



THE NATIONAL  
FOREST

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# **National Forest Company Annual Report and Accounts**

**For the period 1 April 2024 to 31 March 2025**

**HC 1347**



National Forest Company  
Annual Report and Accounts  
For the period 1 April 2024 to 31 March 2025

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## Chair's letter

It is a pleasure as Chair of the National Forest Company (NFC) to be able to celebrate a year of real progress and significant delivery. Indeed, at a time when the organisation has recently marked its 30th anniversary in parliament with the launch of the Thriving Together report, it is a moment to also look back on the many achievements of the NFC and to set an ambitious agenda for the future.

Such achievements in the National Forest speak for themselves – the landscape transformation, biodiversity improvements, access benefits and economic uplift since the 1990s have all exceeded expectations. Just as the government is championing how growth and nature can be delivered hand in hand, the National Forest stands as a shining example of success – a proof of concept across a whole 200 square mile landscape. In an increasingly polarised world, it is heartening to see that such multiple benefits can still be achieved by thinking big and working together.

In its 30 years, the NFC has been through many changes and I am grateful to the six Chairs that have come before me to steer the organisation to what it is today. It has grown significantly in stature and purpose, not least doubling in size and turnover since it achieved charitable status in 2016. My thanks also go to Defra as our sponsor department for providing their continued support and funding to underpin that success. We were delighted to be able to host a visit from the Defra Secretary of State and Nature Minister during the year to demonstrate the value of long-term funding and focused effort to bring about transformation at scale.

So, it is fitting that having reached the milestone of 30 years of the NFC, we have now embarked on replicating that approach with the launch of the

first of three new national forests, the Western Forest, at the end of the year. This offers the opportunity to transform an agricultural landscape through trees, increasing yield, resilience and impact, and expanding the National Forest model. We look forward to working closely with colleagues at the Western Forest in the years to come, and to building a more influential network.

We are lucky at the NFC to have a strong Board and I would like to thank my fellow Trustees for their continued efforts during the year, in particular Paddy Harrop who came to the end of his term at the end of December 2024, having served on the Board for seven years and given such sterling service. We look forward to his continued involvement as a charity Member and Ambassador.

As the NFC now focuses its attention on 2025-26 with plans for more tree planting, a blueprint for the transformation of the Conkers visitor centre, completion of the first phase of the Midlands Forest Network and further developments for new national forests, there is no shortage of ambition. The organisation is in good shape, but success will require extending ever wider our network of businesses, funders, landowners and partners to have even greater impact. Thank you for all your support to date and I would encourage us all to join together with a renewed purpose as we look ahead to the next 30 years.



**Dr Tony Ballance**  
Chair of the Board of Trustees

## Chief Executive's foreword

2024-25 was the end of Defra's five-year Nature for Climate Fund (NFCF) programme aimed at accelerating tree planting rates across the country. The good news is that the rates of woodland creation have increased by 156% since the beginning of the programme and now stand at the highest level for 20 years, even before you add those trees planted outside of woodlands. The downside, however, is that this is still not enough to meet the very ambitious government targets or the levels of tree planting recommended by the Climate Change Committee. What the figures do show is that whilst progress is being made, there is still an urgency for organisations like the NFC to continue to step up their efforts and push themselves and the sector to do more.

I am pleased to say that, as a NFCF delivery body, the NFC is responding to this challenge. During the year we met our tree planting targets, pushed forward with proposals to connect up our wooded landscapes as part of the Midlands Forest Network and supported four pilot schemes to take forward the selection of a new national forest, culminating in the Western Forest being announced by the Minister in the spring. With the recent Spending Review seeing a strong settlement for trees and the new government having committed to three new national forests in its manifesto, there are significant opportunities for optimism for the future.

This report provides more detail of the NFC's other achievements throughout 2024-25 and below are a few selected highlights that show the range of outcomes for the environment, communities and the economy:

- Creating 149 hectares of new forest habitat, including more than 153,000 trees planted through grant schemes, acquisitions and the planning process.
- Expanding our estate by acquiring three new sites at Newchurch, Oakthorpe and Ulverscroft, increasing woodland creation and public access.
- Retaining or bringing more than 662 hectares of woodland into active management and increasing priority habitat cover to 29% of the Forest area.
- Achieving 91% of primary schools in the Forest enjoying regular outdoor learning and increasing the secondary schools' figure to 63%.
- Growing the number of community woodland management groups to more than 70.
- Securing nearly 40,000 hours of volunteering activity, engaging new audiences, enhancing wellbeing and increasing skills.
- Hosting the final Timber Festival and kicking off its legacy with a new arts and creativity programme in our Forest towns.
- Launching the new vision for the Heart of the National Forest and progressing the masterplanning work for the transformation of the Conkers visitor centre.

This has been a real team effort during a year of change and I would like to extend my thanks to the NFC Board and staff team for their enthusiasm and drive in making it all happen. Our thanks also to Amanda Fletcher who left us as Director of Corporate Services in December 2024 and to Bev Swift who stepped in as Interim Finance Director to see us through some important financial changes.

Equally important are our partners, who deserve recognition for all their contributions during the year. A huge thank you to the many landowners, funders, businesses, local authorities, community groups and individuals who have gone the extra mile to support the National Forest and our growing aspirations. We look forward to working with you in 2025-26 and bringing some of that optimism to the year ahead.



**John Everitt OBE FRSA**  
Chief Executive/Accounting Officer

# Directors' Annual Report

## Introduction

This report provides the information as required by company law. In addition, as the National Forest Company (NFC) is a registered charity, the report provides any additional information as required by the Statement of Recommended Practice (SoRP) module 'Trustees' annual report'. The Trustees have agreed that a single report should be produced providing the required information rather than a separate Directors' report and Trustees' annual report.

## National Forest Company status

The National Forest Company (NFC) was established in April 1995 with the objective of overseeing the creation of the National Forest which spans 200 square miles of central England. The NFC is a company limited by guarantee (registered number 2991970) and a registered charity (registered number 1166563) and operates from its registered office at Enterprise Glade, Bath Yard, Moira, Swadlincote, Derbyshire DE12 6BA.

Since being registered as a charity in April 2016 it has had the status as a Non-Profit Institution within the Public Sector, specifically within Central Government, as defined by the Office for National Statistics with no individual or entity having a controlling interest. The business of the charity is governed by its Board of Trustees however the charity does, given the levels of grant in aid funding received, continue to place economic reliance on the Department for Environment, Food and Rural Affairs (Defra).

## Objectives and activities

The objects of the NFC as contained in its Articles of Association are:

'For the public benefit, the conservation, protection and improvement of the physical and natural environment so as to secure and enhance the enjoyment by the public of the same, in particular but without limitation to:

- (a) woodland creation and management generally, and in particular in the area of the National Forest, for the benefit of the general improvement of land or for the environment;*
- (b) the promotion of urban and rural regeneration by the maintenance, improvement or provision of public amenities; the provision of recreational facilities for the public at large or those who by reason of their youth, age, infirmity or disablement,*

*financial hardship or social and economic circumstances, have need of such facilities; and the protection or conservation of the environment; and*

- (c) the advancement of education in the environment and sustainable development through the promotion of training and education and the undertaking and publishing of research.'*

## Strategy and priorities

The National Forest Strategy is based on its 25 Year Vision to 2045 with a focus on mitigating and adapting to a changing climate, including ambitious long term aspirations for 33% forest cover, access to woodland within 15 minutes for all Forest residents, and a low carbon economy.

The Corporate Plan 2023-2026 provides further detail with annual Key Performance Indicators based on 5 main operational themes for the Forest: Create, Manage, Inspire, Engage and Grow. Development themes of building the brand and securing resources for the Forest, and finance and resources themes relating to effective governance and management are also included.

Grant funding from Defra contributed significantly towards the delivery of objectives for the year, whilst simultaneously contributing to the delivery of the Defra Strategy, 25 Year Environment Plan and Environmental Improvement Plan.

## Public benefit

In overseeing the strategic direction and activities for the year, the Trustees have been mindful of the Charity Commission guidance on public benefit and are satisfied that the NFC complies with these requirements.

The National Forest acts as a national exemplar of sustainability and its public benefit is based on its environmental, social and economic outcomes to mitigate and adapt to a changing climate.

The direct environmental benefits include the restoration of the landscape from planting more than 9.8 million trees since inception and the services that this provides for our natural capital including carbon sequestration, clean air and water, and protection of soils, as well as the protection and enhancement of wildlife. This has particular resonance as we respond to the urgency of both climate change and biodiversity loss. Social benefits relate to the physical and mental wellbeing of individuals who engage with the Forest and the considerable benefits

that are derived from programmes that promote access, volunteering, education, skills and training, improving the equality of these opportunities for all our communities. Economic benefits are provided to society as a whole through promoting more sustainable livelihoods, shifting to a low carbon and circular economy that reduces negative impacts, and through targeted work with deprived communities.

The benefits are felt by 240,000 residents living within the National Forest area, covering some of the least and most deprived areas of the country, with significant pockets of deprivation within our rural and urban areas; more than 8 million visitors who enjoy the Forest as a destination each year; 300,000 plus individuals who experience the National Forest through digital marketing; 16 million people reached by media and communications activity, and the expanding audience of supporters, partners and stakeholders who are inspired to engage with our work.

### **Volunteering statement**

It is central to the ethos of the National Forest's development that local communities, businesses and visitors are offered opportunities to become engaged in creating and looking after the Forest, helping to underpin more sustainable, cost effective and resilient management. Volunteering has played a key role in this. Since its inception, the NFC has facilitated a wide range of organisations across the Forest to offer volunteering opportunities including conservation, woodland creation and management, and wildlife monitoring projects. The NFC now supports a Forest-wide network of more than 70 Community Woodland Management Groups providing sharing of knowledge, resources, training and skills development. The NFC itself is also directly involved in the engagement and management of volunteers.

During 2024-25, the NFC continued its volunteering activities through the Community Woodlands project funded by the National Lottery Heritage Fund, creating new volunteer groups in the heart of the National Forest, maintenance of the Meta Garden at the Conkers Discovery Centre and other activities. The volunteer sessions in 2024-25 totalled more than 38,172 hours (2023-24: 39,444 hours), with an approximate value of £466k (2023-24: £477k).

### **Equality, Diversity and Inclusion**

At the heart of the NFC approach to Equality, Diversity and Inclusion (EDI) is the belief that the Forest is for everyone, and that the benefits of woods and trees and the opportunities to access them, should be equally available to everyone.

Assessing and monitoring progress against this underpins the NFC's work.

The NFC strives to give every individual the same opportunities to succeed, regardless of their background, and to create a workplace where everyone feels valued and respected, free from discrimination or harassment. Building positive relationships among all team members, and embracing differences, is key to achieving this. By prioritising EDI in its objectives and strategies, the NFC aims to enhance its ability to attract, nurture and support talent from all backgrounds, bringing a diversity of perspectives and ideas, and helping to tackle challenges with innovation and creativity.

During the year the NFC updated its EDI action plan with key priority actions taken forward by a working group with oversight from a dedicated Trustee. This has included work on the NFC's website with improvements to the accessibility of content and communications, and training for staff. EDI considerations also continue to be built into programme design with a particular focus on new projects this year such as arts and creativity to benefit less well-represented groups, and greenspaces to benefit those in deprived urban areas. This has also been expressed through the Timber Festival and community work to provide opportunities to engage new and broader audiences.

The NFC is a Disability Confident employer with a status of Committed and operates a guaranteed interview scheme for disabled applicants who declare a disability as defined by the Equality Act 2010 and meet the essential criteria for the post. To continue its support for disabled employees, the NFC joined Defra's framework agreement with Bennett Workplace in March 2023 to carry out workplace assessments and apply any reasonable adjustments for employees with specialist needs. The National Forest is also a partner in the Diverse Sustainability Initiative which acts to transform diversity within the sustainability and environmental sector.

### **Grant making policy**

The NFC's grant making is targeted to support public benefit and the Charity's objects in line with Charity Commission guidance, and guidance set out in Managing Public Money. Grants awarded are an important means of delivering multiple Forest objectives including forest creation, woodland management, biodiversity, access, arts and culture, and community programmes. Grants are administered through an assessment process that considers priorities, impact and value for money.

Programmes are overseen by Trustee-led Working Groups, with higher level grants approved by the Board. This provides the necessary assurances and includes grant conditions for recipients to ensure that charitable purposes are adhered to. Forest creation is secured through grants awarded via the Changing Landscapes Scheme (CLS), for areas greater than 1 hectare, as well as via Parkland and Freewoods schemes, with a new Farming and Forestry grant scheme piloted.

The woodland management grant programme supports active management of woodlands covering a range of objectives including forestry, wildlife, access, landscape and community use.

Qualifying projects are normally eligible for up to 60% of total costs, with some funded programmes paying 100%.

Small grants are used to support community groups and small businesses that are helping to deliver the National Forest vision. Supported activities and projects can include arts and culture, volunteering, sustainable tourism, accessible green spaces, improved wellbeing, and growing and diversifying forest-related businesses. Grants normally require up to 50% of match- funding, helping to lever additional funds to support the Forest.

Grants amounting to £2,210,688 were awarded during 2024-25 (2023-24: £897,739), which included four grants awarded to successful applicants to the Forest for the Nation competition amounting to £620,539 (2023-24 £nil).

Representing a continued growth of grant schemes to deliver forest creation, the value of Changing Landscape Scheme grants increased, along with new Farming & Forestry grants being awarded for the first time. The Creating a Forest for Learning project continued supporting schools to provide outdoor learning training for school staff and to enhance the outdoor learning environment within schools through woodlands, with an increased focus on secondary schools. The 'Severn Trent Great Big Nature Boost' supports work on biodiversity restoration and enhancement across the Forest. This provided funds for the fifth year of the Habitat Enhancement Grant. The NFC's Small Grants this year were targeted to help improve wellbeing and increase participation from under-represented communities through activities such as Forest-inspired arts and wellbeing activities outdoors; as well as continued support for sustainable tourism.

	2024-25 No of grants	2024-25 £	2023-24 £
Changing Landscape Scheme grants	24	645,802	214,736
Farming & Forestry grant	1	434,884	–
Creating a Forest for Learning project	10	10,217	96,885
Habitat Enhancement Grants	52	225,928	196,870
Woodland management grants	51	103,262	107,779
NFC's Small Grants programme	21	30,239	63,952

The NFC's approach is to work collaboratively with partners, with grants being distributed to private landowners, community groups and other charities in the pursuit of its objectives. Grants to charities this year included Sheffield & Rotherham Wildlife Trust, Forest of Avon Trust, Ribble Rivers Trust, National Trust, Woodland Trust, Moira Furnace Museum Trust and St Joseph's Rural Centre.

# Strategic Report

## Financial overview

A net positive movement of funds of £810k was achieved for the year ending 31 March 2025 (2023-24: deficit of £657k) comprising an increase of £809k in unrestricted funds (2023-24: deficit of £1.124m) and a surplus of £1k relating to restricted funds (2023-24: £467k).

The unrestricted surplus of £810k is largely as a result of the receipt of grant income (£1.69m) for the purchase of land and the expenditure being capitalised, but offset by an impairment against the value of land held at 31 March 2025 of £749k. The resultant cash flow movement for the year is a net outflow, as per the consolidated cash flow statement, of £100k (23-24: outflow of £907k).

Total income for the year ending 31 March 2025 was £10.19m (2023-24: £7.21m). This represented an increase on the previous year and comprised £3.30m grant in aid from Defra (2023-24: £2.53m) and £3.16m from the fifth year of the Nature for Climate Fund programme (2023-24: £1.40m) also funded by Defra. The NFC continues to rely heavily on Defra funding and the high priority given to forestry and carbon within government gives confidence that both grant in aid and Nature for Climate Fund will continue at broadly similar levels.

The ongoing impact of cost of living pressures in the wider economy meant that corporate sponsorship and donations income were challenging with £137k achieved for Dedicate a Tree/ Dedicate a Grove (2023-24: £177k) however total (non-Defra) unrestricted income increased to £2.13m against the previous year's £1.74m mainly due to income received relating to carbon sequestration.

Expenditure for the year ending 31 March 2025 increased to £9.25m (2023-24: £8.03m), with enhanced delivery of charitable objectives, in particular on achievement of Nature for Climate Fund targets and new national forests. Of this, unrestricted expenditure was £5.42m (2023-24: £5.69m) with £749k being related to impairment of land and Conkers. Restricted expenditure was £3.83m (2023-24: £2.34m).

Restricted income again grew to £5.52m in 2024-25 (2023-24: £2.81m), largely comprising £3.16m Nature for Climate Funds, £708k for new national forests, £294k for the Charnwood Forest Landscape Partnership Scheme, £490k for the Severn Trent Great Big Nature Boost project and £324k for Heart of the National Forest infrastructure projects. These

projects, with their third-party funding, make a significant contribution to the delivery of corporate priorities, and also contribute to core cost recovery.

At the end of March 2025, the NFC reserves had increased from £16.02m to £16.83m, largely due to new site acquisitions increasing the fixed assets of the organization. This includes unrestricted general funds of £683k of which £476k is non-designated free reserves and £207k non-liquid unrestricted reserves.

## Fundraising Statement

The NFC undertakes fundraising to support both core activity and project and capital needs in line with the Corporate Plan 2023-26. Fundraising is undertaken through an inhouse Development team led by the Director of Development. Funds are sought through grant-making bodies (public and private), individual donations and business support from companies whose activities and values align with those of the NFC.

The NFC is registered with the Fundraising Regulator and pays the voluntary annual levy on charitable organisations which spend more than £100,000 a year on fundraising activities. As such, the NFC demonstrates its compliance with the Code of Fundraising Practice and commitment to The Fundraising Promise that its fundraising is legal, open, honest and respectful – both can be viewed at [fundraisingregulator.org.uk](https://fundraisingregulator.org.uk).

The NFC's Development Working Group, currently comprising one Trustee and two specialist advisors, and reporting to the Board, is responsible for oversight of the income generation strategy which includes fundraising.

Operationally, responsibility for the development, management and monitoring of fundraising activities is carried out by the NFC's Development Team. No complaints regarding the NFC's fundraising practice were received during the year.

## Achievements against targets for 2024-25

This year saw Forest cover increase further beyond the milestone of 25% of land area and towards the 33% aspiration through grants, acquisitions and the planning process. The 149 hectares (ha) of new Forest creation was up on last year (2023-24: 139 ha) and this, coupled with hectares secured by planting previously acquired sites, meant that Defra's Nature for Climate Fund target for the year was also met. Notable creation schemes this year included

new acquisitions near Newchurch in Needwood, Oakthorpe in the Heart of the National Forest and Ulverscroft in Charnwood, a pilot Farming & Forestry grant scheme with the National Trust, and a range of other grants with private, public and voluntary sector partners. Forest creation activity also helped to deliver 84 ha of new access this year providing additional public benefit to communities and increasing the number of households within walking distance of an accessible woodland to more than 70%.

Alongside forest creation, our work to secure good management of woodlands and other habitats continued, improving their condition, reducing disease and enhancing wildlife. Through grants, support and advice, 662 ha of woodlands were either brought into or renewed their active management (2023-24: 562). This was complemented by the Habitat Enhancement Grant with Severn Trent's Great Big Nature Boost programme supporting the restoration or enhancement of a further 63 ha of non- woodland priority habitats. This work is moving towards our target of 30% of the Forest area for biodiversity by 2030. This year saw more than 150,000 trees planted (2023-24: 93,000), on newly acquired sites, as part of grant schemes, through the planning process or from community Plant a Tree events, bringing the overall tree planting totals closer to 10 million.

Forest creation work outside of the National Forest boundary was supported by the continued development of mapping and strategy for the Midlands Forest Network initiative. Alongside this, significant efforts were focused on running four pilot schemes to identify the first of the government's commitment to three new national forests, culminating in the Western Forest being selected as the winning bid and launched in March 2025.

Our community work had another successful year with a strong focus on our Creating a Forest for Learning programme. Primary schools in the Forest engaged in regular outdoor learning increased to 91% (up from 90% in 2023-24), and secondary schools saw a marked increase, now up to 63%, with support targeted to young people with Special Educational Needs and Disabilities. This is particularly exciting as it involves students embarking on the Level 1 Forestry in the Community Award.

Work with volunteers, in particular through the Charnwood Forest Landscape Partnership

Scheme and Community Woodlands project, both supported by the National Lottery Heritage Fund, continued to thrive. More than 38,000 volunteer hours were contributed during the year and the number of community groups managing woodlands increased to over 70. This included work with Queen's Hospital Burton, the BBC Make a Difference Woodland planted at Conkers and a community woodlands celebration event. Activities in Charnwood Forest, not least the declaration of Bradgate Park as a new National Nature Reserve for its geology, continue to make the case for the area being selected as a new UNESCO Global Geopark.

Our support for forest-related businesses and communities was enhanced by grants and advice with a focus on arts, wellbeing and sustainable tourism connected to the Forest. This included community arts organisations working in our Forest towns and health and wellbeing activities with harder to reach groups, alongside market testing and business support to bring forward new sustainable tourism accommodation. Economic growth opportunities have also been supported in the Heart of the National Forest with the creation of a new vision for the transformation of the Conkers Visitor Centre, and refurbishment works to establish a volunteer hub, as well as footpath upgrades with North West Leicestershire District Council, through the UK Shared Prosperity Fund.

Major events this year included the National Forest Walking Festival led by South Derbyshire District Council; the final Timber Festival run by partners Wild Rumpus; the launch of the Heart of the National Forest vision and launch of the 'Thriving Together' publication in the House of Commons to mark the 30th anniversary of the NFC. These were complemented by the new website going live, further landowner case study videos and a programme of national TV, radio and media activity.

Work towards the National Forest's objectives was underpinned by a programme of research and evidence including an assessment of the Forest's carbon baseline and net zero transition, reprofiling of forest cover and woodland management data, biodiversity audits and monitoring, and support to the national Treescapes initiatives.

A summary of progress against key targets drawn from the Strategy and Corporate Plan are set out below, demonstrating delivery against charitable objectives.

## Headline targets

Targets	Progress
<b>Create:</b>	
Forest cover to reach 25.5% of 200 square mile National Forest area.	Exceeded. 25.7% achieved. Note that 0.1% = 50 hectares (ha).
150 ha of forest creation.	Total of 149 ha delivered comprising 49.4 ha through land acquisition, 93.14 ha through grant schemes and 6 ha from planning gain.
150,000 trees planted.	Exceeded. Total of 153,717 trees planted through NFC grant schemes, sites and as a result of planning gain.
<b>Manage:</b>	
Woodlands in active management.	No specific target set as forest cover layer updated. 70% achieved providing new baseline using updated forest cover layer and nationally available data.
400 ha of woodlands brought or retained in active management.	Exceeded. 662 ha achieved comprising new areas brought into active management and renewals.
50 ha of priority non-woodland habitat brought into or retained in active management.	Exceeded. 63 ha achieved comprising new areas brought into active management and renewals.
<b>Inspire:</b>	
80% of National Forest schools regularly delivering outdoor learning.	Target exceeded for primary schools with 91% achieved. 63% of secondary schools achieved giving an overall schools' figure of 85%.
50,000 audience reached through arts programme including Timber Festival.	Exceeded. 53,640 achieved comprising 31,740 people reached through the Arts Grants; 17,703 through other projects and 3,061 through Timber Festival including production, artists and guests.
<b>Engage:</b>	
90 ha of new access created.	84 ha created in total. Includes 34.5 ha from CLS and 49.4 ha from land acquisition.
50,000 volunteer hours completed in the Forest each year.	38,172 volunteer hours achieved including at Timber Festival and on the National Forest Way. Likely to be an underestimate as fewer organisations responded to reporting this year. Equivalent to £466k in kind contribution.

Targets	Progress
<b>Grow:</b>	
Increase visitor numbers to 9.05m pa.	8.24m visitors reported via independent Scarborough Tourism Economic Activity Monitor (STEAM) Report 2024 based on 2023 figures (ie 1 year in arrears). Whilst numbers recovered were below target, comparison showed that the National Forest recovered more of its visitors than other areas within England.
223,200 Conkers visitors.	202,986 achieved. Poor weather during the early part of the year had an adverse impact on visitor numbers.
80 National Forest businesses supported.	72 achieved. Includes businesses that have received any direct grants, bespoke advice, support or training. Impact is more significant as businesses supported outside the Forest boundary and indirectly through wider business networking are not included.

## Securing resources, building the brand, governance and leadership

Targets	Progress
<b>Securing resources:</b>	
Increase unrestricted income for the NFC through sustainable sources to £657k.	£315k achieved. Levels reduced as a result of lower donations and targeting of restricted projects. Excludes additional unrestricted income secured from Defra.
Generate £582k of new restricted income.	£733k new funds raised for future work, including from Audemars Piguet Foundation, Arts Council England and National Lottery Heritage Fund, with £297k for 2024-25 financial year. Excludes additional Defra funds secured for work on new national forests.
Secure £290k through Conkers profit share and gift aid.	£291k achieved, even with poor weather in early part of the year reducing admissions numbers.
<b>Building the brand:</b>	
Increase National Forest website sessions to 250k.	188k achieved with delays to launch of new website.
Increase media profile: achieve at least 8 national and 52 local pieces of press coverage.	45 national and 110 local pieces of press coverage achieved.
Increase profile through 14m social reach and media impressions.	5 million social reach and media impressions achieved as a result of more targeted social media work.
<b>Governance and leadership:</b>	
Board effectiveness: attain assurance based on Charity Governance Code.	Achieved. Assurance secured through review of previous year's activity.
Unqualified audit opinion.	Achieved. Accounts laid on time with unqualified opinion.

## Income generation performance

Income generation performance for the year was a mixed picture with unrestricted income below target, but significant success with restricted income for new projects. Although impacted by cost-of-living pressures, charitable and corporate support continued, and income was supported by additional unrestricted Defra funds for inflationary increases and restricted Defra funds for work on new national forests.

Total income during 2024-25 was £10.19m (2023-24: £7.21m). This represented an increase on the previous year and comprised £3.30m grant in aid from Defra (2023-24: £2.53m) and £3.16m from the fifth year of the Nature for Climate Fund programme (2023-24: £1.40m) also funded by Defra and including income for the Midlands Forest Network and new national forests. Income this year included corporate partnerships with 26 partners, including brand licence income, section 106 funds, tree dedication schemes, major gifts and a legacy from the late David Charles Barnett. In addition, restricted funds were secured from: the Audemars Piguet Foundation and Garfield Weston Foundation for the Creating a Forest for Learning project; National Lottery Heritage Fund for the Getting to Know your Greenspace project; National Lottery Heritage Fund for work on the Charnwood Forest Landscape Partnership Scheme; Arts Council England for creative projects across Burton and Coalville; local authority partners and others for work on tourism; Severn Trent for the Great Big Nature Boost programme; Valpak, the Phillips Charitable Trust and UK Shared Prosperity Fund via North West Leicestershire District Council for the creation of the Gatehouse volunteer hub; and Defra for landowner communications and promotions work.

Investment income for the year was managed by Cazenove through the NFC's investment (£500k invested in December 2020) in their Charity Responsible Multi-Asset Fund in line with our ethical investment policy. The policy ensures that the NFC's assets are invested in responsible investment funds, and specific assurance has been received that there are no investments in Russian assets. Careful management of investments is limiting liabilities from the conflicts in Ukraine and the Middle East, and uncertainties of trade policies on global markets. The Audit & Risk Committee has responsibility for agreeing strategy and monitoring the investment performance against agreed benchmarks including the objective of inflation plus 4% over the long term. In the year, funds have achieved c4%. During the reporting period there were no significant events that

affected the financial performance and position of the investment. The fund value as at the reporting date was slightly down at £507k (2023-24: £524k), although there are no plans to realise the assets and it is anticipated that the fund will increase in value over the medium term.

The financial outlook for the NFC will be impacted by the government's Spending Review and the resulting settlements for Defra's Arm's Length Bodies which will determine levels of core income. Whilst this is positive for 2025-26, the longer term funding position has still to be finalised. The future unrestricted funding position is likely to be challenging in the short term with pressures on levels of household and corporate income, although this has the potential to increase as the economy strengthens. Levels of restricted and commercial funds should be more resilient as the NFC broadens its funding portfolio and is able to present a more compelling case for investment.

The National Forest acknowledges and thanks all the organisations and individuals who have contributed their generous support during 2024-25, in particular:

Arts Council England  
Audemars Piguet Foundation  
Capital Fireplaces Ltd  
The David Family Foundation  
Department for Environment, Food & Rural Affairs  
East Staffordshire Borough Council  
FatFace  
Gardiner Bros & Co (Leathers) Ltd  
Garfield Weston Foundation  
James Latham plc  
My Pension Expert Ltd  
National Lottery Heritage Fund  
North West Leicestershire District Council  
Omexom UK & ROI Powerteam Electrical Services (UK) Ltd  
Mr Austin Reeves  
Roger Bullivant Ltd  
Rolls Royce  
Rosewood Ltd  
Selective Marketplace Ltd  
Severn Trent  
Mrs Susan Skirrow  
Valpak Ltd  
Woodland Trust  
Anonymous

## Plans for future periods

Key priorities for the coming year will focus on the ambitions set out in the Corporate Plan 2023 to 2026, as agreed by the Board, and include:

### *Create*

- Deliver ambitious Nature for Climate Fund targets to increase forest creation and tree planting using land acquisition, grants, planning and advice.
- Drive forward the Western Forest initiative and two additional new national forests, building on the success of the National Forest model.
- Continue to develop the Midlands Forest Network outside the National Forest boundary with the Woodland Trust and key partners.

### *Manage*

- Further increase active management of woodlands including measures to address pests and diseases, in particular grey squirrels, and to manage access.
- Enhance the NFC's estate with new planting schemes, demonstration and research programmes.
- Deliver non-woodland habitat enhancements and species recovery work to contribute to biodiversity 30 by 30 targets.

### *Inspire*

- Expand the outdoor learning programme with the next phase of work, including secondary schools and early years, and continue progress towards all schools with regular provision.
- Continue the delivery phase of the Charnwood Forest Landscape Partnership Scheme with further progress towards Charnwood Forest's designation as a UNESCO Global Geopark.
- Deliver the new Arts and Creativity Strategy including the Arts Council England funded programme of arts and cultural activities and grants.

### *Engage*

- Create and maintain public access across sites in the Forest.
- Further increase Community Management of Woodlands groups and volunteering, as part of a community woodlands programme and new greenspaces initiative.

- Deliver against the Heart of the National Forest vision including the Green Network with footpath and signage upgrades.

### *Grow*

- Continue delivery of the Sustainable Tourism programme, in particular through a new strategy and tourism accommodation business support.
- Deliver the masterplan and funding strategy for the Conkers Visitor Centre in line with the National Forest brand.
- Explore feasibility for the Forest Enterprise Hub including purpose, partnerships and planning.

### *Cross-cutting work*

- Support the Defra Spending Review, update the Framework Document with Defra and complete NFC governance changes with new Members and Trustees.
- Revise the National Forest brand and strategy, including a new Forest Creation Strategy and Corporate Plan.
- Continue to upgrade the NFC's new website including the regular supporter scheme.
- Grow major new income generation opportunities for restricted projects, legacy and individual giving.
- Increase advocacy and policy influence to raise profile, impact and understanding of the National Forest as well as demonstrating impact.
- Complete a wide ranging research and development programme including green finance, carbon assessment and outcome monitoring.
- Upgrade financial systems including new finance software and procedures.
- Improve and update HR policies and working practices.
- Continue to extend work on equality, diversity and inclusion across the Forest to ensure all audiences can enjoy the benefits of trees and woods.
- Develop the NFC's sustainability programme to reduce carbon and environmental impacts in line with Defra's Strategy.

## Risk Management

The Board is responsible for management and monitoring of the risks facing the NFC, with the subsidiary company taking responsibility for its own risks and reporting these to the NFC's Audit & Risk Committee and Board. The principal strategic risks and uncertainties facing the NFC are set out below with corresponding plans for managing them.

Further information on risk and risk management is provided in the Governance Statement.

Strategic risks	Mitigation
Failure to adapt to changing climate and organisational strategy and delivery impacted negatively	Review of strategy and work programmes to include measures for adaptation (Fire, flood, heat, water management, species choice, wellbeing, etc). Annual review of policies to take account of climate change evidence and practice. Horizon scanning for long term strategy and policy development with partners. Budget and reserves in place for contingencies.
Inability to scale up Forest creation targets, meet Nature for Climate Fund commitments and take advantage of carbon/ tree planting opportunities.	Represent the NFC on Nature for Climate Fund programme board and provide oversight by Land and Forestry Working Group. Develop strong pipeline of schemes and acquisitions. Work with land agency to identify and accelerate opportunities. Complete new grant schemes and strategy work. Work outside the boundary on Midlands Forest Network corridors and new national forests to increase hectares.
Income generation strategy inadequate and does not meet targets.	Packaging work for restricted funding to cover core costs. New corporate and legacy programme to be further developed. High level fundraising group to be scoped. Development of new tree offer for larger bids. Review of customer journey and messaging for Forest Champions.
Loss of Defra funding support (particularly as part of the Spending Review) and backing of key partners.	Complete Spending Review phase 2 advocacy, including through Nature for Climate Fund Programme Board and Ministerial sessions. Demonstrate NFC impact and value for money through new research work. Raise profile of NFC with MPs, peers and in media. Explore closer collaboration opportunities with partners.
Opportunities from new national forests work lost or complicated by poor brand and strategy.	Continue high level advocacy programme including at Ministerial level with parliamentary events. Develop strong rationale and proposals for new national forests with Defra. Develop branding proposals for the National Forest and the suite of national forests. Run Western Forest grant programme to demonstrate concept.
Income risk – Gift aid and profit levels insufficient to deliver Conkers' vision and objectives and provide long term sustainability, requiring subsidy from the charity.	Complete in year repairs and refreshments for Conkers. Maximise gift aid and marketing opportunities. Manage annual budget and programme through National Forest Enterprises Board. Manage Conkers KPIs with Operator.
Project planning and major cash investment for upgrading facilities at Conkers not secured, leading to decline in turnover and profits.	Complete Conkers masterplanning exercise. Complete fundraising strategy and Business Plan. Submit expression of interest and secure development funds.
Deterioration of assets – Major investment or shutdown required to deal with significant deterioration of properties, loss of insurers due to risk.	Continue to upgrade Preventative Maintenance Plan for Conkers. Update fixed assets register with Operator. Continue to ensure dialogue with tenants of buildings and insurers. Review use of property use in light of current leases and work on the Forest Enterprise Hub.

## Board of Trustees

The Trustees of the NFC throughout 2024-25 were as follows:

Name	Date of appointment as Trustee	Role
Tony Ballance	1 January 2024	Chair, Board of Trustees; Member, Remuneration Committee
Penny Coates	1 April 2022	Member, Audit & Risk Committee; Chair, National Forest Enterprises Ltd
John Everitt <sup>(1)</sup>	1 April 2015	Chief Executive
Ruth Gadsen	1 January 2023	Chair, Development Working Group
Alison Field	1 April 2018	Member, Land & Forestry Working Group; Chair, Land & Forestry Working Group <sup>(2)</sup> and Senior Independent Director
Paddy Harrop <sup>(3)</sup>	1 April 2018	Chair, Land & Forestry Working Group; Member, Audit & Risk Committee
Anne Jenkins	1 January 2021	Chair, Tourism, Recreation & Communities Working Group
Mike Kapur	1 April 2018	Chair, Audit & Risk Committee; Member, Remuneration Committee
Matt Robinson	1 January 2023	Member, Audit & Risk Committee; Chair, Remuneration Committee

<sup>(1)</sup> John Everitt is the NFC's Chief Executive and also a Trustee. It was agreed that he should hold this dual role because of the nature of the NFC's current funding position whereby a significant proportion of the NFC's funds are from Defra and the Chief Executive holds the responsibility of Accounting Officer for those funds. To meet the standards for Managing Public Money, Accounting Officers are required to be represented at Board level. It is recognised that this is unusual within a charity, but is considered to be in the best interests of the Charity because of the funding relationship, and controls are in place to avoid any abuse of power or conflicts of interest. The Board has delegated the responsibility for the day-to-day management of the Charity to the Chief Executive. The Chief Executive reports directly to the Chair of Trustees and provides advice to the Board.

<sup>(2)</sup> Appointed Chair of Land & Forestry Working Group on 1 January 2025

<sup>(3)</sup> Retired 31 December 2024

Information on the recruitment and induction processes for Trustees and an overview of the governance arrangements in place is given in the Governance Statement. Trustees are required to disclose any interests they have that may potentially conflict with their management responsibilities for the NFC. This includes company directorships, public appointments and any other significant external interests. During 2024-25 no issues arose as a result of any Trustees' conflicts of interest. No Trustee, other than the Chief Executive who is a Trustee, had any transaction with the NFC, other than being reimbursed expenses necessarily incurred in fulfilling their duties as per Trustees' travel and expenses (Note 13). Information on the remuneration of the Chief Executive is detailed in the Remuneration and Staff Report.

### Reserves

Total reserves at the end of the financial year increased to £16.83m from £16.02m. This movement in total reserves was made up of an increase in

unrestricted reserves of £809k with restricted reserves increasing by £1k from £485k to £486k.

The total unrestricted reserves balance of £16.35m comprises designated funds of £14.97m, revaluation reserves of £696k and a general fund balance of £683k. The general fund balance includes non-liquid assets of £207k meaning the Free Reserves balance at 31 March 2025 is £476k.

The Audit & Risk Committee reviewed the Reserves Policy during the year, prior to the Board reviewing the Policy at its subsequent meeting. Fund balances were further reviewed at year end and were approved as set out in the table below with a fund set aside to manage cash flows and other designated funds to mitigate risk. The designated funds support financial contingency, as well as enabling capital and one-off investments towards delivery of charitable objectives. Furthermore, there are designated funds of Investment Property Reserve which equates to the net book value of

investment property held at the balance sheet date and a new Land and Buildings Capital Asset Reserve which equates to the net book value, less the revaluation reserve amount, of the land and buildings held at the balance sheet date.

This has increased the level of designated funds at 31 March 2025 to the £14.97m (2024: £4.01m) and consequently reduced the general fund balance to £683k (2024: £10.72m). The target funding levels alongside actuals at March 2025 are set out below:

Summary of Funds and Target Levels	Target level (range)	Actual balance at 31 March 2025
<b>General Fund: Unrestricted free reserves</b> Working capital to manage cash flows	£400k	£476k
<b>Designated Funds – Target Levels:</b>		
<b>Financial Contingency Fund</b> Approximately four months running costs to be used in the event of major incident	£950k	£950k
<b>Conkers Transformation Fund</b> To support the costs of repairs and maintenance, transformation and capital refreshment for Conkers	£200k	£112k

## Going concern

The Trustees have reviewed budgets, forecasts, and anticipated Grant in Aid receipts and other funding from Defra, and together with considering the potential impacts on its financial position from both internal and external risks, have concluded there is a reasonable expectation that the NFC has adequate resources to continue in operational existence for a period of at least 12 months from the date that the financial statements are approved. The Trustees are not aware of any proposed legislative changes which could significantly impact the organisation and consider that appropriate risk management procedures and mitigations are in place to monitor the operating environment and reduce any impact of known risks. Nor are they not aware of any other significant risks which potentially would impact on the ability of the organisation to continue to operate at the current level of activity.

All of the above factors inform the opinion that it is appropriate to adopt the going concern basis of preparation of the financial statements for 2024-25.

## Auditors and their remuneration

Statutorily appointed auditor:  
Comptroller and Auditor General  
National Audit Office  
157 – 197 Buckingham Palace Road  
London SW1W 9SP

The fee for the audit of the financial statements in 2024-25 is £72,500 (2023-24: £50,000). No non-audit work was conducted by the National Audit Office during 2024-25.

## Internal audit

Forvis Mazars LLP  
First Floor  
Two Chamberlain Square  
Birmingham B3 3AX

## Investment Managers

Cazenove Capital,  
1 London Wall Place  
London EC2Y 5AU

## Bankers

The Co-operative Bank  
Miller Street  
Manchester M60 0AL

## Solicitors

Ansons Solicitors,  
St Mary's Chambers  
5-7 Breadmarket Street  
Lichfield  
Staffordshire WS13 6LQ

## Pension liabilities

All the NFC staff are members of the Principal Civil Service Pension Scheme (PCSPS). Information on the pension arrangements and accounting policy applied to pension liabilities is provided in Note 1.13 of the financial statements. Pension arrangements are detailed in the Remuneration and Staff Report which also provides information on pension benefits to which the NFC Chief Executive qualifies. No other Trustees are members of the PCSPS.

## Losses, special payments and gifts

*(this information is subject to audit)*

There were no losses, special payments or gifts made during 2024-25 (2023-24: nil). No special severance payments that require disclosure were made during the year.

## Government Functional Standards

The mandate for use of functional standards is provided by Managing Public Money (MPM) and endorsed by ministers through the Declaration on Government Reform. The standards support accounting officers to oversee functional work effectively and efficiently, and to target improvement.

Each standard sets expectations for what needs to be done, and why, relating to the work within its scope. The NFC Board is responsible for leading and directing the Charity and for determining strategy and guiding operational activity. Government functional standards are embedded within the National Forest Company's policies and procedures which are overseen by the Board and relevant Committees. The provisions of the Board, enable Defra to monitor performance and delivery in relation to grants given to the NFC and describes the arrangements that exist to safeguard propriety and regularity.

## Payment of Suppliers

The standard term of payment for supplier contracts is 30 days from receipt and agreement of a valid invoice. This is embedded in all contracts with suppliers, with any exceptions agreed as part of contractual negotiations. However, the Company aims to pay undisputed invoices within 5 days of approval and 62% have been paid within this timescale (2023-24: 70%); 97% were paid within 10 days (2023-24: 95%). No claims were received during the year from suppliers for late payment of invoices under the Late Payment of Commercial Debts (Interest) Act 1998.

## Employee Involvement

The National Forest Company regularly communicates with staff through a variety of mechanisms such as the bi-weekly staff meetings, written weekly updates and staff away days to provide information on matters of concern to them as employees. Additionally, staff are consulted on their views where decision making will affect their interests. During the year, an employee engagement survey was distributed to gather feedback on relevant issues with issues arising acted upon. The NFC continued to operate to

the Blended Working Framework and provided ongoing review and refinement of flexible working arrangements. Measures to promote staff wellbeing continue to be embedded with 37% of staff being Mental Health First Aid trained.

Staff are incentivised to deliver high quality outcomes for the National Forest through annual performance related bonuses linked to their job descriptions, with an in-year bonus scheme also used to reward exceptional effort.

## Personal data related incidents

No personal data related incidents occurred during the year which needed to be reported to the Information Commissioner's office.

## Post year end events and developments

There are no post year end events or developments which require to be reported on.

# Sustainability Report

## About our data

Sustainability performance is reported in line with HM Treasury's Sustainability Reporting Guidance 2024-25, as far as possible. The Greening Government Commitments (GGC) set out the actions UK government departments and their agencies will take to reduce their impact on the environment, in the current period April 2021 to March 2025. The NFC is below the organisational size threshold and exempt from GGC reporting but aligns with guidelines where possible. Where available, data from the last four years has been reported, as well as a baseline of 2017-18 in line with the GGC targets.

Carbon footprint reporting is aligned with the guidelines set out in the Greenhouse Gas Protocol (ghgprotocol.org). Reported figures are based on a mix of direct meter readings (manual or automatic) and billed amounts. Billed quantities may be subject to future adjustments dependent on supplier re-billing. To enable comparisons between years, data has been normalised by the average number of full-time equivalent (FTE) employees.

Summary of Greenhouse Gas Emissions tCO <sub>2</sub> e	Unit	2024-25	2023-24	2022-23	2021-22	2017-18
Scope 1 Emissions – Fleet Vehicle	tCO <sub>2</sub> e	1.37	1.08	0.67	–	–
Scope 2 Emissions – Building Energy Consumption	tCO <sub>2</sub> e	8.36	6.91	8.17	8.92	20.59
Scope 3 Emissions – Business Travel	tCO <sub>2</sub> e	6.98	10.53	5.36	2.12	8.99
Total Emissions	tCO <sub>2</sub> e	16.71	18.52	14.20	11.04	29.58
Average number of staff (FTE)	FTE	42	41	36	30	21
Total Emissions per head	tCO <sub>2</sub> e/FTE	0.40	0.45	0.39	0.37	1.41

## Energy Consumption

The NFC operates from serviced accommodation leased from a private landlord, which is shared with two other units. Electricity is metered per unit and recharged by the landlord.

Energy consumption has remained lower compared to pre-Covid levels due to the blended working framework although a 21% increase has been reported in 2024-25. This can be attributed to an increase in office occupancy on Friday which had previously been an office closure day in the initial years post-COVID.

No additional energy saving measures were implemented in 2024-25, however the upgrade to

## Task Force on Climate-related Financial Disclosures (TCFD)

The NFC is below the Arm's Length Body threshold for number of FTE staff (>500) or operating funding and income (>£500m) for mandatory reporting under the TCFD guidance.

## Overview of carbon footprint

The NFC operates within the guidelines of a Blended Working Framework introduced in May 2022. The NFC continues to see lower emissions from electricity and lower business travel emissions per head compared to pre-COVID years, due to staff working more flexibly and fewer journeys needed with more meetings being held virtually.

Total emission per FTE has decreased compared to baseline. A significant reduction is reported in Scope 2 Emissions, 59% compared to baseline, due to a reduction in consumption alongside a decrease in the emission factor as the UK reduces coal use and increases renewable generation year on year.

a more energy efficient heating system in January 2023 continues to result in lower consumption during the winter months compared to previous years.

Since the acquisition of the National Forest Charitable Trust in 2022-23, the NFC owns several buildings in the Heart of the National Forest, only one of which the NFC has operational control of. This building was refurbished as a volunteer hub in 2024-25 with a small amount of energy consumption from its irregular use included in the figures below. This will be changed to a renewable tariff in 2025-26.

Building Energy Consumption (Scope 2)	Unit	2024-25	2023-24	2022-23	2021-22	2017-18
Scope 2 Emissions – Energy consumption	tCO <sub>2</sub> e	8.36	6.91	8.17	8.92	20.59
Scope 2 Emissions – Energy consumption per head (FTE)	tCO <sub>2</sub> e/FTE	0.20	0.17	0.23	0.30	0.98
Energy consumption	kWh	40,374	33,369	42,234	42,011	58,578
Energy consumption per head (FTE)	kWh/FTE	982	811	1,173	1,400	2,789
Total energy expenditure	£	25,334	14,134	14,805	8,033	9,868
Expenditure per head (FTE)	£/FTE	616	343	411	268	470
Average number of staff (FTE)	FTE	42	41	36	30	21

## Fleet Vehicles

The NFC has a fleet of one leased diesel fleet vehicle, leased since 2022-23, which is used for forestry works across the NFC's estate. This vehicle meets the ULEZ emissions standards and will be replaced with a 100% battery electric powered vehicle when a suitable model is available on the market.

Fleet Vehicle (Scope 1)	Unit	2024-25	2023-24	2022-23
Scope 1 Emissions – Fleet Vehicle	tCO <sub>2</sub> e	1.37	1.08	0.67
Fleet vehicle mileage	Miles	4,300	3,314	2,036
Fleet vehicle expenditure	£	830	925	604

## Business Travel

The NFC's travel policy promotes low carbon forms of transport, car sharing and reduction of unnecessary travel to reduce environmental impact. Business travel has increased slightly, although staff continue to work within the guidelines of the blended framework, with meetings continuing to be held virtually alongside office working. Business travel mainly relates to inspections of management and planting works across the Forest and meetings with external stakeholders and partners that cannot be held virtually.

Business Travel (Scope 3)	Unit	2024-25	2023-24	2022-23	2021-22	2017-18
Total Scope 3 Emissions – Business Travel	tCO <sub>2</sub> e	6.98	10.53	5.36	2.12	8.99
Scope 3 Emissions – Business Travel – Car	tCO <sub>2</sub> e	4.96	4.88	4.21	2.09	8.99
Business Travel – Car – Staff (including Chief Executive)	Miles	17,123	16,224	13,602	7,462	22,951
Business Travel – Car – Staff mileage per head	miles/FTE	416	394	378	249	1,093
Average number of staff (FTE)	FTE	42	41	36	30	21
Business Travel – Car – Trustee	Miles	1,347	1,982	1,731	108	7,674
Business Travel – Car – All mileage	Miles	18,470	18,206	15,333	7,570	30,625
Scope 3 Emissions – Business Travel – Train	tCO <sub>2</sub> e	0.63	0.63	0.95	0.03	N/A
Business Travel – Train	Km	17,751	17,627	26,778	816	N/A
Scope 3 Emissions – Business Travel – Air	tCO <sub>2</sub> e	1.39	5.02	0.20	0.00	0.00
Business Travel – Air	Km	7,600	26,618 <sup>1</sup>	806	0	0
Total Business travel costs	£	16,205	16,254	20,601	5,491	22,381

*Travel data includes official business travel by all staff and Trustees. Mileage relates to travel in staff/Trustees' own vehicles. Total business travel costs includes car mileage, rail and air.*

*Train travel data includes available mileage booked through the NFC's travel operator from July 2018 onwards. Data is unavailable prior to this data.*

<sup>1</sup> Data has been reinstated due to double counting in the previous year.

## Waste minimisation and management

The majority of waste generated at the NFC's office is paper and cardboard, all of which is recycled. Paper usage has decreased significantly in 2024-25 due to a move to paperless invoice processing in March 2024. Data reported between 2010-11 to 2014-15 averaged at 122 reams. Data from this point onwards is unavailable and the last reported value has been used as a baseline.

Waste	Unit	2024-25	2023-24	2014-15
Paper purchased	A4 ream equivalent	45	90	125

All other recyclable materials are recycled via the local authority recycling services; no data is currently available for this, nor for the minimal amount of waste that is not recyclable. IT equipment is recycled for refurbishment and re-use. Staff take home any food waste for composting.

In helping to plant more than 9.8 million trees across the National Forest, a critical aspect has been the need to help protect the trees from browsing mammals. Our current primary method is to use fencing, although different higher density tree planting is also an option. Fossil fuel based plastic

guards have been eradicated from use on our estate, however, where necessary in a small number of cases non-plastic tree guards are used on the estate. The NFC's grant schemes also promote the non-plastic tree guard option to landowners to reduce plastic waste and contamination. Ongoing work is being undertaken with contractors and volunteers, through the NFC's grants, to remove plastic tree guards on previously planted sites. These are collected and recycled into outdoor furniture where possible.

## Water use (finite resource consumption)

Charges for water are included within the landlord's service charge for the building the NFC leases part of. The landlord does not provide usage data and data is not metered per business occupant, so accurate data is not available.

The volunteer hub is used infrequently, and water supply has been minimal at 1m<sup>2</sup> across the year. This will be monitored and reported as usage of the hub increases.

## Sustainable Procurement

The NFC is aware of the role of public sector and charity procurement in meeting organisational needs for goods, services, works and utilities, while achieving value for money on a whole-life basis, minimising damage to the environment and generating benefits for society and the economy.

Wherever possible, the NFC ensures that environmental and social considerations are built into procurement processes, including environmental footprint, ethical considerations and social impact. Information on environmental policies of potential suppliers is requested and these are reviewed, where appropriate, as part of the tendering procedure when seeking to award contracts or place orders for goods and services. The NFC continues to develop its procedures to ensure that sustainability is fully integrated throughout the procurement process.

## Nature Recovery and Biodiversity action planning

The NFC's contribution to nature recovery and biodiversity action planning is based on our own estate and contribution to habitat enhancements with partners across the National Forest. During the year, the estate increased from 692 to 729 ha of woodlands and other habitats, and across the Forest 725 ha of habitats were enhanced through management improvements. The total area of the Forest that is now supporting biodiversity is 29%.

## Climate Change Adaptation

The NFC's work to support climate change adaptation includes changes in tree species selection to improve resilience of the Forest, connecting habitats to facilitate movement of wildlife as the climate changes, and a range of forest creation schemes to support economic and social adaptation. This includes providing green infrastructure for urban cooling, agroforestry and parkland trees to support changes in farming and wider habitat enhancements to slow the flow of water in river catchments.

## Reducing environmental impacts from ICT and Digital

Our approach to reducing environmental impacts from ICT and Digital includes a focus on paperless practices, minimising data storage and expanding our use of cloud services and reducing the need for legacy physical infrastructure.

## Sustainable Construction

Feasibility work has been completed this year to explore current carbon emissions from our estate buildings and opportunities to reduce these. This included examining replacement heating systems for the Conkers Discovery building and the potential for PV panels to meet some of the on-site electricity demand. Next steps will be to integrate the feasibility report's recommendations into the refurbishment of Conkers over the coming years. Further feasibility has explored the potential of extracting heat from mine water beneath the Conkers site although that has now been paused pending further work by the Mining Remediation Authority.

The refurbishment of the NFC's Gatehouse building was carried out and delivered to time and cost with a local contractor, improving energy efficiency whilst re-purposing the building as a volunteer hub. This work has improved procedures in sustainable procurement for the NFC's buildings, including fossil fuel use, the impacts on nature and environment, circularity, waste and lifetime costs/replacement of materials.

## Additional sustainability activities

In 2024, the NFC appointed Small World Consulting to undertake a carbon footprint assessment of the National Forest landscape. This produced a baseline of carbon emissions in the Forest as of 2022, when the latest data were available. The report also produced land use targets to scale up carbon sequestration and a science-based fair-share decarbonisation trajectory across key priority areas. The analysis shows that since the early stages of Forest creation in the 1990s, trees and woodlands across the area, both newly planted and pre-existing, have captured 730,000 tonnes of CO<sub>2</sub>e. In 2022 alone, over 50,000 tonnes of CO<sub>2</sub>e were sequestered. The NFC will continue to track changes in the carbon footprint moving forward, helping to understand the effect of the National Forest on decarbonisation of the local area. Findings from this assessment will help to inform the development of future NFC strategies, including the upcoming forest creation strategy.

As part of the NFC's mitigation towards net zero or being carbon positive, trees were planted at the NFC's Minorca West site, specifically with the purpose of being monitored and evaluated for their carbon sequestration benefits and balanced against the NFC's carbon footprint. Assessment is also being made of new land acquisitions to assess their suitability for carbon accreditation of tree planting through the Woodland Carbon Code, to formalise the NFC's net carbon position.

The NFC's trial with biochar continues in collaboration with the University of Nottingham. The research is in the early stages of evaluation, but initial results demonstrate a positive impact on the soil. This work continues to help shape the NFC's future considerations for the use of biochar on the estate and in working with Heartwood Community Woodland Group (who were assisted in the purchase of a small kiln to make biochar). The NFC is also exploring the benefits of engaging volunteers in making small batches of biochar.

Biomass continues to be a common output for managed woodlands across the National Forest. The current stage and size of timber being produced in many woodlands results in thinnings being used as fuelwood and this trend is likely to continue for a large proportion of woodlands for the next decade or more. One large biomass business in the Forest continues to act as the major contractor and supplier of local biomass. This business has been supported in previous years through the NFC's Woodland Economy Grants.

The strategic report was approved by the Trustees on 14 October 2025 and signed on their behalf by:



**Dr Tony Ballance**

Chair of the Board of Trustees  
14 October 2025



**John Everitt OBE FRSA**

Chief Executive/Accounting Officer/Trustee  
14 October 2025

# Statement of Trustees' and Accounting Officer's Responsibilities

The Board of Trustees of the National Forest Company is required to prepare a statement of accounts for each financial year in accordance with applicable law and regulations.

Section 394 of the Companies Act 2006 requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. The Secretary of State for Environment, Food and Rural Affairs has directed the National Forest Company to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Company and of its incoming resources, application of resources and cash flows for the financial year.

In preparing the financial statements, the Trustees are required to comply with the requirements of FRS 102 and the FRS 102 Statement of Recommended Practice (SoRP) Accounting by Charities issued by the Charity Commission with regard to any additional requirements arising from the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by the Department for Environment, Food and Rural Affairs, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on a going concern basis.

The Principal Accounting Officer for the Department for Environment, Food and Rural Affairs has designated the Chief Executive of the National Forest Company as the Company's Accounting Officer. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which

the Accounting Officer is answerable, for keeping proper records and for safeguarding the National Forest Company's assets, are set out in Managing Public Money published by HM Treasury.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Company's auditors are unaware;
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information; and
- the annual report and accounts as a whole are fair, balanced and understandable and that the Accounting Officer takes personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.



**Dr Tony Ballance**

Chair of the Board of Trustees  
14 October 2025



**John Everitt OBE FRSA**

Chief Executive/Accounting Officer/Trustee  
14 October 2025

# Governance Statement

## Overview

The National Forest Company (NFC) is a charitable company (limited by guarantee). As a charity, the NFC exists to carry out its charitable purposes.

As a Non-Profit Institution within the Public Sector specifically Central Government, the NFC operates at 'arm's length' from its sponsor department, the Department for Environment, Food and Rural Affairs (Defra).

The NFC Board is responsible for leading and directing the Charity and for determining strategy and guiding operational activity. The terms of a Framework Document agreed between Defra and the NFC sets out the governance arrangements to be adhered to, clarifying the roles and responsibilities of Defra, including those of the Secretary of State as a Member of the NFC, and of the NFC itself. Its provisions enable Defra to monitor performance and delivery in relation to grants given to the NFC and describe the arrangements that exist to safeguard propriety and regularity.

The NFC seeks to comply with good practice as issued by the Charity Commission. It also complies with the Cabinet Office 'Corporate Governance in Central Government Departments: Code of Good Practice' as it applies to the NFC, and operations are underpinned by the seven core principles ('the Nolan Principles') of good governance for public services. This Governance Statement provides an evaluation of the effectiveness of the NFC's governance, risk and internal control arrangements.

## Governance Arrangements

### *Members and Board of Trustees*

In accordance with the Articles of Association, the NFC Chair and Secretary of State for Environment, Food and Rural Affairs and at least two further independent individuals are Members of the Charity. The Secretary of State is in a minority when voting on NFC business and therefore cannot exercise a controlling influence.

The Board of Trustees was established in March 2016. The Board determines the strategy of the organisation and ensures that appropriate policies and procedures are in place to fulfil its obligations as to the use of public funds.

The Chair and Trustees, excluding the Chief Executive, are not remunerated but are entitled to be reimbursed out of pocket expenses necessarily incurred in fulfilling their duties. The NFC Chief

Executive is a Trustee and their remuneration is detailed in the Remuneration and Staff Report. All Trustees provide declarations of interest and these are recorded in a Register of Interests which is available on the National Forest Company website <https://www.nationalforest.org/about/who-we-are/our-governance/publication-scheme>.

The Board meets four times a year, and additionally as necessary, to consider business performance, organisational structure and strategy. The Board is the main decision making body of the NFC with a quorum based on three Trustees. Decisions are taken by the Board on key issues relating to governance, finance, policy and strategy. The Scheme of Delegations sets out decisions and responsibilities delegated to Committees, Working Groups and staff.

The membership of the Board of Trustees in 2024-25, excluding the Chief Executive, was as follows:

Tony Ballance (Chair)

Penny Coates

Ruth Gadsen

Alison Field

Paddy Harrop

Anne Jenkins

Mike Kapur

Matt Robinson

Paddy Harrop's term of office ended on 31 December 2024, having served two terms of three years.

Trustee recruitment is conducted through fair and open competition following Charity Commission guidance and with a focus on supporting diversity and inclusion. New Trustees undergo an induction programme to reinforce the roles and responsibilities of a Trustee, governance arrangements and the vision and strategy for the National Forest.

Standard agenda items for Board meetings include the Chief Executive's quarterly report and strategic summary reporting on progress against operational targets, giving headline commentary on activity, and an assessment of key risks. Declarations of interest, finance, income generation performance, oversight of delivery of Forest Creation, and a report of the activities of the Subsidiary Company are also standing items. Minutes from sub-committees of the Board, Working Groups and the Subsidiary

Company are also included within papers sent to Trustees.

Membership of the Board, its Committees, Working Groups and Subsidiary Board is provided on page 27.

During 2024-25 the Board considered a range of matters including:

- reviewing the annual NFC programme of work and budget;
- considering Conkers' 2023-24 trading performance, together with progress against Conkers' transformation plan;
- noting developments in relation to the Midlands Forest Network initiative;
- having oversight of the NFC's involvement in the Western Forest, and new national forests;
- agreeing Trustee succession and recruitment, together with Member recruitment;
- reviewing risk management, including consideration of strategic risks (charity and subsidiary) relating to the delivery of the NFC's objectives, going concern and financial sustainability;
- conducting an annual review of key policies;
- receiving the annual report of the Audit & Risk Committee;
- approving the annual landholding and valuation review;
- approving forest cover activities, including the 2024 Changing Landscape Scheme applications;
- agreeing land acquisitions (inside and outside the Forest boundary) recommended by the Land & Forestry Working Group;
- providing a steer on the forest creation strategy, including outside the boundary as part of the Midlands Forest Network and nationally through the new national forests initiatives;
- providing a steer on the fundraising strategy;
- revisiting the NFC's Equality, Diversity and Inclusion (EDI) statement and action plan;
- updating terms of reference for the Board, subsidiary Board, Committees and Working Groups; and
- approving the adoption of organisational trustee status for the new Charnwood Geopark body.

The Board undertakes annual reviews of its governance and Board effectiveness. The format of the review is based on the Charity Governance Code which sets the principles and recommended practice for good governance and drawing upon the Charity Commission's guidance using the recognised hallmarks of an effective charity, ie organisational purpose; leadership; integrity; decision making, risk and control; board effectiveness; diversity and openness and accountability.

The review again demonstrated that the NFC's governance processes and practice provide a high level of assurance against the Charity Commission's key principles and therefore provide a strong basis for assessing Board performance as 'effective'. There continues to be consensus amongst Trustees, and between staff and Trustees, on areas of strength, compliance and weakness. The review also assessed the quality of data, reports and papers to the Board which were considered to be of a good standard, enabling the Board to make effective decisions.

Whilst no areas requiring significant improvement were identified, work continued to build on the NFC's commitment to equality, diversity and inclusion (EDI), through a dedicated EDI steering group, action plan, and annual Board EDI strategy session.

#### *Subsidiary Company*

The National Forest Enterprises Ltd (NFE) oversees the commercial activities and assets of the Conkers Centre and estate, including the operating contract with Planning Solutions Ltd.

The directors of the subsidiary company are appointed by the NFC Board of Trustees and the company is chaired by an NFC Trustee, with the NFC Chief Executive also sitting on the board as a director to ensure that activities and any investment reflects the interests of the NFC. Operating non-primary purpose trading activity through the subsidiary provides additional safeguards to the NFC and generates unrestricted income through the gifting of profits at the year end.

A proportion of annual profits from the operation of Conkers are paid by Planning Solutions Ltd to National Forest Enterprises Ltd. The subsidiary company does not employ staff but the costs of NFC staff working on behalf of the company are recharged to the subsidiary and paid from the annual profits. Gift aid on visitor admissions to Conkers is received directly by the Charity and Trustees agree to its use to support priorities including investment in Conkers and/or time for

staff working on behalf of the company. Additional capital investment in Conkers as an asset of the Charity is also agreed by the NFC Board as advised by the subsidiary company.

In 2024-25, the National Forest Enterprises Board met four times and its work included:

- taking forward plans for the redevelopment of the Conkers Visitor Centre, strategic alignment to the new vision, and investment in repairs and maintenance;
- agreeing to recruit an additional Non-Executive Director to the Board with skills to complement the redevelopment ambitions for Conkers;
- approving the financial accounts (year ended March 2024) for the subsidiary;
- overseeing the operating contract for Conkers and monitoring financial security, budget, risk, health and safety, repairs and maintenance, key performance indicators and insurance; and
- overseeing the strike-off of the former subsidiary company, The Forest Experience Limited, on 23 July 2024.

Future business priorities for 2025-26 include masterplanning for the redevelopment of Conkers, together with fundraising and business planning for capital investment.

Whilst consolidated figures are included in these Group accounts, further details of the subsidiary company can be found in its individual annual report.

#### *Board Committees and Working Groups*

The Board of Trustees is supported by various Committees and Working Groups.

Each Committee and Working Group has key functions to discharge, and each is chaired by a Trustee, together with additional Trustee or non-executive representation. Appropriate staff are also involved.

The Committees and Working Groups are:

- Audit & Risk Committee (ARC) – covering issues on finance, investments, risk, health and safety, governance, policy and HR;
- Remuneration Committee – covering issues on remuneration of the Chief Executive and senior staff;
- Land & Forestry Working Group – covering issues on land policy, forest creation, forest

management and economy, NFC owned sites, access creation and biodiversity;

- Development Working Group – covering issues on income generation, marketing and communications, brand and product development; and
- Tourism, Recreation & Communities Working Group – covering issues on tourism and facilities, recreation and access, and communities, health, education, arts and training.

All Committees and Working Groups have written terms of reference.

#### *Audit & Risk Committee (ARC)*

The role of ARC is to provide assurance and recommendations to the Board on the effectiveness of its governance, financial management, internal control and risk management systems. ARC also monitors the work of external audit and the effectiveness of the internal audit service. The Committee also presents an annual report on its activities to the Board. ARC comprises of at least 3 Trustees, with the Chief Executive attending in their capacity as Accounting Officer.

ARC met 5 times during 2024-25. Its work included consideration of the financial statements and the Audit Completion Report issued by the external auditor prior to the accounts being certified by the Comptroller & Auditor General (C&AG) with an unqualified audit opinion; considering reports issued by internal audit; scrutinising finance reports, including income generation, prior to being presented to the Board; reviewing accounting policies; safety, health and wellbeing; fulfilling its responsibilities in respect of risk management (see below), and oversight of investments and performance of the appointed fund manager.

During the year, the Committee sought assurances from management that recommendations from the prior year's audit were being implemented. These included making improvements to the land valuation report and income recognition.

Other business conducted by ARC during the year included:

- reviewing strategic and standing risks, together with a going concern assessment, giving consideration to emerging risks. This included a workshop to consider the appropriateness of the risk register and mitigations, the risk management policy and risk appetite statement;
- overseeing relevant issues relating to the performance of Conkers;

- considering finances and risks relating to the Nature for Climate Fund programme, together with an assessment of the adequacy of oversight and controls;
- approving key policies, eg Financial Reserves; Health and Safety; Investment Policy Statement (including Ethical policy); Safeguarding; Scheme of Delegations; Volunteer; Wellbeing Framework; Whistleblowing, Tree Safety Management, and the Equality, Diversity and Inclusion Statement;
- reviewing the NFC's VAT arrangements, including registration and Partial Exemption Special Method (PESM);
- assessing performance against annual value for money indicators.
- reviewing fraud and risk, alongside the whistleblowing policy.

ARC also conducted its annual review of its effectiveness, utilising the National Audit Office's checklist, based on HM Treasury's Audit Committee Handbook. The conclusion was that the Committee continues to operate effectively and there were no areas of concern.

#### *Remuneration Committee*

The Remuneration Committee supports the Board in discharging its responsibilities for remuneration issues and generally meets once a year. Membership of the Committee comprises 3 Trustees including the Chairs of both the Board and ARC. The Committee provides the Board with recommendations on the Chief Executive's remuneration and benefits, and advises the Chief Executive on the pay and benefits of other senior staff. During the year the Committee considered and approved the framework for the NFC's revised pay bands for staff following discussion with Defra.

#### *Land & Forestry Working Group*

The Land & Forestry Working Group meets at least 4 times a year and is chaired by an NFC Trustee. Membership includes the Charity's retained land agent. Its primary function is to support and provide strategic oversight of the land and forestry aspects of the Charity's work.

In 2024-25 the Group's work included:

- leading delivery of Defra's Nature for Climate Fund (NFCF) programme through monitoring progress against the pipeline and targets for forest creation and woodland management, including overseeing forest creation and woodland management schemes;
- providing a steer on the NFC's landholdings and acquisitions/disposals;
- receiving updates on the Land & Forestry work programme and key performance indicators;
- developing the future Forest Creation Estate Strategy;
- conducting policy reviews, eg Tree Safety Policy, Pest and Disease;
- discussing woodland management and public access baselines;
- leading on measuring impact in the National Forest;
- overseeing the second Environmental Land Management test and trial.

#### *Development Working Group*

The Development Working Group meets 4 times a year and is chaired by a Trustee with external advisors. The primary function of the Group is to support the Development functions and provide strategic oversight relating to income generation, marketing, brand and communications and project development. In 2024-25 the Group's work included:

- development and monitoring of the income generation strategy and campaign performance;
- commenting on the Development team's work programme and key performance indicators for 2024-25;
- reviewing the NFC's corporate offer;
- considering the group's terms of reference;
- revisiting the Ethical Policy.

#### *Tourism, Recreation & Communities Working Group*

The Tourism, Recreation & Communities Working Group meets 3 times per year and is chaired by an NFC Trustee with an external advisor. The primary role of the Group is to provide a strategic overview and support in relation to tourism, recreation, arts and creativity, and community development activity. In 2024-25, the Group's work included:

- reviewing the work programme for 2024/25 and performance against targets;
- progressing a new Tourism Plan and programme of early market engagement for new tourism accommodation;
- overseeing the winding down of the National Forest Festival 'Timber';

- oversight of restricted projects including the Outdoor Learning Programme, Community Woodlands and Volunteering, and the Charnwood Forest Landscape Partnership Scheme;
- advice and guidance on restricted funding opportunities and bids relating to tourism, recreation and community activity;
- conducting an audit of the early years programme and considering next steps;
- exploring green social prescribing options;

- contributing to the Heart of the National Forest Vision.

#### *Review of Effectiveness of Committees, Working Groups and the Subsidiary Board*

The membership and remit of Committees and Working Groups and the Subsidiary Board is continually monitored to ensure it is fit for purpose. This has included scoping work for a new Non-Executive Director for the subsidiary company and bringing in additional specialist advisors to support the Trustees on Working Groups.

### Attendance record of Trustees at meetings of the Board and its Committees, Working Groups and the Subsidiary Board

Board & Committee [Number of meetings in 2024-25]	Main Board [5]	Audit & Risk Committee [4]	Remuneration Committee [2]	Land & Forestry Working Group [5]	Development Working Group [2]	Tourism, Recreation & Communities Working Group [3]	National Forest Enterprises Ltd Board [4]
Trustee							
Tony Ballance	5/5*		2/2				
Penny Coates	4/5	4/4					3/4*
Ruth Gadsen	5/5				2/2*		
John Everitt**	5/5						4/4
Alison Field	5/5			5/5			
Paddy Harrop***	4/4	3/3		4/4*			
Anne Jenkins	4/5					3/3*	
Mike Kapur	3/5	4/4*	1/2				
Matt Robinson	5/5	3/4	2/2*				

\* Denotes Chair.

\*\* John Everitt attends the Audit & Risk Committee meetings and Remuneration Committee meetings in his capacity as Chief Executive and Accounting Officer.

\*\*\* Paddy Harrop retired 31 December 2024 with Alison Field taking over as Chair

## Strategy and planning

The Board is responsible for determining the strategic direction of the organisation setting out the key objectives and indicators against which progress will be measured. It approved the Corporate Plan 2023-2026 which gives direction to strategic priorities for the Forest and the NFC and a clear framework for measuring success. The Plan provides the basis for annual work programmes and budgets, and is divided into 5 main operational themes centred around Create, Manage, Inspire, Engage and Grow. Development themes of building the brand and securing resources for the Forest, and Support Services themes relating to effective governance and management are also included.

The NFC's activity during 2024-25 was guided by the objectives and targets as detailed in the Plan and progress reports were given to the Board at each quarterly meeting. During the year further work was also carried out to summarise the National Forest vision and strategy for the new website, as well as producing the Thriving Together report to demonstrate progress and future plans for the NFC.

Whilst the NFC operates at arm's length from Defra, the Charity in its business plan needs to demonstrate how it uses grant funding from Defra to contribute to the Department's own business plan priorities and wider strategic objectives.

Defra's 25 Year Environment Plan produced in 2018 and Environmental Improvement Plan recognise the valuable role that forests and woodlands play in protecting and enhancing natural capital, including commitments to the public forest estate, national targets and community forestry. The Nature for Climate Fund and England Trees Action Plan developed in 2020-21 provide dedicated resources and greater policy direction to this agenda, and the NFC is represented on strategic and operational groups to contribute to the delivery of targets, now including the Nature for Climate Fund Programme Board.

These strategic initiatives include the NFC's contribution to national targets and manifesto commitments, specifically in relation to forest creation, tree planting and woodland management.

In 2024-25, the NFC continued plans in partnership with the Woodland Trust and wider partners to create the Midlands Forest Network. This initiative supports delivery of tree planting targets whilst using the experience from the National Forest to accelerate woodland creation outside of the National Forest boundary. During the year, the government set out a new manifesto commitment for 3 new national forests drawing on the NFC's

expertise and delivery. The NFC worked with Defra to take forward this work running a competitive process to identify potential project areas, culminating in the launch of the Western Forest in March 2025.

## Internal controls and the work of internal audit

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Charity's policies and objectives, to evaluate the likelihood of those risks being realized, the impact should they be realised, and to manage them efficiently, effectively and economically.

The programme of internal audit work undertaken by Forvis Mazars LLP during 2024-25, as approved by the Audit & Risk Committee, comprised both compliance and advisory activity including the following:

- Data protection;
- GIS Data mapping; and
- Financial controls – Restricted funds projects.

The one compliance based audit covered GDPR compliance, data protection and document retention arrangements. The audit specifically focused on general practices and processes compared with best practice, and an overview of the Customer Relationship Management (CRM) integration tool with the newly designed website. There were three moderate and one low recommendations with an overall assurance opinion of 'moderate'.

The two advisory based audits provided an advisory assessment and overview of the operational controls and internal usage of the new GIS data mapping system and an assessment of the systems and controls in place over the full processing of 'restricted funds' projects, which resulted in eight advisory recommendations. As a result of only one compliance based audit taking place, the internal auditors were unable to draw an informed opinion of the NFC's framework of governance, risk management and control.

There were no identified instances of fraud during the year.

## Information management

The NFC takes the management of the information it holds very seriously and is not aware of any personal data losses in 2024-25 that would require notification to the Information Commissioner's Office.

All staff sign copies of the Company's policies relating to privacy and data handling and are mandated to undertake, and periodically repeat, the Civil Service Learning 'Security and Data Protection' course. All staff are engaged in work to further develop and embed protocols and good practice on the Customer Relationship Management database and staff are regularly reminded of the importance of following data handling procedures with regular refresher sessions and further training where necessary.

## Safety, Health and Wellbeing

The NFC aims to ensure that all staff and volunteers remain safe and well and that the NFC's sites are safe, enjoyable places to visit. The NFC is committed to the Forest Industry Safety Accord and regularly reviews Safety, Health and Wellbeing policy and practices. Regular inspections are carried out at the NFC sites throughout the year.

## Whistleblowing

The NFC has a Whistleblowing Policy and procedure with which all staff are familiar. There were no instances of whistleblowing in 2024-25, as was the case in 2023-24. The Policy includes reference to the NFC's Senior Independent Director as a contact and the requirement to report any serious cases to the Charity Commission. Staff are reminded of the Whistleblowing Policy and procedures at team meetings and through periodic updates, to ensure an open and accountable culture.

## Risk Management

The NFC Board is responsible for determining the NFC's approach to risk, agreeing the Risk Policy, setting the culture and appetite for risk management and for monitoring the management of the highest scored risks as detailed in the Risk Register. Board Committees, Working Groups and the Subsidiary Board are responsible for overseeing the management of risks in their area of business and ensuring that the most effective plans are drawn up and implemented to mitigate them. This responsibility has been incorporated into their terms of reference.

The ARC has responsibility for reviewing the risk management process and the draft Risk Register before being presented to the Board.

The Committee is responsible for overseeing and reviewing the effectiveness of the systems of internal control and corporate governance within the Company with its assessment being informed by senior management and the work of the appointed auditors. Risk management features on the agenda for all ARC meetings.

The role of staff and the Senior Leadership Team (SLT) includes: identifying and evaluating significant risks faced by the NFC to be considered initially by ARC and subsequently the Board; implementing policies and associated action plans, and providing information to the Committees, Subsidiary Board and Working Groups on the status of risks and controls.

SLT is also responsible for producing the annual draft risk register. The register divides between the more strategic risks focusing on the key priorities and outcomes for the 3-year Corporate Plan and is formally reviewed by ARC and the Board every quarter. During the year, the risk policy and risk appetite statement were updated. Responsibility for the more operational risks falls to senior management and Working Groups and these are reported on in the Chief Executive's quarterly report to the Board which focuses on risks relating to the achievement of in-year targets.

In 2024-25 the key strategic risks related to the NFC's ability to scale up forest creation targets to meet Nature for Climate Fund commitments, and to take advantage of carbon/tree planting opportunities. Risks in relation to income generation and marketing also continued to feature, together with the long term development of Conkers and the staffing and governance of the organisation. These risks will continue to be managed during 2025-26 alongside the ongoing risks associated with the urgency of climate change, work on new national forests and the Spending Review settlement. The NFC's investments with Cazenove's Charity Responsible Multi-Asset Fund, in line with the NFC's investment policy, has no exposure to Ukraine or Russia and is being managed to limit risk from uncertain global trade policy. The investment policy includes the NFC's ethical policy with guidelines to inform investment decisions based on specific exclusions in line with the NFC's charitable purposes as well as social and environmental considerations including the UN global compact principles.

The NFC received no ministerial directions during the year.

## Performance management

As Chief Executive, I have overall responsibility for the achievement of corporate objectives as detailed in the Corporate Plan. However, responsibility for delivery of many of these is delegated to other staff in the organisation.

Responsibilities and objectives are detailed in annual job plans for each employee and performance against these is assessed through the staff review system. This includes a mid-year and end of year assessment of how the individual has performed which determines any entitlement to a performance related bonus. The job plans also detail training and development needs identified to equip the individual to perform effectively.

The National Forest is being created for public benefit and the engagement and views of members of the public are welcomed. The Company has established procedures and arrangements for dealing with complaints and requests made under the Freedom of Information Act. During the year ended 31 March 2025, two complaints were received (compared with three in 2023-24). Both were responded to within the specified timescale and satisfactorily resolved.

## Conclusion

As the designated Accounting Officer for the NFC, I have responsibility for the management and control of the resources used within the organisation and for discharging the responsibilities assigned to me in Managing Public Money.

I confirm that no significant issues in relation to governance, risk, performance or controls have arisen which need to be reported on in this Governance Statement.

A handwritten signature in black ink, appearing to read 'J. Everitt', with a large, stylized loop at the end.

**John Everitt OBE FRSA**

Chief Executive/Accounting Officer  
14 October 2025

# Remuneration and Staff Report

## Remuneration Report

The NFC has prepared this Remuneration Report in accordance with the Government Financial Reporting Manual, which requires disclosure of information about directors' remuneration, where 'directors' is interpreted to mean those who influence the decisions of the NFC as a whole and this is considered as meaning the Trustees and the Chief Executive.

## Remuneration Policy

The Audit & Risk Committee has responsibility for advising the Board on strategic HR matters and the overall approach to NFC pay and reward, whilst the Remuneration Committee specifically advises the Board on the remuneration and benefits attached to the Chief Executive and advises the Chief Executive on pay and grading considerations relating to other senior roles.

The Remuneration Committee meets at least annually and comprises 3 Trustees, including the Chairs of the Board and Audit & Risk Committee.

## Trustees' remuneration

Trustees, other than the Chief Executive, who is remunerated in his capacity as Chief Executive, do not receive any remuneration for their services. In accordance with the NFC's Articles of Association, all Trustees are entitled to the reimbursement

of reasonable travel and subsistence expenses necessarily incurred in fulfilling their duties. Excluding the Chief Executive, Trustees were reimbursed out-of-pocket expenses totalling £1,470 (2023-24: £1,760).

## Remuneration of the Chief Executive (*subject to audit*):

The Chief Executive is the only executive Trustee of the NFC and the only Trustee who is a member of the Principal Civil Service Pension Scheme (PCSPS). John Everitt has been the NFC's Chief Executive since 5 January 2015. The Principal Accounting Officer for Defra has conferred Accounting Officer status on him. The salary for the post aligns most closely to the range for Senior Civil Service pay band 1.

The salary payable to the Chief Executive is reviewed on 1 April each year. In addition to salary, the Chief Executive is entitled to an annual non-consolidated, non-pensionable bonus of up to 10% of annual salary. The bonus payable is based on the performance level attained and is made as part of the appraisal process operating within the Company. The bonus relates to performance in the year it is reported. The level of bonus payable to the Chief Executive was determined by the Chair in consultation with members of the Remuneration Committee.

Emoluments of the Chief Executive (*this information is subject to audit*):

	2024-25				2023-24			
	Salary £'000	Bonus payments £'000	Pension benefits £'000	Total £'000	Salary £'000	Bonus payments £'000	Pension benefits £'000	Total £'000
John Everitt	90-95	5-10	36	135-140	85-90	5-10	35	130-135

Pension benefits are disclosed to the nearest £1,000

## Salary

'Salary' includes gross salary; overtime; recruitment and retention allowances but excludes any bonus payments.

## Pension benefits

The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

## Benefits in kind

No benefits in kind (benefits provided by the NFC and treated by HM Revenue and Customs as a taxable emolument) were received in either year.

## Benefits to which the Chief Executive qualifies under the PCSPS

(subject to audit)

	Accrued pension at pension age as at 31 March 2025	Real increase in pension and related lump sum at pension age	CETV at 31 March 2025	CETV at 31 March 2024	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
John Everitt	20 – 25	0 – 2.5	337	279	27

### Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. Before 1 April 2015, the only scheme was the Principal Civil Service Pension Scheme (PCSPS), which is divided into a few different sections – classic, premium, and classic plus provide benefits on a final salary basis, whilst nuvos provides benefits on a career average basis. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis. All newly appointed civil servants, and the majority of those already in service, joined the new scheme.

The PCSPS and alpha are unfunded statutory schemes. Employees and employers make contributions (employee contributions range between 4.6% and 8.05%, depending on salary). The balance of the cost of benefits in payment is met by monies voted by Parliament each year. Pensions in payment are increased annually in line with the Pensions Increase legislation. Instead of the defined benefit arrangements, employees may opt for a defined contribution pension with an employer contribution, the partnership pension account.

In alpha, pension builds up at a rate of 2.32% of pensionable earnings each year, and the total amount accrued is adjusted annually in line with a rate set by HM Treasury. Members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004. All members who switched to alpha from the PCSPS had their PCSPS benefits ‘banked’, with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha.

The accrued pensions shown in this report are the pension the member is entitled to receive when they reach normal pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over normal pension age. Normal pension age is 60 for members of classic, premium, and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. The pension figures in this

report show pension earned in PCSPS or alpha – as appropriate. Where a member has benefits in both the PCSPS and alpha, the figures show the combined value of their benefits in the two schemes but note that the constituent parts of that pension may be payable from different ages.

When the government introduced new public service pension schemes in 2015, there were transitional arrangements which treated existing scheme members differently based on their age. Older members of the PCSPS remained in that scheme, rather than moving to alpha. In 2018, the Court of Appeal found that the transitional arrangements in the public service pension schemes unlawfully discriminated against younger members (the McCloud judgment). As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. The Public Service Pensions Remedy is made up of two parts. The first part closed the PCSPS on 31 March 2022, with all active members becoming members of alpha from 1 April 2022. The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023.

The accrued pension benefits, CETV and single total figure of remuneration reported for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the PCSPS for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the PCSPS for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the alpha scheme for the period from 1 April 2015 to 31 March 2022.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal and General Master trust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute but, where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

Read further details about the Civil Service pension arrangements at [civilservicepensionscheme.org.uk](https://civilservicepensionscheme.org.uk)

### Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The

pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost.

CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

### Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

## Staff Report

### Staff employed *(totals subject to audit)*

Average number of persons employed (full time equivalent)

	2024-25			2023-24		
	Permanent (FTE)	Other (FTE)	Total (FTE)	Permanent (FTE)	Other (FTE)	Total (FTE)
Employees	34.9	6.7	41.6	31.1	8.3	39.4

### Pay multiples and fair pay disclosure

*(subject to audit)*

The banded remuneration of the highest-paid employee (based on annualised, full-time equivalent) as at the reporting period end date was £100,000-£105,000 (2023-24: £95,000-£100,000). The highest-paid employee for both years was the Chief Executive.

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid employee (based on the midpoint of their band) and the lower quartile, median and upper quartile remuneration of the organisation's workforce based on the full-time equivalent staff

at the year-end date on an annualised basis. This is shown in the table below, as at the reporting period end date.

	Lower (25th) quartile	Median	Upper (75th) quartile
<b>31 March 2025</b>			
Remuneration (Salary and benefits)	£35,025	£41,780	£47,048
Highest paid as multiple	2.9	2.5	2.2
Salary only (excl. bonuses and benefits in kind)	£34,157	£40,712	£45,453
Highest paid as multiple	2.7	2.3	2.0
<b>31 March 2024</b>			
Remuneration (Salary and benefits)	£32,495	£38,013	£45,096
Highest paid as multiple	3.0	2.6	2.2
Salary only (excl. bonuses and benefits in kind)	£31,681	£36,104	£41,425
Highest paid as multiple	2.8	2.4	2.1

The movements in the multiple are marginal and mostly correspond to the method of the calculation as it is based on the midpoint of the band of the Chief Executive and the movement in the midpoint is not a true reflection of any percentage increase in the remuneration of the highest paid individual. However, for the past two years, the percentage increase of the remuneration of the median employee has increased at a higher rate than the percentage increase of the remuneration of the highest paid individual. This is mainly due to pay uplifts for a number of operational roles as a result of expanding responsibilities as the organisation continues to grow.

Total remuneration includes salary, non-consolidated performance-related bonuses, and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Remuneration for the workforce at the reporting period end date, including fees paid, agency staff, apprentices and including the highest-paid employee, ranged from banded remuneration of £20,000-£25,000 to £100,000-£105,000 (2023-24: from banded remuneration of £20,000-£25,000 to £95,000-£100,000). The salary and related costs arising from the employment of staff are detailed in note 14 of the financial statements.

The percentage change in the remuneration of the highest paid employee was 4.1% (2023-24: 6.7%). The percentage change excluding bonus and benefits in kind was 5% (2023-24: 5.5%).

The percentage change in the average remuneration of employees was 5.3% (2023-24: 13.3%). The percentage change excluding bonuses and benefits in kind: 7.7% (2023-24: 10.1%).

## Sickness absence

Staff absence due to sickness equated to an average of 4.5 days per employee during the year (2023-24: 2 days). The increase being the result of long term absences for ill health.

## Gender diversity

The gender split of Trustees and staff employed as at 31 March 2025 was as follows:

	Female	Male	Total
Trustees	4	4	4
Staff, including the Chief Executive	27	16	43

## Equal Opportunities

The Company is an equal opportunities employer. It is committed to a policy of non-discrimination on grounds of gender or marital status, sexual orientation, health (including pregnancy), disability, age, religion, colour, nationality or ethnic or national origin. Staff are required to observe this policy of non-discrimination in their dealings with members of the public and colleagues at work. All new staff are appointed on the basis of ability, qualification and suitability for the post. All staff are required to complete a diversity and inclusion course as part of a suite of mandatory training.

## Staff engagement

Various channels are used to regularly communicate with staff, including weekly updates from the Chief Executive, fortnightly team meetings as well as individual team meetings. Key documents such as the Corporate Plan, papers and minutes of meetings of the Board, Audit & Risk Committee and Working Groups are made available to all staff. All staff team days are held regularly, an opportunity where everyone can be involved in generating new ideas, can contribute their thoughts and can engage

with continuing developments and plans for all areas of our work.

The NFC continues to operate a Blended Working Framework to support flexible working. During the year an employee engagement survey was conducted, which gathered feedback on how the framework was functioning. The results of this were analysed by the Senior Leadership Team and discussed with individual teams. No significant issues were identified. Measures to promote staff wellbeing and benefits continue to be embedded with staff not only being offered Mental Health First Aid training but having access to 24-hour counselling, a Cycle to Work Scheme, eyecare vouchers, gym and fitness discounts, together with subscriptions to Headspace which provides support for good mental health.

Staff are incentivised to deliver high quality outcomes for the National Forest through an annual performance-related bonus scheme linked to their job descriptions, with an in-year bonus scheme also used to reward exceptional effort.

A handwritten signature in black ink, appearing to read 'J. Everitt', with a large, stylized loop at the end.

**John Everitt OBE FRSA**

Chief Executive/Accounting Officer

14 October 2025

# The Certificate and Report of the Comptroller and Auditor General to the Members of The National Forest Company and the Houses of Parliament

## Opinion on financial statements

I have audited the financial statements of the National Forest Company and its group for the year ended 31 March 2025 under the Government Resources and Accounts Act 2000. The financial statements comprise the National Forest Company and its group's:

- Balance Sheet as at 31 March 2025;
- Consolidated Statement of Financial Activities including Income and Expenditure Account, and Consolidated Cash Flow Statement for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In my opinion the financial statements:

- give a true and fair view of the state of the National Forest Company and its group's affairs as at 31 March 2025 and its incoming resources and application of resources for the year then ended; and
- 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
- have been properly prepared in accordance with the Charities Act 2011.

## Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial

transactions recorded in the financial statements conform to the authorities which govern them.

## Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs (UK)), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my report.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of the National Forest Company and its group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Conclusions relating to going concern

In auditing the financial statements, I have concluded that the National Forest Company and its group's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the National Forest Company and its group'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.

My responsibilities and the responsibilities of the directors 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 Strategic Report and Directors' Annual Report but does not include the financial statements and my auditor's report thereon. The

Trustees and the Accounting Officer are responsible for the other information.

My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

### Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury's Financial Reporting Manual.

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

- The Strategic Report and Directors' Annual Report have been prepared in accordance with applicable legal requirements; and
- the information given in the Strategic Report and Directors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which I report by exception

In the light of the knowledge and understanding of the National Forest Company and its group and their environment obtained in the course of the audit, I have not identified material misstatements in the Strategic Report and Directors' Annual Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not

been received from branches not visited by my staff; or

- the financial statements and the parts of the Remuneration and Staff Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- I have not received all of the information and explanations I require for my audit; or
- a corporate governance statement has not been prepared by the parent company; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

### Responsibilities of the Trustees and Accounting Officer for the financial statements

As explained more fully in the Statement of Trustees and Accounting Officer's Responsibilities, the Trustees and the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the National Forest Company and its group from whom the auditor determines it necessary to obtain audit evidence.
- ensuring such internal controls are in place as Trustees and the Accounting Officer determine are necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- preparing Group financial statements, which give a true and fair view, in accordance with the Companies Act 2006 and the Charities Act 2011;
- preparing the Annual Report, which includes the Remuneration and Staff Report, in accordance with the Companies Act 2006 and the Charities Act 2011; and
- assessing the National Forest Company and its group'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 directors either intends to liquidate the entity or the group or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

My responsibility is to certify and report on the financial statements in accordance with applicable law and the Government Resources and Accounts Act 2000.

My 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 a certificate that includes my 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.

### Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

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

### Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the National Forest Company and its group's accounting policies.
- inquired of management, the National Forest Company and those charged with governance, including obtaining and reviewing supporting documentation relating to the National Forest Company and its group's policies and procedures on:

- identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the National Forest Company and its group's controls relating to the National Forest Company and its group's compliance with the Companies Act 2006, Charities Act 2011, and Managing Public Money;
- inquired of management, National Forest Company and its group's head of internal audit and those charged with governance whether:
    - they were aware of any instances of non-compliance with laws and regulations; and
    - they had knowledge of any actual, suspected, or alleged fraud;
  - discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the National Forest Company and its group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the National Forest Company and its group's framework of authority and other legal and regulatory frameworks in which the National Forest Company and its group operates, I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the National Forest Company and its group. The key laws and regulations I considered in this context included Companies Act 2006, Charities Act 2011, the FRS 102 Statement of Recommended Practice (SORP) Accounting and Reporting by Charities, the Government Financial Reporting Manual, Managing Public Money, employment law and tax Legislation.

### Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my report.

#### Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

**Gareth Davies**

Comptroller and Auditor General

**20 October 2025**

National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

# National Forest Company

## Consolidated Statement of Financial Activities and Income and Expenditure (SOFA) for the year ended 31 March 2025

	Note	Unrestricted funds £	Restricted funds £	Total 2024-25 £	Total 2023-24 (restated) £
<b>Income</b>					
Grant in aid	3	2,538,846	757,519	3,296,365	2,527,275
Nature for Climate Fund	3	–	3,158,000	3,158,000	1,399,799
Donations and legacies	4	1,248,010	32,600	1,280,610	1,315,657
Charitable activities	5	692,086	1,569,654	2,261,740	1,730,622
Other trading activities	6	80,658	–	80,658	123,021
Investment income	7	109,068	–	109,068	110,680
<b>Total Income</b>		<b>4,668,668</b>	<b>5,517,773</b>	<b>10,186,441</b>	<b>7,207,053</b>
<b>Expenditure</b>					
Raising Funds	8	908,545	–	908,545	816,633
Charitable Activities	8	4,511,332	3,831,066	8,342,398	7,216,370
<b>Total Expenditure</b>		<b>5,419,877</b>	<b>3,831,066</b>	<b>9,250,943</b>	<b>8,033,003</b>
<b>Net Income/(Expenditure) before gains or losses</b>		<b>(751,209)</b>	<b>1,686,707</b>	<b>935,498</b>	<b>(825,950)</b>
Net gains/(losses) on investments	17	(102,340)	–	(102,340)	173,681
<b>Net Income/(Expenditure) before transfers</b>		<b>(853,549)</b>	<b>1,686,707</b>	<b>833,158</b>	<b>(652,269)</b>
Transfers		1,686,152	(1,686,152)	–	–
<b>Net Income/(Expenditure) after transfers</b>		<b>832,603</b>	<b>555</b>	<b>833,158</b>	<b>(652,269)</b>
<b>Other recognised gains/(losses)</b>					
Gains/(losses) on revaluation of fixed assets		(23,481)	–	(23,481)	(4,565)
Gains/(losses) on foreign currency		–	–	–	(257)
<b>Net movement in funds</b>		<b>809,122</b>	<b>555</b>	<b>809,677</b>	<b>(657,091)</b>
<b>Reconciliation of funds:</b>					
Total Funds brought forward at start of the year		<b>15,538,522</b>	<b>485,120</b>	<b>16,023,642</b>	<b>16,680,733</b>
<b>Total Funds carried forward at end of the year</b>		<b>16,347,644</b>	<b>485,675</b>	<b>16,833,319</b>	<b>16,023,642</b>

The Statement of Financial Activities (SOFA) also complies with the requirements for an income and expenditure account under the Companies Act 2006. All income and expenditure derive from continuing activities. The comparative information for 2023-24 is provided in note 30. Information on the prior year adjustment and restatement is provided in note 2 and note 33, and affects notes 6, 7 and 17.

# National Forest Company

## Group (Consolidated) Balance Sheet as at 31 March 2025

	Notes	£	2025 £	2024 (restated) £
<b>Fixed Assets:</b>				
Intangible assets	15		116,846	201,545
Tangible assets	16		12,409,306	11,418,261
Investment property	17		2,283,000	2,370,000
Investments	17		507,270	524,183
<b>Total Fixed Assets</b>			<u>15,316,422</u>	<u>14,513,989</u>
<b>Current Assets:</b>				
Debtors	19	599,593		902,778
Cash at bank and in hand		<u>1,573,091</u>		<u>1,672,733</u>
<b>Total Current Assets</b>		<u>2,172,684</u>		<u>2,575,511</u>
Creditors: amount falling due within 1 year	20	<u>(655,787)</u>		<u>(1,065,858)</u>
<b>Net Current Assets</b>			<u>1,516,897</u>	<u>1,509,653</u>
<b>Total Assets less Current Liabilities</b>			<u>16,833,319</u>	<u>16,023,642</u>
<b>Total Net Assets</b>			<u><u>16,833,319</u></u>	<u><u>16,023,642</u></u>
<b>The Funds of the Group:</b>				
Restricted funds	25		485,675	485,120
Unrestricted funds:				
Designated funds	26	14,968,799		4,101,350
General funds		<u>682,767</u>		<u>10,717,613</u>
			15,651,566	14,818,963
Revaluation Reserve			696,078	719,559
			<u><u>16,833,319</u></u>	<u><u>16,023,642</u></u>

The National Forest Company is exempt under the provisions of Section 475 of the Companies Act 2006 from making the disclosure requirements under Part 16 under Section 482 (non-profit making companies subject to public sector audit) of that Act. Information on the prior year adjustment and restatement is provided in note 2 and note 33, and affects notes 16, 17, 26 and 32.

The Annual Report & Accounts were approved and authorised for issue by the Board of Trustees on 14 October 2025 and signed on behalf of the Board of Trustees:



**Dr Tony Ballance**  
Chair

Dated: 14 October 2025



**John Everitt OBE FRSA**  
Chief Executive/Accounting Officer

Dated: 14 October 2025

The National Forest Company (Company number 02991970)

# National Forest Company

## Parent Charity Balance Sheet as at 31 March 2025

	Notes	£	2025 £	2024 (restated) £
<b>Fixed Assets:</b>				
Intangible assets	15		116,846	201,545
Tangible assets	16		11,383,421	10,392,376
Investment property	17		1,195,000	1,220,000
Investments	17		507,270	524,183
<b>Total Fixed Assets</b>			<u>13,202,537</u>	<u>12,338,104</u>
<b>Current Assets:</b>				
Debtors	19	656,812		887,151
Cash at bank and in hand		<u>1,504,220</u>		<u>1,672,634</u>
<b>Total Current Assets</b>		<u>2,161,032</u>		<u>2,559,784</u>
Creditors: amount falling due within 1 year	20	<u>(644,135)</u>		<u>(1,050,147)</u>
<b>Net Current Assets</b>			<u>1,516,897</u>	<u>1,509,638</u>
<b>Total Assets less Current Liabilities</b>			<u>14,719,434</u>	<u>13,847,742</u>
<b>Total Net Assets</b>			<u><u>14,719,434</u></u>	<u><u>13,847,742</u></u>
<b>The Funds of the Charity:</b>				
Restricted funds	25		485,675	485,120
Unrestricted funds:				
Designated funds	26	13,112,415		2,951,350
General funds		<u>682,766</u>		<u>9,949,213</u>
			13,795,181	12,900,563
Revaluation Reserve			438,578	462,059
			<u><u>14,719,434</u></u>	<u><u>13,847,742</u></u>

The net movement of funds reported in the Statement of Financial Activities of the parent charity for the year was £871,692 (2023-24: £(727,360)). Information on the prior year adjustment and restatement is provided in note 2 and note 33, and affects notes 16, 17, 26 and 32.

The Annual Report & Accounts were approved and authorised for issue by the Board of Trustees on 14 October 2025 and signed on behalf of the Board of Trustees:



**Dr Tony Ballance**  
Chair

Dated: 14 October 2025



**John Everitt OBE FRSA**  
Chief Executive/Accounting Officer

Dated: 14 October 2025

The National Forest Company (Company number 02991970)

# National Forest Company

## Consolidated cash flow statement for the year ended 31 March 2025

	2024-25	2023-24
	£	(restated) £
<b>Cash Flow from Operating Activities:</b>		
Net cash flow from operating activities	1,588,799	355,143
<b>Cash Flows from Investing Activities:</b>		
Interest and rent from investments	109,068	110,680
Purchase of intangible fixed assets	–	(62,268)
Purchase of tangible fixed assets	(1,799,082)	(1,310,079)
Purchase of investment property	–	–
Proceeds from the sale of investments	1,573	–
<b>Net Cash Used in Investing Activities</b>	<b>(1,688,441)</b>	<b>(1,261,667)</b>
<b>Effect of exchange rate changes on cash</b>	<b>–</b>	<b>(257)</b>
<b>Change in Cash and Cash Equivalents in the year</b>	<b>(99,642)</b>	<b>(906,781)</b>
Cash and cash equivalents at start of the year	1,672,733	2,579,514
<b>Cash and Cash Equivalents at end of the year</b>	<b>1,573,091</b>	<b>1,672,733</b>

## Reconciliation of Net Income/(Expenditure) to Net Cash Flow from Operating Activities

	2024-25	2023-24
	£	(restated) £
Net income/(expenditure) for the year (as per the Statement of Financial Activities)	833,158	(652,269)
Adjustments for:		
Depreciation charges	35,635	30,676
Amortisation	59,726	–
Loss on disposal of intangible assets	24,973	–
(Gains)/losses on investments	102,340	(173,681)
Impairment charges	748,921	1,105,171
Decrease/(increase) in debtors	303,185	(30,400)
(Decrease)/Increase in creditors	(410,071)	186,326
Interest and rent from investment	(109,068)	(110,680)
	<b>1,588,799</b>	<b>355,143</b>

## Analysis of Cash and Cash Equivalents

	2024-25	2023-24
	£	£
Cash in hand and at bank	1,573,091	1,672,733
<b>Total Cash and Cash Equivalents</b>	<b>1,573,091</b>	<b>1,672,733</b>

Information on the prior year adjustment and restatement is provided in note 2 and note 33.

# Notes to the Accounts

## 1 Accounting Policies

### 1.1 Basis of Preparation and accounting convention

The National Forest Company (NFC) is a public benefit entity meeting the definition under FRS102 and is a company limited by guarantee and a charity registered in England and Wales.

The financial statements have been prepared, to the nearest £1, in accordance with the Statement of Recommended Practice, 'Accounting and Reporting by Charities', issued 1 January 2019 and Financial Reporting Standard 102 (FRS102) and the Companies Act 2006.

In addition, these financial statements also meet the accounting and disclosure requirements of the 2024-25 Government Financial Reporting Manual (FRM) issued by HM Treasury, where not inconsistent with the requirements of the SoRP and the Accounts Direction issued by the Secretary of State for Environment, Food and Rural Affairs.

The financial statements have been prepared on a going concern and accruals basis and under the modified historical cost convention, modified to account for the revaluation of land and buildings. They do not present Cash Flow Statement of Statement of Financial Activities for The National Forest Company, since as the parent in the group whose consolidated accounts are presented here, exemptions are available under the 'qualifying entity' rules and by analogy to section 408 of the Companies Act, as described in FRS 102. In both cases the results of the parent are fully consolidated into the group position presented, with the consolidated financial statements consolidating the financial statements of The National Forest Company and its subsidiary National Forest Enterprises Limited for the year ended 31 March 2025 with the consolidation being carried out on a line-by-line basis. The wholly owned subsidiary, The Forest Experience Ltd was dissolved on 23 July 2024.

### 1.2 Going Concern

The Trustees confirm that it is appropriate for The National Forest Company to adopt the going concern principle in preparing its accounts.

The Trustees have reviewed budgets, forecasts, and anticipated Grant in Aid receipts and other funding from Defra, and together with considering the potential impacts on its financial position from both internal and external risks, have concluded

there is a reasonable expectation that the NFC has adequate resources to continue in operational existence for a period of at least 12 months from the date that the accounts are approved. The Trustees are not aware of any proposed legislative changes which could significantly impact the organisation. NFC therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

### 1.3 Key Sources of Estimation Uncertainty and Significant Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amount of income and expenditure. All estimates are based on the NFC's knowledge of current facts and circumstances, assumptions concerning past events and forecasts of future events and actions. Actual results may differ from estimates made.

In the process of applying the NFC's accounting policies, the following judgements, and estimations, have been made which have the most significant impact on the amounts recognised in the financial statements:

#### Judgements

- Income recognition (see Note 1.4)
- Investment property classification (see Note 1.7c and Note 2)

#### Estimates

- The valuation of Conkers and land and buildings held as investments undertaken by an independent Chartered Surveyor in accordance with the RICS Valuation Standards including using a price to earnings multiplier calculated by the Surveyor (see Notes 1.9 and 1.11 below).
- The valuation of land, held as tangible fixed assets, undertaken by the directors of NFC (see Notes 1.9 and 1.11 below).

### 1.4 Income

#### Government grants

Grant-in-aid, including capital grant, is credited to income in the year for which it is received. It is regarded as unrestricted income since Defra, whilst requiring funds allocated be utilised in contributing to the delivery of departmental objectives, does not stipulate how any specific element of the grant should be spent.

Nature for Climate Fund grant is treated as restricted income and the recognition of income is conditional on delivering certain levels or volumes of a service or supply of goods and contractual payments from Government or public authorities and other parties which fund the provision of particular goods or services.

These have been presented as separate lines in the Statement of Financial Activities (SoFA) due to the materiality of the income as per the SoRP paragraph 4.13.

#### **Income from donations and legacies**

Donations are accounted for on receipt, with any income tax recoverable in relation to donations received under Gift Aid recognised at the time of the donation.

General donations are received and utilised for any of the NFC's charitable purposes. No direct benefit is provided to the donor in return, other than the knowledge that the NFC must use the gift to further its objectives. 'Dedicate a Grove' and 'Dedicate a Tree' income are gift donations which the NFC use to support the ongoing creation and management of the National Forest. This is classed as unrestricted income as it represents a contribution to the National Forest's creation which is intrinsically linked to other purposes of the Charity such as ongoing maintenance of woodlands, habitat creation and education, and is used to further the NFC's charitable purposes including woodland creation.

Donations in lieu of entry, for Conkers, are donations made by visitors, which are least 10% greater than the single admission price or equivalent to the price of an annual pass, for which the NFC grants them admission to the Conkers visitor attraction free of charge. The operator charges NFC a management fee for the visitors which are granted such an admission.

Legacy income is recognised upon notification (probate) for pecuniary legacies, and for residuary legacies when probate is granted and there is sufficient information on the value of the estate and probability of receipt.

Donation and legacy income with a condition or defined purpose attached is allocated to restricted income and any unspent amounts are shown on the balance sheet as a restricted fund balance.

#### **Income from activities and generating funds**

Income is accounted for net of VAT. Grant income entitlement is recognised when the NFC has met any performance or other deliverable criteria

for recognition and the monetary value can be measured reliably. Where the grant is received in advance of recognition it is deferred and included in creditors until entitlement occurs. If entitlement occurs before the income has been received it is accrued to debtors.

Grant income with a condition or defined purpose attached is allocated to restricted income and any unspent amounts are shown on the balance sheet as a restricted fund balance.

#### **Income from Sponsorship**

Sponsorship income is recognised as income when the conditions for its receipt have been met. Where there are conditions or specified deliverables then income received is not immediately recognised but is deferred as a liability until conditions imposed are met at which point the related income is recognised. Where there are no specified deliverables under the agreement then the income is recognised in line with the stage of completion of the agreement term.

### **1.5 Donated Services**

NFC engages with unpaid volunteers to support our activities over the course of the year. Due to the absence of a reliable measurement basis, the contributions of volunteers are not included as income in the accounts. Other donated services or facilities are included in income at a valuation which is an estimate of the financial cost borne by a third party.

### **1.6 Expenditure**

Expenditure is accounted for net of recoverable VAT on an accruals basis and is classified under the relevant activity within the Statement of Financial Activities.

All costs are allocated between the expenditure categories of the Statement of Financial Activities reflecting the objectives of the NFC as set out in the Directors' Report and the use of resources. Costs relating to a particular activity comprise both costs that can be allocated directly to such activities and support costs; being those costs of an indirect nature necessary to support them. The salary and related costs of staff employed wholly on the various charitable activities and raising funds are allocated to those activities. Where staff are engaged on more than one of these activities, the allocation is based on the estimated proportion of time spent on the activities. Indirect costs have been allocated on the basis of full-time equivalent headcount assigned to each of the charitable activities and activities for raising funds.

Governance costs include the costs of strategic planning, the Annual Report and Accounts, audit fees and Trustees' expenses.

Grants payable are recognised when the criteria for a constructive obligation are met, payment is probable, values can be measured reliably, and there are no conditions attached to its payment that limit its recognition.

## 1.7 Fixed Assets

### (a) Operational Assets

Tangible fixed assets other than freehold land and buildings are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, using the straight-line method, as follows:

Fixtures, fittings, plant and equipment	– over 3 to 5 years
IT Equipment	– over 3 to 5 years
Motor vehicles	– over 5 years

Depreciation and amortisation charges are included in expenditure on charitable activities on the Statement of Financial Activities.

Land and buildings are revalued every five years by external professionally qualified valuers, on the basis on their open market value of existing use. In intervening years between full professional revaluations desktop valuation exercises are undertaken by NFC directors using evidence provided by professionally qualified valuers. The exception to this is when planting has taken place, which causes a change in use of the land, impacting the value of the land. When this occurs, a full revaluation is undertaken by external professionally qualified valuers at the end of the year when the planting has taken place.

Conkers land and buildings are revalued every year by external professionally qualified valuers, using the profits method by applying a multiplier to the fair maintainable operating profit to provide a capital value.

Where the valuation is higher than the purchase price paid, the excess over purchase price is credited to a Revaluation Reserve. Revaluation gains are recognised in the Statement of Financial Activities under 'Revaluation of assets' unless they reverse a charge for impairment previously recognised as a cost within the expenditure headings of the Statement of Financial Activities. Revaluation losses are recognised as an expense in the relevant expenditure heading of the Statement

of Financial Activities except to the extent they reverse any previous revaluation gains.

### (b) Intangible Assets

Intangible assets are stated at historical cost less accumulated amortisation and any provision for impairment.

Website and IT software assets, when operational, are amortised (charged to raising funds) on a straight-line basis over a three-year period but each year an impairment review is undertaken to confirm whether the assets are still fit for purpose in delivering future cash flows whether directly or indirectly.

### (c) Investment Property

Investment property represents land and buildings which are primarily held for the purpose of commercial letting. These are measured at fair value annually with any change recognised in the Statement of Financial Activities. Their fair values are based valuations undertaken by an independent Chartered Surveyor using the income/investment approach on desktop valuations estimated by third-party professional valuers (with a full physical valuation every five years).

### (d) Investments

Investments are measured at current market value and any gains or losses arising from the revaluation are charged to the Statement of Financial Activities. They are sought in funds and investment products which are not contrary to NFC's aims and charitable objectives and so are held in the Cazenove Charity Responsible Multi-Asset Fund

## 1.8 Current assets and liabilities

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

## 1.9 Cash and cash equivalents

Cash and cash equivalents comprises cash at hand, in bank and short-term deposits. Short-term deposits are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant

risk of changes in value. Cash in bank is held in a combination of commercial banks and the Government Banking Service.

### 1.10 Financial Instruments

Other than financial investments, NFC has only financial assets and financial liabilities that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

### 1.11 Foreign Currencies

Receipt and payment recognition of transactions in foreign currencies are recorded at the rate of exchange at the time of the transaction. Exchange differences on monetary items are translated at the closing rate at the end of each reporting period with the differences taken to the Statement of Financial Activities.

### 1.12 Finance Leases

The NFC has no finance leases. Rentals under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the term of the lease, even if payments are not made on such a basis.

### 1.13 Pensions

The NFC accounts for pension contributions in the periods for which they are payable. The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme. The NFC is unable to identify its share of the underlying assets and liabilities. The Scheme administrators carry out actuarial valuations of the Scheme and prepare full accounts for the Scheme. The NFC recognises in its accounts those costs collected from it by the Scheme administrators in respect of Accruing Superannuation Liability Charges (ASLCs), which are shown as "Pension Costs".

## 2 Prior Year Adjustments

### Investment property

A change has been made in the judgement made relating to how we assess land owned by the organisation and its classification of an investment property. Land purchased and owned to meet the organisation's charitable objects should be appropriately treated as a tangible asset even if there happens to be a licence or farm business tenancy for grazing on the land. This is because the primary purpose for owning the land is not for investment purposes and so should not be treated as an investment property in line with FRS 102 and the charity SoRP. This has meant that £1.87m of land which was treated as investment property as

at 31 March 2024 (£2.68m at 1 April 2023) has been corrected to be shown as tangible assets.

### Restricted funds

Furthermore, whilst undertaking the review of the land holdings for the above, the nature of the funding received to fund the acquisition of land since 2020-21 was also reviewed. Upon further consideration of the funding agreement and the organisation's framework document, it is deemed that the restriction associated with the Nature for Climate funding is satisfied when the income is used to acquire land purchased for the organisation's charitable purposes. This has meant that £2.95m of funds at 31 March 2024 (£2.27m at 1 April 2023) classified as restricted have been corrected to be shown as unrestricted funds.

The adjustments made have no impact on the total net asset position at 1 April 2023 or 31 March 2024. Note 33 provides details of the movements between classification of fixed assets and fund balances for the comparative year and the movement in classification of fund balances at 1 April 2023.

The impact on the comparative Statement of Financial Activities is a reclassification of £16,603 from investment income to other trading income and an increase in the amount of the restricted to unrestricted transfer by £684,803.

The impact on the comparative Cash Flow Statement is a £16,603 decrease in the cash flow from Interest and rent from investment and a £16,603 increase in the net cash provided by operating activities plus a £493,575 decrease in purchase of investment property and a £493,575 increase in purchase of tangible fixed assets.

### 3 Grant in aid and Nature for Climate Funds

Group	2024-25		2023-24	
	Unrestricted Funds £	Restricted Funds £	Unrestricted Funds £	Restricted Funds £
Grant in aid	2,538,846	757,519	2,527,275	–
Nature for Climate Fund	–	3,158,000	–	1,399,799

Grant in aid is received from Defra and is treated as unrestricted income since the Department, whilst requiring that funds allocated contribute to the delivery of its objectives, does not stipulate any specific purpose(s) as to how any of the funds must be utilised.

Grant in aid accounts is utilised to fund the forest creation and woodland management programmes, including the various grant schemes, contributes to the tourism and community engagement programmes and meets a significant proportion of governance and support costs.

Nature for Climate Funds, while also received from Defra, it is treated as restricted income, per the memorandum of understanding, which facilitates funding of new planting within the National Forest.

### 4 Donations and legacies

Group	2024-25		2023-24	
	Unrestricted Funds £	Restricted Funds £	Unrestricted Funds £	Restricted Funds £
Donations in lieu of entry (Conkers)	1,008,413	–	1,059,827	–
Dedicate a Grove	38,050	–	42,401	–
Dedicate a Tree	98,783	–	134,435	–
General donations	75,921	–	55,893	–
Other donations	–	32,600	–	23,000
Legacies	26,843	–	100	–
	1,248,010	32,600	1,292,657	23,000

### 5 Income from charitable activities

Group	2024-25		2023-24	
	Unrestricted Funds £	Restricted Funds £	Unrestricted Funds £	Restricted Funds £
Forest creation	254,726	207,984	30,743	292,365
Woodland management	–	504,457	–	326,452
Community engagement	–	545,262	–	196,359
Tourism and promotion	–	18,000	–	18,000
Charnwood Forest Partnership	–	293,951	–	553,913
Conkers	397,137	–	266,330	–
Other	40,223	–	45,403	1,057
	692,086	1,569,654	342,476	1,388,146

## 6 Income from other trading activities

Group	2024-25		2023-24	
	Unrestricted Funds £	Restricted Funds £	Unrestricted Funds (restated) £	Restricted Funds £
Corporate Partnerships	46,543	–	70,673	–
Other trading activities	34,115	–	52,348	–
	<u>80,658</u>	<u>–</u>	<u>123,021</u>	<u>–</u>

## 7 Investments

Group	2024-25		2023-24	
	Unrestricted Funds £	Restricted Funds £	Unrestricted Funds (restated) £	Restricted Funds £
Rental income	71,659	–	74,653	–
Investment income	19,836	–	21,848	–
Bank interest	17,573	–	14,179	–
	<u>109,068</u>	<u>–</u>	<u>110,680</u>	<u>–</u>

## 8 Analysis of Expenditure

Group	Direct Staff costs £	Other direct activity costs £	Grant funding of activity £	Support costs £	Total 2024-25 £
<b>Raising Funds</b>					
Development and fundraising costs	279,050	335,584	–	291,729	906,363
Investment management costs	–	2,182	–	–	2,182
<b>Total Cost</b>	<u>279,050</u>	<u>337,766</u>	<u>–</u>	<u>291,729</u>	<u>908,545</u>
<b>Charitable Activities</b>					
Forest creation	418,167	1,085,770	1,734,600	649,163	3,887,700
Woodland management	100,308	536,394	328,284	224,677	1,189,663
Community engagement	285,031	349,385	77,736	404,231	1,116,383
Tourism and promotion	72,275	106,305	44,634	89,300	312,514
Charnwood Forest Partnership	185,393	209,143	25,434	218,594	638,564
Conkers	–	1,197,574	–	–	1,197,574
<b>Total Cost</b>	<u>1,061,174</u>	<u>3,484,571</u>	<u>2,210,688</u>	<u>1,585,965</u>	<u>8,342,398</u>
<b>Total All Costs</b>	<u>1,340,224</u>	<u>3,822,337</u>	<u>2,210,688</u>	<u>1,877,694</u>	<u>9,250,943</u>

Comparative figures for 2023-24 can be found at note 30.

## 9 Analysis of Grant Funding of Activity

The NFC awards grants to a number of institutions, both organisations and landowners, to support activity which contributes to the achievement of its charitable objects. No grants were paid with the purpose of directly benefitting the personal circumstances of the individuals.

Group	Grants to organisations £	Grants to landowners £	Total 2024-25 £	Total 2023-24 £
Forest creation	891,734	842,866	1,734,600	366,328
Woodland management	109,721	218,563	328,284	317,760
Community engagement	103,170	–	103,170	176,999
Tourism and promotion	43,634	1,000	44,634	36,652
	<u>1,148,259</u>	<u>1,062,429</u>	<u>2,210,688</u>	<u>897,739</u>

Included in the funding activity of Forest Creation, in total £620,539 was paid to the combination of the National Trust, Forest of Avon Trust, Sheffield & Rotherham Wildlife Trust and Ribble Catchment Conservation Trust as part of the Forest for the Nation project.

Apart from grants paid to the National Trust (£208,834), Wild Rumpus CIC (£40,000), North West Leicestershire District Council (£17,851) and the Woodland Trust (£55,626), no other organisation received grants amounting to more than £20,000. Four landowners received grants amounting to more than £20,000 totalling £388,880.

Comparative figures for 2023-24 can be found at note 31.

## 10 Analysis of Support Costs

Group	Staff Costs £	Other costs £	Total 2024-25 £	Total 2023-24 £
Governance costs	105,063	90,154	195,217	178,516
Finance costs	239,744	24,297	264,041	184,349
Premises costs	–	128,296	128,296	98,144
ICT & Telecoms	68,891	167,092	235,983	210,108
Human Resources	68,891	62,362	131,253	215,864
Organisational support costs	124,353	111,956	236,309	213,050
PR & Communications	138,589	516	139,105	173,925
Grants administration	189,027	–	189,027	136,806
Charitable Activities	251,198	–	251,198	189,290
Advocacy	71,630	–	71,630	90,708
Depreciation	–	35,635	35,635	30,676
	<u>1,257,386</u>	<u>620,308</u>	<u>1,877,694</u>	<u>1,721,436</u>

Comparative figures for 2023-24 can be found at note 31.

## 11 Analysis of Governance Other Costs

Group	2024-25 £	2023-24 £
Trustees related expenditure	3,693	18,375
Legal and professional fees	–	1,473
Audit and annual report costs	85,765	54,082
Other	696	401
	<u>90,154</u>	<u>74,331</u>

## 12 Net Income/Expenditure for the Year

Group	2024-25 £	2023-24 £
This is stated after charging:		
Operating leases	53,534	53,534
Depreciation	35,635	30,676
Amortisation	59,726	–
Auditor's remuneration:		
Audit fee	72,500	50,000
Accountancy and tax services	–	–
	<u>–</u>	<u>–</u>

## 13 Trustees (Directors)

John Everitt is a Trustee and is employed by NFC as the Chief Executive for which he is remunerated. The detail of his remuneration is provided in the Remuneration and Staff Report. None of the other Trustees (or any persons connected with them) received any remuneration or benefits during the year. Excluding John Everitt, four trustees were reimbursed out-of-pocket expenses totalling £1,470 (2023-24: five totalling £1,760).

## 14 Employees

The average monthly headcount of contracted employees and the average full-time equivalent (FTE) number of employees during the year were as follows:

Group	2024-25 Headcount	2024-25 FTE	2023-24 Headcount	2023-24 FTE
Direct charitable activities	25	23	24	22
Management, administration and support	20	19	17	17
	<u>45</u>	<u>42</u>	<u>41</u>	<u>39</u>

Employment Costs:

Group	2024-25 £	2023-24 £
Wages and salaries	1,897,019	1,692,312
National Insurance costs	203,908	178,766
Pension costs	496,683	411,767
	<u>2,597,610</u>	<u>2,282,845</u>

## 14 Employees (cont.)

The number of employees with annual emoluments of £60,000 or more:

	2024-25 (number)	2023-24 (number)
£60,000 – £70,000	1	3
£70,000 – £80,000	2	–
£90,000 – £100,000	–	1
£100,000 – £110,000	1	–

There are five posts considered as paid executive Key Management Personnel of the charity (as defined by FRS102), comprising the Chief Executive, Director of Operations, Director of Development, Director of Corporate Resources, and Commercial Director. The employee benefits of Key Management Personnel amounted to £517,184 (2023-24: £503,723).

## 15 Intangible Fixed Assets

Group and Charity	Website £	Under Construction £	Total £
<b>Cost</b>			
At 1 April 2024	117,258	200,242	317,500
Additions	–	–	–
Disposals	(117,258)	(24,973)	(142,231)
Transfers	175,269	(175,269)	–
<b>At 31 March 2025</b>	<b>175,269</b>	<b>–</b>	<b>175,269</b>
<b>Amortisation</b>			
At 1 April 2024	115,955	–	115,955
Charge for the period	59,726	–	59,726
On disposal	(117,258)	–	(117,258)
<b>At 31 March 2025</b>	<b>58,423</b>	<b>–</b>	<b>58,423</b>
<b>Net book value</b>			
<b>At 31 March 2025</b>	<b>116,846</b>	<b>–</b>	<b>116,846</b>
At 31 March 2024	1,303	200,242	201,545

## 16 Tangible Fixed Assets

Group	Conkers Building £	Conkers Land £	Buildings £	Land (restated) £	Furniture and Fittings £	IT equipment £	Total £
<b>Cost/Valuation</b>							
At 1 April 2024	2,235,745	496,948	17,308	8,550,000	238,364	194,685	11,733,050
Additions	–	–	–	1,791,901	–	7,181	1,799,082
Disposals	–	–	–	–	(21,861)	(104,446)	(126,307)
Impairment	(105,690)	–	(830)	(642,401)	–	–	(748,921)
Revaluation	–	(23,492)	11	–	–	–	(23,481)
<b>At 31 March 2025</b>	<b>2,130,055</b>	<b>473,456</b>	<b>16,489</b>	<b>9,699,500</b>	<b>216,503</b>	<b>97,420</b>	<b>12,633,423</b>
<b>Depreciation</b>							
At 1 April 2024	–	–	–	–	174,611	140,178	314,789
Charge for the year	–	–	–	–	16,858	18,777	35,635
On disposal	–	–	–	–	(21,861)	(104,446)	(126,307)
<b>At 31 March 2025</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>169,608</b>	<b>54,509</b>	<b>224,117</b>
<b>Net book value</b>							
<b>At 31 March 2025</b>	<b>2,130,055</b>	<b>473,456</b>	<b>16,489</b>	<b>9,699,500</b>	<b>46,895</b>	<b>42,911</b>	<b>12,409,306</b>
At 31 March 2024	2,235,745	496,948	17,307	8,550,000	63,753	54,507	11,418,261

The combined cost value of the revalued land and buildings, had the assets been carried under the historical cost and fair value model, at 31 March 2025 would be £15,589,370 (2024 : £13,797,469).

Charity	Conkers Building £	Conkers Land £	Buildings £	Land (restated) £	Furniture and Fittings £	IT equipment £	Total £
<b>Cost/Valuation</b>							
At 1 April 2024	2,235,745	496,948	17,308	7,524,115	238,364	194,685	10,707,165
Additions	–	–	–	1,791,901	–	7,181	1,799,082
Disposals	–	–	–	–	(21,861)	(104,446)	(126,307)
Impairment	(105,690)	–	(830)	(642,401)	–	–	(748,921)
Revaluation	–	(23,492)	11	–	–	–	(23,481)
<b>At 31 March 2025</b>	<b>2,130,055</b>	<b>473,456</b>	<b>16,489</b>	<b>8,673,615</b>	<b>216,503</b>	<b>97,420</b>	<b>11,607,538</b>
<b>Depreciation</b>							
At 1 April 2024	–	–	–	–	174,611	140,178	314,789
Charge for the year	–	–	–	–	16,858	18,777	35,635
On disposal	–	–	–	–	(21,861)	(104,446)	(126,307)
<b>At 31 March 2025</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>169,608</b>	<b>54,509</b>	<b>224,117</b>
<b>Net book value</b>							
<b>At 31 March 2025</b>	<b>2,130,055</b>	<b>473,456</b>	<b>16,489</b>	<b>8,673,615</b>	<b>46,895</b>	<b>42,911</b>	<b>11,383,421</b>
At 31 March 2024	2,235,745	496,948	17,308	7,524,115	63,753	54,507	10,392,376

The combined cost value of the revalued land and buildings, had the assets been carried under the historical cost model, at 31 March 2025 would be £14,820,985 (2024 : £13,029,084). Impairments and Reversal of prior years' impairment on land are charged to the Statement of Finance Activity through expenditure on charitable activities as Forest Creation activity expenditure.

The annual valuation of land and buildings at 31 March 2025 was undertaken either by NFC directors using evidence provided by professionally qualified valuers or by external professionally qualified valuers, taking into account factors like agricultural grade, access, location, use and any restrictions.

## 17 Investments

<b>Group</b>	<b>Cazenove Investment Fund £</b>	<b>Property £</b>	<b>Total £</b>
<b>Cost/Valuation</b>			
At 1 April 2024 (restated)	524,183	2,370,000	2,894,183
Additions	–	–	–
Disposals	(1,573)	–	(1,573)
Revaluation	(15,340)	(87,000)	(102,340)
<b>At 31 March 2025</b>	<b>507,270</b>	<b>2,283,000</b>	<b>2,790,270</b>

The cost value of the revalued property, had the assets been carried under the historical cost and fair value model, at 31 March 2025 would be £2,087,270 (2024 : £2,087,270).

The annual valuation of land and buildings at 31 March 2025 was undertaken by external professionally qualified valuers.

<b>Charity</b>	<b>Subsidiary company £</b>	<b>Cazenove Investment Fund £</b>	<b>Property £</b>	<b>Total £</b>
<b>Cost/Valuation</b>				
At 1 April 2024 (restated)	–	524,183	1,220,000	1,744,183
Additions	–	–	–	–
Disposals	–	(1,573)	–	(1,573)
Revaluation	–	(15,340)	(25,000)	(40,340)
<b>At 31 March 2025</b>	<b>–</b>	<b>507,270</b>	<b>1,195,000</b>	<b>1,702,270</b>

The charity holds two shares, which is which is the entire issued share capital, of National Forest Enterprises Ltd, which were transferred to the charity at £nil cost.

The cost value of the revalued property, had the assets been carried under the historical cost model, at 31 March 2025 would be £929,770 (2024 : £929,770).

In the year ended 31 March 2021, £500,001 was invested in Cazenove Charity Responsible Multi-Asset Fund which, for 2024-25, has generated a return of £19,836 (2023-24: £21,848). The income is extracted to our reserves, rather than re-invested into the fund.

## 18 Consolidated subsidiary

The National Forest Company (Parent) wholly owns a trading subsidiary which is incorporated in the UK and has the same registered office as the NFC. The subsidiary undertaking, National Forest Enterprises Limited (Company Registration No. 03601510) holds property and manages the operating agreement with the independent third party which operates Conkers. The company donates its taxable profit to NFC as unrestricted funds.

<b>Profit &amp; Loss Account</b>	<b>2024-25</b> <b>£</b>	<b>2023-24</b> <b>£</b>
Turnover	<b>415,116</b>	283,256
<b>Gross Profit</b>	<b>415,116</b>	283,256
Administrative expenses	<b>(332,474)</b>	(280,997)
Fair value movements	<b>(62,000)</b>	(12,000)
<b>Operating profit</b>	<b>20,642</b>	(9,741)
<b>Profit for the financial year</b>	<b>20,642</b>	(9,741)
	<b>31 March</b> <b>2025</b> <b>£</b>	<b>31 March</b> <b>2024</b> <b>£</b>
<b>Capital and Reserves</b>	<b>2,113,887</b>	2,175,887

## 19 Debtors

	<b>Group</b>		<b>Parent</b>	
	<b>2025</b> <b>£</b>	<b>2024</b> <b>£</b>	<b>2025</b> <b>£</b>	<b>2024</b> <b>£</b>
<b>Amounts falling due within one year</b>				
Trade debtors	186,417	173,810	182,601	168,136
Owed by subsidiary company	–	–	242,865	96,151
Owed by HMRC	59,910	71,372	59,858	69,305
Other debtors	13,329	8,460	13,329	8,460
Prepayments	92,493	85,592	92,493	85,592
Accrued income	243,110	558,508	61,332	454,471
	<u>595,259</u>	<u>897,742</u>	<u>652,478</u>	<u>882,115</u>
<b>Amounts falling due after one year</b>				
Other debtors	4,334	5,036	4,334	5,036
	<u>4,334</u>	<u>5,036</u>	<u>4,334</u>	<u>5,036</u>
<b>Total debtors</b>	<u>599,593</u>	<u>902,778</u>	<u>656,812</u>	<u>887,151</u>

Amounts owed by subsidiary company are repayable on demand and no interest is chargeable.

## 20 Creditors: Amounts Falling Due Within One Year

	Group		Parent	
	2025 £	2024 £	2025 £	2024 £
Trade creditors	260,599	161,948	260,541	157,831
Other Creditors	3,300	3,300	3,300	3,300
Accruals	239,738	298,524	228,144	286,930
Deferred income	152,150	602,086	152,150	602,086
	<u>655,787</u>	<u>1,065,858</u>	<u>644,135</u>	<u>1,050,147</u>

## 21 Deferred Income

	Balance at 1 April 2024 £	Additions £	Released £	Balance at 31 March 2025 £
Section 106	15,280	–	(5,730)	9,550
Severn Trent – Great Big Nature Boost	105,299	–	(105,299)	–
Fatface Carbon Project	200,000	–	(200,000)	–
UKSPF – Heart of the Forest	218,490	–	(218,490)	–
NFC Building Decarbonisation Project	50,000	–	(50,000)	–
Getting to know your Greenspace	–	124,439	–	124,439
Other	13,017	18,161	(13,017)	18,161
	<u>602,086</u>	<u>142,600</u>	<u>(592,536)</u>	<u>152,150</u>

Deferred income relates to income received but for which the specified outputs have not been delivered by the year end.

## 22 Financial Instruments

Financial assets measured at amortised cost comprise cash at bank, trade debtors, other debtors and accrued income. Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

As the current cash requirements of the NFC are met largely through grant in aid received from Defra, financial instruments play a more limited role in creating risk than would apply to a non-public sector body of a similar size. The NFC has no complex financial instruments and the risk of exposure to credit, liquidity or market risk is minimal. The NFC investment of £500,001 with Cazenove's Charity responsible Multi- Asset Fund is a financial instrument with the measurement and accounting basis being fair value.

## 23 Commitments under operating leases

Future minimum rentals of the consolidated group payable under non-cancellable operating leases are as follows:

	2024-25 £	2023-24 £
Less than 1 year	53,534	53,534
Between 2 and 5 years	107,069	160,603
Over 5 years	–	–
	<u>160,603</u>	<u>214,137</u>

The obligations relate to the lease for office accommodation occupied by the National Forest Company which commenced on 1 April 2023 and will expire on 31 March 2028. The lease expense, including irrecoverable VAT for 2024-25 was £53,534 (2023-24: £53,534).

## 24 Other Financial Commitments

The NFC has entered into contracts (which are not leases or PFI contracts) under the Changing Landscape Scheme (CLS) and the Freewoods and Parkland Schemes. The payments to which the NFC is committed, analysed by the period during which the commitments fall due, are as follows:

	2024-25 £	2023-24 £
Less than 1 year	62,021	72,061
Between 2 and 5 years	285,788	347,809
Over 5 years	–	–
	<u>347,809</u>	<u>419,870</u>

## 25 Restricted Funds (Movement in Funds)

Group and Charity	Balance at 1 April 2024 (restated) £	Incoming Funds £	Resources Expended £	Transfers £	Balance at 31 March 2025 £
Nature for Climate Fund	239,608	3,058,000	(1,441,555)	(1,686,152)	169,901
Nature for Climate Fund – Midlands Forest Network	13,280	100,000	(113,280)	–	–
Creating a Forest for Learning project	44,081	110,000	(68,850)	–	85,231
Defra Comms & Forest for the Nation	–	757,519	(757,519)	–	–
Creating Working Woodlands project	1,468	–	(1,468)	–	–
Charnwood Forest Partnership Landscape scheme	99,647	293,951	(459,136)	–	(65,538)
Burton & Coalville arts projects	–	38,551	(5,515)	–	33,036
NFC Building Decarbonisation Project	–	50,000	(50,000)	–	–
Rolls Royce – Environmental Education	–	20,000	(20,000)	–	–
Severn Trent – Great Big Nature Boost	–	490,061	(487,992)	–	2,069
Midlands Forest Network	–	40,858	(13,028)	–	27,830
National Forest Community Woodlands	26,874	72,771	(99,645)	–	–
Valpak Ltd – various	29,161	12,600	(28,615)	–	13,146
UKSPF – Heart of the National Forest	–	323,941	(199,971)	–	123,970
Other restricted funds	31,001	149,521	(84,492)	–	96,030
	<u>485,120</u>	<u>5,517,773</u>	<u>(3,831,066)</u>	<u>(1,686,152)</u>	<u>485,675</u>

The transfer of £1,686,152 represents the expenditure on land purchased in the year, which has been capitalised on the balance sheet as unrestricted assets on the basis that the requirements attached to the funding have been met.

## 26 Designated Funds (Movement in Funds)

<b>Group</b>	<b>Balance at 1 April 2024 £</b>	<b>New Designations £</b>	<b>Utilised funds £</b>	<b>Released £</b>	<b>Balance at 31 March 2025 £</b>
Financial Contingency Fund	700,000	250,000	–		950,000
Land Acquisition, Management and Development Fund	500,000	–	–	(500,000)	–
Enterprise and Investment Fund	438,973	–	–	(438,973)	–
Conkers Repair & Investment Fund	92,377	20,000	–	–	112,377
Land and Buildings capital asset reserve	–	11,623,422	–	–	11,623,422
Investment property reserve (restated)	2,370,000	–	(87,000)	–	2,283,000
	<u>4,101,350</u>	<u>11,893,422</u>	<u>(87,000)</u>	<u>(938,973)</u>	<u>14,968,799</u>

  

<b>Charity</b>	<b>Balance at 1 April 2024 £</b>	<b>New Designations £</b>	<b>Utilised funds £</b>	<b>Released £</b>	<b>Balance at 31 March 2025 £</b>
Financial Contingency Fund	700,000	250,000	–		950,000
Land Acquisition, Management and Development Fund	500,000	–	–	(500,000)	–
Enterprise and Investment Fund	438,973	–	–	(438,973)	–
Conkers Repair & Investment Fund	92,377	20,000	–	–	112,377
Land and Buildings capital asset reserve	–	10,855,038	–	–	10,855,038
Investment property reserve (restated)	1,220,000	–	(25,000)	–	1,195,000
	<u>2,951,350</u>	<u>11,125,038</u>	<u>(25,000)</u>	<u>(938,973)</u>	<u>13,112,415</u>

Designated funds are unrestricted funds, but nevertheless designated by the Trustees for a particular purpose. Those purposes being a financial contingency fund, a repair and investment fund for Conkers and capital reserve funds equating to the net book value of land and buildings and investment property held by the group. The significant movement between general reserves and designated reserves is as a result of the new designation of the Land and Buildings capital asset reserve.

## 27 Analysis of Net Assets between Funds

Group	Unrestricted funds £	Restricted funds £	Total £
<b>Fund balances at 31 March 2025 are represented by:</b>			
Intangible fixed assets	116,846	–	116,846
Tangible fixed assets	12,409,306	–	12,409,306
Investments	2,790,270	–	2,790,270
Net current assets	1,031,222	485,675	1,516,897
	<u>16,347,644</u>	<u>485,675</u>	<u>16,833,319</u>

  

Charity	Unrestricted funds £	Restricted funds £	Total £
<b>Fund balances at 31 March 2025 are represented by:</b>			
Intangible fixed assets	116,846	–	116,846
Tangible fixed assets	11,383,421	–	11,383,421
Investments	1,702,270	–	1,702,270
Net current assets	1,031,222	485,675	1,516,897
	<u>14,233,759</u>	<u>485,675</u>	<u>14,719,434</u>

## 28 Related Party Disclosures

The charity owns the whole of the issued share capital of National Forest Enterprises Limited. During the year, the charity charged the subsidiary company £75,000 (2023-24: £68,386) for services and the subsidiary company donated its profits, through Gift Aid, of £82,642 (2023-24: £nil). At the year end the subsidiary company owed the charity £237,557 (2024: £96,151).

John Everitt, a trustee and the chief executive, has been a member of the National Lottery Heritage Fund Midlands and East Committee since January 2015. Grant Support of £276,059 (2023-24 £524,628) was received for the Charnwood Forest Landscape Partnership Scheme project; John Everitt declared an interest and was not party to the decision to award the funds.

During the year, no trustee or related parties has undertaken any material transactions with the Charity other than those disclosed in the Remuneration and Staff Report.

The NFC has dealings with the Department for Environment, Food and Rural Affairs (Defra) and some of its sponsored bodies.

	2024-25 £	2023-24 £
Defra – Grant in aid	3,296,365	2,527,275
Defra – Nature for Climate Fund	3,158,000	1,261,299
Rural Payments Agency (Woodland grants)	<u>14,396</u>	<u>11,355</u>

The NFC has an agreement with Forest Research allowing access to a National Forest site at Eastern Old Parks in order to undertake research into Ash Dieback disease.

## 29 Events after the Balance Sheet Date

The Annual Report and Accounts have been authorised for issue by the National Forest Company's Chief Executive and Trustees. The authorised to issue date is the date of the Comptroller and Auditor General's audit certificate.

### 30 Comparative Consolidated Statement of Financial Activities including Income and Expenditure Account for the year ended 31 March 2024

	Notes	Unrestricted Funds (restated) £	Restricted Funds (restated) £	Total 2023-24 £
<b>Income</b>				
Grant in aid	2	2,527,275	–	2,527,275
Nature for Climate Fund	2	–	1,399,799	1,399,799
Donations and legacies	3	881,039	–	881,039
Charitable activities	4	411,618	23,000	434,618
Other trading activities	5	342,476	1,388,147	1,730,623
Investment income	6	106,418	–	106,418
<b>Total Income</b>		<b>4,396,106</b>	<b>2,810,946</b>	<b>7,207,052</b>
<b>Expenditure</b>				
Raising Funds	31	816,633	–	816,633
Charitable Activities	31	4,876,467	2,339,903	7,216,370
<b>Total Expenditure</b>		<b>5,693,100</b>	<b>2,339,903</b>	<b>8,033,003</b>
<b>Net Income/(Expenditure) before gains or losses</b>		<b>(1,296,994)</b>	<b>471,043</b>	<b>(825,951)</b>
Net gains/(losses) on investments		173,681	–	173,681
<b>Net Income/(Expenditure) before transfers</b>		<b>(1,123,313)</b>	<b>471,043</b>	<b>(652,270)</b>
Transfers (restated)		688,092	(688,092)	–
<b>Net Income/(Expenditure) after transfers</b>		<b>(435,221)</b>	<b>(217,049)</b>	<b>(652,270)</b>
<b>Other Recognised Gains and Losses:</b>				
Gains/(losses) on revaluation of fixed assets		(4,565)	–	(4,565)
Gains/(losses) on foreign currency		–	(257)	(257)
<b>Net Movement in Funds</b>		<b>(439,786)</b>	<b>(217,306)</b>	<b>(657,092)</b>
<b>Reconciliation of Funds:</b>				
Total Funds at start of the year as originally stated		13,712,957	2,967,778	16,680,734
Prior year adjustment		2,265,351	(2,265,351)	–
<b>Total Funds at start of the year as restated</b>		<b>15,978,308</b>	<b>702,426</b>	<b>16,680,734</b>
<b>Total Funds at end of the year</b>		<b>15,538,522</b>	<b>485,120</b>	<b>16,023,642</b>

The restated figures represent a reclassification of £16,603 from investment income to other trading income and an increase in the amount of the restricted to unrestricted transfer by £684,803.

## 31 Comparative Analysis of Expenditure notes

### Analysis of Expenditure

	Direct Staff costs £	Other direct activity costs £	Grant funding £	Support costs £	Total 2023-24 £
<b>Raising Funds</b>					
Development and fundraising costs	244,500	251,168	–	318,111	813,779
Investment management costs		2,854	–	–	2,854
<b>Total Cost</b>	244,500	254,022		318,111	816,633
<b>Charitable Activities</b>					
Forest creation	416,051	969,971	366,328	534,690	2,287,040
Woodland management	95,921	644,542	317,760	241,998	1,300,221
Community engagement	196,099	231,215	176,999	315,330	919,643
Tourism and promotion	73,114	169,326	36,652	104,828	383,920
Charnwood Forest Partnership	179,054	379,495	–	206,479	765,028
Conkers	–	1,560,518	–	–	1,560,518
<b>Total Cost</b>	960,239	3,955,067	897,739	1,403,325	7,216,370
<b>Total All Costs</b>	1,204,739	4,209,089	897,739	1,721,436	8,033,003

### Analysis of Grant Funding of Activity

The NFC awards grants to a number of institutions, both organisations and landowners, to support activity which contributes to the achievement of its charitable objects. No grants were paid with the purpose of directly benefitting the personal circumstances of the individuals.

	Grants to organisations £	Grants to landowners £	Total 2023-24 £
Forest creation	201,299	165,029	366,328
Woodland management	93,850	223,910	317,760
Community engagement	176,999	–	176,999
Tourism and promotion	30,176	6,476	36,652
	502,324	395,415	897,739

Apart from grants paid to the National Trust (£70,930), South Derbyshire District Council (£22,961), Wild Rumpus CIC (£60,000), Fellowship of the School of Economic Science (£21,953) and the Woodland Trust (£55,626), no other organisation received grants amounting to more than £20,000. Four landowners received grants amounting to more than £20,000 totalling £388,880.

## 31 Comparative Analysis of Expenditure notes (cont)

### Analysis of Support Costs

	Staff Costs £	Other costs £	Total 2023-24 £
Governance costs	104,185	74,331	178,516
Finance costs	151,507	32,842	184,349
Premises costs	–	98,144	98,144
ICT & Telecoms	62,796	147,312	210,108
Human Resources	62,796	153,068	215,864
Organisational support costs	106,542	106,508	213,050
PR & Communications	173,474	451	173,925
Grants administration	136,806	–	136,806
Charitable Activities	189,290	–	189,290
Advocacy	90,708	–	90,708
Depreciation	–	30,676	30,676
	<u>1,078,106</u>	<u>643,330</u>	<u>1,721,436</u>

## 32 Comparative Funds notes

### Restricted Funds

Group and Charity	Balance at 1 April 2023 (restated) £	Incoming Funds £	Resources Expended £	Transfers £	Balance at 31 March 2024 (restated) £
Nature for Climate Fund	304,867	1,261,299	(641,755)	(684,803)	239,608
Nature for Climate Fund – Midlands Forest Network	10,712	100,000	(97,432)	–	13,280
Creating a Forest for Learning project	173,366	22,000	(151,285)	–	44,081
Defra Comms & Forest for the Nation	–	38,500	(40,021)	1,521	–
Creating Working Woodlands project	11,633	–	(10,165)	–	1,468
Charnwood Forest Partnership Landscape scheme	144,209	553,913	(598,476)	–	99,647
Burton & Coalville arts projects	–	1,057	–	(1,057)	–
Rolls Royce – Environmental Education	–	20,000	(20,000)	–	–
Severn Trent – Great Big Nature Boost	–	224,694	(262,987)	38,293	–
Midlands Forest Network	–	63,104	(65,805)	2,702	–
National Forest Community Woodlands	–	133,603	(106,729)	–	26,874
Valpak Ltd – various	48,628	–	(19,467)	–	29,161
UKSPF – Heart of the National Forest	–	34,510	(74,949)	40,439	–
Other restricted funds	9,012	358,266	(251,089)	(85,187)	31,001
	<u>702,427</u>	<u>2,810,946</u>	<u>(2,340,160)</u>	<u>(688,092)</u>	<u>485,120</u>

## 32 Comparative Fund notes (cont)

### Designated Funds

Group	Balance at 1 April 2023 (restated) £	New Designations £	Utilised funds £	Released £	Balance at 31 March 2024 (restated) £
Financial Contingency Fund	700,000	–	–	–	700,000
Land Acquisition, Management and Development Fund	700,000	–	(200,000)	–	500,000
Enterprise and Investment Fund	500,000	–	(61,027)	–	438,973
Conkers Repair & Investment Fund	280,588	178,789	(367,000)	–	92,377
Land and Buildings asset reserve	–	–	–	–	–
Investment property reserve	2,222,000	160,000	(12,000)	–	2,370,000
	<u>4,402,588</u>	<u>338,789</u>	<u>(640,027)</u>	<u>–</u>	<u>4,101,350</u>

Charity	Balance at 1 April 2023 (restated) £	New Designations £	Utilised Funds £	Released £	Balance at 31 March 2024 (restated) £
Financial Contingency Fund	700,000	–	–	–	700,000
Land Acquisition, Management and Development Fund	700,000	–	(200,000)	–	500,000
Enterprise and Investment Fund	500,000	–	(61,027)	–	438,973
Conkers Repair & Investment Fund	280,588	178,789	(367,000)	–	92,377
Land and Buildings asset reserve	–	–	–	–	–
Investment property reserve	1,060,000	160,000	–	–	1,220,000
	<u>3,240,588</u>	<u>338,789</u>	<u>(628,027)</u>	<u>–</u>	<u>2,951,350</u>

### Analysis of Net Assets between Funds

Group	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2024 are represented by:			
Intangible fixed assets	201,545	–	201,545
Tangible fixed assets	11,418,261	–	11,418,261
Investments	2,894,183	–	2,894,183
Net current assets	1,024,533	485,120	1,509,653
	<u>15,538,522</u>	<u>485,120</u>	<u>16,023,642</u>

### 32 Comparative Fund notes (cont)

Charity	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2024 are represented by:			
Intangible fixed assets	201,545	–	201,545
Tangible fixed assets	10,392,376	–	10,392,376
Investments	1,744,183	–	1,744,183
Net current assets	1,024,518	485,120	1,509,638
	<u>13,362,622</u>	<u>485,120</u>	<u>13,847,742</u>

### 33 Prior Year adjustment

As explained in Note 2, the organisation has revised its treatment of land owned which had ancillary licences and farm business tenancy agreements for grazing rights (impacting fixed asset classification for the group and charity) and its consideration of the treatment of restricted Nature for Climate income utilised to acquire land for charitable purposes (impacting funds classification of the group and charity). The impact to the fund balances as reported at 1 April 2023 and the balance sheet as reported at 31 March 2024 are provided below.

	As reported at 1 April 2023 £	Adjustment £	As restated at 1 April 2023 £
<b>The Funds of the Group:</b>			
Restricted funds	2,967,778	(2,265,351)	702,427
Unrestricted funds:			
Designated funds	4,649,143	(246,555)	4,402,588
General funds	8,339,688	2,511,906	10,851,594
	<u>12,988,831</u>	<u>2,265,351</u>	<u>15,254,182</u>
Revaluation Reserve	724,124	–	724,124
	<u>16,680,733</u>	<u>–</u>	<u>16,680,733</u>
	As reported at 1 April 2023 £	Adjustment £	As restated at 1 April 2023 £
<b>The Funds of the Charity:</b>			
Restricted funds	2,967,778	(2,265,351)	702,427
Unrestricted funds:			
Designated funds	4,649,143	(246,555)	4,402,588
General funds	6,411,557	2,511,906	8,923,463
	<u>11,060,700</u>	<u>2,265,351</u>	<u>13,326,051</u>
Revaluation Reserve	546,624	–	546,624
	<u>14,575,102</u>	<u>–</u>	<u>14,575,102</u>

### 33 Prior Year adjustment (cont)

Group Balance Sheet	As reported at 31 March 2024 £	Adjustment £	As restated at 31 March 2024 £
<b>Fixed Assets:</b>			
Intangible assets	201,545	–	201,545
Tangible assets	9,553,261	1,865,000	11,418,261
Investment property	4,235,000	(1,865,000)	2,370,000
Investments	524,183	–	524,183
<b>Total Fixed Assets</b>	<b>14,513,989</b>	<b>–</b>	<b>14,513,989</b>
<b>Current Assets:</b>			
Debtors	902,778	–	902,778
Cash at bank and in hand	1,672,732	–	1,672,732
<b>Total Current Assets</b>	<b>2,575,510</b>	<b>–</b>	<b>2,575,510</b>
Creditors: amount falling due within 1 year	(1,065,858)	–	(1,065,858)
<b>Net Current Assets</b>	<b>1,509,653</b>	<b>–</b>	<b>1,509,653</b>
<b>Total Assets less Current Liabilities</b>	<b>16,023,642</b>	<b>–</b>	<b>16,023,642</b>
<b>Total Net Assets</b>	<b>16,023,642</b>	<b>–</b>	<b>16,023,642</b>
<b>The Funds of the Group:</b>			
Restricted funds	3,435,275	(2,950,155)	485,120
Unrestricted funds:			
Designated funds	4,373,586	(272,236)	4,101,350
General funds	7,495,222	3,222,391	10,717,613
	11,868,808	2,950,155	14,818,963
Revaluation Reserve	719,559	–	719,559
	<b>16,023,642</b>	<b>–</b>	<b>16,023,642</b>

### 33 Prior Year adjustment (cont)

Charity Balance Sheet	As reported at 31 March 2024 £	Adjustment £	As restated at 31 March 2024 £
<b>Fixed Assets:</b>			
Intangible assets	201,545	–	201,545
Tangible assets	8,527,376	1,865,000	10,392,376
Investment property	3,085,000	(1,865,000)	1,220,000
Investments	524,183	–	524,183
<b>Total Fixed Assets</b>	<u>12,338,104</u>	<u>–</u>	<u>12,338,104</u>
<b>Current Assets:</b>			
Debtors	887,151	–	887,151
Cash at bank and in hand	<u>1,672,634</u>	<u>–</u>	<u>1,672,634</u>
<b>Total Current Assets</b>	<u>2,559,784</u>	<u>–</u>	<u>2,559,784</u>
Creditors: amount falling due within 1 year	<u>(1,050,147)</u>	<u>–</u>	<u>(1,050,147)</u>
<b>Net Current Assets</b>	<u>1,509,638</u>	<u>–</u>	<u>1,509,638</u>
<b>Total Assets less Current Liabilities</b>	<u>13,847,742</u>	<u>–</u>	<u>13,847,742</u>
<b>Total Net Assets</b>	<u>13,847,742</u>	<u>–</u>	<u>13,847,742</u>
<b>The Funds of the Group:</b>			
Restricted funds	3,435,275	(2,950,155)	485,120
Unrestricted funds:			
Designated funds	3,223,586	(272,236)	2,951,350
General funds	<u>6,726,822</u>	<u>3,222,391</u>	<u>9,949,213</u>
	9,950,408	2,950,155	12,900,563
Revaluation Reserve	<u>462,059</u>	<u>–</u>	<u>462,059</u>
	<u>13,847,742</u>	<u>–</u>	<u>13,847,742</u>



