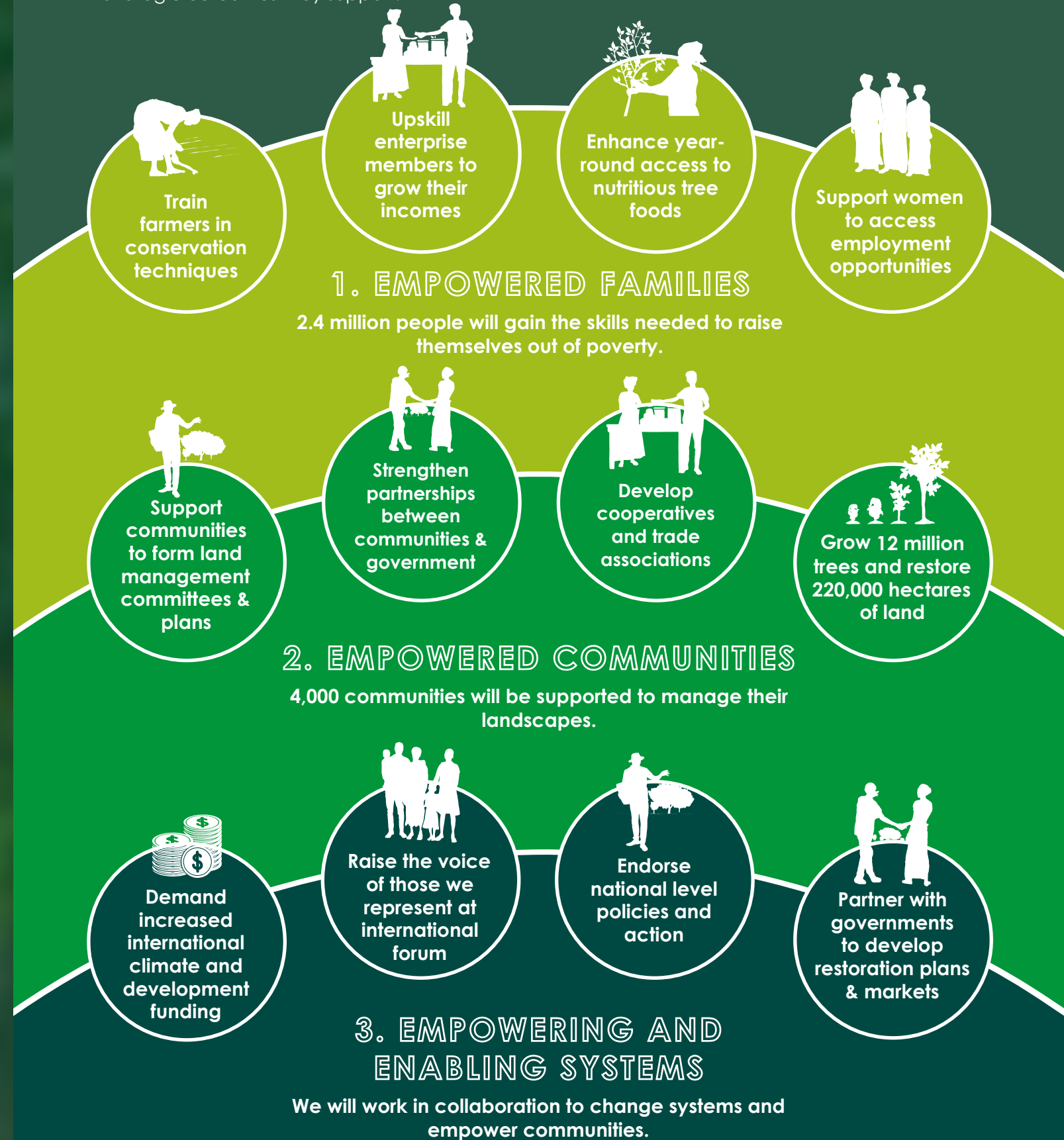
Empowering and enabling systems

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.



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.

Kerry Brown

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 ACTIVITIES

(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.

I. 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

Group 2022 (£) Group 2021 (£)

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
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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	-

	Group 2022 (£)	Group 2021 (£)	Charity 2022 (£)	Charity 2021 (£)
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

	Opening balance (£)	Income (£)	Expenditure (£)	Investment and other gains (£)	Transfers (£)	Closing balance (£)
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)	-	-	-

	Opening balance (£)	Income (£)	Expenditure (£)	Investment & other gains (£)	Transfers (£)	Closing balance (£)
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	
Alex Rees ⁴	
Tom de Pass ²	(resigned 2 December 2021)
Elizabeth Davis ^{1 3}	
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

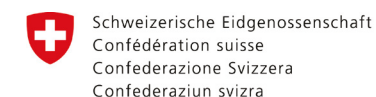
Crowe UK LLP, Black Country House, Rounds Green Road, Oldbury, B69 2DG.

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:



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:

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