



# The Heart of England Forest

Annual report for the year ended  
31 March 2020

Registered Charity Number 1097110 (in England and Wales)  
Company Registration Number 4309564 (in England and Wales)



## Company information

### **Trustees and Directors**

Jon Snow (Chair)  
Desmond Bermingham (resigned 30 September 2019)  
Anthony Burton  
Nicky Corbishley  
Asa Gurden (appointed 1 May 2020)  
Alison Hunter  
Ian Leggett (resigned 7 June 2019)  
Doreen Massey (appointed 1 May 2020)  
Steve Price

### **Company Secretary**

Ian Leggett (resigned 7 June 2019)

### **Chief Executive**

Beth Brook

### **Auditor**

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Birmingham B3 2RT

### **Bankers**

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### **Solicitors**

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### **Investment Advisors**

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80 Victoria Street  
London SW1E 5JL

### **Registered Office**

Colletts Farm Office  
Dorsington  
Stratford-Upon-Avon CV37 8AU

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# CHAIR'S REPORT

**R**eflecting on the activities of the past year is one of the aspects I enjoy most about being Chair of the Heart of England Forest. I am always impressed by the amount that has been achieved, and this year is no exception.

Over the past 12 months the challenges we face creating and conserving a huge new woodland for the country in a climate crisis have become ever more apparent. Climate change is impacting every area of our work and this was compounded by the Covid-19 pandemic hitting at the end of the year. I am proud to report that despite these challenging times the charity made great progress across all its strategic aims, bringing us another step closer to achieving our ambitious vision of planting and protecting a 30,000 acre Forest.

We acquire the land to grow the Forest so it remains safeguarded in perpetuity, benefiting the environment, wildlife and people for hundreds of years to come. Indeed, it is this that sets us apart from other tree planting organisations. This year we purchased 595 acres of new land and established a further 170 acres of new woodland. We made good progress towards our short-term aim of building a three-year land bank to secure the future of the Forest, but we face a difficult year ahead for land acquisition due to the economic effects of Covid-19.

We have now planted nearly 1.9 million trees since the charity began. Despite extremely wet weather conditions, I am delighted to say that our dedicated team and army of volunteers achieved our tree planting target for 2019/20. In addition to planting over 60,000 trees in new areas of the Forest, our volunteers replanted over 70,000 trees devastated by the 2018 drought. With more extreme weather events predicted, adapting how we manage the Forest to mitigate the effects of climate change is vital. However, already England's largest new native broadleaf Forest, the Heart of England Forest is playing a significant role in mitigating against the effects of climate change both for wildlife and for people.

Important as they are, the Forest is about more than trees. It comprises a mosaic of habitats - including heathland, grassland, wetland, farmland and hedgerows - and it is this variety of habitats that enables wildlife to thrive. This year saw our first winter bird survey and 13 Red List bird species of conservation concern were recorded in The Lenches area of the Forest. Great crested newts, an internationally important species of conservation concern, were also found in five of our ponds.

As well as being a home for wildlife, the Forest is also here to benefit people. Our events programme attracted 2,397 attendees, and the launch of the first accessible trail in the Forest has made woodland visits possible for more people.

Our unique Schools Programme only launched in autumn 2019, but demand exceeded expectations and we had 2,609 child visits during the year. Our work with educational establishments, along with our monthly clubs for children, young people and their families, are creating Forest Guardians, helping the next generation to form a lifelong connection with the Heart of England Forest.

Our work has never been more important. More than a woodland for the region, The Heart of England Forest is already an incredible national asset for the country. I would like to personally thank everyone who has supported our work and helped to grow the Forest. I hope you are as excited as I am about what we can achieve together over the coming year.

*Jon Snow*  
*Chair, Heart of England Forest*



# MESSAGE FROM OUR CHIEF EXECUTIVE



**I**t has been another incredibly busy year in the Forest, and the efforts over the past 12 months have moved us closer to achieving our aim of creating tomorrow's great native woodland. More land was secured to future proof the Forest, over 70,000 trees were planted, careful management of the mosaic of habitats within the Forest enabled wildlife to thrive, and more people than ever benefitted from spending time in the Forest.

None of this would be possible without our dedicated and hardworking team. Each member of staff shows passion and commitment to the Forest, and most recently, whilst dealing with the coronavirus pandemic, I am proud of the resilience they have shown making the best out of an unprecedented situation.

Over the past 12 months we have continued to invest in our valued team, offering more training and development opportunities. Last year we were proud to be one of the first organisations in the country to employ a new forestry apprentice. Running alongside our successful year-long internship programme, the two-year apprenticeship, offered in partnership with Herefordshire and Ludlow College, further cements our commitment to addressing the skills shortage in the forestry industry. Something that is essential to ensuring the future of our woodlands.

We were delighted to be awarded the Living Wage Foundation accreditation, recognising our commitment to paying our staff a real living wage based on the true cost of living. Not only does the Living Wage benefit our existing employees, the accreditation will also help us to attract and retain high quality staff in the future, allowing the charity to benefit from expertise to help us to deliver our charitable objectives.

In addition to our valued staff, we could not carry on our important work without the help of our army of fantastic volunteers. Over 1,700 individuals gave more than 8,500 hours to the Forest last year, carrying out a wide variety of tasks that contributed to the charity's strategic objectives. This equates to more than four full time members of staff – an incredible donation to support the charity to achieve its aims. When we had to suspend practical volunteering in March due to Covid-19, many of our volunteers continued to support our work by completing microvolunteering tasks from their homes.

The woodlands we create today will outlive us all, so inspiring the next generation to care for the Forest is an important part of our work. Our monthly clubs for children, young people and their families are helping the next generation to form a lifelong connection with the Heart of England Forest, creating future Forest Guardians. Demand for our unique schools' programme exceeded expectations, and will be further expanded over the next 12 months. Our longer-term approach of working with schools to provide frequent and progressive learning programmes in the Forest results in long-lasting behaviour changes and impacts that really make a difference, both in and out of school.

Whilst we know that the impact of Covid-19 will be significant on the year ahead, with over 7,000 acres the Forest continues to be a refuge for people to enjoy, providing respite from the stresses of day to day life and a positive resource to support both physical and mental wellbeing.

*BETH*

*Beth Brook*  
*Chief Executive, Heart of England Forest*

# TRUSTEES' / DIRECTORS' REPORT

**T**he directors are pleased to present their report together with the financial statements of the charity and group for the year ended 31 March 2020.

The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the 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 (FRS102)—(Charities SORP (FRS102)).

## DIRECTORS

The directors who served the company during the period were as follows:

Jon Snow (Chair)  
Desmond Bermingham (resigned 30 September 2019)  
Anthony Burton  
Nicky Corbishley  
Asa Gurden (appointed 1 May 2020)  
Alison Hunter  
Ian Leggett (resigned 7 June 2019)  
Doreen Massey (appointed 1 May 2020)  
Steve Price





# OUR PURPOSE

The charity's vision is to create 30,000 acres of contiguous forest in the Heart of England to benefit the environment, wildlife and people for hundreds of years to come. The mosaic of habitats we are creating will help mitigate climate change, enable wildlife to thrive, and provide a haven for people to visit which benefits their health, happiness and wellbeing.

Above: Aerial views of Alne Wood © Jake Nash



## OBJECTIVES

The objectives of the Heart of England Forest, taken from the Articles of Association, are:

- i)** To establish, maintain and preserve, ideally a contiguous forest or else a forest eventually connected by corridor (including the acquisition of new land, woodlands and wetlands) for the benefit of the public, stretching from the ancient borders of The Forest of Arden to the edge of the Vale of Evesham (the “Heart of England”),
- ii)** To engage in the plantation, re-plantation, cultivation, conservation, protection, preservation and restoration of trees, woodlands, wetlands and plant life in the Heart of England for the purposes of maintaining this natural habitat and for ensuring that it benefits both the public and the native natural wildlife (and ensuring the survival of endangered species) that live in and around this forested area, and
- iii)** The education of the general public for both general purposes and specific scientific research relating to the promulgation of knowledge and appreciation of trees, woodlands, wetlands, and wildlife and their habitats in the Heart of England region.
- iv)** To use parts of the forest to promote:
  - (a)** recreation and leisure with the joint objectives of advancing the education of the public in the conservation, protection and improvement of the natural environment and improving the conditions of life for the benefit of the public; and
  - (b)** art (by hosting displays and events) with the joint objectives of advancing the education in the conservation, protection and improvement of the natural environment for the benefit of the public as well as in the arts.

## STRATEGIC PLAN

Our Strategic Plan provides an ambitious motivational framework to achieve our aims and has five strategic priorities:

- 1** Growing the Forest
- 2** Optimising Biodiversity
- 3** Attracting People
- 4** Learning and Skills
- 5** Strong Governance

These priorities form the pillars of the Heart of England Forest’s strategy and are underpinned by four cross-cutting themes:

- A** Communications
- B** Fundraising
- C** Volunteering
- D** Farming and agroforestry

## PROGRESS MADE IN 2019/20

Thanks to our dedicated team and passionate supporters the Forest continues to grow. Read about the achievements and progress made for each pillar across the last financial year, and our plans for the year ahead.



# 1 GROWING THE FOREST

Meeting our ambitious targets to create and maintain a mosaic of forest habitats to help mitigate climate change and for both people and wildlife to enjoy.

Above: Phoebe, our first forestry apprentice

## PROUDEST ACHIEVEMENTS

- 1 Our forestry staff and volunteers achieved our tree planting target this year, despite the ever-present rain of the autumn and winter.

**136,977** trees planted, making a total of **1,883,928** since the charity began

- **63,432** planted in new areas of the Forest (54,223 at Newnham and 9,209 at Arrow)
- **73,543** replacing trees lost to drought of 2018 (Sheriffs Lench at 50,351 and 23,194 at Church Farm)

**595** acres added to England's largest new native broadleaf forest, which now spans over **7,000** acres in total

- 2 Employing our first forestry apprentice.

One of the first organisations in the country to employ a new forestry apprentice, our two-year apprenticeship complements our internship program and cements our commitment to mitigating the shortage of skilled forestry staff throughout the industry.

Phoebe joined the team in November 2019.

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**“I’ve done a lot of voluntary work in the past but being paid whilst I train means I can really progress my career now. I am looking forward to building on my skills over the next two years and am excited about the variety of tasks I’ll be undertaking during my time here.”**

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- 3 Establishment of a wild service tree seed source trial in collaboration with two other landowners and Woodland Heritage.

The native wild service tree is not very well known or utilised in the UK, but it is recognised for producing high quality, valuable timber in Europe. Collaborating with two other landowners with expertise and enthusiasm for the wild service tree, we are undertaking national research, testing possible seed sources for tree breeding for the production of high-quality timber in the UK.

## YEAR IN REVIEW

Land acquisition is a key priority in order to provide a sustainable land bank for future growth. We only plant trees on land that we own to ensure that the Forest remains secured for generations to come, which sets us apart from most other tree planting organisations. We are working to secure a pipeline of at least three years’ worth of planting, circa 900 acres, and the purchase of 310 acres at Church Bank Farm in Binton was a big step towards our land bank target.

Public consultations held in Ullenhall and near Tanworth in Arden on 7 December 2019, and at Binton on 1 February 2020, were well attended and it was great to see so many local people actively showing an interest in our work. Our head forester Stephen and forestry manager Will led walks around each site, answered questions and discussed any issues that the community had. Working with our local communities is important and holding public consultations gives our neighbours the opportunity to meet members of our team and inform the plans we make for the land near their homes.

We established approximately 170 acres of new woodland and added 63,432 trees to the Forest in Newnham and Arrow, both in Warwickshire.

One of our central aims is to encourage as many people as possible to spend time in the Forest. Keeping the Forest accessible involves mowing and strimming footpaths, removing overhanging branches, and clearing around gateways, way markers and benches. We estimate that at least 300 hours was spent each week during the summer maintaining public access.

Building on the success of our paid internship programme, we started working with Herefordshire and Ludlow College to provide a vocational training opportunity for our first forestry apprentice. We are proud to be one of the first organisations in the country to adopt this new apprenticeship standard. By creating a high-quality training plan, the Heart of England Forest is establishing a multi-level

programme to equip trainees with the skills and competencies needed to forge a career in forestry, while helping to deliver the charity's vision into the future.

Work continued to test and develop effective agroforestry. This work demonstrates that agriculture and forestry can be inextricably linked and offers the potential of delivering other areas of the strategic plan, such as attracting people and generating sustainable income streams.

## CHALLENGES FACED

The wet weather and severe flooding in the latter half of the reporting year hindered tree planting and the establishment of species rich grassland. By contrast, the drought of 2018 resulted in a loss of over 73,000 young trees, the biggest loss we have ever experienced in all our time tree planting. This season our volunteers replanted the trees devastated by the 2018 heatwave with a modified planting technique to reduce the likelihood of this damage being repeated. With the onset of climate change bringing with it more severe weather events, there has never been a more important time to be planting a forest.

We did not receive our government permissions to plant trees until the beginning of January, which halved the time we had to plant trees this season.

## THE YEAR AHEAD

We are excited to focus on getting to know and understand of the new land we have purchased at Binton, Gorcott Hill, and look forward to building on our land bank with more land purchases.

This work will involve habitat and wildlife surveys, archaeological risk assessments, soil sampling, stakeholder consultations followed by designing the new woodland. These really are the first steps (after purchase) of growing the Forest.

These are challenging times due to Covid-19, but land acquisition remains a priority, so we will continue to work to identify and secure appropriate and available land to grow the Forest.

We will also continue to provide good quality access to the Forest for our supporters and Friends to enjoy.

The challenges we face due to climate change mean we are having to adapt how we grow and manage the Forest. The charity remains committed to planting a broad spectrum of native trees in order to maintain our resilience to climate change. We will continue to conduct tree health surveys throughout the Forest and monitor our current pests and diseases to future-proof the Forest.





## 2 OPTIMISING BIODIVERSITY

As well as plants and animals which make their home in woodland, our mosaic of habitats will encourage animals like otters and water voles in our wetland areas, and colourful orchids in our meadows.

Above: Yellowhammer on branch

## PROUDEST ACHIEVEMENTS

### 1 Nationally important bird species recorded at The Lenches.

We carried out our first winter bird survey at Sheriffs Lench and Ab Lench, making six visits from November 2019 to March 2020. In this one corner of the Forest 56 species were recorded, and numbers ranged from 500 to over 1000 individual birds on any one visit. 13 Red List bird species and nine Amber List bird species of conservation concern were among these records.

#### 13 Red List birds

- skylark
- yellowhammer
- linnet
- fieldfare
- redwing
- song thrush
- marsh tit
- woodcock
- starling
- mistle thrush
- corn bunting
- curlew
- merlin

#### 9 Amber List birds

- stock dove
- kestrel
- dunnock
- meadow pipit
- reed bunting
- bullfinch
- graylag goose
- snipe
- lesser black-backed gull

### 2 Great Crested Newts found in the Forest.

The Forest's ponds, which number over 50 in total, provide a haven for Forest wildlife. Following our first pond survey training day held in July 2019, volunteers went on to assess the condition of 19 pools and our forestry interns a further five pools. As part of our pond assessments we also undertook eDNA analysis on six ponds to see if they contained great crested newts. Great crested newts (GCNs) are an internationally important species of conservation concern and are a UK and Local Biodiversity Action Plan species. GCNs were found to be present in four of the ponds: Colletts Pond and three ponds at Netherstead. An adult and juvenile GCN was also found in the pool created by the Environment Agency at Middle Sernal on the pond survey training day.

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“Surveying this area of the Forest has been fascinating. I have recorded great numbers of Red and Amber-listed farmland birds; dozens of yellowhammers and reed buntings were at Ab Lench throughout the winter (as well as a single corn bunting appearing on one occasion) and I had over 200 linnets, 100 stock doves and 50 skylarks all in a single field at Sheriff's Lench.”

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### 3 Hydrological surveys at Studley Thorns, Studley and Traps Green, Ullenhall.

Consultants from AquaUoS (part of the University of Salford) completed topographical surveys and detailed design drawings for improving the horseshoe shaped pool for wildlife at Studley Thorns. AquaUoS also surveyed our land at Traps Green and our section of the River Alne catchment Local Wildlife Site and developed a range of wetland creation options for us to explore. These are the first steps to achieving wetland enhancement and creation projects within the Forest.

## YEAR IN REVIEW

In 2019/20 biodiversity work focused on wetlands as its priority habitat within the Forest mosaic.

Working with consultants from AquaUoS, good progress was made towards our goal of creating new wetland habitats and maintaining and restoring existing wetlands to encourage and enhance biodiversity. The project with the Environment Agency to create wetland habitat for the nationally rare water vole in the Honeybourne area began but encountered difficulties (see challenges faced section).

We resumed work on building and equipping our volunteers with the knowledge and confidence to carry out surveys for an even wider range of species and habitats, enabling us to keep building up a picture of the natural capital resource the Forest offers. Training days were held on surveying

for butterflies, bumblebees, dragonflies, phase 1 habitats and ponds.

Following the pond survey training, volunteers went on to assess the condition of 19 pools. They recorded the location, size and surrounding land use and vegetation. In addition, chemical water sampling took place on four pools and invertebrate sampling at three pools. Our forestry interns assessed the condition of a further five pools. We were delighted that great crested newts (GCNs), an internationally important species of conservation concern, were found in five of our ponds.

During our first winter bird survey at the Lenches, skylarks were regularly recorded in high numbers with 80 individuals on one visit. Similarly, yellowhammer and linnets were also found in high numbers, more than 100 and 300, respectively. These are nationally scarce farmland birds and will benefit from the open fields and calcareous grassland at Sheriffs Lench, highlighting the importance of a mosaic of habitats within the Forest for our native wildlife. In March 2020, at Sheriffs Lench, 23 skylarks were establishing territories for the breeding season and three song thrushes were recorded in the beech copse. Local contractor Sam Macvie, completed the winter bird surveys and is now working on a one day a week contract collating and analysing our wildlife data.

We continued to work closely with the Local Records Centres (LRC) and Warwickshire Habitat Biodiversity Audit (HBA) partnership to ensure our records feed into the wider picture of ecological health of the region.

## CHALLENGES FACED

There have been difficulties progressing the wetland project in the Honeybourne area due to internal differences of opinion between departments at the Environment Agency (EA). This has caused significant delays to this project and the EA will not give consent for the project to go ahead in its current design. As a result, new plans are being drawn up for a different project which will still benefit water voles, which is the focus of this

biodiversity project. We are disappointed with this result, having worked with local people and their local councillor on a flood alleviation scheme to benefit houses in Broad Marston.

## THE YEAR AHEAD

The focus for biodiversity work in 2020/21 will be on grasslands and pollinators.

With our butterfly transect surveys in their third year we are building up an excellent picture of how butterfly populations are increasing in the Forest. It is a good opportunity to review these and establish new transects, such as at Sheriffs Lench. In previous years many of these transects have been completed by our dedicated volunteers, but due to Covid-19 the forestry interns and other members of staff will be undertaking as much survey work as possible.

With funding secured from Severn Trent Water we plan to improve the floristic diversity of our grassy woodland rides, covering 68ha, in the Spermal area of the Forest. 2020 sees the start of this five-year programme of grassland enhancement.

Wetland projects can take at least two years to plan, develop and deliver so these will continue to be progressed at Traps Green, Studley Thorns and Honeybourne.

With the Forest a haven for many birds of conservation concern it is important we monitor their populations, so bird surveys will continue. Plans include surveying for breeding woodcock in Spermal Park and our first ever summer bird surveys at the Lenches to build on the winter bird surveys. We will also continue to survey for tree sparrows and other farmland birds at Netherstead, as part of our project with the Arden Farm Wildlife Network.





## 3 ATTRACTING PEOPLE

We are finding new ways to engage with people to encourage them to use the Forest and benefit from time spent in nature.

Above: Sarah and Jane walk in the Forest daily



## PROUDEST ACHIEVEMENTS

- 1 The launch of the first accessible trail in the Forest at Morgrove Coppice, a woodland area previously not open to the public.

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“As a resident in Alcester there is little outdoor space with good access in all weathers. It had rained all day yesterday after a wet winter and we could still enjoy the outdoors on such a glorious day. I cannot thank you enough for doing this and thinking of those less able – 10/10.”

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- 2 New events added to the growing programme.

We introduced several new events across 2019/20 and were pleased with the response and interest they received. The additions to our already popular programme included a series of midweek introducing walks to give people confidence to use our waymarked trails, a bird ringing session, a moth evening, a summer solstice social walk & winter bird walk.

- 3 Enabling longer term planning for events at the Garden of Heroes and Villains.

We were pleased to work with the Dorsington Parish Council and Stratford District Council planning department to have permanent permission granted to hold a small but important number of fundraising events each year in the Garden of Heroes and Villains.

## YEAR IN REVIEW

During 2019/20 we prioritised engaging people in the Forest, raising awareness and support of our work via communications, community outreach and our ever-expanding events programme.

We also made headway in encouraging short and longer term visiting with the installation of floating pontoons as part of the new floodsafe moorings at Barton basin, with utilities to be commissioned in 2020, and the go ahead to develop our first bespoke holiday lets in the Forest.

### Supporter engagement:

The spring edition of the magazine for our Friends of the Forest, our first subject specific issue, was sent out in March 2020, The Climate Issue highlighted the challenges we face creating and conserving the Forest in a climate crisis, and the benefits that the Forest will bring as a national asset.

Subscriptions to our monthly e-newsletter increased by 23% (March 2019 – March 2020). It continued to have an open and click through rate that was well above the industry average.

A mobile information kiosk was purchased to provide a hub in our car parks and at events for people to learn about the Forest and our work. The 'Little Tree Trailer' had its first outing at our Morgrove Coppice launch event in March 2020 and was well received.

As part of the EU funding received from an RDPE tourism bid, a map of the Sernal area of the Forest was produced showing permissive walking routes and how they link with public footpaths. These maps were placed in the car parks at Morgrove Coppice and Haydon Way Wood alongside information boards about the walks and things to look out for in the woodlands. Not only will these interpretation boards help people make the most of their time in the Forest, they reinforce that they are walking in the Heart of England Forest and inform them about our work.

Public consultations on our new land at Ullenhall, near Tanworth in Arden, and Binton were well attended by residents. Engaging our neighbours at the very start of planning and enabling them to influence the design of the Forest near to them fosters goodwill. The consultations were a great opportunity to inform residents about the charity, with many having no idea of the breadth and scale of our work.

We gave talks to the Alcester U3A, Shottery U3A, Wellesbourne WI, Temple Grafton WI and the Welford Wives. These were valuable opportunities to engage with people close to the Forest. We

received a donation from each, gained e-newsletter sign ups and a new office volunteer.

We were pleased to host an exclusive guided walk for residents of Barton village who regularly fundraise for the Forest and over the last few years have raised £900. The walk around an area of the Forest not usually open to the public was a great way to show our appreciation for their efforts, demonstrate the work the charity is doing and build relationships with our local supporters.

Opening our first accessible trail in the Forest at Morgrove Coppice has achieved our aim of enabling more people to benefit from time spent in the Forest. The specially designed trail is suitable for wheelchairs, pushchairs and people with limited mobility. The launch event on 14 March 2020 attracted over 100 people and the feedback was overwhelmingly positive.

#### Our events programme:

We held 30 events over 52 weeks, attracting 2,397 attendees.

These included 20 walking events, five species-specific walks, five public fundraising events, including four in the Garden of Heroes and Villains, and one Bluebell event in the ancient woodlands.

We continue to listen to feedback and suggestions from our supporters and aim to provide a varied and interesting events programme with something to appeal to everyone. We are lucky to be able to utilise the skills and passions of our staff and volunteers who contribute to and host events throughout the year.

## CHALLENGES FACED

Encouraging more people to benefit from the Forest, whilst addressing the concerns about increased numbers of visitors raised by residents living close to the Forest, is an ongoing challenge.

The extremely wet winter delayed the opening of the accessible trail by several months and made our other routes more difficult for visitors to access.

We have been unable to collect cash donations in many of our car parks due to the demise and vandalism of our payment machines and needing to wait to replace these with donation posts. We have, however, trialled a new text to donate service provided by Donr as an alternative way of giving.

## THE YEAR AHEAD

At the time of writing we are in the depths of Covid-19 lockdown with Government restrictions that mean no organised events can take place. We do not know how long lockdown will last or indeed how long restrictions will be in place for public gatherings outdoors, and this will have great influence on what our priority areas will be through 2020 and into 2021.

Covid-19 has brought a renewed appreciation of the great outdoors and the important role it plays in helping our physical and mental health. We feel that access to greenspace is vital for good mental health, and we will keep the Forest open for those living in the local area to use for their daily exercise, for as long as we can do so safely and within Government guidelines.

Throughout this strange period we will endeavour to bring the Forest to our supporters through social media and other communications channels and continue to grow awareness of the Forest and its benefits.





## 4 LEARNING AND SKILLS

Through formal and informal education, we are encouraging young and old to be inspired by the Forest, and creating future Forest guardians.

Above: Young Foresters building shelters

## PROUDEST ACHIEVEMENTS

### 1 The success of our new Young Foresters group for teenagers.

Launched in May, our Young Foresters group for teenagers has already attracted a core group of 10 young people who come back month after month. We have had some amazing adventures including wild camping under the stars, a close encounter with a kestrel with the bird ringing group and tree planting.

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“I’ve benefitted from Young Foresters in several ways, including socialising, learning new skills in the outdoors, and knowing that I’ve helped the Forest. As well as coming to the monthly club, I’m now volunteering on Saturdays in the Forest too.”

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### 2 The growth and impact of our schools’ programme.

In less than 2 years we have gone from a blank canvas to schools using the Forest for 3 days a week on average as part of progressive Forest Learning programmes. We have developed close partnerships with 8 schools whose pupils visit the Forest termly or half termly for national curriculum linked learning outdoors. The programme has been so successful that we will be expanding our Learning and Skills team so we can work with even more schools in 2020/21.

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“Not only have our children developed transferable learning skills; they have been able to apply key curriculum skills, too. For example, children learn about habitats in the classroom and can see nature’s ecosystems first-hand in the forest. They have engaged in observational drawing activities - the forest providing children with a far more interesting stimulus to anything that we could offer in school!”

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### 3 The impact of regular engagement with our Learning and Skills Programme for the families we work with.

Of 3,385 child and adult visits recorded, 2,131 have visited more than once, with many individuals visiting on multiple occasions, both with their schools and their families. This means that we are having a more significant impact on the quality of life of the communities living in and around the Forest.

## YEAR IN REVIEW

The Learning and Skills Programme engaged 2,872 children and 513 adults this financial year.

The Heart of England Forest achieved its “Year of Green Action” pledge to involve young people in the planting of 1,000 trees in 2019 as part of Step up to Serve’s #iwill campaign. A further 1,072 trees were planted between January and March 2020 by children and young people across a number of events. These included a family tree planting day, Mini Foresters and Young Foresters tree planting sessions, a pilot work experience programme for pupils with Special Educational Needs and Disabilities (SEND) in partnership with Vale of Evesham School, and tree planting with year 10 pupils from Arrow Vale Secondary School. A new partnership with Graduate Planet funded 180 pupils from five local schools to attend tree planting days and learn about the importance of trees in reducing climate change, for wildlife and for people.

Our monthly clubs for children, young people and their families are helping the next generation to form a lifelong connection with the Heart of England Forest at the same time as making new friends.

Young Foresters launched in May 2019 for 12-18 year olds. Our committed group of Young Foresters met every month and had many fantastic experiences together as they learned about the natural world – from harvesting and planting hazelnuts to wild camping under the stars.



WildTribe holiday club for children aged 5+ launched in summer 2019 and continued during the October and February half terms. 49 children attended sessions, enjoying many adventures from foraging and outdoor cooking through to bug hunting and natural crafts.

Following the success of our pilots during the 2018/19 academic year, the launch of our schools' programme in autumn 2019 saw partnerships being established with eight schools who typically visited termly or half termly with all of their pupils. The Heart of England Forest's schools programme is unique, spearheading the principle that in order to affect behaviour change and achieve long-term impacts, a longer-term approach is required to truly make a difference. This means that we work closely with our school partners to provide frequent and progressive programmes to help them deliver their school priorities and national curriculum outcomes. Demand exceeded our expectations and we delivered 2,609 child visits during the year. The programme will be further expanded in 2020/21.

## CHALLENGES FACED

The main challenge is meeting the demand for our programmes. The schools programme has taken off so quickly, we have not had as much time as we would like to develop our many other ideas for learning in the Forest.

We offered and promoted Wild Care, a creche with a difference, but it did not prove as popular as we hoped so we withdrew this provision. We are considering different ways to engage with children aged 0-4 and their families in 2020 and beyond.

## THE YEAR AHEAD

We are excited to expand the Learning and Skills team to enable us to grow our programmes to better meet demand and increase our impact.

Reaching out to a more diverse audience, including people who would otherwise have little contact with the natural world and those from vulnerable groups, will be a priority. In particular we would like to build on our successful partnership with Vale of Evesham School to work with more SEND groups, and build on our pilot with Rugby Free Secondary School to work with more young people who are struggling to access mainstream education.

We will continue to develop our Learning and Skills provision for adult groups, including new skills workshops, and with early years children to enable these groups to benefit from time spent in the Forest.

We will further improve the evaluation of our programmes so we can better evidence the impact of our learning and skills programmes.





## 5 STRONG GOVERNANCE

It is vital the charity has robust governance to ensure that it continues to operate effectively, efficiently and ethically.

Above: Heart of England Forest staff

## PROUDEST ACHIEVEMENTS

### 1 The charity was awarded accreditation as a Living Wage Employer from the Living Wage Foundation.

The real Living Wage is independently calculated each year based upon living costs and Living Wage Employers choose to pay their staff a real Living Wage which meets the actual cost of living. The real Living Wage also recognises that under 25s have the same living costs as everyone else. So, from our apprentice to our interns to our subcontracted staff, our team knows that we believe that a hard day's work deserves a fair day's pay. We are proud to join over 6,000 organisations, and are alongside national names such as Oxfam, Nationwide and Ikea in valuing our staff.

### 2 We welcomed two new trustees.

The charity built on its strong governance by recruiting two additional trustees with the competencies and expertise to fill identified skills gaps in order to lead the charity forward into the next stage of its development.

Doreen Massey and Asa Gurden joined our Board and we look forward to working with them throughout the coming year and beyond.

### 3 Emergency planning preparations held us in good stead.

As a relatively new charity in transition, we were very fortunate to have already invested time in the development of our emergency planning, meaning that we were in a good position to be fleet of foot and react immediately to the arrival of Covid-19 in the UK.

## YEAR IN REVIEW

Maintaining the focus on strengthening our governance remained a key priority for us. The Heart of England Forest continues to ensure that it operates efficiently, effectively and legally as a charity, and company limited by guarantee.

As part of our continued process of ensuring best practice, we retendered the auditor services for the charity via a robust tender process and were pleased to recruit Mazars for our 2019/20 audit.

As a charity we value our committed workforce. This year saw even more emphasis on staff and volunteer development through training and support, and we were proud to be accredited as a Living Wage Employer.

As the reporting year ended the Covid-19 pandemic hit. Although our forestry team was able to continue working whilst adhering to social distancing guidelines, this slowed their work. Despite this and the delay with planting permissions, we still managed to achieve our tree planting target. With the safety of our staff, volunteers and supporters our primary concern, we were able to implement measures which, whilst doing things in new and different ways, would still help us to move forward with our ambitious goals.

Whilst we were disappointed to suspend our regular practical volunteering activities, we immediately launched our microvolunteering option. As many of our regular volunteers fall into the vulnerable groups recommended to self-isolate for 12 weeks, this gave us a way to continue to interact with our volunteers, engaging them in meaningful work to benefit the charity, and providing a means of contact to assist with inevitable feelings of isolation. Our direct delivery of learning and skills programmes with both schools and families drew to an early close, but we used the opportunity to develop simple activities linking to the national curriculum to support parents with the new concept of home schooling. These were made freely available on a daily basis online and promoted through our social media channels.

Messaging to our various supporter groups was swift and clear, and we received many positive comments about how keeping the Forest open

through this challenging time had provided a lifeline to many.

All of this was possible due to the importance we have placed upon instilling and renewing robust governance across the whole charity.

## CHALLENGES FACED

The impact of Covid-19 on the world financial markets has been dire, with stock markets lurching up and down as world events unfolded. Along with many charities, this has had a disappointing impact on our investments, which have been ring fenced for land purchase to support the charity to deliver its vision over decades to come.

Frustratingly, investments had performed well for 11 of the 12 months in the period, and the charity had also made great headway in purchasing land to fulfil its short term objective of building a three year land bank, which will allow for market fluctuations and other contingencies whilst enabling the Heart of England Forest to grow at its target rate of around 300 acres a year.

## THE YEAR AHEAD

Unfortunately, the decline in investment values during March 2020 and beyond will have a marked impact on the ability to purchase significant land in the short term, and the aspiration to complete the three-year land bank may now need to be stretched.

The Heart of England Forest will be diversifying its income streams over the coming year, with an external project team established to develop an old barn into environmentally friendly accommodation within the Forest to attract visitors. We are also planning to recruit a member of staff to focus on the development of our beautiful natural burial site nestled beneath our ancient woodland at Alne Wood Park. This will improve the visitor experience and enhance the site's biodiversity potential.

2020/21 will see a renewed focus on the Charity Governance Code, and a working group has been formed to develop an action plan to support internal review and continuous development. Whilst it is not a regulatory requirement, the Heart of England Forest strives for best practice across the charity, promoting a culture where everything works towards fulfilling the charity's vision and delivering public benefit.





## 6 VOLUNTEERING

Our volunteering programme provides a range of ways for people to support our work and gain skills, get fit and meet new friends.

Above: Connor, supported by mum Anne, volunteered for tree planting season

## PROUDEST ACHIEVEMENTS

### 1 Volunteers played a key role in the tree planting season.

34,264 trees were planted by all volunteer groups between November 2019 and the end of March 2020. This is more than half of all trees planted in the new areas of the Forest during the season – an incredible achievement.

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“Volunteering in the Forest has been such a positive experience. Everyone was so welcoming to us both. Connor has learning difficulties and is not able to work, but tree planting gave him a real sense of purpose and his confidence has really grown. By the end of the season Connor was happy to work alongside some of the other volunteers, which gave him some independence, and he really enjoyed being with like-minded people. It's been fantastic seeing such positive changes in Connor and we hope to do more volunteering in the future.”

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### 2 Offering a wider variety of volunteering tasks.

We began work to expand our volunteering programme and were pleased that volunteers responded well and enjoyed the increased variety of tasks across the past year. As well as our regular practical volunteering work parties, which undertake woodland planting and management tasks out in the Forest, volunteers have also supported us with communications, photography, events, biodiversity surveying and delivering learning and skills sessions.

### 3 Volunteer contribution to the first accessible trail in the Forest.

Volunteers provided hundreds of hours removing tree guards, trimming hedges and overgrown gateways, and transporting materials for the creation of the new boardwalk. Volunteers also represented volunteering at the launch event, sharing their experiences directly with the public.

## YEAR IN REVIEW

Total volunteer attendees: **1,758** individuals.

Total volunteer hours: **8,583**.

This is equivalent to more than four full time members of staff.

We kicked off the year with the recruitment of our first Volunteer Manager; this new role is responsible for all aspects of volunteering from strategic planning and recruitment, through to volunteer communications and delivering practical sessions. We felt it important to involve and engage our volunteers in the recruitment and selection process for this key role, and were hugely grateful to the volunteers who helped meet each candidate and joined the interview and practical task panels - helping us select an excellent candidate.

The variety of tasks offered by our volunteering programme diversified over the year. Aligning the tasks with the charity's strategic objectives really showed the value that our volunteers bring to the Forest:

- Growing the Forest: forestry, tree nursery
- Optimising biodiversity: surveys and transect work, training sessions.
- Attracting people: event support, Garden of Heroes and Villains maintenance, volunteer representation at events.
- Learning and Skills: supporting the delivery of our education programmes, facilitating work experience with Young Foresters.
- Strong Governance: expanding our Board of trustees and improving our diversity.

Volunteers also supported our communications work and provided office support.

Volunteers had the opportunity to represent volunteering at the Morgrove Coppice launch event, and it is hoped that similar promotion of volunteering will be possible at future events.

Sadly, practical volunteering in the Forest had to be suspended due to Covid-19, but we quickly launched microvolunteering from home as a new avenue for volunteers to continue supporting the charity. As many of our volunteers faced 12 weeks of self-isolation, this gave them different ways to still make a meaningful difference to the charity, whilst helping with feelings of isolation.

## CHALLENGES FACED

We are delighted that volunteering has proved so popular and our numbers have grown across the last year. However, managing this increase and interest from both a practical delivery and administrative point of view is a lot of work for one member of staff. We therefore rely on the forestry team to support some sessions. As this is not always possible due to their commitments, we cannot always keep up with demand and occasionally have to cancel volunteering sessions.

To help support growing volunteer numbers we will shortly be working on recruiting, training and supporting Lead Volunteers. Our Lead Volunteers will enable us to deliver multiple sessions and handle increasing enquiries, giving us the additional capacity we need to grow and enable volunteering at the charity during this exciting and busy time.

## YEAR AHEAD

Following the introduction of microvolunteering at the end of the year, we will increase the scope of this new arm of volunteering. This type of volunteering offers great potential for fulfilling simple, single tasks across the entire charity, and attracting a different type of volunteer who may only have a small amount of time to give. At present it is restricted to tasks that can be done at home, however once lockdown has ended we hope this can be extended to include outdoor tasks, allowing for a greater number of informal volunteering opportunities.

We want to reform and develop biodiversity volunteering to grow the number of volunteers involved and increase transect numbers. Unfortunately, this is on hold until lockdown ends, which means we will lose a number of weeks of transect data. Part of this work will involve introducing formal Biodiversity Volunteer Leads to take greater responsibility for managing and leading volunteer survey work.

Volunteer Lead roles for our other volunteering areas will allow multiple sessions to run, increasing the opportunities available for volunteers, and covering dates where staff are unavailable. This will also enable us to create localised groups of volunteers who can self-lead volunteering activity across the Forest. These roles will create ambassadors for the Forest and demonstrate further how vital volunteers are to the future of the charity.





## 7 FARMING AND AGROFORESTRY

Farming is an integral part of the charity, running hand in hand with forestry, and we are working to develop and showcase effective agroforestry.

Above: Jacob sheep with lambs

## PROUDEST ACHIEVEMENTS

### 1 The economic benefits of the Forest.

Farming is integral to growing and managing the Forest. Alongside the environmental and social benefits it offers, the Forest also provides an economic benefit, and we are proud to work with a range of farmers who support our work across the 7,000 acres of Forest. From a first generation shepherd who grazes his sheep on our grassland to enable him to undertake lambing close to his home; to farmers who have sold their land to the charity in order to grow the Forest, but who are continuing to farm it in the short term as they move into retirement; to neighbouring farmers who undertake hedge cutting or arable cultivation on behalf of the charity; there are many ways in which local people make their living whilst benefitting the Forest with their valuable skills and expertise.

Dorsington-based contract farmer, James Walters, has supported the charity over the year whilst the farm team has been restructured. From overseeing our sheep operations to helping with farming maintenance tasks, this local partnership has been mutually beneficial.

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“We’ve worked with the charity on a variety of jobs over the past 12 months, including hedge cutting, bailing, and planting organic barley, which despite the very dry and then very wet weather will be ready for the 2020 harvest. We also helped to establish a brand-new flock of pedigree lleyen sheep. The partnership has worked well and it is great to support a charity that is on our doorstep.”

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### 2 Investing in new equipment including a tractor to improve our grassland management.

Not only will this improve productivity within the farm team, it will enable us to more effectively manage our woodland rides and paths across the Forest, benefitting both people and wildlife. The edge of our woodland rides, as the grass grows longer and merges into scrub and smaller

flowering trees, is what we call the biodiversity superhighway. A hotspot in our Forest habitats, this is where we see the most diversity in both plants and animals, from insects and small mammals to bats and raptors such as barn owls which use the ride edges as a hunting corridor.

### 3 Tree sparrow project.

By adjusting our farming methods, we can have a significant and positive impact on the natural environment. This includes undertaking biodiversity surveys so we know more about local populations and can adjust our habitat management accordingly. One of the species we are hoping to benefit with our farming work is the tree sparrow. Once a very common bird, tree sparrow populations suffered a 96% decline over the 25 years between 1979 and 2004, placing this species on the Red List of Birds of Conservation Concern. It is also a UK and local Biodiversity Action Plan species.

Tree sparrows are generally found on lowland arable or mixed farms with scattered trees and mature hedgerows. Records indicate that the tree sparrow has not been found within the Forest area since 2012, but with areas of suitable habitat managed appropriately we are working to encourage tree sparrows to return.

This year, funding from the Severn Trent Water Boost for Biodiversity Fund, through the Arden Farm Wildlife Network, has enabled the charity to install 10 tree sparrow boxes with the help of our volunteers. We have also sown supplementary winter feed during 2019/20 and have designed areas of wild bird seed mix and pollen and nectar mix to provide an improved habitat for tree sparrows with seed provided by the Arden Farm Wildlife Network.

The farming work we have undertaken on this additional seeding and supplementary winter seed will also benefit a wide range of farmland birds such as skylark, linnet and yellowhammer, all of which are Red List Birds of Conservation Concern.

## YEAR IN REVIEW

While the Heart of England Forest woodlands are managed to provide the best possible habitats for wildlife, this commitment to environmentally friendly administration also extends to the Forest's farming activities. At Dorsington, where the livestock are nurtured in the most natural way possible, work continued to ensure the highest organic standards were met. Elsewhere across the Forest, livestock was used to manage a variety of habitats, and arable farming included elements such as wild bird seed mixes, unharvested margins, and beetle banks, which provide food and shelter for a wide range of biodiversity.

The charity's mix of farming and forestry works well hand in hand. Excitingly the charity identified some opportunities to further integrate them to benefit forestry, farming, wildlife and people through the adoption of agroforestry. Agroforestry is the intimate mix of both farming and trees on the same piece of land, and we are keen to undertake both arable cropping and livestock agroforestry activities.

As we purchase new land to grow the Forest we are always looking for new areas to incorporate agroforestry further within the charity. Not only will it benefit our work, but it directly responds to the advice given by the Committee on Climate Change in its January 2020 report - Land use: Policies for a Net Zero UK, calling for a revolution in farming and land use to deliver climate mitigation.

## CHALLENGES FACED

The wet winter saw a series of extreme weather events causing flooding right across the Forest, which had an adverse effect on farming operations, as it did with most farmers across the country. Our fields soon became quagmires with very low grass availability, and our cattle were housed inside over winter for longer than normal, which had an impact on both food and bedding costs.

The wet winter will continue to have a knock-on effect across 2020/21, as many farmers were unable to sow their winter crops, meaning straw will be in short supply. This will push up prices for livestock bedding over the forthcoming winter.

## THE YEAR AHEAD

We are excited to have appointed our first conservation farmer, who will take a holistic approach to farming and agroforestry across the charity. Our first priority will be to map the different habitats across the Forest where conservation grazing can improve the habitat management. This will involve establishing a "flying flock" – a small group of sheep which can be used in varying numbers at sites across the Forest to undertake particular grazing tasks. These will range from low density gentle grazing to maintain a short grass sward, useful to attract particular birds and insects; to mob grazing, where a group of livestock grazes a small area for a relatively short period, which not only benefits the animals, but also the health of the land.

Benefits include:

- Preventing compaction which protects the soil structure, plant resilience and extension of the season
- Drought tolerance as the plants can develop longer and more robust root structures
- An overall improvement in biodiversity with grasses and wildflowers having more chance to flower and set seed, providing food and shelter for a range of animals and birds.



We will continue building up our flock of Jacob sheep, a traditional hardy breed with horns which assist with disturbing the understory in wood pasture and woodland, keeping more dominant plants such as bramble in check. We are also looking forward to trialling new breeds of sheep, which might include Shropshire sheep, known for their ability not to nibble young trees!

Our organic, free range longhorn cattle continue to do well, both in terms of managing grassland habitats and in generating an income to support the work of the charity. We look forward to trialling them grazing within established woodland, and to working with more local outlets to encourage people to reduce food miles on the products they purchase.



## 8 FUNDRAISING

Gaining support and raising funds to enable us to continue to grow the Forest is key to us achieving our ultimate aim of a 30,000 acre Forest to benefit the environment, wildlife and people.

Above: Visitors studying the information boards at Morgrove Coppice

## PROUDEST ACHIEVEMENTS

### 1 Securing funding to help us grow tourism and improve accessibility in the Forest.

We were hugely grateful to benefit from the support of the European Agricultural Fund for Rural Development. Together with The Bruce Wake Charitable Trust and Tesco Bags of Help, they funded the creation of our first accessible circular wildlife walk and car park; an exciting milestone for the charity and an important resource to ensure the Forest is as accessible and inclusive as possible.

In addition, they also part funded a new mobile information kiosk that will be used at other key sites around the Forest to help engage and inform the public. They have also contributed towards the installation of sustainable and floodsafe mooring pontoons on the River Avon at Barton. This will provide a tranquil mooring for visitors – surrounded by wildlife, with easy access to the Forest, walks around Dorsington, and along the Heart of England Way, providing a valuable source of income. We are delighted to have the opportunity to work alongside these generous funders on these substantial projects that attract and engage new visitors as well as providing opportunity for us to generate a sustainable income that supports the growing Forest.

### 2 New, fledgling and long term – corporate partners making a difference.

We were delighted to welcome 11 new corporate supporters across the last financial period. Each partnership is tailored around a company's interests and motivations and often includes opportunities to engage their employees and stakeholders with volunteering - helping to grow the Forest through donating time as well as money. We are incredibly thankful to our returning and long-term partners whose continued commitment makes a significant impact. We are lucky to work alongside so many fantastic local and national brands from a range of sectors, all united in their recognition on the importance of investing in nature.

### 3 Developing dedications.

We were very grateful to see a significant increase in the number of supporters giving via our tree dedication initiative, which not only raises vital funds for the charity, but increases people's awareness of and connection to our work.

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“Just to say a HUGE THANK YOU for selecting such a lovely oak tree for us in memory of our parents. I cannot tell you how much it means, especially to our daughters who are the next generation and now have somewhere very positive to visit. We visited the tree over Christmas in the mud and anticipate many visits through our glorious seasons.”

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## YEAR IN REVIEW

2019's news agenda was dominated by the need for action on climate change and it has been clear to us that there is a real public momentum to support environmental causes. We were therefore pleased and encouraged by the increase in enquiries from both individuals and organisations looking to learn more about our work and vital mission. Donors like the tangible and lasting impact their donations make, right here in the UK, and we are glad of the opportunity to engage more and more people in this amazing journey to create tomorrow's great native woodland.

During the year, a number of trust and grant giving organisations generously supported our full spectrum of work, including projects to help grow the Forest, optimise biodiversity, provide education opportunities and attract people to enjoy and experience the Forest. These donations and grants have helped make positive and meaningful progress in all these strategic areas.

We welcomed more corporate supporters than ever before. Their support came via a number of partner initiatives including new supporter Cutter & Co, who made us their charity of the year; long term partner carwow, who have worked with us since 2016 and donate for every online review



they receive from their customers; and construction firm BAM who donated as part of their huge international tree planting drive to celebrate their 150th anniversary.

The on-going generosity and commitment of our Friends of the Forest is incredible. We feel very grateful to have such an amazing group of committed donors investing in our work and journey. Likewise, donations in support of tree dedications, which had a particularly successful year, have made a real and lasting impact on our work. We aim to ensure that all our donors receive relevant and regular updates as per their preferences, and provide opportunities for Friends to engage with the Forest via special events and free use of our car parks.

## CHALLENGES FACED

We have struggled to recruit for a couple of specialist fundraising roles over the last twelve months which has impacted on the progress we have been able to make across both philanthropy and community giving. We are keen to add to our current fundraising streams to help ensure a varied and sustainable funding mix that provides healthy and diverse income sources for the charity. As we enter the new financial year, we are pleased to confirm that we have been able to recruit one of these key positions and have made some changes to the other role that we hope will prove more successful, so we can launch these areas properly in the coming year.

The delay to the tree planting season meant that we had to postpone a number of our planned corporate partner volunteering days. It was a real disappointment and frustration to not be able to fulfil events that many employees and companies have planned for and looked forward to for several months. Fortunately, our partners were very understanding and going forwards we will look to build in a contingency volunteering opportunity.

We are inevitably going to see a change to our Friendship supporter base as people's incomes

are affected by Covid-19, resulting in a decrease in our regular donations. We will aim to minimise this by reinforcing the importance of their support to enable us to continue to grow the Forest for the environment, for wildlife and for people.

## THE YEAR AHEAD

Encouraged by public awareness and support for our cause we are excited to engage as many new supporters in our work as possible. We hope to be able to further grow individual support via our Friends of the Forest programme, new campaigns and our popular tree dedication initiatives.

We are excited to shortly launch a new four-tiered corporate programme that offers a number of benefits for partners. It is intended to run alongside our bespoke approach to partnerships as an alternative 'off the shelf' opportunity, which creates a mutually beneficial partnership and encourages more companies to work with us and promote their commitment.

Community Fundraising is an important new area we will launch proactively across the coming year. More than raising funds, it engages and informs local and wider communities about our work. Our new Community Partnerships Officer will be responsible for forging new relationships and raising awareness and support across local cities, towns and villages, encouraging companies, people and community groups to come together and be part of our vital mission.

Finally, we will begin to promote Legacy and In Memory fundraising. The Heart of England Forest understands more than most the profound impact a legacy can make. Our founder, Felix Dennis, left the majority of his estate to the charity. His gift has been designated to enable us to purchase and secure much of the land needed to reach our 30,000 acre goal. Leaving a gift in your will to support the Heart of England Forest provides a legacy in every sense of the word, sowing the seeds of a better world for the next generation.



# THANK YOU

Our sincerest thanks and recognition goes to our amazing supporters.

## Our volunteers

## Donors and Friends of the Forest

### Corporate supporters:

- Alstom
- BAM
- Bradley Murphy Design
- carwow
- Columbia Sportswear
- Cutter & Co
- Daimler
- Dennis Publishing
- Empire
- Manheim
- MCFT
- NFU
- Orbit
- Poyry
- Severn Trent Water
- Tala
- Vanilla Tech
- Wound Care People
- Young Driver

### Grants and Trusts:

- European Agricultural Fund for Rural Development
- Ian Addison Charitable Foundation
- Michael Marsh Charitable Foundation
- Millie's Watch
- Nineveh Charitable Trust
- The Ratcliff Foundation and F R Ratcliff Charitable Settlement
- The Rowlands Trust

# FINANCIAL REVIEW



## Financial Review

The group's total income for the period increased from £9.3m to £25.3m. This significant increase resulted from the £20.7m legacy of Mr Felix Dennis (2019: £7.2m). The legacy of £20.7m includes an accrual of £5.9m for residual legacy income not yet received. Investment income increased by £2.5m, totalling £2,987k in the year (2019: £503k).

The trustees have designated these legacy funds for the purpose of land acquisition and strategic investment funds. They have been invested and will provide a strong foundation for the realisation of Felix Dennis' vision.

In addition to the above, general fund income amounted to £1,578k (2019: £1,715k), of which the principal sources of income were:

- Government grants total £869k (2019: £934k) for forestry creation & maintenance and farming, of which £497k (2019: £480k) supported the key objective of planting and maintaining a broadleaf forest.
- Donations to support forestry creation and maintenance (£102k (2019: £136k) from corporate partners and £116k (2019: £88k) from individuals including Friends of the Forest).
- Rental income from properties £65k.

There were losses on investment assets of £(10,019)k in the year (2019: £3,117k gain).

Expenditure on general funds amounted to £2,351k (2019: £2,348k) of which £1,101k was on charitable activities and £1,250k on raising funds.

Included within raising funds is £747k (2019: £747k) of farming activity. As the charity develops, more of the farming activities will be integrated within the forestry operations to aid agroforestry. Total expenditure on charitable activities amounts to over £1,101k (2019: £1,203k) which equates to 47% (2019: 51%) of overall expenditure.

The group has recognised a deficit of £(729)k on general funds (2019: £(633)k deficit). The long-term goal of the group is to continue to generate additional income so that income at least covers costs on general funds. The group has transferred £633k from designated funds to general funds to support its strategic development.

The group's net assets have increased from £164.4 to £176.5m.

The group operates a defined contribution pension scheme and therefore there are no pension liabilities.

## Reserves

When planning and budgeting for activities; forecasts of income and costs, future opportunities, commitments and risks are considered, in arriving at the level of reserves held, so a balance can be struck between continuing development and the need for prudent management of working assets and commitments, including providing for contingencies.

The reserves policy is reviewed and agreed annually by the trustees as part of the budget process.

As a result of the Felix Dennis legacy, total funds increased by £12.2m to £176.5m, comprising £174.5m of designated funds with £2.0m of general funds. The charity also holds £53k of restricted reserves.

Designated funds are those funds that have been designated by Trustees for the delivery of the charity's long-term charitable objectives, and consist of:

- £130.3m for land purchases on which to plant a broadleaf forest.
- £42.7m being the historic valuation of land.
- £1.5m for a Strategic Investment Fund for funding capital expenditure, depreciation and supporting initiatives within the strategic plan in order to develop financial sustainability.

General funds are free to be used towards any purpose in furtherance of the charity's charitable objectives.

It is the Trustees' policy to maintain the Charity's general reserves at a sufficient level to enable it to continue to provide funding for approved projects and working capital requirements for future years. The charity's reserves policy is to keep general funds within a target range of £0.5m to £2.0m, representing between three months and twelve months of budgeted expenditure. This target takes into account, in particular, the current financial risks posed by the significant reliance on EU/UK government agricultural and forestry grants. UK government policy on these grants after Brexit is currently unclear.

General reserves at the end of the period totalled £2.0m, which is within the target range. As the charity invests the Felix Dennis legacy and develops its charitable activities it will re-assess these levels of general reserves.

### **Going concern**

The trustees consider that the Charity has adequate resources available to be able to continue to fund the activities of the charity and group for the foreseeable future. The trustees have prepared the accounts on a going concern basis and are confident that the charity and group will continue to grow and strengthen over the coming years.

### **Investment policy**

Under the Memorandum and Articles of Association, the charity has the power to make any investment which the trustees see fit. There are no restrictions on the charity's power to invest.

The trustees approved an Investment Policy in March 2018, which is to maintain the underlying investment wealth value of the charity, so that it can meet its objectives in the long term. The charity is sensitive to known environmental, ethical and social risk considerations, and investment assets are reasonably invested to complement the charity's aims and objects.

The charity has two core investment objectives:

- a) To sustain the charity to meet its charitable objects in perpetuity.
- b) To ensure appropriate liquid funds are available to acquire land and meet unexpected cash flow requirements.

An Investment Committee regularly meets, and is advised by Holbein Partners LLP. The benchmark against which the investments are measured is CPI plus 3.5%.

After a strong year until December 2019, January and February started the year in a similar positive mood. Indeed, US equity markets saw new all-time highs up until mid-February. However, concerns over the impact of the COVID-19 global pandemic meant the quarter was very tough for many asset classes, eg global equity markets, which fell 21%.

The fall from February 19<sup>th</sup> was the fastest in stock market history. The authorities responded with huge injections of liquidity (central banks) and fiscal stimulus (governments) in order to protect the economy, businesses and jobs from the impacts of severe restrictions on activity in the form of lockdowns.

As a result of these measures, the slowing of the rate of growth of the disease and more attractive valuations in some asset classes, equity markets then bottomed around the 23<sup>rd</sup> of March before rising sharply. The sharp losses meant the year saw losses of £10m in the year to 31 March 2020. These losses were more than recovered in the early part of the new financial year.

## Risk Management

The trustees continually review the major risks, which the charity faces in relation to its operations. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. A key element in the management of financial risk is the setting of a reserves policy and its regular review by trustees.

The principal risks and uncertainties facing the charity and its subsidiary undertakings, as identified by the charity trustees, include:

- Government policy

The UK's decision to leave the EU is likely to impact adversely on the charity's financial model, particularly in relation to what replaces the Common Agricultural Policy and related farming and forestry grants.

Key mitigation

- Maintaining strong relations with key stakeholders.
- Maintaining sufficient financial reserves to mitigate short term impact and enable other income streams to be identified.

- Land availability and competition

The charity needs to buy substantial amounts of land in order to realise the ultimate 30,000 acre forest.

Key mitigation

- Proactively applying land strategy to acquiring land that fits our criteria.
- Maintenance of liquid resources so that any land opportunities can be maximised.

- Investment performance

As a consequence of the large legacy the charity has significant funds invested from October 2018.

Key mitigation

- Investment Committee meets regularly with Investment Fund managers.

## Fundraising

The Heart of England Forest is fully registered with the Fundraising Regulator and compliant with the Code of Fundraising Practice. We take protecting and respecting our existing and potential donors very seriously. Our trained and experienced staff carries out all fundraising for the charity with a proactive and attentive approach to the Code of Fundraising Practice.

On occasion, we have used the services of fundraising consultants to aid our research. When these services are used, we have worked with respected and established companies. Appropriate due diligence is carried out, relevant formal contracts are put in place and we work closely with them throughout the process to ensure our charity's values are reflected in their approach.

During this financial period, we have received no fundraising complaints towards the charity and our fundraising activities.

The Heart of England Forest is committed to following the very best practice across all our fundraising initiatives and communication with supporters.



## **Structure, Governance and Management**

### **Structure**

The Heart of England Forest is a charity registered with the Charity Commission in England and Wales, number 1097110. It is a private company limited by guarantee, number 4309564, and its registered office is Colletts Farm Office, Dorsington, Stratford-upon-Avon, CV37 8AU. The charity's governing document is its Memorandum and Articles of Association incorporated on 23 October 2001 and amended on 7 February 2014. The trustees approved further amendments to its Articles of Association at their meeting of 21 September 2018 and these have been approved by the Charity Commission.

The trustees of the charity are also the members of the company (company number 4309564 in England and Wales). As members their liability is limited to £10.

The charity has four wholly owned trading subsidiaries:

- Dorsington Farms Limited - Company number 03137843 (registered in England and Wales), whose principal activities are land, farming and property development.
- Silva Developments Limited (from 1 March 2018) - Company number 04274100 (registered in England and Wales), whose principal activities are property, caravan pitch rentals and mooring fee income.
- Alne Wood Park Limited (from 31 December 2017) - Company number 07646010 (registered in England and Wales), whose principal activities are the provision of burial plots and interments.
- The Heart of England Forest Trading Limited - Company number 09273956 (registered in England and Wales), which is dormant.

A summary of the trading subsidiary results appears in note 22.

The trustees are responsible for all the charity's activities and governance. The Chief Executive works with the charity's employees and volunteers to deliver the charity's objectives and activities and those of the trading subsidiaries.

### **Professional advisers**

A list of the charity's main professional advisers can be found on page 2.

### **Public benefit**

The trustees confirm that they have complied with their duty to have regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

The primary public benefit delivered by the charity is the establishment and maintenance of a forest in the Heart of England. Trees and woods provide a wide range of public benefits in the form of natural capital, combating climate change, protecting soils and contributing to health and well-being, including mental health.

### **Structure of the Board**

The Board of trustees meets six times a year and has developed a structure of sub committees to assist it in its decision making.

The committees act in an advisory capacity under terms of reference agreed by the Board and do not have any delegated powers. All decisions rest with the trustees. The committees are:

- Nominations and Governance Committee - the committee advises the Board on issues of good governance including potential trustee appointments.

- Land Acquisition Committee - the committee advises the Board on land acquisition strategy and potential land acquisitions.
- Investment Committee - the committee advises the Board on its investments, including recommendations on Investment Fund manager appointments. The committee also ensures that the investment policy and processes are properly undertaken in a responsible manner, so as to maintain the underlying investment wealth value of the charity, in order to meet its long-term objectives.
- Finance and Audit Committee - the committee assists the Board in its duty to supervise the charity's financial affairs. It also acts as an Audit Committee and met for the first time in August 2018.

The Board aspires to the Charity Governance Code and has further work planned in 2019-20 to move towards this standard.

Trustees are recruited to provide the skills and experience required to govern the charity. To ensure the Board has the necessary expertise, an assessment of the skills needed has been undertaken, with any skills gaps identified and appropriate vacancies advertised. Short-listed applicants undergo a selection process with recommendations for appointment made by the Nominations and Governance Committee and subsequently approved by the Board.

Once appointed, each trustee is provided with an induction programme and trained as appropriate. Trustees are provided with regular information relevant to their role, engage in a regular programme of training including relevant external site visits to see good practice, and make visits to the charity's various sites.

The pay and remuneration of the Chief Executive is set by the Board of Trustees and takes account of performance and charity benchmarks. The charity is a Living Wage employer.

Trustees are rotated and reappointed in a three-year cycle. The trustees appointed by Felix Dennis (the founding Directors Jon Snow, Anthony Burton, Alison Hunter, Ian Leggett) do not have a maximum term of office. Ian Leggett resigned in June 2019.

### **Trustees' emoluments**

The trustees of the company, who comprise its Board, did not receive any remuneration during the period. The charity purchases indemnity insurance to protect it and its trustees and officers from losses arising from any wrongful act by its trustees or officers and to indemnify them against their legal liability arising from any claim against them. The premium for the policy was £6,205 (2019: £10,241).

Trustees claimed out of pocket expenses of £Nil (2019: Nil) during the year.

### **Related Party transactions**

Note 24 to the accounts contains details of transactions between trustees and the charity. As the charity continues to extricate itself from the Felix Dennis Estate, these transactions will reduce.

### **Responsibilities of the trustees**

The trustees (who are also the directors of the Heart of England Forest 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).

These give a true and fair view of the state of affairs of the company and the group as at the end of the financial year, and of the surplus or deficit of the 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 accounting 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 proper accounting records that are sufficient to show and explain the charity's transactions and 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 Charities Act 2011, applicable Charities (Accounts and Reports) Regulations, the provisions of the Trust Deed, and 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 and directors are responsible for the maintenance and integrity of the corporate and financial information including the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **Auditor**

Each of the persons who is a trustee at the date of approval of this report confirms that;

- so far as each trustee is aware, there is no relevant audit information of which the charity's auditor is unaware;
- and each trustee has taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

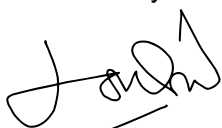
### **Brexit**

We have considered the potential impact of Brexit on the Group and the Charity, and whilst there may be significant effects for the wider economy which could in turn affect the Group's and Charity's performance, we have not identified any specific risk that is material enough to require further disclosure here.

### **Covid-19**

As this report is finalised, we are mindful of the impact that Covid-19 has had, and will have for an unknown period of time. In considering the potential impact of Covid-19 on the Company, and whilst there may be significant effects for the wider economy which could in turn affect the Company's performance, we have not identified any specific risk that is material enough to require further disclosure here.

This report was approved by the board of directors on 9 October 2020 and signed on behalf of the board by:




---

Jon Snow

Chair

9 October 2020



## **Independent auditor's report to the Trustees of The Heart of England Forest**

### **Opinion**

We have audited the financial statements of The Heart of England Forest (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31st March 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31st March 2020 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the

financial statements or a material misstatement of the other information. 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' Report which includes the Strategic Report and the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees Report.

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

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

#### **Responsibilities of Trustees**

As explained more fully in the trustees' responsibilities statement set out on page 41 and 42, the trustees (who are also the directors of the parent charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent 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 charity or to cease operations, or have no realistic alternative but to do so.

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

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

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

### **Use of the audit report**

This report is made solely to the 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 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 company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.



Ian Holder (Senior Statutory Auditor)  
for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
45 Church Street  
Birmingham  
B3 2RT

Date: 08 December 2020



**Consolidated Statement of Financial Activities (incorporating the income and expenditure account) for the year ended 31 March 2020**

		Unrestricted		Restricted	Total	Total
		General Funds	Designated Funds	Funds	Funds	Funds
	Notes	2020 £000	2020 £000	2020 £000	2020 £000	2019 £000
<b>Income</b>						
<b><i>Income from generated funds</i></b>						
Donations and legacies	2	231	20,722	150	21,103	7,465
Other trading activities	3	650	-	-	650	826
Investment income	4	102	2,885	-	2,987	503
Other		67	-	-	67	41
<b><i>Income from charitable activities</i></b>	5	528	-	-	528	502
<b>Total Income</b>		<b>1,578</b>	<b>23,607</b>	<b>150</b>	<b>25,335</b>	<b>9,337</b>
<b>Expenditure</b>						
Raising funds	6	1,252	711	-	1,963	1,240
Charitable activities	6	1,101	-	116	1,217	1,203
<b>Total Expenditure</b>		<b>2,353</b>	<b>711</b>	<b>116</b>	<b>3,180</b>	<b>2,443</b>
<b>Gains/(losses) on investment assets</b>						
Realised	13	-	(944)	-	(944)	(20)
Unrealised	13	-	(9,075)	-	(9,075)	3,137
Exceptional Items	8	-	-	-	-	4,019
<b>Fair value adjustment on intangible assets</b>						
	7	-	-	-	-	-
Net income/(expenditure)		<b>(775)</b>	<b>12,877</b>	<b>34</b>	<b>12,136</b>	<b>14,030</b>
Transfers between funds	19	775	(775)	-	-	-
Net movement in funds		<b>-</b>	<b>12,102</b>	<b>34</b>	<b>12,136</b>	<b>14,030</b>
Fund Balance brought forward 1 April 2019		2,000	162,372	19	164,391	150,361
<b>Fund Balance carried forward 31 March 2020</b>		<b>2,000</b>	<b>174,474</b>	<b>53</b>	<b>176,527</b>	<b>164,391</b>

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

All income and expenditure derive from continuing activities.

Note 23 illustrates prior year figures for the various funds.

The notes on pages 49 to 69 form part of these accounts.

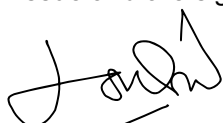
## Consolidated and Company Balance Sheets as at 31 March 2020

	Notes	Group		Company	
		2020	2019	2020	2019
		£000	£000	£000	£000
<b>Fixed Assets</b>					
Intangible Assets	11	261	243	11	-
Tangible Assets	12	45,563	37,507	38,388	30,687
Investments	13	117,716	126,296	120,466	128,945
<b>Total fixed assets</b>		<b>163,540</b>	<b>164,046</b>	<b>158,865</b>	<b>159,632</b>
<b>Current Assets</b>					
Stock	14	203	197	-	-
Debtors	15	6,901	1,283	8,876	3,074
Cash at bank and in hand		9,747	2,697	9,217	1,978
<b>Total current assets</b>		<b>16,851</b>	<b>4,177</b>	<b>18,093</b>	<b>5,052</b>
<b>Creditors</b>					
Amounts falling due within one year	16	(595)	(540)	(411)	(218)
<b>Net Current Assets</b>		<b>16,256</b>	<b>3,637</b>	<b>17,682</b>	<b>4,834</b>
<b>Creditors</b>					
Amounts falling due after one year	17	(3,083)	(3,083)	-	-
<b>Provisions</b>	18	(186)	(209)	(41)	(70)
<b>Net Assets</b>		<b>176,527</b>	<b>164,391</b>	<b>176,506</b>	<b>164,396</b>
<b>Funds</b>					
Unrestricted funds					
General funds		2,000	2,000	2,316	2,342
Designated funds		174,474	162,372	174,137	162,035
Restricted funds		53	19	53	19
		<b>176,527</b>	<b>164,391</b>	<b>176,506</b>	<b>164,396</b>

The notes on pages 49 to 69 form part of these accounts.

The surplus of the parent charity was £12,098k in the year (2019: £14,020k).

These financial statements were approved by the board of directors/trustees and authorised for issue and are signed on its behalf by:



Jon Snow

Chair

Date 9 October 2020

Registered Charity Number 1097110

Company Registration Number 4309564

## Consolidated Statement of Cash Flows for the year ended 31 March 2020

	2020 £000	2019 £000
Reconciliation of net movement in funds to Cash flows from operating activities:		
Net incoming resources	12,136	14,030
Adjustments for:		
Depreciation	156	115
Impairment of land	-	(4,019)
Investment income	(2,987)	(503)
Loss/(Gains) on investments	10,019	(3,117)
Loss/(Profit) on sale of fixed assets	-	(1)
Investment fees	627	77
Trade and other receivables	(5,618)	110,363
Inventories	(6)	(31)
Trade and other payables	32	406
<b>Cash generated from operations</b>	<b>14,359</b>	<b>117,320</b>
<b>Cash Flow Statement</b>		
Cash generated from operations	14,359	117,320
Cash flows from investing activities		
Purchase of land	(6,332)	(3,439)
Purchase of property, plant and equipment	(206)	(183)
Purchase of intangible fixed assets	(18)	(8)
Net Purchase of fixed asset investments	(865)	(116,000)
Sale of fixed assets	10	5
Interest received	37	8
Rental income received	65	114
<b>Increase/(decrease) in cash in the year</b>	<b>7,050</b>	<b>(2,183)</b>
Net (decrease)/increase in cash in the year	7,050	(2,183)
Change in net funds arising from cashflows	7,050	(2,183)
Cash at 1 April 2019	2,697	4,880
Increase/(decrease) in cash	7,050	(2,183)
<b>Cash at 31 March 2020</b>	<b>9,747</b>	<b>2,697</b>



## **Notes to the accounts**

### **1 Accounting Policies**

#### **a) Basis of accounting**

The financial statements have been prepared under the historical cost convention, with the exception of certain assets which are included at valuation.

The Heart of England Forest meets the definition of a public benefit entity under FRS 102.

The financial statements have been prepared in accordance with the Companies Act 2006 and comply with FRS 102 and the 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).

The company is a registered charity and does not seek to make a profit, nor can its achievements be measured by normal commercial criteria. To ensure that a true and fair view is given in these financial statements the directors have set out in the Statement of Financial Activities a format other than the standard formats prescribed in the Companies Act 2006. In the opinion of the directors, the format adopted provides greater clarity on the nature of the company's activities.

The financial statements are prepared in sterling, which is the functional currency of the group and parent company. Any foreign currency transactions are initially recorded in sterling by applying the spot exchange rate as at the date of the transaction. Any monetary assets and liabilities at the reporting date which are denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the resources expended. Monetary amounts in these financial statements are rounded to the nearest £000s.

#### **b) Preparation of the accounts on a going concern basis**

The trustees consider that there are no material uncertainties regarding the group's or parent company's ability to continue as a going concern and therefore the assessment of the trustees is that the charity is a going concern.

#### **c) Estimates and Judgements**

There are a number of assumptions in the fair value of the investment properties which are described in Note 13. Also, there are some estimates used to value the provisions as described in Note 18.

#### **d) Basis of consolidation**

The financial statements consolidate the results of the charity and its wholly owned subsidiaries Alne Wood Park Limited, Dorsington Farms Limited, Farara Farm Limited, Silva Developments Limited and The Heart of England Forest Trading Limited. A separate Statement of Financial Activities and Income and Expenditure for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

The outgoing resources of the parent charity for the year were £2,006k (2019: £1,153k). The income of the parent charity for the year was £24,188k (2019: £8,037k). The investment losses for the parent charity in the year were £(10,084)k (2019: £3,117k gain). The surplus of the parent charity was £12,098k (2019: £14,020k).

## **e) Fund accounting**

### **General Funds**

General funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objectives.

### **Designated funds**

These are funds that have been set aside out of unrestricted funds, by the trustees, for a specific charitable purpose, whether they be for land acquisition and planting, or Strategic Investment Funds for the strategic development of the charity.

Both designated funds and general funds are unrestricted funds.

### **Restricted funds**

These funds have been given to the charity for a particular purpose to be used in accordance with the wishes of the donor.

## **f) Income**

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

### **Friends of the Forest**

Friends of the Forest donations are received as monthly direct debits or an annual payment. They are both included in full in the period they are received. An estimate of the gift aid reclaimable at the period end is included in these accounts.

### **Donations**

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), general volunteer time is not recognised and the Trustees' Annual Report gives more information about their contribution.

### **Legacies**

Legacies are included in income when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executors' intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset.

### **Grants**

Government grants received from the Forestry Commission under the English Woodland Grant Scheme are included in income on an accruals basis in line with the completion of planting. Government grants received from the Rural Payment Agency under the Farm Woodland Premium Scheme, Basic Payment Scheme and Higher Level Stewardship are accrued for as the income is earned.

The full amount of the grant is recognised in income unless there are any unfulfilled conditions and contingencies attaching to the grant, in which case it is recognised on their fulfilment.

### **Trading & other income**

Income from the sale is recognised over the period in which services are provided or when the risk and reward of ownership have been transferred, exclusive of Value Added Tax.

### **Investment income**

Investment income is recorded in the period in which it is earned.

### **g) Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party for goods and services, and where it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure has been accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributable to particular headings, they have been allocated to activities on a basis consistent with use of the resources. Depending on the nature of the related expenditure unrecoverable Value Added Tax is either charged to the appropriate expenditure heading or is capitalised.

The Consolidated Statement of Financial Activities defines costs in two specific categories:

- Raising funds, which includes fundraising costs incurred in seeking voluntary contributions, the cost of commercial trading, the investment management costs and their associated support costs.
- Charitable activities, which includes expenditure related to the direct furtherance of the charity's charitable objectives including the planting and maintenance of broadleaf forests, enhancing biodiversity, education activities together with governance costs.

Support costs comprise those costs which are incurred directly in support of expenditure on the objects of the charity and include governance cost, finance and office costs.

Governance costs are those costs incurred in connection with the compliance with constitutional and statutory requirements of the charity. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred. Support costs are allocated to costs of raising funds and charitable activities on the basis of the direct expenditure incurred by each activity.

### **h) Intangible assets**

Grant entitlements are initially recorded at cost and are subsequently revalued to the fair value at the date of revaluation, as determined by reference to an active market. Changes as a result of a revaluation are recognised in other recognised gains or losses as appropriate.

### **i) Tangible fixed assets**

Tangible fixed assets are initially recorded at cost or market value at the date of bequest, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Fixed assets with a cost of more than £250 are capitalised and depreciated.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains or losses.

## Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Land	-	No depreciation
Structures	-	Straight line over 20 years
Fixtures & fittings	-	Straight line over 10 years
Tools & equipment	-	Straight line over 3 to 10 years
Motor vehicles	-	Straight line over 3 to 6 years

## j) Investments

### Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure, or market value at the date of bequest. Investment property is valued to its fair value at each reporting date and any changes in fair value are recognised in the Statement of Financial Activities. The last valuation was carried out by Fisher German LLP in March 2020.

### Other investments

Other investments, comprising the Garden of Heroes and Villains are valued at cost, or the market value at the date of bequest. It is valued to its fair value at each reporting date and any changes in fair value are recognised in the Statement of Financial Activities. The last valuation was carried out by Bigwood Fine Art Auctioneers in March 2020.

### Subsidiary companies

Subsidiary companies are initially valued at cost, or the market value at the date of bequest.

Subsidiary companies are subsequently revalued to the fair value at the date of revaluation, as determined by reference to net assets plus goodwill.

### Impairment of fixed assets and investments

Fixed assets and investments are subject to review for impairment when there is an indication of a reduction in their carrying value. Any impairment is recognised in the Statement of Financial Activities in the period in which it occurs.

## k) Stock

Stocks are stated at the lower of cost and net realisable value or market value as appropriate:

Raw materials and feedstuffs	-	purchased cost
Crops in store	-	market value
Livestock	-	market value

## l) Employee benefits

The charity operates a defined contribution pension scheme. The cost of providing pensions is charged to expenditure in the period in which contributions relate.

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.



#### **m) Financial Instruments**

Basic financial instruments are recognised at amortised cost, with changes recognised in the Statement of Financial Activities. Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in the Statement of Financial Activities.

##### **Debtors**

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

##### **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.

##### **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.

#### **n) Significant areas of estimation and judgement**

The preparation of the financial statements requires judgements, estimations and assumptions to be made that affect the reported values of assets, liabilities income and expenditure. The nature of estimation and judgement means that actual outcomes could differ from expectation.

Management has applied judgement in the following material areas:

- Land valuations
- Sculptures
- Legacies

## 2 Donations and Legacies

	Unrestricted			Total	Total
	General	Designated	Restricted	Funds	Funds
	Funds	Funds	Funds	Funds	Funds
	2020	2020	2020	2020	2019
	£000	£000	£000	£000	£000
<b>Donations</b>					
Individual	116	-	-	116	88
Corporates & trusts	102	-	150	252	143
<b>Legacies</b>					
Land	-	-	-	-	-
Investment	-	-	-	-	-
Other	13	20,722	-	20,735	7,234
	<b>231</b>	<b>20,722</b>	<b>150</b>	<b>21,103</b>	<b>7,465</b>

## 3 Income from Other Trading Activities

	Unrestricted			Total	Total
	General	Designated	Restricted	Funds	Funds
	Funds	Funds	Funds	Funds	Funds
	2020	2020	2020	2020	2019
	£000	£000	£000	£000	£000
Farming	495	-	-	495	684
Leisure and other	155	-	-	155	142
	<b>650</b>	<b>-</b>	<b>-</b>	<b>650</b>	<b>826</b>

See Note 22 for further details of trading activities.

## 4 Investment Income

	Unrestricted			Total	Total
	General	Designated	Restricted	Funds	Funds
	Funds	Funds	Funds	Funds	Funds
	2020	2020	2020	2020	2019
	£000	£000	£000	£000	£000
Rental income received	65	-	-	65	114
Dividends received	-	2,885	-	2,885	381
Other income	37	-	-	37	8
	<b>102</b>	<b>2,885</b>	<b>-</b>	<b>2,987</b>	<b>503</b>

## 5 Income from Charitable Activities

	Unrestricted			Total	Total
	General Funds	Designated Funds	Restricted Funds	Funds	Funds
	2020	2020	2020	2020	2019
	£000	£000	£000	£000	£000
Woodland Creation	182	-	-	182	144
Woodland Premium	315	-	-	315	336
Sale of timber	-	-	-	-	22
Education	18	-	-	18	-
Other	13	-	-	13	-
	<b>528</b>	<b>-</b>	<b>-</b>	<b>528</b>	<b>502</b>

The charity's primary purpose is the planting and maintenance of broadleaf woodlands. Tree felling is not a primary purpose of the charity, and only occurs in limited circumstances; for example, when existing coniferous trees are felled in order to plant more broadleaf trees. This felling activity will generate limited income.

## 6 Expenditure

	Direct Costs	Support Costs	Total	Total
	2020	2020	2020	2019
	£000	£000	£000	£000
<b>Cost of raising funds</b>				
Fundraising	302	-	302	211
Trading expenses				
Farming	747	-	747	747
Leisure and other	143	-	143	138
Investment Management	-	60	60	49
Investment fees	-	711	711	95
	<b>1,192</b>	<b>771</b>	<b>1,963</b>	<b>1,240</b>

### Charitable activities

Forestry and biodiversity				
Impairment of land	-	-	-	-
Other	406	-	406	466
Education and communications	52	-	52	57
Governance	292	234	526	563
Finance Costs	-	117	117	117
Restricted	116	-	116	-
	<b>866</b>	<b>351</b>	<b>1,217</b>	<b>1,203</b>

Finance costs represent the interest costs paid on the long-term bank loan. The loan was used to finance the purchase of 484 acres of agricultural land that will eventually be planted with trees.

## 7 Net (Income)/Expenditure for the year

This is stated after charging:

	2020 £000	2019 £000
Depreciation of fixed assets	156	4,134
Impairment (reversal)/charge on land	-	(4,019)
Auditors remuneration - audit services	20	23
Auditors remuneration - non-audit services	6	4

## 8 Exceptional items

There were no exceptional items in 2020. The £4,019k exceptional item in 2019 was due to a change in judgement on land value. Historically, the value has been impaired when trees have been planted on the land. This is not now considered to be appropriate for the charity, and the historic charges have been reversed.

## 9 Employees

	2020 No.	2019 No.
<i>The average number of employees during the year was:</i>		
Growing the Forest	13	8
Optimising Biodiversity	1	1
Attracting People	3	3
Learning & Skills	1	1
Strong Governance	6	5
Communications	1	1
Fundraising	2	2
Volunteering	1	1
Farming and Agroforestry	2	4
	<b>30</b>	<b>26</b>

*The average number of full time equivalent employees during the*

Growing the Forest	13	8
Optimising Biodiversity	1	1
Attracting People	3	3
Learning & Skills	1	1
Strong Governance	6	5
Communications	1	1
Fundraising	2	2
Volunteering	1	1
Farming and Agroforestry	2	3
	<b>30</b>	<b>25</b>



## 9 Employees (cont)

	2020	2019
	£000	£000
Total staff costs were as follows:		
Wages and salaries	916	806
Employer's National Insurance	86	77
Pension Contributions	47	21
	<b>1,049</b>	<b>904</b>

The number of employees whose emoluments (excluding pension contributions, employer's social security costs, but including benefits in kind) fell within the following bands:

	2020	2019
£90,001 to £100,000	1	1

The employee referred to above is a member of a defined contribution pensions scheme. Contributions paid in respect of this employee were £5,400 (2019: £2,672)

The key management personnel of the charity comprise the Trustees, Chief Executive Officer, Finance Director, Partnerships Director, Head Forester, Biodiversity Manager, Community Engagement Manager and Head of Learning & Skills. The total emoluments of these were £423k (2019: £372k)

## 10 Trustees and Directors' Remuneration

None of the company directors received any remuneration from the company during the year except as disclosed in note 24, and no expenses (2019: Nil) were reimbursed to Board members for travel and subsistence.

The charity purchases indemnity insurance to protect it and its trustees and officers from losses arising from any wrongful act by its trustees or officers and to indemnify them against their legal liability arising from any claim against them. The premium for the policy was £6,205 (2019: £10,241).

## 11 Intangible Fixed Assets

<b>Group</b>	<b>Grant Entitlements £000</b>	<b>Software £000</b>	<b>Total £000</b>
<b>Fair Value</b>			
At 1 April 2019	243	-	<b>243</b>
Additions	7	11	<b>18</b>
Fair value adjustments	-	-	-
<b>At 31 March 2020</b>	<b>250</b>	<b>11</b>	<b>261</b>
<b>Amortisation</b>			
At 1 April 2019	-	-	-
Charge for the period	-	-	-
Disposals	-	-	-
<b>At 31 March 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Book Value</b>			
<b>At 31 March 2020</b>	<b>250</b>	<b>11</b>	<b>261</b>
At 31 March 2019	243	-	243

## 12 Tangible Fixed Assets

### Group

	Land and Buildings £000	Fixtures and fittings £000	Tools and equipment £000	Motor Vehicles £000	<b>Total £000</b>
<b>Cost</b>					
At 1 April 2019	37,272	93	234	297	<b>37,896</b>
Additions	6,332	89	107	11	<b>6,539</b>
Disposals	-	-	(13)	-	<b>(13)</b>
Transfers	1,684	-	-	-	<b>1,684</b>
<b>At 31 March 2020</b>	<b>45,288</b>	<b>182</b>	<b>328</b>	<b>308</b>	<b>46,106</b>
<b>Depreciation or impairment</b>					
At 1 April 2019	123	64	80	122	<b>389</b>
Depreciation charge for the period	68	15	26	47	<b>156</b>
Land impairment reversal	-	-	-	-	<b>-</b>
Disposals	-	-	(2)	-	<b>(2)</b>
<b>At 31 March 2020</b>	<b>191</b>	<b>79</b>	<b>104</b>	<b>169</b>	<b>543</b>
<b>Net Book Value</b>					
<b>At 31 March 2020</b>	<b>45,097</b>	<b>103</b>	<b>224</b>	<b>139</b>	<b>45,563</b>
At 31 March 2019	37,149	29	154	175	37,507

### Company

	Land and Buildings £000	Fixtures and fittings £000	Tools and equipment £000	Motor Vehicles £000	<b>Total £000</b>
<b>Cost</b>					
At 1 April 2019	30,703	37	6	-	<b>30,746</b>
Additions	6,140	89	-	-	<b>6,229</b>
Disposals	-	-	-	-	<b>-</b>
Transfers	1,518	-	-	-	<b>1,518</b>
<b>At 31 March 2020</b>	<b>38,361</b>	<b>126</b>	<b>6</b>	<b>-</b>	<b>38,493</b>
<b>Depreciation or impairment</b>					
At 1 April 2019	45	9	5	-	<b>59</b>
Depreciation charge for the period	30	15	1	-	<b>46</b>
Land impairment reversal	-	-	-	-	<b>-</b>
Disposals	-	-	-	-	<b>-</b>
<b>At 31 March 2020</b>	<b>75</b>	<b>24</b>	<b>6</b>	<b>-</b>	<b>105</b>
<b>Net Book Value</b>					
<b>At 31 March 2020</b>	<b>38,286</b>	<b>102</b>	<b>-</b>	<b>-</b>	<b>38,388</b>
At 31 March 2019	30,658	28	1	-	30,687

### 13 Investments

<b>Group</b>		Investment Fund £000	Investment Property £000	Other Investments £000	<b>Total £000</b>
<b>Cost</b>					
At 1 April 2019		119,421	4,351	2,524	<b>126,296</b>
Additions		-	865	-	<b>865</b>
Disposals		-	-	-	<b>-</b>
Transfer		-	(1,684)	-	<b>(1,684)</b>
Realised gains		(944)	-	-	<b>(944)</b>
Unrealised (losses)/gains		(9,008)	(100)	33	<b>(9,075)</b>
Dividend income		2,885	-	-	<b>2,885</b>
Management fees		(627)	-	-	<b>(627)</b>
<b>At 31 March 2020</b>		<b>111,727</b>	<b>3,432</b>	<b>2,557</b>	<b>117,716</b>
<b>Impairment</b>					
<b>At 31 March 2020</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Book Value</b>					
<b>At 31 March 2020</b>		<b>111,727</b>	<b>3,432</b>	<b>2,557</b>	<b>117,716</b>
At 31 March 2019		119,421	4,351	2,524	126,296
<b>Historical Cost</b>		<b>116,000</b>	<b>3,532</b>	<b>2,524</b>	<b>122,056</b>

<b>Company</b>	Subsidiary £000	Investment Fund £000	Investment Property £000	Other Investments £000	<b>Total £000</b>
<b>Cost</b>					
At 1 April 2019	3,792	119,421	3,208	2,524	<b>128,945</b>
Additions	-	-	865	-	<b>865</b>
Fair value adjustment	-	-	-	-	<b>-</b>
Disposals	-	-	-	-	<b>-</b>
Transfer	-	-	(1,518)	-	<b>(1,518)</b>
Realised gains	-	(944)	-	-	<b>(944)</b>
Unrealised (losses)/gains	-	(9,008)	(165)	33	<b>(9,140)</b>
Dividend income	-	2,885	-	-	<b>2,885</b>
Management fees	-	(627)	-	-	<b>(627)</b>
<b>At 31 March 2020</b>	<b>3,792</b>	<b>111,727</b>	<b>2,390</b>	<b>2,557</b>	<b>120,466</b>
<b>Impairment</b>					
<b>At 31 March 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Book Value</b>					
<b>At 31 March 2020</b>	<b>3,792</b>	<b>111,727</b>	<b>2,390</b>	<b>2,557</b>	<b>120,466</b>
At 31 March 2019	3,792	119,421	3,208	2,524	128,945

The transfer of £1,518k out of the company (£1,684k for the group) is a number of properties historically reported as investment properties, and can be seen as a transfer into Tangible Fixed Assets.



### 13 Investments (cont)

The charity holds the entire share capital of Dorsington Farms Ltd (company number 3137843), Silva Developments Ltd (company number 4274100) and Alne Wood Park Ltd (company number 07646010). It also holds the entire share capital of The Heart of England Forest Trading Ltd (company number 09273956), which was not active in the year. All companies are registered in England and Wales.

The summary financial performances can be found in Note 22.

The allocation of the investment fund at 31 March 2020 was as follows:

<b>Equities</b>	
US	23%
UK	23%
Europe ex UK	13%
Japan	2%
Asia ex Japan	2%
EM	3%
Other	3%
<b>Total Equities</b>	<b>69%</b>
<b>Credit</b>	
Investment Grade	6%
High Yield	0%
<b>Sovereign Debt</b>	
Developed Markets	2%
Emerging Markets	0%
Other Fixed Income	4%
<b>Total Fixed Income</b>	<b>12%</b>
<b>Property</b>	5%
<b>Private Equity</b>	0%
<b>Other</b>	6%
<b>Cash</b>	8%
<b>Total</b>	<b>100%</b>

There were no investment holdings greater than 5% of the total holdings.

## 14 Stock

	Group		Company	
	2020	2019	2020	2019
	£000	£000	£000	£000
Farming stocks	201	195	-	-
Other	2	2	-	-
	<b>203</b>	<b>197</b>	<b>-</b>	<b>-</b>

## 15 Debtors

	Group		Company	
	2020	2019	2020	2019
	£000	£000	£000	£000
Trade debtors	39	33	4	17
Amounts due from subsidiary undertakings	-	-	2,839	3,003
Prepayments and accrued income	6,754	1,207	5,967	50
Other debtors	108	43	66	4
	<b>6,901</b>	<b>1,283</b>	<b>8,876</b>	<b>3,074</b>

## 16 Creditors: amounts falling due within one year

	Group		Company	
	2020	2019	2020	2019
	£000	£000	£000	£000
Trade creditors	188	192	103	55
Amounts owed to subsidiary undertakings	-	-	119	-
Accruals and deferred income	355	284	160	148
Taxation and Social Security	34	31	26	12
Other creditors	18	33	3	3
	<b>595</b>	<b>540</b>	<b>411</b>	<b>218</b>

### Deferred Income

Brought forward 1 April 2019	75
Deferred during the year	105
Released during the year	(75)
<b>Carried forward 31 March 2020</b>	<b>105</b>

## 17 Creditors: amounts falling after more than one year

	Group		Company	
	2020	2019	2020	2019
	£000	£000	£000	£000
Bank loans and overdrafts	3,083	3,083	-	-

Included in the above is an amount of £2,262k (2019: £2,467k) in respect of liabilities payable or repayable by instalments which fall due for payment after more than 5 years from the reporting date.

The loan was drawn in January 2016 with the first 5 years being interest only repayments. From January 2021 the loan is repayable over 15 years. The interest rate is 3.76% for the duration of the loan.

Coughton Fields Farm is charged to AMC plc as security against this loan.

## 18 Provisions

Provisions at the Balance sheet date amount to £186k (2019: £209k). These provisions relate to environmental costs on some of the properties.

Brought forward 1 April 2019	209
Provided for during the year	32
Utilised during the year	(55)
<b>Carried forward 31 March 2020</b>	<b>186</b>

## 19 Designated Funds

The Designated fund of £174.5m (2019: £162.4m) represents the balance of the Land Reserve, Valuation Reserve and the Strategic Investment Fund.

	Funds at 2019 £000	Income £000	Expenditure £000	Gains £000	Transfers £000	Funds at 2020 £000
Land	119,421	23,607	(711)	(10,019)	(2,000)	<b>130,298</b>
Valuation Reserve	42,718	-	-	-	-	<b>42,718</b>
Strategic Investment Fund	233	-	-	-	1,225	<b>1,458</b>
	<b>162,372</b>	<b>23,607</b>	<b>(711)</b>	<b>(10,019)</b>	<b>(775)</b>	<b>174,474</b>

## 20 Restricted Funds

	Funds at 2019 £000	Income £000	Expenditure £000	Funds at 2020 £000
Volunteer Hub	10	-	-	10
D'Oyly Carte Charitable Trust	2	-	-	2
Ernest Cook Trust (for Education activities)	7	-	(3)	4
RDPE - Growing Tourism in HoEF	-	105	(107)	(2)
Millies Watch - Education Facilities	-	32	(6)	26
The Environment Agency - Noleham Brook	-	10	-	10
The Addison Charitable Trust	-	3	-	3
	<b>19</b>	<b>150</b>	<b>(116)</b>	<b>53</b>

- a) Volunteer Hub – This is to facilitate improved facilities at the volunteer hub, and is expected to be spent in 2020/21.
- b) D'Oyly Carte Charitable Trust contributed towards a water vole habitat at Noleham Brook. This is expected to be spent in 2020/21.
- c) Ernest Cook Trust – the balance of this fund is for education activities, and is expected to be spent in 2020/21.
- d) RDPE – this is a grant received to help grow and promote tourism in The Heart of England Forest. This is ongoing, with more income and expenditure due in 2020/21.
- e) Millies Watch – this for equipment for education facilities, and the balance is expected to be spent in 2020/21.
- f) The Environment Agency – this is for work at Noleham Brook, and is expected to be spent in 2020/21.
- g) The Addison Charitable Trust – this is for carrying out a pond survey, and is expected to be spent in 2020/21.

## 21 Analysis of Net Assets by Fund

	Unrestricted General Funds £000	Designated Funds £000	Restricted Funds £000	Total £000
Intangible Fixed Assets	261	-	-	261
Tangible Fixed Assets	426	45,097	40	45,563
Fixed Asset Investments	-	117,716	-	117,716
Current Assets	2,107	14,744	-	16,851
Current Liabilities	(608)	(3,083)	13	(3,678)
Provisions	(186)	-	-	(186)
	<b>2,000</b>	<b>174,474</b>	<b>53</b>	<b>176,527</b>



## 22 Trading Activities of Subsidiary Undertakings

A summary of Dorsington Farms Ltd (Registered number 3137843 in England and Wales) trading results are shown below.

Audited accounts are filed with the Registrar of Companies.

	2020 £000	2019 £000
<b>Profit and Loss Account</b>		
Turnover	992	1,164
Cost of Sales	(751)	(899)
<b>Gross Profit</b>	<b>241</b>	<b>265</b>
Administration	(182)	(143)
Interest payable	(117)	(117)
Taxation	19	-
Unrealised gain	65	-
Gift Aid	(5)	-
<b>Operating Profit</b>	<b>21</b>	<b>5</b>
<b>Balance Sheet</b>		
<b>Fixed Assets</b>		
Intangible Assets	250	243
Tangible Assets	5,507	5,315
Investments	1,041	1,143
	<b>6,798</b>	<b>6,701</b>
Stock	201	195
Debtors	894	1,164
Cash at bank	364	366
	<b>1,459</b>	<b>1,725</b>
Creditors: amounts falling due within one year	(2,960)	(3,156)
Creditors: amounts falling due after more than one year	(3,083)	(3,083)
Provisions	(145)	(139)
<b>Net Assets</b>	<b>2,069</b>	<b>2,048</b>
<b>Capital and reserves</b>		
Share capital	1,080	1,080
Retained earnings at the end of the year	989	968
<b>Shareholders funds</b>	<b>2,069</b>	<b>2,048</b>

## 22 Trading Activities of Subsidiary Undertakings (cont)

A summary of Silva Developments Ltd (Registered number 4274100 in England and Wales) trading results are shown below.

Audited accounts are filed with the Registrar of Companies.

	2020	2019
	£000	£000

### Profit and Loss Account

Turnover	149	133
Cost of Sales	(107)	(92)
<b>Gross Profit</b>	<b>42</b>	<b>41</b>
Administration	(32)	(33)
Gift Aid	(8)	-
<b>Operating Profit</b>	<b>2</b>	<b>8</b>

### Balance Sheet

#### Fixed Assets

Tangible Assets	1,346	1,183
	<b>1,346</b>	<b>1,183</b>

Stock	2	2
Debtors	83	23
Cash at bank	125	310
	<b>210</b>	<b>335</b>

Creditors: amounts falling due within one year	(199)	(163)
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#### Net Assets

<b>1,357</b>	<b>1,355</b>
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#### Capital and reserves

Share capital	1,253	1,253
Retained earnings at the end of the year	104	102
<b>Shareholders funds</b>	<b>1,357</b>	<b>1,355</b>

## 22 Trading Activities of Subsidiary Undertakings (cont)

A summary of Alne Wood Park Ltd (Registered number 7646010 in England and Wales) trading results are shown below.

Audited accounts are filed with the Registrar of Companies.

2020	2019
£000	£000

### Profit and Loss Account

Turnover	6	3
Administration	(4)	(6)
Gift Aid	(1)	-
<b>Operating Profit</b>	<b>1</b>	<b>(3)</b>

### Balance Sheet

#### Fixed Assets

Tangible Assets	346	346
	<b>346</b>	<b>346</b>

Stock		
Debtors	5	1
Cash at bank	41	43
	<b>46</b>	<b>44</b>

Creditors: amounts falling due within one year	(7)	(6)
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<b>Net Assets</b>	<b>385</b>	<b>384</b>
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#### Capital and reserves

Share capital	386	386
Retained earnings at the end of the year	(1)	(2)
<b>Shareholders funds</b>	<b>385</b>	<b>384</b>

## 23 Consolidated Statement of Financial Activities for the year ended 31 March 2019

		Unrestricted General Funds	Designated Funds	Restricted Funds	Total Funds
	Notes	2019 £000	2019 £000	2019 £000	2019 £000
<b>Income</b>					
<b><i>Income from generated funds</i></b>					
Donations and legacies	2	224	7,234	7	7,465
Other trading activities	3	826	-	-	826
Investment income	4	122	381	-	503
Other		41	-	-	41
<b><i>Income from charitable activities</i></b>	5	502	-	-	502
<b>Total Income</b>		<b>1,715</b>	<b>7,615</b>	<b>7</b>	<b>9,337</b>
<b>Expenditure</b>					
Raising funds	6	1,145	95	-	1,240
Charitable activities	6	1,203	-	-	1,203
<b>Total Expenditure</b>		<b>2,348</b>	<b>95</b>	<b>-</b>	<b>2,443</b>
<b>Gains/(losses) on investment assets</b>					
Realised	13	-	(20)	-	(20)
Unrealised	13	-	3,137	-	3,137
Exceptional items	8	-	4,019	-	4,019
<b>Net income/(expenditure)</b>		<b>(633)</b>	<b>14,656</b>	<b>7</b>	<b>14,030</b>
Transfers between funds	19	633	(633)	-	-
<b>Net movement in funds</b>		<b>-</b>	<b>14,023</b>	<b>7</b>	<b>14,030</b>
Fund Balance brought forward 1 January 2018		2,000	148,349	12	150,361
<b>Fund Balance carried forward 31 March 2019</b>		<b>2,000</b>	<b>162,372</b>	<b>19</b>	<b>164,391</b>

## 24 Related Party Transactions

Felix Dennis was a Trustee until he sadly passed away on 22 June 2014. Since then I G H Leggett and D M L Bliss have been amongst 6 Executors who administer the Felix Dennis Estate. During the period the following transactions have occurred between the charity and the Felix Dennis Estate.

- The residual value of the Felix Dennis Estate is due to the Charity. There were receipts of £14.8m in the year (2019: £117.2m for which £110m was recognised in 2018). £5.9m was accrued at year end.

Simons Muirhead and Burton is a firm of solicitors in which Anthony Burton is a partner. During the period, the charity paid professional fees of £35,083 (2019: £23,395) to the firm. There was Nil balance at year end (2019: £3,538).

## **25 Company Limited by Guarantee**

Each member of the charity has agreed to contribute to a maximum of £10 in the event of an insolvent liquidation.

## **26 Control**

The charity is controlled by the trustees.




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