

Charity Registration No. 1032154

Company Registration No. 02874642



**TRUSTEES' REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2024**

# TREES FOR CITIES (A COMPANY LIMITED BY GUARANT EE)

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	B Bardswell J Capon (Chair) S Gray M Hayer (from 4 April 2024) A MacGillivray B Miller A Shah (to 24 May 2024) J Thrift D Woodbine S Workman
<b>Chief Executive</b>	K Sheldon
<b>Charity number</b>	1032154 (England and Wales)
<b>Company number</b>	02874642 (United Kingdom)
<b>Principal address and Registered office</b>	Prince Consort Lodge Kennington Park Place London SE11 4AS
<b>Auditor</b>	Sayer Vincent LLP Chartered Accountants and Statutory Auditor 110 Golden Lane London EC1Y 0TG
<b>Bankers</b>	The Co-operative Bank p.l.c. (main day to day bankers) P.O. Box 101 1 Balloon Street Manchester M60 4EP

**TREES FOR CITIES TRUST EES' REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2024  
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# TREES FOR CITIES

## TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2024

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The Trustees are pleased to present their report and accounts for the year ended 31 March 2024.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

### **Our Mission**

*'To improve people's lives by planting trees in towns and cities'*

Trees for Cities is the only UK charity working at a national and international scale to improve lives by planting trees in cities. We get stuck in with local communities to cultivate lasting change in their neighbourhoods – whether it's revitalizing forgotten spaces, creating healthier environments or getting people excited about growing, foraging and eating healthy food.

### **Objectives and Activities (including Achievements and Performance)**

Our organisational goal is to create healthy, accessible, functional and resilient urban forests created for today and future generations.

Trees for Cities wants to enable and inspire a new generation of individuals and communities who are both resourced and motivated to plant, protect and promote urban trees. We do this by working closely with landowners, partners and funders to deliver transformational change in towns and cities – inspiring the next generation by greening schools, sharing ideas and knowledge and running inclusive community tree planting events across the UK.

Our objects, as set out in our governing document are:

“The Charity is established to advance the education of the public in the appreciation of trees and nature, particularly with regard to their social and environmental value by the planting, protection and promotion of trees and green spaces everywhere and in particular in towns and cities.”

The public benefits that shape our annual activities continue to be environmental protection and improvement, education, and health.

In shaping our objectives for the year and planning our activities, the trustees have given consideration to the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

# TREES FOR CITIES

## TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2024

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### What we achieved in 2023-24:

- Planted 116,772 trees (planned 153,000) in 44 towns and cities across the UK comprising:
  - 35,982 trees (34,999 whips, 975 standards and 8 fruit trees) across 15 community projects in seven London Boroughs
  - 79,184 trees (72,090 whips, 6,949 standards, 145 fruit trees) in 42 other towns and cities, including 2,753 trees through the Urban Tree Challenge Fund.
  - 1,606 trees through Trees for Streets
- To date we have planted 1,873,511 trees.
- We held a 30<sup>th</sup> anniversary event in Horsenden Home Farm, Ealing.
- Delivered playground projects in 35 schools to create Healthy Playgrounds, Edible Playgrounds, Planting Healthy Air, Trees for Schools, and Sustainable Drainage System (SuDS) projects. These were carried out in Bradford, Cardiff, Glasgow, Leicester and London spanning England, Wales and Scotland. Engagement activities in an additional 30 schools where we delivered last year.
- Grew the Trees for Streets programme, increasing the number of Councils using the platform from 16 to 20. Growth was supported by a grant from the Mayor of London.
- We engaged 39,333 people comprising 9,522 volunteers through our urban forests programme, 26,736 pupils and 3,075 school staff.

### Plans for future periods

Plans for 2024-25 include:

- Plant 130,000 urban trees where they are needed most in 20 towns and cities across the UK and overseas comprising:
  - at least 35,000 trees across 15 community projects in London including estate greening projects, park projects and woodland creation projects.
  - at least 90,000 trees at least 17 towns and cities across the UK comprising a planting mix of whips, standards and fruit trees.
  - Plant and establish at least 175 standard trees and 5,000 whips in schools
- Develop, design and deliver 45 schools projects in at least seven cities across the UK, comprising a mix of Healthy Playgrounds, Edible Playgrounds, Planting Healthy Air, Trees for Schools, and Sustainable Drainage System (SuDS) projects.
- Continue to on board new Councils for Trees for Streets to secure partnerships with 27 local authorities by the end of the year (7 new) to raise sponsorship for circa 3,240 street trees.
- Complete our year of 30<sup>th</sup> Anniversary celebrations, culminating in engaging our 200,000<sup>th</sup> person to plant our two millionth urban tree.
- Create a new Organisational Strategy to set out the Charity's strategic direction from 2025-2030.

# TREES FOR CITIES

## TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2024

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### Financial Review

The Statement of Financial Activities (SoFA), Balance sheet and Statement of cash flows have been prepared in accordance with the Charities SORP FRS 102.

Trees for Cities went through a year of transition in 2023-24, with a new structure in place and new directors brought into the organisation to create a new senior leadership team. This was done in order to strengthen infrastructure to better support the charity, which has seen rapid growth in recent years, and to help broaden our fundraising focus. The investments made are vital to build our foundations as we continue to deliver against our current strategy and work towards a new strategic period of growth. As part of our strategic planning in 2024-25 we will look closely at our operating model and prioritise increasing our unrestricted reserves and unrestricted income in order to boost our financial resilience for future years.

There were decreases in activity compared to 2022-23, largely due to the end of our 18-month Green Recovery Challenge Fund (GRCF) and our decision to stop carbon offsetting. Other programmes have seen stable or increased activity, however. Our actual income was further reduced due to securing less than planned from individuals and grants, largely due to unfilled staff roles. Expenditure was broadly in line with our plan and was reduced compared to 2022-23.

The changes to staff, impact of inflation from 2022-23, end of the GRCF, and decision to stop our carbon offsetting work, all resulted in a deficit for the year of £536,548. However, £310,862 of this related to planned use of restricted funds, and £38,446 the use of designated funds, which resulted in an unplanned spend of £187,240 of unrestricted funds in the year.

Trees for Cities saw a decrease in our total income of £1,421,119 (21%) to £5,226,916 (2022-23: £6,648,035). Trees for Cities recognises income according to its income recognition policy, which can result in differences between financial years. In 2022-23, we received £486,862 of restricted funding which was spent in 2023-24. Restricted funds received but not spent dropped to £176,000 in 2023-24. Therefore, whilst expenditure decreased slightly in the year, it did not do so to the same extent as income.

**Donations** increased in the year by £511,607 to £1,547,208 (2022-23: £1,035,601). This is split into individual donations, corporate donations and core grants. The main movement was in corporate donations where we saw increases of £454,856. About half of this increase was unrestricted funding, and half was restricted driven predominantly by new partnerships.

Income for our **charitable activities** decreased by £1,932,726 to £3,654,351 in year (2022-23: £5,580,539), with increases in all programmes except Trees for Schools. The biggest decreases in funding related to our **UK urban forest** programme (£1,362,710), which was largely driven by a reduction in grants due to the completion of DEFRA's GRCF administered by the National Lottery Heritage Fund in 2022-23. Corporate partner income decreased as well, largely due to terminating our carbon offsetting programme and an increase in money being given as donations rather than as sponsorship or cause related marketing. **London urban forests** decreased by £315,785 to £706,640 (2022-23 £905,266), with again, more corporates giving funding as donations as well as restricted funds from 2022-23 being used in year. **International urban forests** was unable to secure significant new grants in year, and no direct income was received for the programme (2022-23 £76,820).

**Trees for Streets**, an online community street tree funding platform with Start with Local, continued to grow in the year in terms of activity, but overall income dropped from £613,101 to £360,782. There were increases in fees charged to local councils, but fewer council partnerships secured than planned, there were significant reductions in grants as the GRCF finished in 2022-23 and the Mayor's Tree Programme was in its second and final year with much reduced planting planned. Fees from local councils are accounted for net, with funds passed to councils through the balance sheet, and so income levels appear lower than when grant funding is received. We spent £476,436 in 2023-24 (2022-23: £722,031), a reduction of £245,595. Expenditure dropped due to the reduction in grant funding. Trees sponsored directly are accounted for differently from trees funded through grants, and so income and expenditure varies more with grant funded trees than sponsored trees.

In our **Trees for Schools** programme, income recognised in the year increased by £39,909 to £1,088,823 (2022-23: £1,048,914). This programme was stable between years.

# TREES FOR CITIES

## TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2024

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**Expenditure** decreased in year by £432,291 to £5,779,725 (2022-23: £6,212,016). This was driven mainly by decreases grant funding in the UK Urban Forest and Trees for Streets programmes as discussed above. The charity spent £500,844 on raising the charity's total income of £5,252,191. Therefore, for every £1 spent on fundraising, over £10 of revenues were generated.

Fundraising costs increased by £42,029 to £500,844 (2022-23: £458,815). This was mainly a result of investment in the Fundraising and Engagement & Marketing teams, as part of an internal restructure in order to boost fundraising revenues in the mid-term, as well as increased overheads costs across the organisation.

For Urban Forests in London, costs increased by £220,101 to £1,138,225 (2022-23 £918,124), due to one additional planting project being delivered as well as additional engagement only activities. For the UK programme, costs decreased by £565,729 to £1,967,562 (2022-23: £2,533,291), this was largely driven by the GRCF having finished and our carbon offsetting work stopping, meaning fewer whips were planted in the year. The International programme expenditure reduced in year from £64,942 to £29,664, as we were unable to carry out grant funded activities in the year.

The Trees for Schools programme increased expenditure by £152,181, spending £1,666,725 (2022-23: £1,514,036). More projects were delivered in year which had driven the increases in costs.

Support costs, as detailed in note 6a, increased by £70,616 to £416,752 (2022-23: £346,136) This was largely driven by increases in HR and IT costs as a result of organisation growth and investment in staff training, to ensure delivery continues to be well supported.

Our cash balances have reduced in the year by £1,228,332, this is driven by the deficit in the year of £536,548 and an increase in debtors of £539,834. The increase in debtors is largely due to the increase in funding from the Urban Tree Challenge Fund, for which the claim is submitted at the end of the financial year.

### Investment policy

Trees for Cities may invest funds at the discretion of the board (as per the Memorandum and Articles of Association). The trustees review the charity's cash levels and investment opportunities on an ongoing basis.

The investment objective for short-term investments (funds accessible within 12 months) is to allow funds to be readily available, and with the minimum risk.

In line with this objective, cash is held in bank accounts that allow instant access. During the year funds were held with The Co-operative Bank and CAF Bank. Cash was also held with Triodos Bank and on the Flagstone platform (where money was invested in eight different banks during the year) across a mixture of fixed term (maximum 12 months) and notice period accounts.

Should the trustees consider that cash reserves sufficiently exceed the level required to finance the charity's forthcoming activities in a sustainable way, funds may be invested on a longer-term basis to generate further cash for the charity.

The investment objective for long-term investments (funds not accessible within 12 months) will be to generate a return in excess of inflation over the long-term, and to minimise risk by spreading investments across more than one asset class.

The trustees have set ethical criteria for long-term investments, primarily that Trees for Cities will not invest in companies whose actions run counter to the charity's own charitable objectives.

We hold a discretionary investment portfolio of 100% government backed bonds with Quilter Cheviot Limited Jersey, with a value of £152,211 at 31 March 2024. This investment is very low risk and the cash can be withdrawn with a few days' notice, however, we plan to draw these down as they mature. During the year, we made investments in two medium risk funds – one with Sarasin Investment Funds Limited, valued at £82,643 at the end of the year, and M&G Investments, valued at £153,869 at 31 March 2024. It is planned that we will hold these investments for at least five years which should deliver capital growth even if some short-term volatility is experienced. In total, our investments gained £16,261 in value in the year (see Note 14).

# TREES FOR CITIES

## TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2024

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### Reserves policy and going concern

Plans for 2024-25 and beyond anticipate further growth for Trees for Cities. We were able to secure over 40% of our planned income for 2024-25 by the end of June 2024 and expect to secure the balance over the remaining nine-month period. The unplanned deficit in unrestricted reserves in 2023-24 has had an impact on our reserves levels, but our plan for 2024-25 predicts a small surplus of unrestricted funds at the end of the year. Levels of unrestricted reserves fluctuate through the year due to the seasonality of our work, and we will continue to monitor our financial performance and future reserves position to work towards ensuring our reserves remain above the minimum levels during the year. We intend to review unrestricted funding as part of planning for our new strategy so that we will be able to rebuild reserves if required in the future.

With investments into staff we have stepped up into forging new and managing existing partnerships that will enable us to secure trees, land and volunteers for planned planting programmes. Accordingly, we consider that the Charity has adequate resources to continue in operational existence for the foreseeable future and we believe that it continues to be a going concern.

Trees for Cities holds unrestricted reserves in order to:

- mitigate against unexpected reductions in income
- provide working capital
- allow for operational deficits when future planning
- assist with cash flow
- purchase capital items
- allow for possible future expansion.

Our reserves policy is to hold no less than the cost of winding up the organisation in regards to meeting financial obligations such as redundancy, rent and contract payments.

The maximum level of unrestricted reserves that the organisation will hold will be the equivalent cost of six months of core operating expenditure (e.g. salaries, rent, contracts) plus the cost of winding up the organisation.

The ideal level of unrestricted reserves that the organisation will hold will be the equivalent to the cost of three months of core operating expenditure (e.g. salaries, rent, contracts) plus the cost of winding up the organisation.

If the unrestricted reserves exceed the maximum level, the management team will put in place a plan to spend down the additional amount unless such an amount has been ring-fenced for future investment or expansion.

The amounts for 2024-25 of the above-mentioned reserve levels are:

- Minimum: £780,000
- Ideal: £1,550,000
- Maximum: £2,320,000

The management team and Trustees will monitor the unrestricted reserve level at quarterly intervals to ensure that it does not fall below the minimum level. If they do fall below this amount, we will put in place plans to increase these levels.

The amounts for each level will be recalculated at the start of each financial year.

The trustees' policy, after assessing the above requirements and calculating the costs of winding up, is to hold general unrestricted reserves of between £780,000 and £2,320,000. As at the end of 2023-24 unrestricted free reserves held by the charity were £1,025,907.

A designated fund of £90,065 has been set aside by the Trustees for verification and ongoing checks for our carbon offsetting programme, funded by the fee paid by corporates for their carbon offsetting. This will be spent over the first five years after the trees are planted.



# TREES FOR CITIES

## TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2024

At the end of 2023-24 total funds held by the charity were £1,301,342 (2022-23: 1,837,890). This consisted of restricted funds of £176,000 (2022-23: £486,862), designated funds of £90,065 (2022-23: £128,511) and general unrestricted funds of £1,035,277 (2022-23: £1,222,517). The charity's unrestricted free reserves were £1,007,632 (2022-23: £1,207,370). The difference between the unrestricted funds and the free reserves is due to our tangible assets which total £27,645 (2022-23: £15,147).

The Trustees are responsible for authorising the application of the charity's reserves. At all times they will have regard to restrictions placed on the application of these reserves and are responsible for ensuring that they are applied in accordance with the stated restrictions.

### Principal risks and uncertainties

The trustees and senior management team identify and agree the key risks facing the charity at the start of each financial year and these are entered onto a risk register. Each risk is assessed according to its likelihood and potential impact, and appropriate actions and procedures are agreed.

At each board meeting the trustees review the risk register and agree future actions. Should any additional key risks be identified, the trustees will agree how they should be managed and if appropriate will be added to the risk register.

Current principal risks in the risk register, once impact and likelihood have been considered, are as follows:

Risk	Mitigation
<b>External</b> Change of government policies / priorities due to new government in place  Resource constraints in local authorities	Maintain regular contact and strong relationships with government departments and officials. Maintain diverse funding portfolio  Multi-year partnerships, diversified range of services
<b>Financial</b> Inappropriate use or loss of funds  Loss of key donors  Unplanned financial shortfall or loss	Ensure ongoing review of financial procedures and controls to ensure they meet the charity's needs  Maintain a diverse funding base, build surpluses into budgets, avoid over-reliance on a single funder, investment in fundraising team  Close monitoring of forecast & contingency plans worked up
<b>Operational</b> Loss of staff, particularly of key individuals  Insufficient sites available to deliver projects  Procedures & system documentation lacking, causing inefficiencies & mismanagement	Encourage sharing of information across the organisation, create succession plans for managers, review salary and benefits policy on a regular basis.  Broaden partnerships with landowners and local authorities and develop multi-year arrangements.  Induction for all staff, policies & procedures in place across the organisation, scheme of delegation

# TREES FOR CITIES

## TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2024

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### **Fundraising**

Trees for Cities' aim is to raise funds in a respectful way that is consistent with our values. The charity is a member of the Institute of Fundraising and is registered with the Fundraising Regulator. In all of our fundraising we work diligently to comply with the Code of Fundraising Practice and to uphold the standards it promotes. We have received one complaint in the year, via Trading Standards. This was fully resolved with the funder and no further action was taken. Trees for Cities is working hard to ensure that reporting to all funders is provided as per agreed schedules in order to prevent a similar issue arising.

Trees for Cities has a safeguarding policy which commits the charity to ensuring that all children and adults who use our services are not abused and that working practices minimise the risk of abuse. All Trees for Cities staff and volunteers have a duty to identify abuse and report it. All staff are given annual training on our safeguarding procedures by our safeguarding officer.

Trees for Cities does not contract out or outsource fundraising activities to third parties – all fundraising is undertaken in-house. Where a member of the public raises funds for the charity through a self-arranged event, Trees for Cities will ensure that any messaging and materials used are in line with organisational standards.

### **Structure, governance and management**

The charity was constituted as a company limited by guarantee, set up on 24 November 1993, and is governed by its Memorandum and Articles of Association.

In the year Trees for Cities continued the Trees for Streets programme jointly with Start With Local, a social enterprise that is a design-led delivery agency working to help communities to thrive. We will continue to review the working arrangements for this programme as it evolves.

The board of trustees administers the charity. The trustees are directors for the purpose of company law. All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 9 to the accounts.

The board of trustees may use sub committees to consider some areas in more detail. The board remains the decision maker and considers all areas as recommended by the Charities Commission. Trees for Cities operates a finance sub-committee, chaired by the treasurer which reviews and makes recommendations to the board of trustees in relation to annual budgets, salaries, cash, investments, reserves, accounting policies and controls.

The Chief Executive is appointed by the trustees to manage the day to day running of the charity and delegates as necessary to the senior management team. The board of trustees are responsible for governance, and assist with strategy and policy.

The Chair of the board of trustees is appointed by the trustees.

The charity's trustees are:

- I Bardswell
- J Capon (Chair)
- S Gray
- M Hayer (appointed 4 April 2024)
- A MacGillivray
- B Miller
- J Thrift
- D Woodbine (Treasurer)
- S Workman

A Shah served during the year and resigned on 24 May 2023.

# TREES FOR CITIES

## TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2024

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### **Trustee recruitment, induction and training**

A Board Skills Audit is undertaken approximately every three years, in line with the development of the strategic plan. The audit is used to determine if any new skills and knowledge are required to deliver the new plan. The last audit was undertaken in May 2022 and a new audit will take place in July 2024 to prepare for our new strategic phase.

Should any gaps in skills or knowledge be identified and a new trustee position is required, a recruitment process will be undertaken. Recruitment is open to all sections of the community, and candidates are interviewed by existing trustees and appointed on merit based on a majority decision.

New trustees are made aware of their legal obligations, the content of the Memorandum and Articles of Association, the Charity's history, culture and philosophical approach, the current year's business and financial plan. New trustees also receive a copy of the most recent Annual Report and statutory accounts, and appropriate leaflets published by the Charity Commission with the opportunity to discuss them.

### **Remuneration policy for key management personnel**

Trees for Cities is an equal opportunities employer and applies objective criteria to assess merit. The Board sets the terms and conditions for staff on an annual basis. A benchmarking process is undertaken every 1-2 years to assess each role in the external market, to ensure that the charity is paying all employees, including senior management, fairly and competitively for similar roles within the sector.

### **Data Protection – General Data Protection Regulations**

The General Data Protection Regulations (GDPR) became law in May 2018. The regulations set out the responsibilities of all organisations in relation to the personal data that they collect and hold and are designed to enhance the rights of individuals in controlling their own data.

Trees for Cities places great importance on the security of supporter data and personal information. The charity is registered with the Information Commissioners Office and has introduced a programme that will enable demonstration of compliance with the spirit and intention of GDPR, with the required management structures in place to manage data risks and integrate governance of these risks into daily management.

For information on how the charity uses and protect personal data, please see our Privacy Policy: <https://www.treesforcities.org/privacy-policy>.

### **Information Security**

The confidentiality, integrity and availability of information, in all its forms, are critical to the charity's work. In 2018 the information security policy was updated to bring it in line with GDPR legislation.

### **Anti-Fraud, Bribery and Corruption Policy**

Robust internal financial controls and financial management are essential to protect the charity against increasingly prevalent threats from external fraudulent activities and from any internal risk of funding misappropriation. Trees for Cities' system of internal controls is based on an ongoing process designed to identify the principal risks, to evaluate the nature and extent of those risks, and to manage them effectively. The controls have been undergoing a full review, due to be completed in 2024.

The charity's anti-fraud, bribery and corruption policy specifies the controls and procedures required to prevent and detect fraud and dishonesty, investigate any allegations that arise, and take appropriate action where necessary. It also stipulates procedures for due diligence and verifying the end use of charitable funds to minimise exposure to risk when passing charitable funds to external partners.

# TREES FOR CITIES

## TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2024

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### Sustainability

Trees for Cities is committed increasing its environmental sustainability. To help Trees for Cities achieve sustainability plans, a comprehensive Environmental Management System is being developed to set operational standards across the organisation. We have a Sustainability Committee that meets quarterly to review strategies, and further improve our operations to meet environmental targets, with the support of Sustainability Champions to drive company-wide improvement. To help create our sustainability targets and monitor progress, in 2023-24 an Eco Audit was completed, which highlighted that that we achieved zero Scope 2 emissions from our operational electricity use avoiding the emittance of 3 tons of CO2 annually, achieved a 70% recycling rate, as well as highlighting areas of improvements, including energy efficiency improvements which are being made at one of our premises. We'll continue to review our progress and implement improvement measures as we further develop our near term sustainability targets along with long term sustainability goals, as part of creating the as part of the 2025-2030 Organisational strategy.

### Statement of responsibilities of the trustees

The trustees (who are also directors of Trees for Cities for the purposes of company law) are responsible for preparing the trustees' annual 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 charitable company 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2024 was 9 (2023: 9). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

# **TREES FOR CITIES**

## **TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2024**

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### **Auditor**

Sayer Vincent LLP continued as the charitable company's auditor during the year, as approved by the board of trustees.

The trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on date and signed on their behalf by

### **D Woodbine**

Treasurer

Dated: 25 September 2024

# TREES FOR CITIES

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TREES FOR CITIES

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### Opinion

We have audited the financial statements of Trees for Cities (the 'charitable company') for the year ended 31 March 2024 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

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

### Conclusions relating to going concern

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

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

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

### Other Information

The other information comprises the information included in the trustees' annual report 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge

# TREES FOR CITIES

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TREES FOR CITIES

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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 the audit:

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

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

### **Responsibilities of trustees**

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in

# TREES FOR CITIES

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TREES FOR CITIES

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accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

### Capability of the audit in detecting irregularities

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

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

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

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



# TREES FOR CITIES

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TREES FOR CITIES

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### Use of our report

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

Fleur Holden (Senior statutory auditor)  
07 October 2024

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

# TREES FOR CITIES

## STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

### FOR THE YEAR ENDED 31 MARCH 2024

	Note	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
<b>Income from:</b>							
Donations	2	669,746	877,462	<b>1,547,208</b>	345,251	690,350	1,035,601
Charitable activities	3						
Urban forests - London		308,480	398,160	<b>706,640</b>	389,202	633,223	1,022,425
Urban forests - Other UK cities		436,221	1,052,624	<b>1,488,845</b>	957,821	1,893,734	2,851,555
Urban forests - International		-	-	-	37,920	7,500	45,420
Trees for Streets		284,435	76,347	<b>360,782</b>	162,635	449,590	612,225
Trees for schools		822,618	266,205	<b>1,088,823</b>	638,500	410,414	1,048,914
Other trading activities	4	9,261	-	<b>9,261</b>	19,458	-	19,458
Investments	5	25,357	-	<b>25,357</b>	12,437	-	12,437
<b>Total income</b>		<b>2,556,118</b>	<b>2,670,798</b>	<b>5,226,916</b>	<b>2,563,224</b>	<b>4,084,811</b>	<b>6,648,035</b>
<b>Expenditure on:</b>							
Raising funds	6a	442,421	58,423	<b>500,844</b>	402,062	56,753	458,815
Charitable activities							
Urban forests - London		340,408	797,817	<b>1,138,225</b>	383,472	534,652	918,124
Urban forests - Other UK cities		630,116	1,337,446	<b>1,967,562</b>	412,852	2,120,439	2,533,291
Urban forests - International		29,664	-	<b>29,664</b>	49,942	15,000	64,942
Trees for Streets		364,352	112,084	<b>476,436</b>	262,391	459,640	722,031
Trees for Schools		991,104	675,890	<b>1,666,994</b>	899,860	614,953	1,514,813
<b>Total expenditure</b>		<b>2,798,065</b>	<b>2,981,660</b>	<b>5,779,725</b>	<b>2,410,579</b>	<b>3,801,437</b>	<b>6,212,016</b>
<b>Net income / (expenditure) before net gains / (losses) on investments</b>		<b>(241,947)</b>	<b>(310,862)</b>	<b>(552,809)</b>	<b>152,645</b>	<b>283,374</b>	<b>436,019</b>
Net gain /(losses) on investments		16,261	-	<b>16,261</b>	(10,641)	-	(10,641)
<b>Net movement in funds (being net (expenditure) / income for the year)</b>		<b>(225,686)</b>	<b>(310,862)</b>	<b>(536,548)</b>	<b>142,004</b>	<b>283,374</b>	<b>425,378</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		1,351,028	486,862	<b>1,837,890</b>	1,209,024	203,488	1,412,512
<b>Total funds carried forward</b>		<b>1,125,342</b>	<b>176,000</b>	<b>1,301,342</b>	<b>1,351,028</b>	<b>486,862</b>	<b>1,837,890</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 21a to the financial statements.

**BALANCE SHEET**

**AS AT 31 MARCH 2024**

	Note	£	2024 £	£	2023 £
<b>Fixed assets:</b>					
Tangible assets	13		<b>27,645</b>		15,147
Investments	14		<b>388,723</b>		339,462
			<b>416,368</b>		354,609
<b>Current assets:</b>					
Debtors	15	<b>2,406,722</b>		1,866,828	
Short term deposits		<b>506,874</b>		500,010	
Cash at bank and in hand		<b>827,873</b>		2,063,060	
		<b>3,741,469</b>		4,429,898	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	16	<b>(2,856,495)</b>		(2,946,617)	
<b>Net current assets</b>			<b>884,974</b>		1,483,281
<b>Total net assets</b>			<b>1,301,342</b>		1,837,890
<b>The funds of the charity:</b>					
Restricted income funds	21a		<b>176,000</b>		486,862
Unrestricted income funds:					
Designated funds		<b>90,065</b>		128,511	
General funds		<b>1,035,277</b>		1,222,517	
Total unrestricted funds			<b>1,125,342</b>		1,351,028
<b>Total charity funds</b>			<b>1,301,342</b>		1,837,890

Approved by the trustees on 25 September 2024 and signed on their behalf by

D Woodbine  
Treasurer

# TREES FOR CITIES

## STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED 31 MARCH 2024

	2024		2023	
	£	£	£	£
<b>Cash flows from operating activities</b>				
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	<b>(536,548)</b>		425,378	
Depreciation charges	<b>13,992</b>		16,711	
(Gains)/losses on investments	<b>(16,261)</b>		10,641	
Dividends and interest from investments	<b>(25,357)</b>		(12,437)	
Loss on the disposal of fixed assets			1,553	
Increase in debtors	<b>(539,894)</b>		(719,576)	
(Decrease)/increase in creditors	<b>(90,122)</b>		889,351	
<b>Net cash (used in)/provided by operating activities</b>	<b>(1,194,190)</b>		611,621	
<b>Cash flows from investing activities:</b>				
Dividends and interest from investments	<b>25,357</b>		12,437	
Proceeds from the sale of fixed assets	-		2,000	
Purchase of fixed assets	<b>(26,490)</b>		(20,000)	
Proceeds from sale of investments	<b>192,000</b>		137,606	
Purchase of investments	<b>(225,000)</b>		-	
<b>Net cash (used in)/provided by investing activities</b>	<b>(34,133)</b>		132,043	
<b>Change in cash and cash equivalents in the year</b>	<b>(1,228,323)</b>		743,664	
Cash and cash equivalents at the beginning of the year	<b>2,563,070</b>		1,819,406	
<b>Cash and cash equivalents at the end of the year</b>	<b>1,334,747</b>		2,563,070	

#### Analysis of cash and cash equivalents

	At 1 April 2023	Cash flows	Other non-cash changes	At 31 March 2024
	£	£	£	£
Short term deposits	<b>500,010</b>	<b>6,864</b>	-	<b>506,874</b>
Cash at bank and in hand	2,063,060	(1,235,187)	-	<b>827,873</b>
<b>Cash and cash equivalents</b>	<b>2,563,070</b>	<b>(1,228,323)</b>	-	<b>1,334,747</b>

# TREES FOR CITIES

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

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#### 1 Accounting policies

##### a) Statutory information

Trees for Cities is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address and principal place of business is Prince Consort Lodge, Kennington Park Place, London, SE11 4AS.

##### b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

##### c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

##### d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. Please refer to the trustees' annual report, specifically the financial review and the reserves policy where it sets out how the charity is operating within its reserves policy target levels of reserves.

##### e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

When donors specify that incoming resources given to the charity must be used in future accounting periods, the income is deferred to those periods.

When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that incoming resources are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

# TREES FOR CITIES

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

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#### 1 Accounting policies (continued)

##### f) Fund accounting

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

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

##### g) Expenditure and irrecoverable VAT

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 under the following activity headings:

Costs of raising funds are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support the activities of the charity.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

##### h) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

##### i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Raising Funds	15.39%
Urban forests - London	27.26%
Urban forests - Other UK cities	20.93%
Urban forests - International	1.08%
Trees for Streets	5.72%
Trees for schools	29.62%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

##### j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

# TREES FOR CITIES

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

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#### 1 Accounting policies (continued)

##### k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

plant and machinery	3 years
fixtures, fittings and equipment	3-5 years
motor vehicles	3 years

##### l) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

##### m) Debtors

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

##### n) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

##### o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

##### p) Creditors and provisions

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

##### q) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

##### r) Pensions

The charity operates a defined contribution pension scheme. Contributions payable for the year are charged in the Statement of Financial Activities as they fall due.

##### s) Employee benefits

Termination benefits are recognised as an expense when the charity is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the charity has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

# TREES FOR CITIES

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

#### 2 Income from donations

			2024			2023
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Donations - individuals	195,772	-	<b>195,772</b>	178,210	25,194	203,404
Donations - trusts & foundations	76,403	8,420	<b>84,823</b>	30,859	2,500	33,359
Donations - corporate partners	275,571	842,242	<b>1,117,813</b>	59,984	602,973	662,957
Donations - schools	-	-	-	-	2,000	2,000
Grants - other	122,000	26,800	<b>148,800</b>	76,198	57,683	133,881
	<b>669,746</b>	<b>877,462</b>	<b>1,547,208</b>	<b>345,251</b>	<b>690,350</b>	<b>1,035,601</b>

#### 3 Income from charitable activities

			2024			2023
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Corporate partners	108,008	72,488	<b>180,496</b>	186,983	280,749	467,732
Grants	4,073	224,968	<b>229,041</b>	-	304,846	304,846
Local government	196,399	100,704	<b>297,103</b>	202,219	47,628	249,847
Urban forests - London	308,480	398,160	<b>706,640</b>	389,202	633,223	1,022,425
Corporate partners	435,777	-	<b>435,777</b>	922,821	-	922,821
Grants	-	1,052,624	<b>1,052,624</b>	-	1,893,734	1,893,734
Local government	444	-	<b>444</b>	35,000	-	35,000
Urban forests - Other UK cities	436,221	1,052,624	<b>1,488,845</b>	957,821	1,893,734	2,851,555
Corporate partners	-	-	-	37,920	-	37,920
Grants	-	-	-	-	7,500	7,500
Urban forests - International	-	-	-	37,920	7,500	45,420
Corporate partners	50,321	-	<b>50,321</b>	14,705	-	14,705
Grants	-	76,347	<b>76,347</b>	-	449,590	449,590
Local government	234,114	-	<b>234,114</b>	147,930	-	147,930
Trees for Streets	284,435	76,347	<b>360,782</b>	162,635	449,590	612,225
Corporate Partners	276,533	25,000	<b>301,533</b>	86,600	-	86,600
Grants	-	240,664	<b>240,664</b>	-	410,414	410,414
Schools	124,975	-	<b>124,975</b>	208,900	-	208,900
Local government	421,110	541	<b>421,651</b>	343,000	-	343,000
Trees for Schools	822,618	266,205	<b>1,088,823</b>	638,500	410,414	1,048,914
Total income from charitable activities	<b>1,851,754</b>	<b>1,793,336</b>	<b>3,645,090</b>	<b>2,186,078</b>	<b>3,394,461</b>	<b>5,580,539</b>

Four government grants were claimed for from the Forestry Commission for four Urban Tree Challenge Funds for the planting and maintenance of trees in the UK. These were allocated to our London and UK Urban Forests programmes, and totalled £913,573 (2022: £587,995).



# TREES FOR CITIES

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

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#### 4 Income from other trading activities

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Sponsorship of projects	9,261	-	<b>9,261</b>	19,458	-	19,458
	9,261	-	<b>9,261</b>	19,458	-	19,458

#### 5 Income from investments

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Fixed interest securities	3,215	-	<b>3,215</b>	6,369	-	6,369
Bank interest	22,142	-	<b>22,142</b>	6,068	-	6,068
	25,357	-	<b>25,357</b>	12,437	-	12,437

# TREES FOR CITIES

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

### 6a Analysis of expenditure (current year)

	Charitable activities								2024 Total £	2023 Total £
	Raising funds £	Urban forests - London £	Urban forests - other cities £	Urban forests - international £	Trees for Streets £	Trees for Schools £	Governance costs £	Support costs £		
Staff costs (Note 9)	365,881	648,078	497,589	25,676	135,987	704,184	43,165	-	<b>2,420,560</b>	2,244,414
Depreciation	-	6,644	-	-	-	6,645	-	703	<b>13,992</b>	16,711
Fundraising costs	59,700	-	-	-	-	-	-	-	<b>59,700</b>	69,353
Direct activity costs - grants	-	26,100	790,296	-	43,076	-	-	-	<b>859,472</b>	1,373,773
Direct activity costs - internal delivery of projects	-	278,943	108,344	-	62,499	195,582	-	-	<b>645,368</b>	701,132
Direct activity costs - external delivery of projects	-	46,513	470,026	(1,240)	207,188	617,213	-	-	<b>1,339,700</b>	1,444,935
Audit	-	-	-	-	-	-	14,950	-	<b>14,950</b>	11,275
Facilities	-	-	-	-	-	-	-	159,543	<b>159,543</b>	135,291
HR	-	-	-	-	-	-	-	124,859	<b>124,859</b>	81,792
Rent	-	-	-	-	-	-	-	59,234	<b>59,234</b>	54,343
Other costs	771	-	-	-	-	-	9,163	72,413	<b>82,347</b>	78,997
	<b>426,352</b>	<b>1,006,278</b>	<b>1,866,255</b>	<b>24,436</b>	<b>448,750</b>	<b>1,523,624</b>	<b>67,278</b>	<b>416,752</b>	<b>5,779,725</b>	<b>6,212,016</b>
Support costs	64,138	113,607	87,226	4,501	23,838	123,442	-	(416,752)	-	-
Governance costs	10,354	18,340	14,081	727	3,848	19,928	(67,278)	-	-	-
<b>Total expenditure 2024</b>	<b>500,844</b>	<b>1,138,225</b>	<b>1,967,562</b>	<b>29,664</b>	<b>476,436</b>	<b>1,666,994</b>	<b>-</b>	<b>-</b>	<b>5,779,725</b>	
Total expenditure 2023	<b>458,815</b>	<b>918,124</b>	<b>2,533,291</b>	<b>64,942</b>	<b>722,031</b>	<b>1,514,813</b>	<b>-</b>	<b>-</b>		<b>6,212,016</b>

# TREES FOR CITIES

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

#### 6b Analysis of expenditure (prior year)

	Charitable activities								2023 Total £
	Raising funds £	Urban forests - London £	Urban forests - other cities £	Urban forests - international £	Trees for Streets £	Schools £	Governance costs £	Support costs £	
Staff costs (Note 9)	328,311	552,992	470,749	38,806	126,121	687,933	39,502	-	<b>2,244,414</b>
Depreciation	-	7,805	-	-	-	7,806	-	1,100	<b>16,711</b>
Fundraising costs	69,353	-	-	-	-	-	-	-	<b>69,353</b>
Direct activity costs - grants	-	-	1,078,349	10,500	284,924	-	-	-	<b>1,373,773</b>
Direct activity costs - internal delivery of projects	-	234,050	213,260	-	70,615	183,207	-	-	<b>701,132</b>
Direct activity costs - external delivery of projects	-	22,748	685,355	8,581	217,443	510,808	-	-	<b>1,444,935</b>
Audit	-	-	-	-	-	-	11,275	-	<b>11,275</b>
Facilities	-	-	-	-	-	-	-	135,291	<b>135,291</b>
HR	-	-	-	-	-	-	-	81,792	<b>81,792</b>
Rent	-	-	-	-	-	-	-	54,343	<b>54,343</b>
Other costs	1,467	-	-	-	-	-	3,920	73,610	<b>78,997</b>
	<b>399,131</b>	<b>817,595</b>	<b>2,447,713</b>	<b>57,887</b>	<b>699,103</b>	<b>1,389,754</b>	<b>54,697</b>	<b>346,136</b>	<b>6,212,016</b>
Support costs	51,540	86,811	73,900	6,092	19,799	107,994	-	(346,136)	-
Governance costs	8,144	13,718	11,678	963	3,129	17,065	(54,697)	-	-
<b>Total expenditure 2023</b>	<b>458,815</b>	<b>918,124</b>	<b>2,533,291</b>	<b>64,942</b>	<b>722,031</b>	<b>1,514,813</b>	<b>-</b>	<b>-</b>	<b>6,212,016</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

7 Grant making	2024	2023
Cost	£	£
Urban Tree Challenge Fund - Round 1	11,636	42,039
Urban Tree Challenge Fund - Round 3	179,402	226,764
Urban Tree Challenge Fund - Round 4	192,575	175,745
Urban Tree Challenge Fund - Round 5	338,494	-
Green Recovery Challenge Fund - Forgotten Places	-	633,801
Green Recovery Challenge Fund - Trees for Streets	-	86,000
Mayor's Tree programme	43,076	198,924
Trees for Climate Action	68,189	-
GLA - Urban Tree Challenge Fund match	26,100	-
International grants	-	10,500
At the end of the year	<b>859,472</b>	<b>1,373,773</b>

The Urban Tree Challenge Fund is a multi year grant from the Forestry Commission and round one funding was passed to five partners (2023: 9), round three to eight partners (2023: 8), round four to 10 partners (2023: 9) for planting and/or maintenance. Round five was passed to seven partners for planting in 2023-24. The Greater London Authority also granted Urban Trees Challenge Fund money to pass to two London partners. The Mayor's Tree programme is a Greater London Authority multi year grant and funds were passed to four councils (2023: 9) in order to boost street tree planting activity. Trees for Climate Action is a multi year grant from the National Lottery Community Fund, funding engagement only projects. Funding was passed to one partner in 2023-24. The grants are part of our UK and Trees for Streets activities and support costs are allocated in note 6a and 6b. There was some overlap of partners between grants, with a total of 22 different council partners, and four other institutional partners being passed grants.

The grants were split as follows between council partners and other institutional partners:

	Number of council partners No.	Number of other institutional partners No.	Paid to council partners £	Paid to other institutional partners £
Urban Tree Challenge Fund - Round 1	3	2	4,832	6,804
Urban Tree Challenge Fund - Round 3	6	2	158,054	21,348
Urban Tree Challenge Fund - Round 4	9	1	187,829	4,747
Urban Tree Challenge Fund - Round 5	7	-	338,494	-
Mayor's Tree programme	4	-	43,076	-
Trees for Climate Action	-	1	-	68,188
GLA - Urban Tree Challenge Fund match	2	-	26,100	-
Total	<b>31</b>	<b>6</b>	<b>758,385</b>	<b>101,087</b>

**8 Net expenditure/(income) for the year**

This is stated after charging / (crediting):

	2024	2023
	£	£
Depreciation	13,992	16,711
Operating lease rentals payable:		
Property	41,775	41,781
Other	-	5,548
Auditor's remuneration (excluding VAT):		
Audit	14,950	11,275
Other services	1,697	831

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2024**

**9 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

Staff costs were as follows:

	<b>2024</b>	2023
	<b>£</b>	£
Salaries and wages	<b>2,102,917</b>	1,949,663
Social security costs	<b>207,534</b>	187,344
Employer's contribution to defined contribution pension schemes	<b>110,109</b>	107,407
	<b>2,420,560</b>	2,244,414

Redundancy payments made or committed during the year amounted to £nil (2023: £0).

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	<b>2024</b>	2023
	<b>No.</b>	No.
£60,000 - £69,999	<b>1</b>	2
£70,000 - £79,999	<b>-</b>	1
£80,000 - £89,999	<b>1</b>	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £431,554 (2023: £390,408).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2023: £nil). No charity trustee received payment for professional or other services supplied to the charity (2023: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £1,012 (2023: £229) incurred by members relating to attendance at meetings of the trustees, and costs relating to board meetings and trustee gifts, totalling £6,418 (2023: £3,912)

**10 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was 62 (2023: 58).

Staff are split across the activities of the charity as follows (full time equivalent basis):

	<b>2024</b>	2023
	<b>No.</b>	No.
Fundraising and public relations	<b>7.9</b>	<b>8.0</b>
Urban forests - London	<b>15.8</b>	<b>14.0</b>
Urban forests - UK Cities	<b>11.4</b>	<b>11.5</b>
Urban forests - International	<b>0.5</b>	<b>0.5</b>
Trees for Streets	<b>3.3</b>	<b>3.0</b>
Trees for Schools	<b>16.9</b>	<b>17.0</b>
	<b>55.8</b>	54.0

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

**11 Related party transactions**

There are no related party transactions to disclose for this financial year (2023: none).

**12 Taxation**

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

**13 Tangible fixed assets**

<b>Cost</b>	Motor vehicles £	Plant & machinery £	Fixtures, fittings & equipment £	<b>Total 2024 £</b>
At the start of the year	55,401	18,022	6,348	<b>79,771</b>
Additions in year	26,490	-	-	<b>26,490</b>
At the end of the year	<b>81,891</b>	<b>18,022</b>	<b>6,348</b>	<b>106,261</b>
<b>Depreciation</b>				
At the start of the year	40,957	17,319	6,348	<b>64,624</b>
Charge for the year	13,289	703	-	<b>13,992</b>
At the end of the year	<b>54,246</b>	<b>18,022</b>	<b>6,348</b>	<b>78,616</b>
<b>Net book value At the end of the year</b>	<b>27,645</b>	<b>-</b>	<b>-</b>	<b>27,645</b>
At the start of the year	14,444	703	-	15,147

All of the above assets are used for charitable purposes.

**14 Listed investments**

	<b>2024 £</b>	2023 £
Fair value at the start of the year	<b>339,462</b>	487,709
Additions at cost	<b>225,000</b>	-
Disposal proceeds	<b>(192,000)</b>	(137,606)
Revaluation during the year	<b>16,261</b>	(10,641)
	<b>388,723</b>	339,462
Cash held by investment broker pending reinvestment	<b>5,940</b>	2,870
Fair value at the end of the year	<b>394,663</b>	342,332
Investments comprise:		
	<b>2024 £</b>	2023 £
UK fixed interest bonds	152,211	339,462
Investment funds	236,512	
Cash	5,940	2,870
	<b>394,663</b>	342,332

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

<b>15 Debtors</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>2,086,187</b>	1,180,289
Prepayments and accrued income	<b>320,535</b>	686,539
	<b>2,406,722</b>	1,866,828

<b>16 Creditors: amounts falling due within one year</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>178,751</b>	122,565
Taxation and social security	<b>110,682</b>	198,782
Grant accruals	<b>952,018</b>	952,018
Other accruals	<b>926,151</b>	815,074
Deferred income (note 18)	<b>281,783</b>	649,244
Council sponsorship holdings	<b>375,865</b>	196,560
Other creditors	<b>31,245</b>	12,374
	<b>2,856,495</b>	2,946,617

Council sponsorship holdings is money received for our Trees for Streets programme from sponsors that will be passed to councils, less an administration fee, once the trees they relate to have been planted. This is done on an annual basis.

**17 Deferred income**

Deferred income comprises funding for projects being delivered in 2024-25, including urban forest projects £79,551 (2023: £134,300 ), environmental offsetting £nil (2023: £196,494), schools £194,232 (2023: £291,051), and other income £nil (2023: £7,399 )

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Balance at the beginning of the year	<b>649,244</b>	890,538
Amount released to income in the year	<b>(582,856)</b>	(817,346)
Amount deferred in the year	<b>215,395</b>	576,052
Balance at the end of the year	<b>281,783</b>	649,244

**18 Contingent liability**

The charity has recognised the replanting of trees due to unforeseen events, such as extreme weather or vandalism, as a contingent liability. It is taken into account when planning our unrestricted reserves levels. As the amount cannot be estimated reliably and as the charity may not be liable for the costs, depending on the original planting delivery method, we have not included it as a provision.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

**19 Pension scheme**

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund as detailed below. Contributions of £17,320 (2023: £15,606) were outstanding at 31 March 2024.

	<b>2024</b>	2023
	<b>£</b>	£
Contributions payable by the charity for the year	<b>110,109</b>	107,407

**20a Analysis of net assets between funds (current year)**

	General unrestricted £	Designated £	Restricted £	<b>Total funds £</b>
Tangible fixed assets	<b>27,645</b>	-	-	<b>27,645</b>
Investments	<b>388,723</b>	-	-	<b>388,723</b>
Net current assets	<b>3,475,405</b>	<b>90,065</b>	<b>176,000</b>	<b>3,741,470</b>
Creditors: amounts falling due within one year	<b>(2,856,495)</b>	-	-	<b>(2,856,495)</b>
<b>Net assets at 31 March 2024</b>	<b>1,035,278</b>	<b>90,065</b>	<b>176,000</b>	<b>1,301,343</b>

**20b Analysis of net assets between funds (prior year)**

	General unrestricted £	Designated £	Restricted £	<b>Total funds £</b>
Tangible fixed assets	15,147	-	-	<b>15,147</b>
Investments	339,462	-	-	<b>339,462</b>
Net current assets	3,814,525	128,511	486,862	<b>4,429,898</b>
Creditors: amounts falling due within one year	(2,946,617)	-	-	<b>(2,946,617)</b>
<b>Net assets at 31 March 2023</b>	<b>1,222,517</b>	<b>128,511</b>	<b>486,862</b>	<b>1,837,890</b>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

**21a Movements in funds (current year)**

	At 1 April 2023 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2024 £
<b>Restricted funds:</b>					
Urban forests - London	194,787	398,160	(506,853)	-	<b>86,094</b>
Urban forests - UK Cities	4,343	1,052,624	(1,056,967)	-	-
Trees for Streets	10,000	76,347	(86,347)	-	-
Trees for Schools	206,204	266,205	(422,409)	-	<b>50,000</b>
Donations and legacies	71,528	877,462	(909,084)	-	<b>39,906</b>
<b>Total restricted funds</b>	<b>486,862</b>	<b>2,670,798</b>	<b>(2,981,660)</b>	-	<b>176,000</b>
<b>Unrestricted funds:</b>					
<b>Designated funds:</b>					
Environmental offsetting	128,511	-	(38,446)	-	<b>90,065</b>
Total designated funds	128,511	-	(38,446)	-	<b>90,065</b>
<b>General funds</b>	<b>1,222,517</b>	<b>2,556,118</b>	<b>(2,743,358)</b>	-	<b>1,035,277</b>
<b>Total unrestricted funds</b>	<b>1,351,028</b>	<b>2,556,118</b>	<b>(2,781,804)</b>	-	<b>1,125,342</b>
<b>Total funds</b>	<b>1,837,890</b>	<b>5,226,916</b>	<b>(5,763,464)</b>	-	<b>1,301,342</b>

The narrative to explain the purpose of each fund is given at the foot of the note below.

**21b Movements in funds (prior year)**

	At 31 March 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 1 April 2023 £
<b>Restricted funds:</b>					
Urban forests - London	-	633,223	(438,436)	-	<b>194,787</b>
Urban forests - UK Cities	121,960	1,893,734	(2,011,351)	-	<b>4,343</b>
Urban forests - International	-	7,500	(7,500)	-	-
Trees for Streets	10,000	449,590	(449,590)	-	<b>10,000</b>
Trees for Schools	-	410,414	(204,210)	-	<b>206,204</b>
Donations and legacies	71,528	690,350	(690,350)	-	<b>71,528</b>
<b>Total restricted funds</b>	<b>203,488</b>	<b>4,084,811</b>	<b>(3,801,437)</b>	-	<b>486,862</b>
<b>Unrestricted funds:</b>					
<b>Designated funds:</b>					
Trees for Streets	55,300	-	(55,300)	-	-
Environmental offsetting	106,946	52,885	(31,320)	-	<b>128,511</b>
Total designated funds	162,246	52,885	(86,620)	-	<b>128,511</b>
<b>General funds</b>	<b>1,046,778</b>	<b>2,510,339</b>	<b>(2,334,600)</b>	-	<b>1,222,517</b>
<b>Total unrestricted funds</b>	<b>1,209,024</b>	<b>2,563,224</b>	<b>(2,421,220)</b>	-	<b>1,351,028</b>
<b>Total funds</b>	<b>1,412,512</b>	<b>6,648,035</b>	<b>(6,222,657)</b>	-	<b>1,837,890</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

**21 Movements in funds (continued)**

**Purposes of restricted funds**

Restricted funds for all Urban Forests programmes relate to funding that has been received in advance for projects that have either been planned for 2024-25, or been delayed to from 2023-24 and will be delivered in 2024-25.

Restricted funds for Trees for Schools relate to funding that has been received in advance for projects that have either been planned for 2023-24, or been delayed to from 2022-23 and will be delivered in 2023-24.

Donations and legacy restricted funds comprise a donation in 2021-22 from UPS (£14,905). This is restricted to an electric vehicle purchase, which was carried out in 2023-24. The remaining balance is to cover depreciation costs in future years. It also includes £25,000 of core funding from the John Ellerman Foundation which covers an 18 month period, which we will allocate in 2024-25.

**Purposes of designated funds**

The designated fund relates to our offsetting work, setting aside money for future costs over five years relating to verification and monitoring for trees planted in 2021-22 and 2022-23.

**22 Operating lease commitments payable as a lessee**

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Land and buildings	
	2024	2023
	£	£
Less than one year	29,517	41,775
One to five years	15,000	39,517
	<b>44,517</b>	<b>81,292</b>

**23 Legal status of the charity**

The charity is a company limited by guarantee and is under the control of the board of Trustees. The liability of each member in the event of winding up is limited to £1.