



Tree Aid

ANNUAL REPORT AND CONSOLIDATED ACCOUNTS

Year ended 31 March 2024

Tackling poverty and the effects of the climate crisis

Tree Aid - a company limited by guarantee

Charity No. 1135156

Company No. 03779545

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Welcome

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

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

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

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

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

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

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

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

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

Growing our organisation

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

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

Thank you

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

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

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



Elizabeth Davis
Chair of Trustees



Tom Skirrow
Chief Executive

Strategic report

What we do

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

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

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

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

Our goals

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

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

1. Empowered families

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

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

2. Empowered communities

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

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

3. Empowering and enabling systems

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

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

Our approach

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

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



Our impact

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

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

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

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

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

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

Burkina Faso

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

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

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

Our impact in Burkina Faso

1,266,654 trees grown

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

2,243 hectares of land benefiting from restoration activities

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

Progress with existing projects

Establishing roots in carbon income for communities

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

Supporting displaced people

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

Reducing poverty

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

Providing jobs for youth

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

Alliance for Green Revolution in Africa (AGRA) programme

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

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

Improving NTFP value chains

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

New projects

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

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

Ethiopia

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

Our impact in Ethiopia

47,441 trees grown

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

250 hectares of new land under sustainable management

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

Progress with existing projects

Restoring the Central Rift Valley

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

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

Protecting the Metema forest

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

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

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

New projects

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

Ghana

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

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

Our impact in Ghana

761,937 trees grown

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

398 hectares of land benefiting from restoration activities

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

Progress with existing projects

Transforming land and livelihoods

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

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

Bongo reforestation

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

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

Restoring the Daka river

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

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

Mali

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

Out impact in Mali

493,552 trees grown (including in Senegal)

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

11,259 hectares of land benefiting from restoration activities

9,584 hectares of land benefiting from sustainable management

Promoting forest governance

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

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

Our work in Mali and Senegal

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

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

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

Darwin Extra - scaling up our forest governance work

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

Forest Fires

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

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

Niger

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

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

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

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

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

Thank you

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

Thank you to our institutional funders, including:

Alliance for a Green Revolution in Africa (AGRA)

Challenge Fund for Youth Employment

City of Ypres

CIFOR-ICRAF

Darwin Initiative

Enabel

European Union

Global Shea Alliance

International Olympic Committee (IOC)

Swedish International Development Cooperation Agency (SIDA) - Swedish Embassy in Burkina

Swiss Development Cooperation - Burkina Faso

Netherlands Development Cooperation Burkina Faso

Foreign, Commonwealth and Development Office (FCDO)

Dutch Water Authorities

United Nation Convention to Combat Desertification (UNCCD)

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

2000trees Festival	Travel Local
A B. Pollen	Treedom
A J & B A Day Charitable Trust	Trees for All
Allan & Nesta Ferguson Charitable Trust	Treework Environmental Practice
Alland & Robert	Unicorn Grocery
Barton Hyett Associates Ltd	Vegfam
Carbon Underwriting	Marsh Charitable Trust
Caterham Overseas Aid Trust	Microsoft
Cirque Furniture	Miss K M Harbinson Charitable Trust
Converted Media Ltd (Software Path)	Myrtle Charitable Trust
Dreaming Fish	Nelsons
Eamonn Wall & Co	Ohh Deer Ltd
Ecosia	Palmstead Nurseries
Edwina Fenwick Will Trust	Prestige - Meyer Group Ltd
Eleos Compliance	Rhodes Charity
European Investment Bank (EU Climate Bank)	Roger and Sarah Bancroft Clark Charitable Trust
Forrest Brown	Room Price Genie
Harapan Trust	Saxham Trust
J C J Eaton Charitable Trust	Schroder Charity Committee
Joseph Rochford Gardens Ltd	Soroptimist International
Juniper Trading	St Bega Charitable Trust
The Mullion Trust	Stonewall Park Charitable Trust
The Patrick and Helena Frost Foundation	The 3 Ts Charitable Trust
The Paul Foundation	The Bryan Guinness Charitable Trust
The Rest-Harrow Trust	The Cumber Family Charitable Trust
The Roger Raymond Charitable Trust	The Frays Charitable Trust
The Rolfe Charitable Trust	The Fulmer Charitable Trust
The Roughley Charitable Trust	The Gibbs Trust
The Souter Charitable Trust	The Hedley Denton Charitable Trust
The Whitaker Charitable Trust	The Leonard Laity Stoate Charitable Trust
The Wyatt-Spearman Trust	The Morel Charitable Trust

Patrons

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

Staff and volunteers

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

Improving our operations

People

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

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

Systems and processes

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

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

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

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

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

Compliance

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

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

Funding

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

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

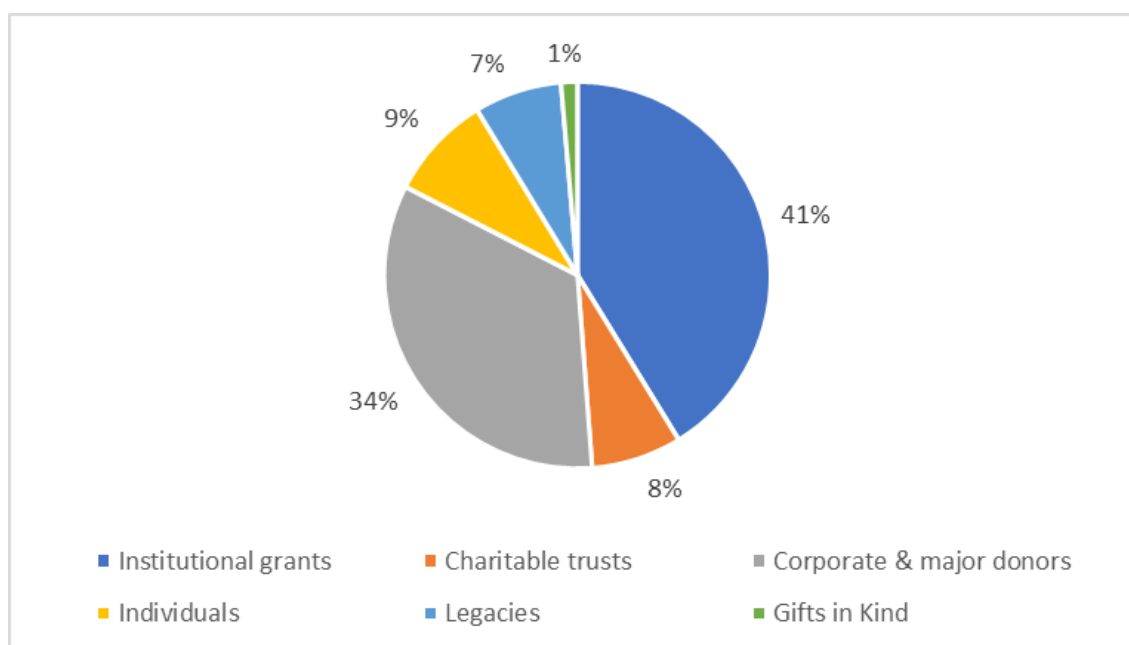
We signed a new contract with the Darwin Initiative in the framework of their Darwin extra scheme. The £3 million contract is the biggest contract signed by Tree Aid in Mali. The project aims to ensure the sustainable management of 26,700 ha of forest in the Segou region, the restoration of 10,000 ha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

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

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

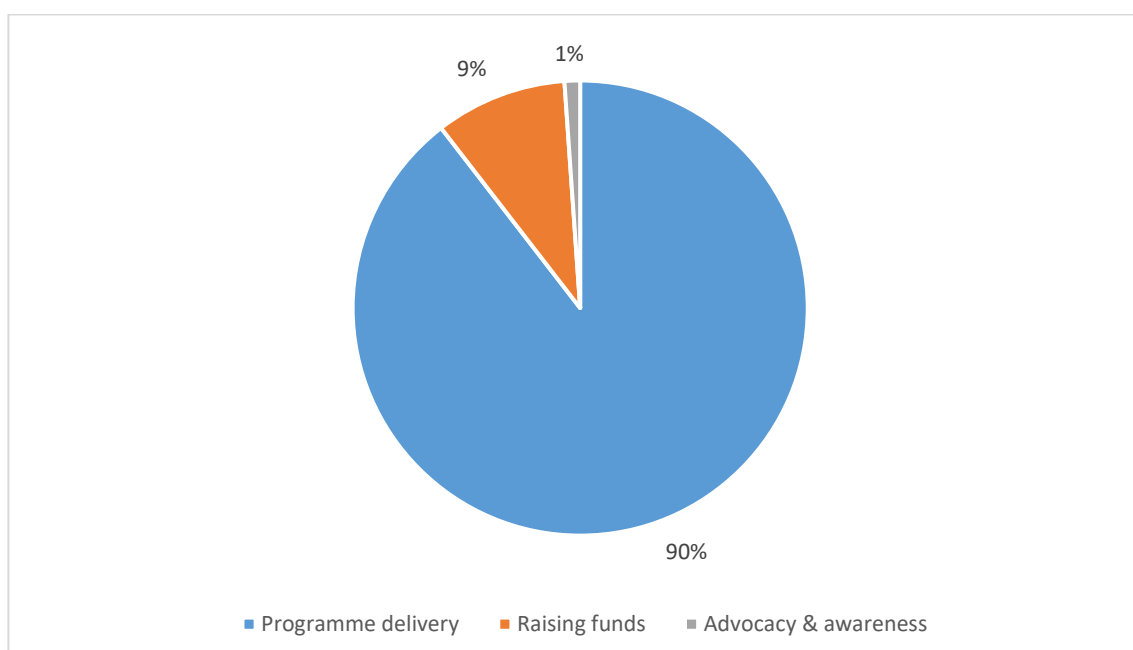
Income

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



Expenditure

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



Our future

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

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

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

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

Objective 1: Empowered Families

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

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

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

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

Objective 2: Empowered Communities

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

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

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

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

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

Objective 3: Empowering and Enabling Systems

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

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

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

Civil society-led restoration

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

Decentralisation and locally controlled natural resources

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

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

Scaled high quality carbon investments for dryland communities

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

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

Learning from our work and communicating our impact

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

Country advocacy capacity and stakeholder convening

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

Structure, governance and management

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

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

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

- Programmes
- Finance
- Fundraising
- Compliance and risk

Legal structure

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

Group structure

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

Organisational structure

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

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

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

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

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

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

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

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

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

Related parties

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

Remuneration policy for senior staff

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

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

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

Risk management

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

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

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

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

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

- ***The Board reviews its own performance and that of individual Trustees, including the Chair:*** the Board last reviewed its own performance in December 2022, the evaluation, lead by the Vice-Chair, concluded that the Board was effective. A review of the Board's effectiveness in the context of governance for growth, commenced in 2023/24 and is ongoing.
- ***The Board periodically takes part in training and/or reflection about diversity and understands its responsibilities in this area:*** The Board has initiated a recruitment process which takes account of its responsibility to ensure a diverse Board and has reviewed performance against diversity objectives.

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

Fundraising

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

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

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

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

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

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

Focus to ensure our activities achieve our charitable aims

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

1. Relieving the poverty of and promoting the welfare of poor persons overseas by promoting for the benefit of such persons the conservation and improvement of their natural environment especially through silviculture and job creation
2. Promoting, for the public benefit, research into methods of reclaiming or preventing degradation of agricultural or forest land into desert land for its continued use for forestry, agricultural, industrial or commercial purposes and publishing the results of such research

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

Financial review

The Trustees' Annual Report and audited Consolidated Financial Statements are prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, our Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

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

Income and expenditure

Income

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

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

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

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

Expenditure

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

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

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

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

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

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

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

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

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

Reserves

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

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

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

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

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

Net movement in funds

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

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

Subsidiary companies

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

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

Investment policy and objectives

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

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

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

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

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

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

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

Investment performance

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

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

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

Statement of the Trustees' responsibilities

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

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

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

Statement as to disclosure to our auditor

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

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

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

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



Elizabeth Davis

Chair of the Board of Trustees

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

Opinion

We have audited the financial statements of Tree Aid (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2024 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the group financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other Information

The other information comprises the information included in the trustees' annual report, including the strategic report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information, and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Capability of the audit in detecting irregularities

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

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

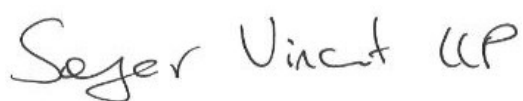
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.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

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

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

Use of our report

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



Noelia Serrano (Senior statutory auditor)

Date 30 August 2024

for and on behalf of

Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, London, EC1Y 0TG

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

Consolidated statement of financial activities

(Incorporating an income and expenditure account)

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

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

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

Consolidated and Charity balance sheets

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

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

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



Tristram Hilborn
Chair of Finance & Audit Committee

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

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

Consolidated statement of cashflows

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

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

Notes to the accounts

1. Principal accounting policies

a. *Company information*

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

b. *Basis of preparation*

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

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

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

c. *Basis of consolidation*

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

Transactions and balances between Group companies are eliminated on consolidation.

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

d. *Income recognition*

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

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

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

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

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

Investment income is accounted for on the accruals basis.

e. Expenditure and basis of allocation of costs

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

Expenditure is analysed into the following activities:

- i **Raising funds** – this includes the salaries, direct expenditure and support costs of staff engaged in fundraising activities. Fundraising costs are recognised in the year they are incurred although income derived from the initiatives may arise in future years.
- ii **Programme delivery** – this comprises direct purchases, the cost of Tree Aid’s staff involved in the delivery of programmes, particularly those staff based in Africa, and the value of grants that have been made to implementing partners working on Tree Aid’s projects, to the extent that this has been spent. Tree Aid staff provide specialist support, training and networking for partner organisations, as well as undertaking the research required to develop programmes. The cost of grants is included in the statement of financial activities in the year they are payable.
- iii **Advocacy and awareness** – this represents the costs incurred in raising awareness of institutions and members of the public on the issues being addressed by the Charity.
- iv **Governance costs** – these are the costs associated with the governance arrangements of the Charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the Charity’s activities.
- v. **Support costs** – expenditure is allocated to a particular activity where the cost relates directly to that activity. In addition, support costs incurred to facilitate activities (back-office costs, the costs of budgetary and financial control, information technology, depreciation, human resources and payroll) are apportioned to activities based on the proportion of staff time spent on each activity as shown in the table below.

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

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

f. Fund accounting

The Charity maintains three main types of fund as follows:

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

- ii Unrestricted funds representing income that is expendable at the discretion of the Trustees in the furtherance of the objects of the Charity
- iii Designated funds which are where the Trustees have set aside unrestricted funds for a specific purpose

g. Tangible fixed assets and depreciation

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

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

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

h. Fixed asset investments

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

i. Programme-related investments

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

j. Debtors

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

k. Short-term investments

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

l. Cash at bank and in hand

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

m. Creditors

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

n. Foreign currencies

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

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

o. Pensions

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

p. Leases

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

q. Financial instruments

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

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

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

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

i. Accruals

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

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

ii. Deferred income

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

2. Donations and legacies

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

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

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

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

3. Investment income

	Restricted funds	Unrestricted funds	Total 2024	<i>Total 2023</i>
	£	£	£	£
Deposit account interest	-	19,716	19,716	3,699
Total	-	19,716	19,716	3,699

4. Other income

	Restricted funds	Unrestricted funds	Total 2024	<i>Total 2023</i>
	£	£	£	£
Sundry receipts	-	1,891	1,891	<i>19,971</i>
Total	-	1,891	1,891	<i>19,971</i>

5. Raising funds

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

6. Charitable activities

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

7. Total expenditure

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

The main components of support costs are:

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

8. Grants analysed by country and project

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

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

9. Net movement in funds

This is stated after charging:

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

10. Employee numbers and costs

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

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

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

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

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

11. Key management personnel

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

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

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

12. Trustee remuneration, expenses and donations

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

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

13. Taxation

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

14. Gross income and results – Charity only

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

15. Tangible fixed assets – Group

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

Tangible fixed assets – Charity

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

16. Investments – market value

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

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

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

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

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

There are three subsidiaries:

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

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

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

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

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

17. Debtors

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

18. Short-term investments

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Cash held on deposit	182,162	<i>180,670</i>	182,162	<i>180,670</i>

19. Creditors falling due within one year

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

Provision for liabilities

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

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

20. Movements in funds – Group

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

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

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

Purpose of restricted funds

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

Burkina Faso:

Enhancement of Non-Timber Forest Products Development and Phase 3

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

Local Governance of Forest Resources Phase 3

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

Supporting Smallholder Farmer Resilience (Pro-Res Burkina)

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

Carbon Storage Evaluation

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

Pro-ADAPT project

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

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

Sustainable value chains

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

Non-Timber Forest Products - value chains 2

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

Tond Tenga

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

Ghana:

Daka River Restoration 3

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

Northern Ghana Integrated Development

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

Bongo Reforestation

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

Yendi Tree Enrichment

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

Carbon Study Bongo

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

Ghana Shea Landscape Restoration Project

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

Ethiopia:***Frankincense: North Gondar 1 & 2***

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

Community Resilience and Ecosystem Restoration

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

Mali:***Empowering Women in Rural Mali through Improved Forest Access and Enterprises***

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

Growing the Great Green Wall in Tominian

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

Forest Governance Segou

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

Olympic Forest (Senegal and Mali)

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

Local Governance of Forest Resources

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

Niger:***Enterprise Development in Falmey***

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

Empowering women in Dosso & Tahoua

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

Project Fund

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

Development Fund

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

Purpose of unrestricted funds

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

Designated funds are provided for the following purposes:

Evidencing the impact of our work

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

Investment in M&E Systems and Equipment

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

Long-term sustainable funding

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

Investment in infrastructure

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

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

Transfers between funds

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

21. Analysis of net assets between funds – Group

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

Analysis of net assets between funds – Charity

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

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

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

Analysis of cash and cash equivalents

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

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

23. Legal status of the Charity

The Charity is a company limited by guarantee and has no share capital. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

24. Related party transactions

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

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

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

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

25. Operating lease commitments

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

		Group		
	Land & buildings	Office equipment	2024	2023
Expiring:	£	£	£	£
Within 1 year	18,495	363	18,858	18,858
2–5 years	-	-	-	-
		Charity		
	Land & buildings	Office equipment	2024	2023
	£	£	£	£
Within 1 year	13,279	363	13,642	13,642
2–5 years	-	-	-	-

26. Capital commitments

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

27. Basic financial instruments

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Financial assets that are debt instruments measured at fair value:				
Accrued income on contracts	246,098	121,311	246,098	121,311
Trade debtors	867,783	1,061,845	39,008	34,111
Other debtors	284,637	309,776	178,210	232,635
Cash at bank and in hand	5,277,703	4,969,639	3,194,227	3,680,776
Short-term investments	182,162	180,670	182,162	180,670
Financial liabilities measured at fair value:				
Accruals	108,734	87,647	60,979	42,986
Other creditors	13,525	33,088	8,339	20,788

28. Prior year: consolidated statement of financial activities

	Restricted funds	Unrestricted funds	Total funds
	2023	2023	2023
	£	£	£
INCOME FROM			
Donations and legacies	9,064,071	1,692,378	10,756,449
Investment income	-	3,699	3,699
Other income	-	19,971	19,971
TOTAL	9,064,071	1,716,048	10,780,119
EXPENDITURE ON			
Raising funds	-	(854,147)	(854,157)
Charitable activities	(6,934,475)	(1,048,595)	(7,983,070)
TOTAL	(6,934,475)	(1,902,752)	(8,837,227)
Net (losses)/gains on investments	-	(32,927)	(32,927)
NET INCOME	2,129,596	(219,631)	1,909,965
Transfer between funds	61,914	(61,914)	-
Other recognised Gains/(losses):	-	171,111	171,111
NET MOVEMENT IN FUNDS	2,191,510	(110,434)	2,081,076

RECONCILIATION OF FUNDS

Total funds brought forward	485,356	3,113,999	3,599,355
As previously stated			
Prior Year Adjustment	1,986,718	-	1,986,718
Total funds brought forward (Restated)	2,472,074	3,113,999	5,586,073
Total funds carried forward	4,663,584	3,003,565	7,667,149

29. Prior year: Raising funds

	Delivery costs £	Development costs £	Support costs £	Total 2023 £
Supporter fundraising	429,682	3,598	273,473	706,753
Institutional fundraising	115,783	-	31,621	147,404
Total	545,465	3,598	305,094	854,157

30. Prior year: Charitable activities

	Delivery costs £	Development costs £	Support costs £	Total 2023 £
Programme delivery	6,941,122	115,230	758,297	7,814,649
Advocacy and awareness	104,677	-	63,744	168,421
Total	7,045,799	115,230	822,041	7,983,070

31. Prior year: Total expenditure

	Delivery costs £	Development costs £	Support costs £	Total 2023 £
Raising funds	545,465	3,598	305,094	854,157
Charitable activities	7,045,799	115,230	822,041	7,983,070
Total	7,591,264	118,828	1,127,135	8,837,227

32. Prior year: movements in funds – Group

	Opening Balance (Restated)	Income	Expenditure	Investment & other gains	Transfers	Closing Balance
	£	£	£	£	£	£
Restricted funds						
Burkina Faso						
Enhancement of NTFPs:						
Development and Phase 3	174,087	2,548,954	(2,031,701)	-	-	691,340
Local Governance of Forest Resources	1,224,611	3,475,332	(2,317,123)	-	-	2,382,820
Supporting Smallholder Farmer Resilience	473,798	391,377	(755,953)	-	-	109,222
Carbon Storage Evaluation	565	1,273	(573)	-	-	1,265
Pro-ADAPT project	-	206,124	(824)	-	-	205,300
Developing sustainable and inclusive value chains	-	154,179	(5,261)	-	-	148,918
NFTP value chains 2	-	65,234	-	-	-	65,234
Tree Foods Phase 2	6,250	-	-	-	(6,250)	-
Ghana						
Daka River Restoration 2	-	235,176	(174,364)	-	-	60,812
Daka River Restoration 3	(101,929)	74,327	(23,456)	-	-	(51,058)
Ghana Rural Agriculture and Cashew Enterprises	-	4,000	(18,473)	-	14,473	-
Northern Ghana Integrated Development	106,150	74,014	(127,521)	-	-	52,643
Bongo Reforestation	35,345	141,169	(124,828)	-	-	51,686
Yendi Tree Enrichment	73,961	-	(43,361)	-	-	30,600
Carbon Study Bongo	-	-	(1,959)	-	1,959	-
Ghana Shea Landscape Restoration	-	95,437	(34,795)	-	-	60,642
Ethiopia						
Frankincense: N Gondar 1	(81)	122,440	(137,234)	-	14,875	-
Frankincense: N Gondar 2	17,429	-	(5,909)	-	4,778	16,298
Metema PFM development	(2,806)	-	(3,072)	-	5,878	-
Community Resilience and Ecosystem Restoration	3,762	187,690	(154,421)	-	-	37,031

	Opening Balance (Restated)	Income	Expenditure	Investment & other gains	Transfers	Closing Balance
	£	£	£	£	£	£
Mali						
Regreening Nonkon and Nossombougou	-	56,304	(56,304)	-	-	-
Regreening Koulikoro	(9,724)	16,928	(5,602)	-	-	1,602
Strengthening Forest Management	600	600	-	-	(1,200)	-
Empowering Women in Rural Mali	-	116,726	(116,726)	-	-	-
Growing the Great Green Wall in Tominian	-	223,747	(35,515)	-	-	188,232
Forest Governance Segou	18,251	159,951	(130,507)	-	15,222	62,917
She Grows Expansion	59,864	82,445	(142,309)	-	-	-
Olympic Forest	176,208	609,644	(364,191)	-	-	421,661
Growing the Great Green Wall in Koulikoro	109,167	-	(121,994)	-	12,827	-
Niger						
Rehabilitation of Park W: Tamou	2,105	-	-	-	(2,105)	-
Rehabilitation of Park W: Dosso	4,310	-	-	-	-	4,310
Enterprise Development in Falmey	-	15,000	-	-	-	15,000
Project Fund	78,786	-	-	-	-	78,786
Development Fund	21,365	6,000	(499)	-	1,457	28,323
Total restricted funds	2,472,074	9,064,071	(6,934,475)	-	61,914	4,663,584
Unrestricted funds						
Designated funds						
Woodland Investment Reserve	400,000	-	-	-	-	400,000
Fixed Asset Reserve	16,602	-	-	-	(7,394)	9,208
Driving forward our strategy	113,413	-	(113,413)	-	-	-

	Opening Balance (Restated)	Income	Expenditure	Investment & other gains	Transfers	Closing Balance
	£	£	£	£	£	£
<i>Evidencing the impact of our work</i>	356,111	-	(77,000)	-		279,111
<i>Investment in M&E Systems and Equipment</i>	143,460	-	(103,000)	-	50,000	90,460
<i>Long-term sustainable funding</i>	406,648	-	(68,000)	-	100,000	438,648
<i>Managing risk</i>	80,015	-	-	-	(80,015)	-
<i>Infrastructure investment</i>	46,346	-	(15,000)	-	100,000	131,346
Total designated funds	1,562,595	-	(376,413)	-	162,591	1,348,773
<i>General reserves</i>	1,551,404	1,716,048	(1,526,339)	138,184	(224,505)	1,654,792
Total unrestricted funds	3,113,999	1,716,048	(1,902,752)	138,184	(61,914)	3,003,565
Total funds	5,586,073	10,780,119	(8,837,227)	138,184	-	7,667,149

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

	Restricted funds	Designated funds	Unrestricted funds	2023 Total
	£	£	£	£
<i>Tangible fixed assets</i>	-	9,208	-	9,208
<i>Investments</i>	-	400,000	934,200	1,334,200
<i>Cash at bank & short-term investments</i>	4,542,271	939,565	(331,527)	5,150,309
<i>Debtors</i>	121,313	-	1,420,223	1,541,536
<i>Creditors falling due within one year</i>	-	-	(368,104)	(368,104)
	4,663,584	1,348,773	1,654,792	7,667,149

Prior year: analysis of net assets between funds – Charity

	Restricted funds	Designated funds	Unrestricted funds	2023 Total
	£	£	£	£
<i>Tangible fixed assets</i>	-	506	-	506
<i>Investments</i>	-	400,000	934,202	1,334,202
<i>Cash at bank & short-term Investments</i>	2,332,864	948,267	580,315	3,861,446
<i>Debtors</i>	159,070	-	229,072	388,142
<i>Creditors falling due within one year</i>	-	-	(205,758)	(205,758)
	2,491,934	1,348,773	1,537,831	5,378,538

Legal and administrative details

LEGAL STATUS

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

TRUSTEES

Elizabeth Davis ³	Chair (from 1 August 2023)
Shireen Chambers ³	Chair (resigned: term ended 1 August 2023)
Hilary Allison	Vice Chair
Tristram Holborn ¹	
Judith Twentyman ²	(resigned: term ended 13 July 2023)
Nick Pride ²	
Philip Songhurst-Thonet ¹	
Alexander Simuyandi ³	
Defrim Dedej ^{1 2}	(appointed 13 July 2023)
Henry McLoughlin ³	(appointed 13 July 2023)
Roger Davies ¹	(appointed 13 July 2023)

¹ Member of the Finance and Audit Committee

² Member of the Fundraising Standards Committee

³ Member of the People Committee

SENIOR MANAGEMENT TEAM

Tom Skirrow	Chief Executive
Georges Bazongo	Director of Operations
Ben Sheahan	Director of Finance and Resources
Sally Airey	Director of Communications & Fundraising (joined 11 April 2023)
Natalia Deane	Director of Communications & Fundraising (maternity cover from 2 October 2023)

REGISTERED OFFICE AND PRINCIPAL OFFICE ADDRESS

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

ADVISORS

Bank

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

Auditor

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