

Charity Registration No. 1072706

Company Registration No. 03598556 (England and Wales)

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

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

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

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

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

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

## **Chair's Report**

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

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

## **Objectives and activities**

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

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

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

## **Delivering on CFT's purpose**

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

### **1. Community Forest Trust (core activities)**

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

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

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

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

### **2. The Mersey Forest**

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

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

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

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

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

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

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

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

### 3. Northern Forest

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

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

### 4. Manchester City of Trees (Discontinued operations)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)  
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**Forward Look**

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

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

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

Alison Ball

**Chair, Community Forest Trust**


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

## **FOR THE PERIOD ENDED 30 JUNE 2023**

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### **Mission, Vision and Values**

#### **Mission**

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

#### **Vision**

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

#### **Values**

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

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

#### **Statement of Public Benefit**

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

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

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

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

### **Achievements and performance**

#### **Financial review**

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

#### **Investment Policies**

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

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

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**Reserves Policy and Going Concern**

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

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

**Plans for Future Periods**

Our future activities are likely to include:

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

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

**Structure, governance and management**

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

Mrs Alison Ball (Chair)

Mrs Alison Gilbody

Ms Victoria Merton

Ms Karen Hands

(Resigned 3 October 2023)

Mr William Baldwin-Cantello

(Resigned 28 November 2023)

Mrs Christine Burt

Prof David Shaw

Prof Alan Simson

Mr Benjamin Williams

Mrs Debbie Beaven

Ms Joanne Harrison

(Resigned 5 April 2022)

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

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**Key Personnel**

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

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

**Structure and Governing Documents**

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

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

**Organisational Structure**

Community Forest Trust is the holding company for several organisations:

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

Mr P Nolan (Chair)

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

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

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

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

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

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

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

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

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

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**Appointment of Trustees**

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

**Organisation**

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

Related parties and co-operation with other organisations.

**Risk Management**

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

The trustees have a risk management strategy which comprises:

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

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

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

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

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

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

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

**Auditor**

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

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)  
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**Disclosure of information to auditor**

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

**Small Companies Provisions**

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

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

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**Mrs Alison Ball (Chair)**

Chair

Dated: 14/02/2024  
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**COMMUNITY FOREST TRUST  
COMPANY LIMITED BY GUARANTEE  
STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE PERIOD ENDED 30 JUNE 2023**

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The trustees, who are also the directors of Community Forest Trust for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

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## **Opinion**

We have audited the financial statements of Community Forest Trust (the 'charity') and its subsidiaries for the period ended 30 June 2023 which comprise the consolidated statement of financial activities, the consolidated and parent balance sheet, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and charitable company's affairs as at 30 June 2023 and of the group's incoming resources and application of resources, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

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

## **Conclusions relating to going concern**

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

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

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

## **Other information**

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

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

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

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



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

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## **Matters on which we are required to report by exception**

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

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

## **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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

.....

**Chartered Accountants  
Statutory Auditor**

Suite 5.1  
12 Tithebarn Street  
Liverpool  
L2 2DT

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

**FOR THE PERIOD ENDED 30 JUNE 2023**

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

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

**FOR THE PERIOD ENDED 30 JUNE 2023**

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

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

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



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

**AS AT 30 JUNE 2023**

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

The financial statements were approved by the Trustees on .....

14/02/2024  
.....  
Mrs Alison Ball (Chair)  
Trustee

**Company Registration No. 03598556**

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

**AS AT 30 JUNE 2023**

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

The financial statements were approved by the Trustees on .....

14/02/2024  
.....  
Mrs Alison Ball (Chair)  
Trustee

**Company Registration No. 03598556**

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

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

# **COMMUNITY FOREST TRUST COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE FINANCIAL STATEMENTS**

### ***FOR THE PERIOD ENDED 30 JUNE 2023***

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#### **1 Accounting policies**

##### **Charity information**

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

##### **1.1 Reporting period**

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

##### **1.2 Accounting convention**

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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

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

##### **1.3 Going concern**

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

##### **1.4 Charitable funds**

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

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

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

##### **1.5 Income**

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

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

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



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

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**1 Accounting policies**

**(continued)**

*Donated Services and Facilities*

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

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

*Deferred income*

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

*Interest receivable*

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

**1.6 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified as expenditure on charitable activities including grants payable and other administration costs to further the purposes of the Charity.

**1.7 Tangible fixed assets**

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

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

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

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

**1.8 Fixed asset investments**

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

**1.9 Impairment of fixed assets**

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

**1.10 Debtors**

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

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

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**1 Accounting policies (continued)**

**1.11 Cash and cash equivalents**

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

**1.12 Financial instruments**

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

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

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

**Basic financial assets**

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

**Basic financial liabilities**

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

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

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

**Derecognition of financial liabilities**

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

**1.13 Taxation**

*Taxation and VAT*

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

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

*Corporation Tax*

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

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

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**1 Accounting policies (continued)**

**1.14 Creditors**

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

**1.15 Pension costs**

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

**1.16 Leases**

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

**1.17 Group Financial Statements**

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

**1.18 Fund Accounting**

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

**2 Critical accounting estimates and judgements**

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

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

Accruals

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

Deferred and accrued Income

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

**3 Legal Status**

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

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

**4 Donations and legacies**

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

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

**5 Charitable activities**

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

**6 Investments**

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

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

**7 Charitable activities**

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

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

**8 Grants payable**

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

**9 Support costs**

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

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

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

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

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

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

**11 Employees**

The average monthly number of employees during the period was:

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

**Employment costs**

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

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

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

**12 Taxation**

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



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

**13 Tangible fixed assets - group**

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

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

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

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

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

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

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

**14 Tangible fixed assets - charity**

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

**15 Fixed asset investments - group**

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

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

**16 Fixed asset investments - charity**

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

**17 Subsidiaries**

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

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

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

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

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

**22 Creditors: amounts falling due within one year - group**

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

**23 Creditors: amounts falling due within one year - charity**

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

**24 Deferred income - group**

Deferred income is included in the financial statements as follows:

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

Movements in the period:

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

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

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

**25 Designated funds - group**

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

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

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

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

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

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

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

**Designated funds - charity**

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

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

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

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**25 Designated funds - group**

**(continued)**

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

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

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

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

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



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

**FOR THE PERIOD ENDED 30 JUNE 2023**

**26 Analysis of Charitable Funds**

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

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

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

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

**FOR THE PERIOD ENDED 30 JUNE 2023**

**26 Analysis of Charitable Funds**

**(continued)**

**Restricted funds:**

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

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

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

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

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

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

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

**FOR THE PERIOD ENDED 30 JUNE 2023**

**27 Analysis of Charitable Funds (Charity)**

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

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

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

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

**FOR THE PERIOD ENDED 30 JUNE 2023**

**27 Analysis of Charitable Funds (Charity)**

**(continued)**

**Restricted funds:**

	Movement in funds			Movement in funds			Transfers	Balance at 30 June 2023
	Balance at 1 April 2021	Incoming resources	Resources expended	Balance at 1 April 2022	Incoming resources	Resources expended		
	£	£	£	£	£	£	£	
CFT	674,000	209,523	(268,107)	615,416	2,682,235	(2,557,141)	-	740,510
City of Trees	762,552	4,244,743	(3,033,315)	1,973,980	3,317,279	(5,291,259)	-	-
Mersey Forest	254,156	1,719,451	(1,202,684)	770,923	2,637,076	(2,677,464)	-	730,535
Trees for Yorkshire	113,727	1,343,229	(1,284,018)	172,938	145,815	(166,709)	-	152,044
Cumbria Costal Forest	-	-	-	-	200,000	(47,888)	-	152,112
	<u>1,804,435</u>	<u>7,516,946</u>	<u>(5,788,124)</u>	<u>3,533,257</u>	<u>8,982,405</u>	<u>(10,740,461)</u>	<u>-</u>	<u>1,775,201</u>

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

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

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

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

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

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

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**28 Related party transactions**

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

The Trustees did not receive remuneration during the financial period (2022: £Nil) and no expenses were paid to the Trustees during the financial year (2022: £Nil)

Key management, consisted of the 5 individuals (2022: 6 individuals) who worked the equivalent of 4.6 full time equivalent on the management of the Charity (2022: 3 FTE). The costs of the key personnel on the management of the Charity is paid during the period gross £239,359 (2022: £185,515).

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

City of Trees Divestment

At 30 June 2023, City of Trees divested.

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

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

At 30 June 2023, Community Forest Trust owes City of Trees £2,543,458 for its share of restricted and unrestricted reserves.

**COMMUNITY FOREST TRUST  
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE PERIOD ENDED 30 JUNE 2023**

**29 Analysis of net assets between funds - group**

	<b>Unrestricted funds 2023 £</b>	<b>Designated funds 2023 £</b>	<b>Restricted funds 2023 £</b>	<b>Total 2023 £</b>	<b>Unrestricted funds 2022 £</b>	<b>Designated funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Total 2022 £</b>
Fund balances at 30 June 2023 are represented by:								
Tangible assets	-	143,412	-	143,412	8,730	139,245	-	147,975
Investments	-	-	-	-	200,000	-	-	200,000
Current assets/(liabilities)	334,351	79,111	1,818,254	2,231,716	214,041	212,253	3,576,311	4,002,605
	<u>334,351</u>	<u>222,523</u>	<u>1,818,254</u>	<u>2,375,128</u>	<u>422,771</u>	<u>351,498</u>	<u>3,576,311</u>	<u>4,350,580</u>

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

**30 Operating lease commitments - group & charity**

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

	<b>2023</b>	2022
	<b>£</b>	<b>£</b>
Within one year	5,142	20,503
Between two and five years	1,463	21,562
	<u>6,605</u>	<u>42,065</u>

**31 Prior year restatement**

The prior year figures have been re-stated to include recognition of accrued income and expenditure of £401,831 in respect of Mersey Forest grants. The adjustment increases both income and expenditure in the Statement of Financial Activities by £401,831 resulting in a Nil effect on the surplus for the year.

The Balance sheet has also been restated in order to recognise the accrued income debtor balance of £401,831 as well as the accrual for expenditure within creditors for the same amount.

**32 Cash generated from operations**

	<b>2023</b>	2022
	<b>£</b>	<b>£</b>
(Deficit)/surplus for the period	(1,975,452)	1,934,616
Adjustments for:		
Investment income recognised in statement of financial activities	(41,359)	(6,254)
Depreciation and impairment of tangible fixed assets	5,185	4,272
Movements in working capital:		
(Increase) in debtors	(62,529)	(1,833,411)
Increase in creditors	3,682,451	1,485,387
(Decrease)/increase in deferred income	(135,710)	2,039,873
<b>Cash generated from operations</b>	<u>1,472,586</u>	<u>3,624,483</u>