

The Heart of England Forest

Annual report for the year ended
31 March 2022

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



Company information

Trustees and Directors

Jon Snow (Chair)
Anthony Burton
Nicky Corbishley
Asa Gurden
Alison Hunter
Doreen Massey
Steve Price

Chief Executive

Beth Brook

Auditor

Mazars LLP
First Floor
Two Chamberlain Square
Birmingham B3 3AX

Bankers

CAF Bank
25 Kings Hill Avenue
West Malling
Kent ME19 4JQ

Solicitors

Foot Anstey
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth PL4 0BN

Simons Muirhead Burton
87-91 Newman Street
London W1T 3EY

Investment Advisors

Holbein Partners LLP
58 Grosvenor Street
London W1K 3JB

Registered Office

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

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CHAIR'S REPORT

I remain incredibly proud of the strength and dedication shown by the Forest team and our volunteers, whilst we continue to manage the ongoing impact of, and uncertainty around, COVID-19. Thanks to their resilience, despite challenging times, the Forest continued to not only grow but thrive in 2021/22.

A highlight was the planting of the 2 millionth tree, marking an exciting and important milestone in our journey to create and conserve a 30,000 acre Forest to benefit the environment, wildlife, and people for generations to come.

We acquired 209 acres of land, and continued our work creating and enhancing woodland, wetland, grassland, and farmland that make up the rich mosaic of habitats in the Forest. 90,000 trees were planted at two new sites, and a further 25,000 hedgerow trees and shrubs were planted. We have now established almost 4,500 acres of native broadleaf woodland.

The Green Recovery Challenge Fund (GRCF) grant features in all sections of the report this year, as achieving the goals set out in this ground-breaking project was a priority across all of our strategic pillars. Being awarded the £1.7m Defra grant, administered by the Heritage Fund, enabled us to make a step change in our work, benefitting both the Forest and green recovery in the region.

The continued support we have received has never been more needed, so I would like to personally thank all our supporters, donors, corporate partners, and trusts who have so generously helped ensure our important work can continue.



The Forest we are planting and protecting here in the heart of the country will not only benefit our local communities, but it will also help to address some of the most pressing social and environmental challenges we face as a nation. With this in mind, and with your help, we are more focussed than ever on achieving our end goal.

Jon Snow
Chair, Heart of England Forest

MESSAGE FROM OUR CHIEF EXECUTIVE



The planting of the 2 millionth tree in the Forest this year was a landmark moment for the charity. The very first tree was planted 26 years ago and sadly in this time the natural world has changed beyond measure. The challenges of the climate crisis, pollution and biodiversity loss have become increasingly urgent, making the charity's work more important now than ever.

Not only did the Forest continue to grow in 2021/22 thanks to land acquisitions and new trees being planted, importantly the diverse mosaic of habitats continued to be enriched. New wetland was created, grassland enhanced, and surveys undertaken to improve conditions for wildlife. The results of our first BioBlitz confirmed that we are achieving our aim of creating a Forest for wildlife to thrive, with over 360 animal and plant species being recorded over the 24 hour period in Alne Wood and Middle Sprenal alone.

Our staff team grew by 34% in 2021/22, as we invested in passionate and talented people to support the growing Forest and the expanding work of the charity. This included continued investment in foresters of the future, with our Forestry Internships and Apprenticeships, as well as a new supported internship programme for young people with Special Educational Needs and Disabilities (SEND). We were delighted to have employed 100% of our Forestry Apprentices and Forestry Interns from the 2021/22 intake, and that all our supported interns have succeeded with positive next steps, with four securing permanent paid positions with the charity.

Much of our work this year was made possible by the substantial Green Recovery Challenge Fund (GRCF) grant that we were awarded in December 2020, and we have worked tirelessly throughout 2021/22 to implement the wide-ranging elements of this pivotal project.

We were delighted to learn in July 2021 that we had been successful in securing a second Green Recovery Challenge Fund bid for our new 'Growing Future Forest Guardians' project. Based at our Gorcott Hill site near Redditch, our flagship site for young people, the project will provide bespoke Forest learning programmes for schools, a tailored volunteering programme that develops skills and pathways into employment, and opportunities for people from all walks of life to develop a lasting connection with nature.

It has been an exciting year and there is much to look forward to in 2022/23 as we make further progress towards our aim of a 30,000 acre Forest to benefit the environment, wildlife, and people.

BETH

Beth Brook
Chief Executive, Heart of England Forest

TRUSTEES' / DIRECTORS' REPORT

The directors are pleased to present their report together with the financial statements of the charity and group for the year ended 31 March 2022.

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)
Anthony Burton
Nicky Corbishley
Asa Gurden
Alison Hunter
Doreen Massey
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: Newly planted trees at Binton

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 2021/22

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

We continue to plant and protect England's largest new native woodland, with two million trees now planted of the 13 million that will make up the 30,000 acre Forest.

Above: Aerial view of the reservoir and tree seed beds at the new tree nursery

PROUDEST ACHIEVEMENTS

1 2 millionth tree planted in the Forest

Planted at Gorcott Hill by a group of young pupils from Mappleborough Green C of E Primary School, this represents a huge milestone in our mission to create and conserve a 30,000 acre Forest.

2 New tree nursery established

Thanks to the Green Recovery Challenge Fund (GRCF) grant our new commercial tree nursery was set up as a social enterprise business. Staffed largely by adults with Special Educational Needs and Disabilities (SEND), the nursery provides our supported interns with much needed pathways into employment. The nursery will not only supply saplings for the Forest but will help support the Government's ambitious tree planting targets for the country by providing a wholesale source of tree saplings for other organisations undertaking large scale tree planting.

3 Investing in foresters of the future

We employed 100% of our Forestry Apprentices and Forestry Interns from the 2021/22 intake, expanding the Forest team and further supporting these individuals with their forestry careers. Our continued commitment to investing in entry level training and development opportunities is vital, not just for the future of the Forest, but to help address the wider green skills shortage in the UK.

YEAR IN REVIEW

The scale of planting this year was impressive. The purchase of land at Bearley and Binton back in early 2020 enabled us to realise our annual target of 300 acres of woodland creation this year for the first time in several years. Thanks to the tireless work of our staff and volunteers, 90,000 trees and a further 25,000 hedgerow trees and shrubs were planted. We have now created almost 4,500 acres of native broadleaf woodland.

The Green Recovery Challenge Fund (GRCF) grant enabled us to establish a new commercial-scale tree nursery on land at Luddington, Warwickshire.

Having our own tree nursery will ensure resilience in supply of saplings for our woodland creation, which is especially important if there is the anticipated shortfall in domestic supply of tree saplings as UK-wide tree planting targets are ramped up in line with the Government's ambitious plans.

Another key aspect of the nursery is providing the means for people with Special Educational Needs and Disabilities (SEND) to build confidence and learn real life skills for employment. The fact that only 5% of adults with SEND are in full time employment motivated us to do something to help address this shocking statistic.

As the Forest expands, so too does the forestry team to enable us to manage our growing woodland. In addition to recruiting more staff members from outside the organisation, we retained 100% of our forestry internship and apprenticeship staff, who were successful in applying for roles as Forest Rangers and Assistant Forest Rangers. At the Heart of England Forest, we are pleased that we can offer meaningful career progression opportunities, and it validates the broad training programme we have in place, not just for the trainees, but for the whole team.

As part of the team's growth, we have taken the opportunity to restructure and now have four dedicated forestry teams each looking after a corner of the Forest in Spenal, Dorsington, Honeybourne, and the Lenches. This will provide continuity of familiar faces on the ground for the local communities, and the teams will become the local guardians of the Forest with an intimate knowledge of their patch.

We have added 1.5 miles of waymarked walking route at College Wood, the creation of which was funded by the Green Recovery Challenge Fund (GRCF). This route links with other permitted access in the area and increases the area that can be enjoyed by our supporters. We now have 58 miles of managed permissive and Public Rights of Way across the Forest.

TEAM HIGHLIGHTS

Melissa Dryland,
Assistant Forest Ranger



“Since starting as a Forestry Intern in March 2021, I have had many memorable experiences, from qualifying in chainsaw operations to helping grow the Forest during tree planting season. One personal highlight was identifying a green sandpiper while surveying Oak Wood’s new wetlands as part of my intern project. It was a particularly exciting find as the species had not previously been identified at the site.

I was thrilled in December to be offered a full-time position in the charity as an Assistant Forest Ranger, highlighting the value of the skills I gained during the internship to progress within the field of conservation forestry.”

CHALLENGES FACED

Unpredictable and extreme weather dominates at times, slowing down progress and forcing us to change work programmes. This might be prolonged wet periods during the planting season making access and actual planting problematic, or unseasonal high wind speeds causing damage to mature trees.

Along with many organisations we have found the procurement of materials and machinery particularly challenging this year. Long lead times or items simply not being available was also compounded by price increases (sometimes weekly) on stock such as fencing materials or machinery parts, due to a variety of factors including the pandemic which affected materials supply, along with the MS Ever Given being stuck in the Suez Canal.

THE YEAR AHEAD

Our overriding goal in Growing the Forest is to create another 300 acres of native broadleaf woodland this year. We have new land to plant such as Sernal Hall Farm and have identified other land for planting this coming winter.

We want to continue to offer full time meaningful employment opportunities for adults with SEND graduating from our supported internship programme into our forestry team and tree nursery.

In recent years we have been coppicing hazel planted in the last 20 years, much of it receiving the first cut. We have found this to be successful and want to now increase the area cut and utilise the cut material for making natural coppice products such as hazel hurdles or supplying binders and stakes for hedge laying. Coppicing is important in increasing diversity within the growing woodland as it creates temporary open areas where ground flora and wildlife can thrive. This could encourage two key species to occupy the Forest once again - the dormouse and nightingale - both lost through fragmentation and loss of woodland and species we would love to see return to the Forest.

Something that often falls under the radar is old fencing. As the Forest grows, old farming fences between the woodlands become redundant for agricultural purposes but can still restrict access for biodiversity. We have identified this as a problem and have a programme of fence removal to allow freedom of movement to benefit wildlife.



2 OPTIMISING BIODIVERSITY

Our specialist team is leading on habitat creation and management, and the monitoring of species and habitats, to increase their value for wildlife.

Above: Aerial view of pond and woodland at Gorcott Hill

PROUDEST ACHIEVEMENTS

1 New wetland created on the Noleham Brook at Pitchell Wood

This project involved the collaboration of several local stakeholders, including the Environment Agency, Wychavon District Council, Worcestershire County Council, and local contractors, working together with us to achieve results for wildlife and the local community. We successfully restored a wetland floodplain habitat feature which will attract more wetland wildlife, whilst 'slowing the flow' along a major flow route to help alleviate flooding in the village of Broad Marston.

2 Growing Future Forest Guardians project

We were awarded funding from the Green Recovery Challenge Fund (GRCF) for a two-year project at our Gorcott Hill site. One of the main goals of the project is to restore and enhance the habitats and wildlife that already exist at the 62-acre site near Redditch. The site contains ancient semi-natural woodland, hedgerows, grassland, and ponds, which are all priority Biodiversity Action Plan (BAP) habitats. The work will improve conditions for wildlife and maximise the potential of the site through good management of woodland, grassland, and pond habitats.

3 Partnership working with Warwickshire Wildlife Trust as part of the Avon Restoring Natural Processes Group

On our land at Arrow Mill, in the River Arrow catchment, we created four backwater pools/scrapes and installed three leaky dams. Warwickshire Wildlife Trust's topographical survey helped to identify these opportunities, and these works also involved a joint volunteer work party with the Wildlife Trust, putting together the leaky dams and plug planting. Further enhancement of the reedbed is planned for a future year as another partnership project.

YEAR IN REVIEW

The focus for Optimising Biodiversity in 2021/22 involved the delivery of biodiversity elements within the Green Recovery Challenge Fund (GRCF) project, and the continuation of the Severn Trent funded Pollinator Pathway project. As part of the GRCF project, 18ha of grassland was enhanced with 20 species of wildflowers and grasses, and wildlife surveys were undertaken in five different areas of the Forest, providing baseline information on the invertebrates, birds, and plant species present.

Our strategic planning also focused on running water. To this end the Heart of England Forest worked in partnership with the Environment Agency and Warwickshire Wildlife Trust as part of the Avon Restoring Natural Processes Group. Through this partnership, and from evidence gathered by surveying watercourses in the Forest, we created new wetland habitat on our land adjacent to the River Arrow. Our relationship with the Environment Agency has further been strengthened by working with them, and consultants ARUP, on a joint scoping project along the Noleham Brook where we are exploring opportunities for significant riverine enhancements.

We also successfully carried out our first Forest BioBlitz in 2021 of Alne Wood and Middle Spernal, recording a total of 363 animal and plant species over 24 hours with local experts and members of the public. Participants were excited to see four Daubenton's bats flying over the Middle Spernal pools, and a massive 145 moths recorded in Alne Wood, including 28 species not previously recorded in the Forest. Several Red List birds of conservation concern were recorded singing including yellowhammer, reed bunting, and grasshopper warbler and the Local Biodiversity Action Plan (LBAP) white-letter hairstreak butterfly was seen in Alne Wood.

Whilst undertaking the pond surveys we caught great crested newts, and the locally uncommon needle spike-rush was found at Middle Spernal.

We added several calcareous plant indicator species to our list - yellow-wort and glaucous sedge - and ancient woodland indicator species wild service tree and yellow pimpernel at Alne Wood.

TEAM HIGHLIGHTS

Tasha Cain, Gorcott
Biodiversity Officer



“The past year has been full of highlights and dreams coming true.

Not only was I employed as an intern for a charity that is aligned with my beliefs and life goals (after years of trying to get into the sector), but I also gained a promotion to become Gorcott Biodiversity Officer, a role in which I get to live my dream job on a daily basis. Over the last year I have had the opportunity to learn from both external and internal experts within their field, and my identification skills have dramatically improved. I have nurtured my passion for flora and have focused on improving my knowledge.

A final highlight is the sheer number of species I have observed, particularly through setting up the Honeybourne reptile transect, where I was able to observe numerous slow worms, common lizards, and grass snakes. Getting to share this knowledge with our Friends of the Forest whilst leading an exclusive guided walk for them was fantastic.”

CHALLENGES FACED

As with most areas of the charity, the Optimising Biodiversity area of our work has encountered significant price increases for materials. For example, the native wildflower seeds used in our Pollinator Pathways grassland enhancement have increased in price fourfold in the last couple of years. These rising costs provide a challenge for our budgets and will limit the amount of habitat creation and enhancement work we can undertake.

THE YEAR AHEAD

During 2022/23 Optimising Biodiversity will focus on delivering our Pollinator Pathway project, now entering its third year, as well as the biodiversity elements of our Growing Future Forest Guardians project at Gorcott Hill.

Our strategic planning also focusses on grasslands, undertaking baseline condition assessments of key grassland areas such as Naunton Court Meadows SSSI (Site of Special Scientific Interest) and potential Local Wildlife Sites at Gorcott Hill and Binton.

Livestock is important to the management of many grassland areas, and we will review our grazing licences with local graziers and the infrastructure required to meet our conservation objectives across the Forest. We will also expand the number of butterfly transect surveys to include new areas of grassland within the Forest and undertake a review of the bird of prey nest box surveys, now in their tenth year.

The importance of recruiting new volunteers and providing training in wildlife surveying and practical habitat management continues to play a vital part of optimising biodiversity across the Forest. This enables the long-term monitoring of wildlife and the enhancement of their habitats to be achieved.

The expansion of the biodiversity team to six members of staff, with one staff member in a training internship role, is providing greater opportunity to connect with local experts and work in partnership with other organisations. Our wetland projects continue to develop with plans to deliver more habitat enhancements in early autumn, as well as the developing long-term opportunities along waterways within the Forest.



3 ATTRACTING PEOPLE

The Forest is a sanctuary for people and creating more opportunities for visitors to benefit from time spent in nature is vital, for both their physical health and mental wellbeing.

Above: Head Forester Stephen Coffey leading a guided walk in the Forest

PROUDEST ACHIEVEMENTS

1 In-person events were back

In late May 2021 with the easing of COVID-19 restrictions, we were delighted to be able to host groups of supporters in the Forest for various guided and ramble walking events led by members of the Forest team. This included our first series of family guided walks, aimed at engaging children and their parents on different Forest themes during the school summer holidays.

“Particularly struck by how much the guides/speakers believe in and love the work they do. The info they shared deepened my understanding of all that the Heart of England Forest does.”

Event attendee

2 Public access was extended

Funding from the Green Recovery Challenge Fund (GRCF) enabled us to expand the permissive footpaths around College Wood in Studley, making permissive access routes available around two wetland areas and through the beautiful mature woodland of Studley Thorns for the public to enjoy. To improve access from our nearest car park at Haydon Way Wood a new footpath linking the Arden Way (Public Right of Way) with College Wood was opened and waymarked to allow easier visitor access.

3 First audio trails were launched

The first-ever audio trails in the Forest were developed thanks to funding by the Green Recovery Challenge Fund (GRCF). Visitors can download the GPS-assisted app and choose from three themed trails to hear about the habitats, wildlife, and history of the Forest as they walk in the woodlands. Developed with various members of the charity and an external specialist company, and tested by our Forest Focus Group and volunteers, the Forest Trails app has already been downloaded over 100 times.

YEAR IN REVIEW

In-person events were well received after a 14 month break during COVID-19 with 94% of attendees who offered feedback giving a satisfaction score of 8 or more out of 10. A virtual event on 'Careers in the Environment' hosted by current staff who had completed internships with the charity attracted our largest online event audience to date.

In addition to the permissive paths being extended around College Wood, the replacement of a former cattle bridge across the Noleham Brook, closed previously for safety reasons, was rebuilt and reopened alongside a popular route with much appreciation from local residents and visitors to Noleham Wood.

We undertook our first in-person visitor surveys across 3-day weekends in both July and January. Stationed in each Forest car park, staff and volunteers completed a questionnaire with visitors so we could better understand who is coming to



Above: Family audio trail at Morgrove Coppice

the Forest, how far they are travelling, and their main motivations for visiting. This information will help us to identify communities and groups who are perhaps currently less aware of what the Forest has to offer them, while continuing to make the publicly accessible woodlands somewhere our regular visitors and current supporters enjoy.

The improved Visit the Forest area on our new website, which includes an interactive map of Forest walks, is helping people plan their visit to and around the Forest. Consistently in the top 10 web pages viewed each month, the visit pages had over 53,000 visits in 2021/22.

On-site improvements were also made for visitors thanks to Green Recovery Challenge Fund (GRCF) funding. Seasonal interpretation boards were rolled out in all Forest car parks, enabling people to make the most of time spent in the woodlands in whichever season they visit, and the Forest's first audio trails were launched. Downloaded via a GPS-enabled app, the themed audio trails provide an enhanced, interactive experience for visitors, who can hear about the habitats, wildlife, and history of the Forest as they walk in the woodlands. Finally, walking route maps were installed in our remaining car parks, ensuring all now have these important references for visitors enjoying a first-time or regular walk.

CHALLENGES FACED

The uncertainty around the COVID-19 situation meant that for a second summer we did not hold any larger scale public events in the Garden of Heroes & Villains, which are key fundraising events for the Forest.

The growth of the Forest and interest in everything being achieved has led to a notable increase in contact from a large range of stakeholders. This has sometimes created slower than ideal response times to these enquiries from our small team, who always appreciate the patience of our supporters when we are dealing with a high volume of enquiries.

THE YEAR AHEAD

As we enter the next year, we find ourselves in the midst of a cost of living crisis. With an expectation that this will impact on people's ability to donate regularly, we will work hard with our communications to ensure that our current Friends of the Forest feel valued while looking for ways to inspire new regular donors to support our work. This year we will hold our first satisfaction survey for Friends of the Forest to help us gain a greater understanding of our key individual supporters to grow our active supporter base.

Growth of the supporter engagement team this year will allow us to continue to offer a consistently high level of customer service when fulfilling tree dedication donations and responding to the increasing number of enquiries from a wide variety of stakeholders. This additional support will also help expand the number of engaging activities we offer to attract new audiences to the Forest, both in-person and virtually.

Permissive access within new woodland creation areas will improve links to existing Public Rights of Way through the Forest creating new and varied walking routes for neighbours and visitors.



4 LEARNING AND SKILLS

Our work to ensure that more young people and adults from a wider variety of backgrounds connect with the Forest is creating Future Forest Guardians that will care for the woodlands in the long-term.

Above: Pupils from Mappleborough Green CofE Primary School at the 2 millionth tree planting

PROUDEST ACHIEVEMENTS

1 Growing Future Forest Guardians project

Thanks to funding from the Green Recovery Challenge Fund (GRCF) the two year project at our Gorcott Hill site will provide bespoke Forest learning programmes for schools, a tailored volunteering programme that develops skills and pathways into employment, and opportunities for more people to increase their connection with nature.

2 Exceeding our annual delivery statistics

In total we delivered 5,502 learning days for children and adults this financial year, a huge increase on our previous record of 3,385 in 2019/20. Importantly, the diversity of the groups we worked with also increased significantly enabling us to make an impact with disadvantaged pupils, improving their wellbeing, knowledge, and connection to nature.

3 Supported internship programme

This programme has changed the lives of six young people with Special Educational Needs and Disabilities (SEND). It involved a huge amount of collaboration, commitment, and drive across the charity to make it a success. All teams were all involved, going the extra mile, and giving the supported interns a wide variety of experience from across the charity, and have showed what we can achieve together.

YEAR IN REVIEW

This year we worked with more disadvantaged young people and adults than ever before. Our partnerships with Ark Kings Academy and Rednal Hill Junior School in Birmingham – both urban schools with high levels of pupils receiving free school meals – and our weekly sessions with Special Educational Needs and Disabilities (SEND) schools Welcombe Hills and Vale of Evesham, have enabled us to make an impact with disadvantaged pupils, improving their wellbeing, knowledge, and connection to nature.

Funding from the William A Cadbury Charitable Trust enabled year 4 pupils from Ark Kings

Academy to attend the Forest for weekly sessions to expand their knowledge and experience base and enhance their learning back at school. Many of the pupils do not have the opportunity to spend time in the natural environment with their families, and as the school is in an urban area with little access to green space, outdoor learning opportunities are very limited back at school.

The lead teacher who attended the sessions said *“The pupils have benefitted from being outdoors in all weathers. They have explored areas of the Forest, including going on muddy walks. The pupils began the experience being afraid to get messy or dirty, now they laugh at getting muddy and will tell you that it doesn’t hurt, and it washes off. They have developed resilience in the challenges that have faced them, such as lighting a fire, building a den, digging a hole for a tree, and have actively helped each other with the tasks. This has developed their friendship groups. I think the Heart of England Forest are offering an exceptional service with lots of adaptations to our suggestions and thoroughly understanding the needs of our pupils.”*

We welcomed our first school partners to Gorcott Hill, the home of our new Growing Future Forest Guardians project, which aims to engage young people from diverse backgrounds with hands on experiences in nature to foster lifelong connections with the natural world. As part of this project, we recruited a Gorcott Education Officer to create new partnerships with local schools, giving more students the opportunity to benefit from outdoor learning. Ellie started at the Heart of England Forest as the Learning and Skills Intern (GRCF), and we were delighted to enable her to continue her career with us.

After the pandemic, our school partners are reporting long term negative impacts on pupils’ social development which impacts their relationships and their progress at school. This resulted in us developing new programmes and Forest learning activities focusing on collaboration, kindness, and responsibility.

For example, Our Ladies Catholic Primary School continued with their six week COVID-19 recovery programmes for all their year groups. These sessions had a significant impact on individual pupils, as the school reported to us:

“One year 2 pupil has shown a real love for outdoor learning and has become more confident in raising his hand and answering questions. He has absorbed all the knowledge and therefore increased his own knowledge which he has shared with family members. He has also shown increased teamwork skills, working more collaboratively with his peers and will now share his ideas if asked. He has also shown great qualities in being a good listener and being able to follow instructions.”

We reflected on our impact in cultivating the next generation of Forest Guardians in March when we welcomed pupils from our first partner school, Mappleborough Green C of E Primary School, to Gorcott Hill to plant the 2 millionth tree in the Forest. The pupils who were involved in the planting ceremony have enjoyed frequent visits to the Heart of England Forest as part of their Forest Learning Programme for the past four years. This has enabled them to develop a strong connection to the Forest and understanding of its importance, demonstrating the value of our learning and skills programme in growing our future forest guardians.

2021/22 also saw the launch of our supported internship programme, which supported six young adults with learning disabilities to gain work-related skills and learn about the world of work with the aim of preparing them for paid employment at the end of the academic year. The young people undertook three rotations to help them experience different aspects of our work: Forestry and Biodiversity, Horticulture and Maintenance, and People in the Forest. The supported interns have all developed into fantastic potential employees and have very much become part of our team.

We have spent time working with colleagues from across the Heart of England Forest, including the partnerships, volunteering, and community engagement teams, to develop ideas for engaging more diverse groups of adults in the Heart of England Forest.

A new partnership with the Hindu Council of Central England has led to us working together to understand how their members would like to get involved in the Heart of England Forest. We are currently working together to understand the needs and interests of their community to be able to develop bespoke events.

We have also reached out to local social prescribing networks to see how we can support the mental and physical health of the communities on our doorstep.

Finally, as part of the Future Forest Guardians project at Gorcott Hill we have launched some new groups for adults including a work experience and practical skills group and a supported wellbeing action group.

This development work will continue in 2022/23.

TEAM HIGHLIGHTS

Phil Stickley, Senior Outdoor Teacher



“A highlight for me has been working with a new group of students from Welcombe Hills special needs school. These young people are fifteen and sixteen and starting to think about the world of work. Despite many of the young people having considerable needs, they have undertaken practical tasks with incredible gusto. The group has been involved in removing large sections of deer fence and protective tree guards. The good humour, doggedness, and ability this group has shown has been truly inspiring.”

CHALLENGES FACED

COVID-19 continued to have a disruptive influence, both on our staffing when members of our team had to self-isolate, but also on school staff which meant that some visits were cancelled at short notice simply because the schools were not able to staff the visits. We continue to operate rigorous procedures to minimise the risks of COVID-19 transmission and keep our visitors, staff, and volunteers safe.

THE YEAR AHEAD

We have made good progress but need to do further work on engaging more young people and adults, including those with Special Educational Needs and Disabilities (SEND) from urban areas, and those from disadvantaged and under-represented communities. Reaching out to schools in Redditch through the Future Forest Guardians Project at Gorcott Hill and developing our relationship with the Hindu Council of Central England and other community groups will be key.

Developing our supported internship programme or other supported employment solutions, as well as supporting neurodiverse individuals and those with learning disabilities into paid employment, continues to be a priority for the charity.

We will undertake further development of our informal learning and skills provision, including for adult groups and early years children, with the aim of enabling these groups to benefit from time spent in the Forest.



5 STRONG GOVERNANCE

Developing high standards of governance remains a priority for the charity, with a focus on Leadership and Equity, Diversity and Inclusion taking centre stage.

Above: Eco-friendly holiday cottages in the Forest

PROUDEST ACHIEVEMENTS

1 Charity Governance Code

The Heart of England Forest continued the work it had begun before the pandemic on the Charity Governance Code, a practical tool developed by the sector to support charities to develop high standards of governance.

As a registered charity and company limited by guarantee, the Heart of England Forest must comply with the legal frameworks governed by the Charity Commission and Companies House, as well as national legislation and local regulation. Good governance is fundamental to a charity's success. The Charity Governance Code takes this obligation a step further, drawing upon the Charity Commission guidance, but sets principles and recommended practice and encouraging charities to be aspirational and strive for the highest standards.

With a refreshed Charity Governance Code and a new section on Equality, Diversity, and Inclusion (EDI), trustees have worked through the Code, reviewing, and assessing the charity against the criteria, identifying areas of particular strength, alongside areas selected for continuous improvement. Trustees selected the areas of Leadership and EDI to focus on in 2021/23.

2 Equity, Diversity, and Inclusion (EDI)

Having selected EDI as a priority upon which to focus within the Charity Governance Code, it was an area extended across the charity as an organisational priority. Rather than a standalone topic, EDI is being woven into everything that the charity does to deliver its vision and mission.

3 Diversifying our income streams to support the growth of the Forest – new holiday cottages

Opened in October 2021, our two new holiday cottages have sustainability running through them as part of our commitment to mitigate the effects of climate change. Converted from an old barn, throughout the conversion process we tried to be as sustainable as possible. We used local

companies to design, project manage and build the cottages, the oak cladding is FSC certified from sustainable sources, and we have incorporated low energy mechanical and electrical fittings throughout - there are solar panels and Tesla Powerwalls to generate and store electricity, and electric vehicle charging points have been fitted at both cottages. Even much of the furniture has been hand-crafted from reclaimed materials. The imported energy for both properties is EKO accredited - 100% renewable and from energy farms that minimise their environmental impact and are not located in areas that affect bird and marine habitats.

To encourage cycling as a means of exploring the area, secure bike storage is provided at both cottages. Even the smallest touches have considered the impact on the environment, from eco-friendly dishwasher tablets to coffee pods which generate funds for fellow environmental charity the Eden Project.

YEAR IN REVIEW

Within the Heart of England Forest, we have committed to improving Equity, Diversity, and Inclusion (EDI) as one of our core priorities. Whilst we are mindful that we cannot achieve everything overnight, and meaningful work on this area takes time and thought, we have made a number of commitments and achieved progress during 2021/22.

To create stronger, more resilient charities, ACEVO – the Association of Chief Executives of Voluntary Organisations, the industry body representing charity leadership – has created eight leadership principles that address Equity, Diversity, and Inclusion. The Heart of England Forest has made a public commitment to sign up to these principles

Ensuring diversified income streams has never been more important than during the pandemic, when many traditional sources of funding were diverted or dried up. Fundraising and income

generation is important for all charities, ensuring that they have sufficient funding to deliver their charitable objectives and public benefit, and the Heart of England Forest is no exception. With a vision to grow a 30,000 acre Forest for the benefit of people, wildlife, and the environment, maintained and cared for in perpetuity, the Heart of England Forest has invested resource during 2021/22 to generate sustainable income streams to support the work of the charity into the future, including the creation of two new eco-friendly holiday cottages, enabling people to stay for longer in the Forest, enjoying all it has to offer.

Our larger Oak Cottage sleeps 8 people and includes a downstairs bedroom and washroom suitable for wheelchair users and people with limited mobility. Acorn Cottage sleeps 3 in 2 rooms, and both cottages are pet friendly, meaning four-legged friends can also enjoy exploring the Forest. The cottages can be interlinked for parties of 11.

Proving to be very popular, not only do the cottages generate sustainable income for the charity, but they also encourage visitors to use local shops and facilities and visit local attractions, meaning the Forest has a wider economic impact on the local area, too.

CHALLENGES FACED

Although the charity's investments began to recover after the shock to the investment market at the start of the pandemic, the Ukraine / Russia conflict during Quarter 4 of 2021/22 saw the stock market plummet. With funds largely restricted for land purchase, which will take us some way towards realising our ambitious goal of a 30,000 acre native broadleaf forest, the funds are invested for the long term, but drops such as these will impact on short term performance and the growth of the funds to support the delivery of strategic projects to achieve the charity's objectives.

THE YEAR AHEAD

As part of our commitment to attaining the highest standards of governance, 2022/23 will see the continued use of the Charity Governance Code to support continuous improvement. 2022 will also see the charity expand its Board of Trustees, improving the diversity of our leadership, and supporting the charity to be ambitious in the way it delivers public benefit.

We remain committed to our Equity, Diversity, and Inclusion journey, helping us to make better decisions and increasing engagement across all areas of the charity. We will continue our strategy planning for our key areas of work – Growing the Forest, Optimising Biodiversity, Attracting People and Learning and Skills - with a focus on making the work of our charity more appealing and accessible to a wider range of audiences.

OUR COMMITMENT TO EQUITY, DIVERSITY, AND INCLUSION (EDI) ACROSS THE CHARITY

- The Heart of England Forest Board of trustees has adopted the Charity Governance Code and committed to EDI as one of its two priority areas of work this year, providing leadership to the charity. This has included Board training, and a commitment to engage external expertise to support the charity to develop an effective EDI strategy, linking directly to the charity's mission and objectives.
- All senior managers have committed to a series of training sessions to understand further the impacts of unconscious bias on our work and the way we all operate as individuals, and to learn more about dignity in the workplace, to enable us to lead and model a positive and inclusive culture.
- We have committed to roll out EDI training to all staff this year. As a provider of supported internships - year-long

placements for young people with Special Educational Needs and Disabilities (SEND) – we have worked with charity partners Think Forward to deliver inclusion and respect training to enable us to further understand and support our young people on the programme.

- We have commenced strategy planning for our key areas of work, looking at how we can focus on improving EDI and making the work of our charity more appealing and accessible to a wider range of audiences. We have undertaken this work in communications, fundraising, HR, volunteering, and commercial development, with further work planned to widen this scope across the remainder of the charity's work during 2022/23.
- We have set up our Supported Internship Programme, a year-long placement for young people with special educational needs and disabilities (SEND) – to provide training and quality work experience placements to support young people to develop employability skills, with the aim of entering employment.
- We have developed our new tree nursery as a social enterprise, which will be staffed by adults with SEND, providing a pipeline of real employment opportunities for our supported interns to consider.
- We have developed an all access trail and car parking facility within the Forest at Morgrove Coppice, to allow better access to the natural world for people with limited mobility, parents and carers with prams, wheelchair users, etc.
- We have set up a forestry internship programme – a year long, paid internship which allows young people, or people changing career, to gain training and experience in all aspects of social forestry. The internship covers external accredited training, such as chainsaw use and tractor

driving, as well as a range of inhouse training spanning biodiversity surveying, tree identification, public access work, etc.

The forestry industry is traditionally a male dominated, aging profession, and we are working hard to change the image and address the skills shortage for the sector. 100% of our forestry interns have moved into paid employment with the Heart of England Forest if they wanted to stay, and the remainder have gone on to successful paid employment elsewhere in the sector.

- We are also one of the first organisations in the country to deliver the forestry apprenticeship, again as an important mechanism to address the skills gap and improve diversity within the sector.
- We have opened our first accessible holiday cottage, allowing people with limited mobility to stay in the Forest. The holiday cottage has disabled access including a bedroom and wetroom on the ground floor, and we are considering accessibility and EDI in the design of all new building projects.
- We are a Living Wage Foundation accredited employer, meaning that all our staff and contractors are paid at least the Real Living Wage. We feel that it is important to offer a fair day's pay for a fair day's work and want to ensure that finance and background are not barriers to coming to work for us.
- We have improved the monitoring process within our recruitment practices, using blind applications for shortlisting, and a multiple people recruitment panel.

Our initial actions have helped us to start on the journey and have open and honest conversations about the subject of diversity and inclusion. We have much work still to do and look forward to working with others to learn and progress.



6 VOLUNTEERING

As the Forests grows, so too does our volunteering programme, ensuring that it supports the strategic aims of the charity whilst offering a broader range of opportunities for people to give their time whilst gaining new skills.

Above: Regular volunteers Pat and Catherine

PROUDEST ACHIEVEMENTS

1 Over 55,000 trees planted by volunteers

Over the winter season our volunteers planted 55,000 native tree saplings in new areas of the Forest. This is a significantly higher number compared to previous years, showing what a valuable contribution volunteers make to the charity achieving our tree planting targets and growing the Forest.

2 Training videos produced

A range of biodiversity training videos are now an easily accessible training resource to help volunteers undertake regular surveying in the Forest. The sessions were run by staff members and external experts, and include habitat surveying, butterfly identification, recording and monitoring, and bumblebee ecology and surveying. Run as online events that volunteers attended during the year, the videos are now available for ongoing training of new volunteers.

3 Significant growth in the number of volunteer opportunities available

Volunteering is now well and truly supporting all the strategic pillars of the charity and is seen as an integral part of our work.

YEAR IN REVIEW

In 2021/22, our volunteer programme has grown substantially, exceeding our predictions, with multiple volunteer teams working across the Forest, carrying out a greater range of activities to support the work of the charity. Volunteering sessions now run five to six days each week, with three activities running concurrently on some of the days.

A staggering 10,078 volunteer hours were given between April 2021 and March 2022, a record number for the charity, even more impressive considering the continued COVID-19 restrictions. This equates to almost 5 Full Time Equivalent staff members.

Over the year there was a focus on fulfilling the volunteering related aspects of the Green Recovery Challenge Fund (GRCF) grant we were awarded in December 2020. We successfully recruited two further Volunteer Leaders, individuals that are trained and supported to lead small groups of volunteers, which enabled us to increase the number of volunteering sessions held and expand the locations in the Forest we cover.

The volunteers were heavily involved in the creation of new hedgerows across the Forest as part of the grant. The volunteers helped to plant 25,000 hedgerow trees in various areas of the Forest over the winter season, an activity that they particularly enjoyed as it made a change from our regular tree planting.

This year we conducted our first volunteering survey, asking our volunteers for their thoughts and opinions on our volunteering programme, while also gathering important information on our volunteer demographics. The survey went out to those subscribed to our volunteering newsletter, and we were pleased to achieve a 20% response rate. The results showed that we are running a good volunteering programme which appeals to our volunteers for a wide variety of reasons. It also provided some great suggestions for additional ways we can enhance the programme as we continue to grow.

The success of this survey provides a solid foundation to run an annual survey that not only helps us understand our volunteer base, but also ensures we provide regular opportunities for our volunteers to share their experiences, feedback, and ideas. The information gathered can be used to track trends over time and assess the overall volunteer programme. This is going to be increasingly important as our volunteer numbers continue to swell, and volunteering expands further to support all areas of the charity's work.

Volunteer taster events were implemented in 2021/22 to encourage new volunteers to come and sample our activities. The three events held

resulted in four new volunteers, one of which has now joined our forestry team. While they did not lead to a substantial increase in volunteer numbers, they did show the benefit of running individual 'open' volunteer events, which are more accessible to those who have not previously joined us. This coming year we hope to see how this can be utilised for community volunteering.

The growth of the biodiversity and tree nursery teams has opened additional opportunities for volunteering on a wider scale, providing regular volunteers to support both practical and survey based work. We have also had the opportunity to introduce a regular volunteer session in the Garden of Heroes and Villains, providing additional support to keep the garden in top condition ahead of fundraising open days and other visits.

TEAM HIGHLIGHTS

Leon Lewis,
regular volunteer



“I started volunteering as I wanted to help be part of the solution, tackling climate change and addressing habitat loss.

The staff and other volunteers have always been so positive, welcoming, and supportive. No matter the activity (and weather conditions) it is always fun, everyone mucks in and there is a real sense of people coming together to make a difference. Volunteering with the Heart of England Forest exemplifies the fact we can all do something today, however small, that collectively makes a huge difference for the future. Personally, they've inspired me to make a career change to the environmental industry. I can't recommend volunteering with the Forest enough!”

CHALLENGES FACED

The past year has continued to see impacts from the COVID-19 pandemic, and this has reflected on the volunteering programme with volunteers off due to illness and some not attending sessions due to COVID-19 risks.

The significant growth of volunteering has at times been a challenge from an administrative point of view. While wonderful to see so many new volunteers and volunteer opportunities, this has also created a significant amount of work co-ordinating the overall volunteering programme which is currently managed by just one member of staff. As the programme continues to develop, and we work to attract more volunteers, we are delighted that additional staff roles are planned in 2022/23. Investing in volunteering will help ensure we deliver a rewarding experience for volunteers while supporting the charity to achieve its mission.

Towards the end of this year, we started to see the rise in the cost of living and in fuel costs in the UK. This has an impact on volunteering, which could reduce the ability of some volunteers to travel to the Forest. This may become more significant over the coming year as prices carry on rising.

YEAR AHEAD

This coming year is a bright one for volunteering. We are growing at quite a pace and there are plenty of areas where we can further grow, develop, and expand. We are keen to work closely with the learning and skills team to help grow our potential for supporting volunteers who have Special Educational Needs and Disabilities (SEND). While our Binton and Coughton Park Tree Nursery sites are developing to allow for more visits, we are keen to find additional ways to get volunteers out across the Forest. Further training for volunteers and staff will help support this, and hopefully result in a more diverse and inclusive volunteering community.

The growth and expansion of our community volunteering programme will be a key area, building on from important research and initial contact made during 2021/22. These visits are a great introduction to volunteering in the Forest for people who may not yet know of, or have yet to visit, the Forest, and will hopefully encourage future visits from attendees.

With a broad range of volunteer opportunities to take part in and 4 Volunteer Leaders in place, we can now focus on growing the number of volunteers to support work across the breadth of the charity. This in turn will enable us to consider further expansion of the volunteer programme, as activity availability and volunteer numbers need to grow proportionally.

This year we are also planning to expand weekend volunteering opportunities and introduce early evening activities in the summer to better suit volunteers who also work.



7 FARMING AND AGROFORESTRY

Farming and agroforestry help us to manage the Forest's mosaic of habitats for people and wildlife and benefits the local economy.

Above: Emma Kersley Assistant Biodiversity Officer (Grasslands)

PROUDEST ACHIEVEMENTS

1 Expanding conservation grazing

As part of our commitment to training and developing our staff team, we were delighted to promote Emma Kersley into the role of Assistant Biodiversity Officer. Emma started with the charity on a one year forestry internship placement and having gained permanent employment and progressed in her role, she jumped at the opportunity to utilise the skills and knowledge gained as part of her masters degree and move across into the biodiversity team. With a specialism in grassland habitats, Emma has taken over responsibility for the welfare of our Flying Flock, using our sheep team to undertake different grazing regimes to achieve different grassland management objectives across our sites.

2 Forest farming benefitting the local economy

As well as our own organic livestock, we are working with a wide range of farmers across the Forest to help to deliver our agroforestry ambitions. This year we contracted with seven graziers, who were working with us to achieve our grassland management objectives for different grassland sites as part of the mosaic of habitats which make up the Forest. Each grazier is providing specialist support to help us to improve the biodiversity value of our grasslands, and in return they obtain high quality grazing for their animals, which helps to support them to make a living from farming.

3 Silvopasture agroforestry at Sheriffs Lench

In the UK, silvopastoral agroforestry is characterised by widely spaced trees with an understory of grazing pasture. We have trialled this form of agroforestry at Sheriffs Lench, using traditional heritage species of fruit trees which will eventually bear an orchard crop, underplanted with a nitrogen fixing crop of red clover, which will improve the nutrient value of the soil. The plan is that one half of the field area will be planted with a crop, and the other half grazed on rotation. Our Sheriffs Lench site is certified organic, and it took a while for the clover to establish itself, but it has

proven its worth with a sea of purple flowers attracting bees and other pollinating insects, which will benefit the surrounding farmland.

YEAR IN REVIEW

Our farming and agroforestry work moved forwards in 2021/22, although not always in the ways we had planned!

Whilst we did not manage to find the conservation farmer we were originally looking for, this presented an opportunity for us to do things differently, as we were delighted to be able to promote and develop internally. Emma Kersley has moved into the role of Assistant Biodiversity Officer (Grasslands) and took over the responsibility for our conservation grazing programme as a way of managing these important areas of the Forest mosaic.

Work continued to expand conservation grazing in the Forest. The Flying Flock, which comprises Jacob and Hebridean sheep (traditional breeds of sheep with horns), is perfect for conservation grazing as these breeds have tough palates which allow them to eat some of the more dominant grassland species which otherwise outcompete the more delicate meadow flowers. Their horns also disturb undergrowth, rooting out species like bramble and leaving bare patches of ground which allow other species to colonise. The recruitment of volunteer livestock checkers has enabled us to cover more areas of the Forest.

With training and development to support Emma to get up to speed with livestock health and welfare, we sold our commercial flock of organic pedigree Lleyn sheep, allowing time to focus on getting to know our 70+ Jacob and Hebridean grazing specialists. Having retained our pedigree Jacob and Hebridean rams, we will be able to build up the size of our conservation grazing flock going forwards.

Our organic, free range cattle herd also expanded, with 22 calves born over the course of the year, 10 adding to our pedigree longhorn herd, raring to go with conservation grazing.

CHALLENGES FACED

We have found it difficult to recruit a conservation farmer who both shares the charity's ambitions for increasing the use of livestock to assist with managing the Forest sympathetically for the benefit of people and wildlife and at the same time is able to manage livestock on a commercial scale, to the high standards of animal welfare which we require. Because of this, we have had to look at alternative ways of delivering our conservation grazing programme in the short term. We have scaled back our sheep flock, retaining a focus on the rarer breeds such as the Jacobs and Hebrideans, which are more suited to conservation grazing.

By starting small, and training up enthusiastic staff internally, we will build the flock back up slowly. This will enable us to fully monitor the positive effects of conservation grazing management techniques on our grassland habitats.

THE YEAR AHEAD

With a new grassland specialist within the biodiversity team, we are now able to spend time looking at the range of different grassland sites we have across the Forest, undertaking baseline surveys and putting together a conservation management plan to improve biodiversity. This means we will be able to work with a wider range of local graziers, who will use their livestock to help us graze to different management regimes. Many of our local farmers have breeds which are particularly suited to conservation grazing, such as Herdwick sheep and Highland cattle, and we are looking forward to trialling a range of regimes and livestock breeds and monitoring the grasslands over time to see what works best.

We contract with a range of local farmers to help us to manage our land, from hedge cutting in the winter to hay cutting in the summer, as well as specific tasks such as direct drilling wildflower mixes, and cutting and baling our pollinator pathways. The relationship works well both ways – farmers gain additional income, and we benefit from their skills, expertise, and machinery to manage the Forest for the benefit of people, wildlife, and the environment.

In 2022/23 we will be working with local farmer Granville Stevens, who will be grazing longhorn cattle to restore our Forest wetland habitat for wading birds such as curlews, lapwings, redshank, and little ringed plover at Netherstead. This land has not been grazed for several years, so we are looking forward to seeing the benefits cattle will have on the wet grassland habitat.

We are also looking forward to widening the area of grazing for our own Flying Flock, which will be delivering conservation grazing benefits at Sheriffs Lench once the summer flowers have set seed, keeping over-dominant species at bay on terrain that is difficult to reach using traditional agricultural machinery.



8 FUNDRAISING

Our work could not continue without our super supporters who give financially to help us achieve our vital mission. With the charity's work growing, so too are the reasons for people wanting to donate to and fundraise for us.

Above: Marathon runners

PROUDEST ACHIEVEMENTS

1 Game changing grants to accelerate growth

We were delighted to build on the progress and momentum of our Green Recovery Challenge Fund (GRCF) win in the previous reporting year with further grant and trust successes across 2021/22. Support such as this from trusts and grant giving organisations enables us to deliver more of our vital mission, sooner and at scale. We have been really encouraged by the growing emphasis on conservation and the environment from philanthropic grant giving organisations, and in particular we celebrated securing a second GRCF grant of £249,700. The 'Growing Future Forest Guardians' project will help us establish a flagship site for young people in an area of the Forest close to Redditch.

2 Foundations and frameworks to further fundraising

Much behind-the-scenes work has taken place across the financial year to improve our systems, processes and policies across the fundraising functions and income streams. This is to support growth and ensure we provide the very best donor experience that we can. As the charity grows, awareness increases, and we work to secure more funds to help deliver and secure our mission, it is vital that we have invested in key foundational elements such as our donor database, case for support, and fundraising policies. We are looking forward to building on these foundations to secure increased and sustainable funding for the charity.

3 Forest Fundraisers

2021/22 was a fantastic year for Forest Fundraisers. After the limitations caused by the pandemic, we were delighted to support and get to know some amazing fundraisers doing brilliant things to raise money for us. Fundraisers like Lizzie and Jess who took part in the virtual London Marathon, running through the Forest and being cheered on by some of the Forest team, raising £1,174. We also had a number of generous couples who chose the Heart of England Forest to donate to in lieu of

wedding gifts, and community groups who either donated or fundraised to help the Forest grow.

YEAR IN REVIEW

2021/22 was a positive year of progress for fundraising at the charity. We spent time focusing on setting, establishing, and reviewing key foundational elements to help us be thorough, efficient, effective, and ready for growth. As part of this work, we have rolled out our CRM (Customer Relationship Management) database across all fundraising functions and provided training and support to tailor income streams. We have reviewed and updated, in collaboration with the wider charity, our privacy, fundraising acceptance, and fundraising complaints policies. We have also formalised a robust due diligence process and checklist to ensure consistency in our approach.

We were pleased to welcome a new part time Development Manager to establish and grow our first major donor programme. They have researched and developed an initial action plan to launch and nurture this income stream in the coming years. Whilst their arrival bolstered the team, we remain a relatively small group of fundraisers, equivalent to three full time staff, working across Individual Giving, Major Giving, Corporate Partnerships, Legacy Fundraising, Grants and Trusts, and Community Fundraising. Because of this our fundraising is often reactive, meaning we need to be agile and flexible to respond to the charity's needs, exciting opportunities, and approaches. The foundation and planning work achieved during 2021/22, together with more staff resource agreed for the new financial year, will help us move to a more proactive fundraising approach in 2022/23.

It was fantastic to welcome some new corporate supporters during this reporting period, many of which are businesses local to the Forest. We enjoyed hosting visiting and volunteering partners once the limitations of the pandemic lifted, and it certainly seemed that for so many companies, a chance to come together as a team in a beautiful

outdoor setting was much appreciated and very overdue. We have had some successes with our new corporate giving programme. New partners opting into this mutually beneficial way of working together included Triton Showers as a 'Woodland Wonder' and Incorporatewear as a 'Growing Guardian'. We also continued to develop bespoke partnerships with companies, too, such as Socitm Advisory who are supporting our work with a particular focus on helping us to connect communities within the Forest through volunteering; and Vectric who are keen for engagement opportunities throughout the year for their team to support and connect with the Forest.

We are particularly proud of the exciting progress made with community fundraising. Much groundwork has been done to raise awareness of the charity locally, and the need for support. Individuals, couples, and community groups have become 'Forest Fundraisers' via a number of ways, including taking part in challenge events, collections, charity of the year nominations, and giving in celebration. We are hugely grateful to all those who have been so generous with their time, enthusiasm, and support, and we look forward to continuing to build this important income stream for the charity. Not only are the funds that are raised helping us deliver our objectives, but Community Fundraisers also help raise awareness and engagement within their local networks – meaning more people know about the Forest and all the benefits it can bring to them and their communities.

CHALLENGES FACED

We are still a relatively small team, and we have struggled to optimise every opportunity due to resourcing and capacity. This is always frustrating, but by investing time and effort in our foundations and frameworks, we are building efficient and effective systems to grow from. Additionally, we will welcome more fundraising resource in the new financial year that will help support capacity

and hopefully ensure we can maximise all funding and donor opportunities for the charity.

THE YEAR AHEAD

After working on many of the foundational elements within the fundraising function, we want to build on these, to not only grow donors and donations across all income streams, but also to ensure we provide the best supporter experience we can. The Forest is an incredible place, resource, and legacy, and we want the individuals, businesses and communities who support our work to feel valued and to understand their impact. We will be offering more opportunities to connect supporters to the Forest through updates, video, events, and visits, to help bring the scale, opportunity and wonder alive.

We will also be working hard to increase corporate support through new partnerships, our corporate giving programme, and volunteering. We are particularly looking forward to developing meaningful, long-term relationships with innovative and forward-thinking organisations who share our belief in protecting and investing in our natural environment. We are keen to move the 'tree planting' conversation on so companies understand the importance, value and climate change benefits of establishing and enhancing all the rich mosaic of habitats that make up a Forest, as well as supporting the long-term protection and management of the Forest to ensure that it survives and thrives, benefiting the environment, wildlife, and people for generations to come.

We are also focusing on building on our previous grant successes, partnering with new funders and securing new grant opportunities to deliver innovative and valuable projects for the charity. The grant and trust application process is led by the fundraising team but developed through a cross-charity collaborative process to identify need and opportunity.



9 COMMUNICATIONS

Promoting the work, need, relevance and impact of the charity to raise our profile, enhance the visitor experience, and encourage support.

Above: The charity's new website which launched in May 2021

PROUDEST ACHIEVEMENTS

1 New website launched .

The new website launched in May 2021 and reflects our ambitious vision and vital work. We are driving people to a website that clearly shows who we are, the importance of our work, why we need support, and the many ways that people can support us.

2 PR agency recruited

To achieve a significant step change in awareness and understanding of our mission and work, we undertook a tender process to find a PR partner. Forster Communications were recruited in September 2021 to help us renew our messaging, shape our future communications strategy, and deliver a PR campaign that will help us begin to position the charity as a significant organisation of national importance.

3 'From the Forest' WhatsApp group

A WhatsApp group set up during the COVID-19 pandemic to address the challenge of getting topical and timely content has proved to be a vital source of photos and information for use on our social media channels. Made up of staff members from both our forestry and biodiversity teams, the group has enabled us to bring the Forest to people at home throughout the year.

YEAR IN REVIEW

Mara joined us as our GRCF funded 'Communications Intern' for a one-year, paid internship, and along with both our communications volunteers and the Forest Focus Group, was a valuable support for our communications work.

We worked with Birmingham-based PR agency East Village for five months to raise our profile with local press, before going through a rigorous tender process to recruit a long-term PR partner to raise awareness of our work on both a local and national level. The panel, which included three of our trustees, unanimously chose national agency Forster Communications. Forster is a founding UK

B Corporation and was the first communications agency to publish its Climate Positive Plan. Their ethos and approach match our ambitions and we started work on developing a core proposition to focus our communications, whilst building media engagement, with opinion pieces published in The New Stateman and Education Today, and consumer pieces in The Mirror and The Sun.

Our new website launched in May 2021, the culmination of 11 months of work. We are now averaging 16,550 visits per month, compared to 8,959 pre-launch.

We have worked hard to build up a comprehensive library of photos and videos that capture the Forest in all seasons and represent all areas of our work benefitting the environment, wildlife, and people.

Seasonal interpretation boards were rolled out in all Forest car parks, thanks to the Green Recovery Challenge Fund (GRCF) grant, enabling visitors to make the most of their visit at all times of the year. In addition, map and interpretation boards were produced and installed for the first time at College Wood.

We recognised that we need to do more to ensure that our communications are inclusive and accessible, so a strategy was written as part of the Charity's wider equity, diversity, and inclusion (EDI) work, and some guidelines and resources put together. Some aspects were actioned immediately, with others being worked on over the coming year.

CHALLENGES FACED

Although we benefitted from the help of a communications intern, resource continued to be a challenge. Mara took the opportunity of a paid, Permanent communications position in London in December, so was only with us for eight months. As the Forest grows, so too does the breadth of the charity's work and the communications and marketing opportunities. The recruitment of a

Marketing and Communications Officer next year will help to address this.

THE YEAR AHEAD

Working with Forster, we will build on the important foundation work started last year to raise the charity's profile, which will include the charity's first awareness raising campaign. In addition to PR campaigns, we will also run four quarterly campaigns throughout the year to encourage support of our work and to better understand our audiences and the ways to maximise our engagement with them.

Recruitment of a full-time permanent Marketing and Communications Officer will alleviate some of the pressure on the marketing and communications functions, as well as enabling us to start to move from firefighting to being proactive and strategic.

We have invested in a digital asset management system called ResourceSpace to house all our images and videos. This year, we will roll out the system, so all staff can find and download images (and videos) that are correctly named and have the

appropriate consents to be used. They will be able to search for images and videos of the Forest, our events, wildlife, and people, making it much easier and quicker to locate images, download them, and share with others.

We will develop the website further, focussing on increasing the information about the biodiversity and environmental aspects of our work, as well as exploring the ways that the website can help with volunteer recruitment and enhancing the offering to our Friends of the Forest.

Whilst our following and engagement across all social media channels continued to grow during 2021/22, more work is planned for 2022/23 to tailor our content and maximise the effectiveness of these channels, using the results of a social media audit to produce a strategy.

Having started to put in place a strategy to improve diversity and inclusion in our communications, during 2022/23 we will look at the changes we need to make going forward and provide guidance for the wider charity team, who are all involved in communications.



Above: Seasonal interpretation board at Haydon Way Wood



THANK YOU

Our sincerest thanks and recognition goes to our amazing supporters.

Our volunteers

Donors and Friends of the Forest

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Grants and Trusts:

- Green Recovery Challenge Fund programme funded by Defra, Environment Agency, Natural England, administered by the National Lottery Heritage Fund
- The Ratcliff Foundation
- The Ian Addison Charitable Trust
- Martin Wills Wildlife Maintenance Trust
- The Langdale Trust

FINANCIAL REVIEW

Financial Review

The group's total income for the period increased from £4.3m to £5.1m. Investment income increased by £242k, totaling £2,922k in the year (2021: £2,680k).

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 £1,799k (2021: £1,390k), of which the principal sources of income were:

- Government grants total £645k (2021: £829k) for forestry creation & maintenance and farming, of which £333k (2021: £437k) supported the key objective of planting and maintaining a broadleaf forest.
- Donations to support forestry creation and maintenance - £372k (2021: £64k) from corporate partners and £148k (2021: £110k) from individuals including Friends of the Forest) and a further £7k from community projects (2021: £nil)
- Rental income from properties £104k (2021: £70k).

There were gains on investment assets of £10,497k in the year (2021: £28,752k gain).

Expenditure on general funds amounted to £2,307k (2021: £2,538k) of which £1,233k (2021: £1,265k) was on charitable activities and £1,074k (2021: £1,273k) on raising funds.

Included within raising funds is £368k (2021: £663k) 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 £2,143k (2021: £1,365k) which equates to 53% (2021: 41%) of overall expenditure.

The group has recognised a deficit of (£508k) on general funds (2021: (£1,148k) 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 £508k from designated funds to general funds to support its strategic development.

The group's net assets have increased from £206.3m to £217.9m.

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.

Largely because of the increase in value of investment assets, total funds increased by £11.6m to £217.9m, comprising £216.0m of designated funds with £2.0m of general funds. The charity also holds (£66k) 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:

- £172m for land purchases on which to plant a broadleaf forest.

- £42.7m being the historic valuation of land.
- £1.3m for a Strategic Investment Fund for funding capital expenditure, depreciation and supporting initiatives within the strategic plan 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 considers, 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 updated and approved a Responsible Investment Policy in April 2022, 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%.

The post COVID-19 global pandemic equities markets recovery has continued during the 12 months to 31 March 2022 with gains of £10.5m (2021: £28.8m). However it is clear that the markets have been badly impacted since the year-end due to the Russian invasion of Ukraine; the subsequent volatility of worldwide energy prices and with the current level of UK inflation running at approximately 9% the Investment Committee are aware the benchmark of 3.5% above CPI is clearly going to be challenging to achieve in the year to 31 March 2023. Our investment strategy is a long term one however and the Investment Committee, in conjunction with the charity's investment advisors, we will continue to closely monitor the investment portfolio.

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 in order to help achieve the charitable objective to plant 30,000 acres of broadleaf forest over a period of 70-100 years. The current volatility of the worldwide markets is clearly a risk to the performance of the investment portfolio in the short term.

Key mitigation

 - Investment Committee meets regularly with the charity's investment advisors and the portfolio Investment Fund managers to review performance and structure of the portfolio to minimise this risk where possible.

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 Green 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 21.

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 four 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 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.

The Board aspires to the Charity Governance Code and has further work planned in 2022-23 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. Shortlisted 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) do not have a maximum term of office.

Trustees' emoluments

The trustees of the company, who comprise its Board, did not receive any remuneration during the period. The charity purchases indemnity insurance (cover of £2m) 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 £5,052 (2021: £5,658).

Trustees claimed out of pocket expenses of £Nil (2021: £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 (brackets updated in 2022), 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.

The Ukraine War and the cost-of-living crisis

We have considered the potential impact of the Ukraine War and the cost-of-living crisis on the Group and the charity. Increasing energy prices, rising pressure on inflation rates, unease in stock market trading, interest rate rises, increase in raw materials costs (which will affect things like livestock feed, fencing, machinery, and equipment) and falling donations are likely to affect the Group's and charity's performance. The General Fund will be under constant review to ensure efficient cost and cashflow management. There will be fluctuations in the value of the Designated Fund's investment assets. We will closely monitor the Fund's performance with reference to investment income and adjust forecasts accordingly.

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 Group, and whilst there may be significant effects for the wider economy which could in turn affect the Group'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 14 October 2022 and signed on behalf of the board by:



Jon Snow

Chair

14 October 2022

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 2022 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 2022 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

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

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

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

Other information

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

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

whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' 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 charity 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 pages 46 & 47, 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation, non-compliance with implementation of government support schemes relating to COVID-19.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls, and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to, revenue recognition (which we pinpointed to the cut-off assertion), significant fraud risk, and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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. 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.



David Hoose (Oct 27, 2022 08:35 GMT+1)

David Hoose (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
First Floor
Two Chamberlain Square
Birmingham
B3 3AX

Date: Oct 27, 2022

Consolidated Statement of Financial Activities (incorporating the income and expenditure account) for the year ended 31 March 2022

		Unrestricted			Total	Total
		General	Designated	Restricted	Funds	Funds
	Notes	Funds	Funds	Funds	Funds	Funds
		2022	2022	2022	2022	2021
		£000	£000	£000	£000	£000
Income						
Income from generated funds						
Donations and legacies	2	576	-	537	1,113	531
Other trading activities	3	700	-	-	700	657
Investment income	4	120	2,802	-	2,922	2,680
Other		48	-	-	48	23
Income from charitable activities	5	355	-	-	355	449
Total Income		1,799	2,802	537	5,138	4,340
Expenditure						
Raising funds	6	1,074	820	-	1,894	1,943
Charitable activities	6	1,233	-	910	2,143	1,365
Total Expenditure		2,307	820	910	4,037	3,308
Gains/(losses) on investment assets						
Realised	12	-	1,567	-	1,567	1,530
Unrealised	12	-	8,931	-	8,931	27,222
Net income/(expenditure)		(508)	12,480	(373)	11,599	29,784
Transfers between funds	18	508	(508)	-	-	-
Net movement in funds		-	11,972	(373)	11,599	29,784
Fund Balance brought forward 1 April 2021		2,000	204,004	307	206,311	176,527
Fund Balance carried forward 31 March 2022		2,000	215,976	(66)	217,910	206,311

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

All income and expenditure derived from continuing activities.

Note 22 illustrates prior year figures for the various funds.

The notes on pages 55 to 75 form part of these accounts.

Consolidated and Company Balance Sheets as at 31 March 2022

	Notes	Group		Company	
		2022 £000	2021 £000	2022 £000	2021 £000
Fixed Assets					
Intangible Assets	10	294	276	19	26
Tangible Assets	11	50,031	46,253	42,955	39,125
Investments	12	161,882	148,478	164,632	151,228
Total fixed assets		<u>212,207</u>	<u>195,007</u>	<u>207,606</u>	<u>190,379</u>
Current Assets					
Stock	13	177	197	22	-
Debtors	14	5,820	6,108	7,829	7,786
Cash at bank and in hand		3,331	8,907	2,823	8,682
Total current assets		<u>9,328</u>	<u>15,212</u>	<u>10,674</u>	<u>16,468</u>
Creditors					
Amounts falling due within one year	15	(790)	(851)	(385)	(362)
Net Current Assets		<u>8,538</u>	<u>14,361</u>	<u>10,289</u>	<u>16,106</u>
Creditors					
Amounts falling due after one year	16	(2,721)	(2,890)	-	-
Provisions	17	(114)	(167)	(40)	(73)
Net Assets		<u>217,910</u>	<u>206,311</u>	<u>217,855</u>	<u>206,412</u>
Funds					
Unrestricted funds					
General funds		2,000	2,000	2,283	2,438
Designated funds	18	215,976	204,004	215,638	203,667
Restricted funds					
	19	(66)	307	(66)	307
		<u>217,910</u>	<u>206,311</u>	<u>217,855</u>	<u>206,412</u>

The notes on pages 55 to 75 form part of these accounts.

The surplus of the parent charity was £11,472k in the year (2021: £12,098k).

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 14 October 2022

Registered Charity Number 1097110

Consolidated Statement of Cash Flows for the year ended 31 March 2022

		2022 £000	2021 £000
Reconciliation of net movement in funds to cash flows from operating activities:			
Net incoming resources		11,599	29,784
	Notes		
Depreciation	11	233	190
Amortisation	10	7	-
Investment income	4	(2,922)	(2,680)
(Gains)/Losses on investments	12	(10,498)	(28,752)
Investment fees	12	736	586
Movement in debtors	14	288	793
Movement in stock	13	20	6
Movement in creditors	15 & 16	(230)	44
Movement in provisions	17	(53)	-
Cash generated from operations		(820)	(29)
Cash Flow Statement			
Cash generated from operations		(820)	(29)
Cash flows from investing activities			
Purchase of land	11	(4,403)	(780)
Purchase of property, plant and equipment	11	(529)	(100)
Purchase of intangible fixed assets	10	(10)	(15)
Revaluation of intangible fixed assets	10	(15)	-
Net Purchase of fixed asset investments	11	10	-
Sale of fixed assets	10	71	-
Interest received	4	16	14
Rental income received	4	104	70
Net cash (used in) investing activities		(4,756)	(811)
Net (decrease) in cash in the year		(5,576)	(840)
Change in net funds arising from cashflows		(5,576)	(840)
Cash at 1 April 2021		8,907	9,747
(Decrease)/increase in cash		(5,576)	(840)
Cash at 31 March 2022		3,331	8,907

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

- b) 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

The investment properties and other investments in Note 12 are the Management's best estimates of fair values. There are a number of estimates and judgements on legacies, based on Management's best estimates. Also, there are some estimates used to value the provisions as described in Note 17.

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, Silva Green 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 expenditure of the parent charity for the year were £3,130k (2021: £2,142k). The income of the parent charity for the year was £4,105k (2021: £3,280k). The investment gains for the parent charity in the year were £10,497k (2021: £28,752k gain). The surplus of the parent charity was £11,472k (2021: £29,890k).

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 sales 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.

Amortisation

Grant entitlements - No amortization

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:

- Investment property
- Depreciable fixed assets
- Sculptures
- Legacies
- Stock

2 Donations and Legacies

	Unrestricted			Total Funds 2022 £000	Total Funds 2021 £000
	General	Designated	Restricted		
	Funds	Funds	Funds		
	2022	2022	2022		
	£000	£000	£000		
Donations					
Individual	148	-	-	148	110
Corporates & trusts	421	-	537	958	418
Community	7	-	-	7	-
Legacies					
Other	-	-	-	-	3
	576	-	537	1,113	531

3 Income from Other Trading Activities

	Unrestricted			Total Funds 2022 £000	Total Funds 2021 £000
	General	Designated	Restricted		
	Funds	Funds	Funds		
	2022	2022	2022		
	£000	£000	£000		
Farming	484	-	-	484	502
Leisure and other	216	-	-	216	155
	700	-	-	700	657

See Note 21 for further details of trading activities.

4 Investment Income

	Unrestricted			Total Funds 2022 £000	Total Funds 2021 £000
	General	Designated	Restricted		
	Funds	Funds	Funds		
	2022	2022	2022		
	£000	£000	£000		
Rental income received	104	-	-	104	70
Dividends received	-	2,802	-	2,802	2,596
Other income	16	-	-	16	14
	120	2,802	-	2,922	2,680

5 Income from Charitable Activities

	Unrestricted			Total Funds 2022 £000	Total Funds 2021 £000
	General	Designated	Restricted		
	Funds	Funds	Funds		
	2022	2022	2022		
		£000	£000	£000	£000
Woodland Creation	-	-	-	-	104
Woodland Premium	333	-	-	333	333
Education	22	-	-	22	8
Other	-	-	-	-	4
	355	-	-	355	449

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	Support	Total 2022 £000	Total 2021 £000
	Costs	Costs		
	2022	2022		
	£000	£000	£000	£000
Cost of raising funds				
Fundraising	428	-	428	373
Trading expenses				
Farming	368	-	368	663
Leisure and other	140	-	140	157
Investment Management	-	138	138	80
Investment fees	-	736	736	670
Monitoring management fees	-	84	84	-
	936	958	1,894	1,943
Charitable activities				
Forestry and biodiversity				
Other	431	-	431	516
Education and communications	101	-	101	71
Governance	190	386	576	561
Finance Costs	-	125	125	117
Restricted	910	-	910	100
	1,632	511	2,143	1,365

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:	2022 £000	2021 £000
Depreciation of fixed assets	233	190
Amortisation of intangible fixed assets	7	-
Auditors remuneration - audit services	21	21
Auditors remuneration - non-audit services	18	10

8 Employees

	2022 No.	2021 No.
<i>The average number of employees during the year was:</i>		
Growing the Forest	19	14
Optimising Biodiversity	6	2
Attracting People	2	2
Learning & Skills	4	2
Strong Governance	9	8
Communications	2	1
Fundraising	4	2
Volunteering	2	2
Farming and Agroforestry	2	2
	50	35

The average number of full time equivalent employees during the

Growing the Forest	19	14
Optimising Biodiversity	5	1
Attracting People	2	2
Learning & Skills	4	2
Strong Governance	9	8
Communications	2	1
Fundraising	3	2
Volunteering	2	2
Farming and Agroforestry	2	2
	48	34

8 Employees (cont)

	2022	2021
	£000	£000
Total staff costs were as follows:		
Wages and salaries	1,590	1,080
Employer's National Insurance	116	96
Pension Contributions	68	57
	1,774	1,233

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

	2022	2021
£60,001 to £70,000	1	2
£90,001 to £100,000	-	1
£100,001 to £110,000	1	-
	2	3

The employees referred to above are members of a defined contribution pensions scheme. Contributions paid in respect of these employees were £8,618 (2021: £11,072).

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 £518k (2021: £438k).

9 Trustees and Directors' Remuneration

None of the company directors received any remuneration from the company during the year except as disclosed in Note 23, and no expenses (2021: Nil) were reimbursed to Board members for travel and subsistence.

The charity purchases indemnity insurance (cover of £2m) 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 £1,358 (2021: £5,658).

10 Intangible Fixed Assets

Group	Grant Entitlements £000	Software £000	Total £000
Fair Value			
At 1 April 2021	250	26	276
Additions	10	-	10
Revaluation	15	-	15
At 31 March 2022	275	26	301
Amortisation			
At 1 April 2021	-	-	-
Charge for the period	-	7	7
At 31 March 2022	-	7	7
Net Book Value			
At 31 March 2022	275	19	294
At 31 March 2021	250	26	276

11 Tangible Fixed Assets

Group

	Land and Buildings £000	Fixtures and fittings £000	Tools and equipment £000	Motor Vehicles £000	Total £000
Cost					
At 1 April 2021	46,068	223	343	352	46,986
Additions	4,403	53	346	130	4,932
Disposals	-	(81)	-	(13)	(94)
Transfers	(850)	-	-	-	(850)
At 31 March 2022	49,621	195	689	469	50,974
Depreciation or impairment					
At 1 April 2021	280	104	131	218	733
Depreciation charge for the period	98	11	66	58	233
Disposals	-	(20)	-	(3)	(23)
Transfer between classes	-	-	(40)	40	-
As at 31 March 2022	378	95	157	313	943
Net Book Value					
At 31 March 2022	49,243	100	532	156	50,031
At 31 March 2021	45,788	119	212	134	46,253

Company

	Land and Buildings £000	Fixtures and fittings £000	Tools and equipment £000	Motor Vehicles £000	Total £000
Cost					
At 1 April 2021	39,109	167	6	15	39,297
Additions	4,398	53	273	127	4,851
Disposals	-	(81)	-	-	(81)
Transfers	(850)	-	-	-	(850)
At 31 March 2022	42,657	139	279	142	43,217
Depreciation or impairment					
At 1 April 2021	117	49	6	-	172
Depreciation charge for the period	48	11	40	11	110
Disposals	-	(20)	-	-	(20)
At 31 March 2022	165	40	46	11	262
Net Book Value					
At 31 March 2022	42,492	99	233	131	42,955
At 31 March 2021	38,992	118	-	15	39,125

The farmhouse at Sperrall Hall Farm, included in land purchased in the year, is an investment property and so has been transferred to investment property (see note 12).

12 Investments

Group	Investment Fund £000	Investment Property £000	Other Investments £000	Total £000
Valuation				
At 1 April 2021	142,487	3,432	2,559	148,478
Disposals	-	-	(10)	(10)
Transfers	-	850	-	850
Realised gains	1,567	-	-	1,567
Unrealised gains	8,931	-	-	8,931
Dividend income	2,802	-	-	2,802
Management fees	(736)	-	-	(736)
At 31 March 2022	155,051	4,282	2,549	161,882

Net Book Value				
At 31 March 2022	155,051	4,282	2,549	161,882
At 31 March 2021	142,487	3,432	2,559	148,478
Historical Valuation	116,000	3,432	2,557	121,989

Company	Subsidiary £000	Investment Fund £000	Investment Property £000	Other Investments £000	Total £000
Valuation					
At 1 April 2021	3,792	142,487	2,390	2,559	151,228
Disposals	-	-	-	(10)	(10)
Transfers	-	-	850	-	850
Realised gains	-	1,567	-	-	1,567
Unrealised gains	-	8,931	-	-	8,931
Dividend income	-	2,802	-	-	2,802
Management fees	-	(736)	-	-	(736)
At 31 March 2022	3,792	155,051	3,240	2,549	164,632

Net Book Value					
At 31 March 2022	3,792	155,051	3,240	2,549	164,632
At 31 March 2021	3,792	142,487	2,390	2,559	151,228

The charity holds the entire share capital of Dorsington Farms Ltd (company number 3137843), Silva Green 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 21.

The farmhouse at Sperrall Hall Farm included in land purchased in the year, is an investment property and so has been transferred to investment property from tangible fixed assets (see note 11).

12 Investments (cont)

The allocation of the investment fund at 31 March 2022 was as follows:

	2022	2021
Equities		
US	34%	33%
UK	20%	21%
Europe ex UK	17%	16%
Japan	2%	2%
Asia ex Japan	2%	3%
EM	3%	4%
Other	0%	0%
Total Equities	78%	79%
Credit		
Investment Grade	3%	5%
High Yield	0%	0%
Sovereign Debt		
Developed Markets	3%	1%
Emerging Markets	1%	1%
Other Fixed Income	0%	2%
Total Fixed Income	8%	9%
Gold	1%	0%
Commodities	0%	1%
Property	4%	3%
Other	6%	6%
Cash	3%	2%
Total	100%	100%

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

13 Stock

	Group		Company	
	2022	2021	2022	2021
	£000	£000	£000	£000
Farming stocks	153	195	-	-
Other	24	2	22	-
	177	197	22	-

14 Debtors

	Group		Company	
	2022	2021	2022	2021
	£000	£000	£000	£000
Trade debtors	114	66	37	31
Amounts due from subsidiary undertakings	-	-	2,379	2,323
Prepayments and accrued income	5,644	5,971	5,379	5,381
Other debtors	62	71	34	51
	5,820	6,108	7,829	7,786

15 Creditors: amounts falling due within one year

	Group		Company	
	2022	2021	2022	2021
	£000	£000	£000	£000
Bank loan	158	193	-	-
Trade creditors	232	182	173	125
Amounts owed to subsidiary undertakings	-	-	51	13
Accruals and deferred income	315	405	146	176
Taxation and Social Security	59	48	14	41
Other creditors	26	23	1	7
	790	851	385	362

Deferred Income

Brought forward 1 April 2021	112
Deferred during the year	140
Released during the year	(112)
Carried forward 31 March 2022	140

16 Creditors: amounts falling after more than one year

	Group		Company	
	2022	2021	2022	2021
	£000	£000	£000	£000
Bank loans and overdrafts	2,721	2,890	-	-

Included in the above is an amount of £2,019k (2021: £2,056k) 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.

17 Provisions

Provisions at the Balance sheet date amount to £114k (2021: £167k). These provisions relate to environmental costs on some of the properties.

Brought forward 1 April 2021	167
Provided for during the year	-
Utilised during the year	(53)
Carried forward 31 March 2022	114

18 Designated Funds

The Designated fund represents the balance of the Land Reserve, Valuation Reserve and the Strategic Investment Fund.

	Funds at 2021 £000	Income £000	Expenditure £000	Gains £000	Transfers £000	Funds at 2022 £000
Land	159,476	2,802	(820)	10,498	-	171,956
Valuation Reserve	42,718	-	-	-	-	42,718
Strategic Investment Fund	1,810	-	-	-	(508)	1,302
	204,004	2,802	(820)	10,498	(508)	215,976

19 Restricted Funds

	Funds at 2021 £000	Income £000	Expenditure £000	Funds at 2022 £000
a) Volunteer Hub	10	-	(2)	8
b) Heritage Fund (GRCF) Growing Future Forest Guardians	-	132	(57)	75
c) RDPE - Growing Tourism in HoEF	(6)	25	(1)	18
d) Millie's Watch - Education Facilities	19	-	(13)	6
e) Severn Trent - Pollinator Pathways project	42	-	(16)	26
f) William A Cadbury Charitable Trust	8	-	-	8
g) EU Undertrees	22	-	-	22
h) Heritage Fund Green Recovery in the Heart of England	194	378	(811)	(239)
i) D'Oyly Carte Charitable Trust	2	-	-	2
j) The Environment Agency - Noleham Brook	10	-	(7)	3
k) The Addison Charitable Trust	6	-	(2)	4
Other	-	2	(1)	1
	307	537	(910)	(66)

- a) Volunteer Hub – This is to facilitate improved facilities at the volunteer hub, and is expected to be spent in 2022/23.
- b) Heritage Fund (GRCF) Growing Future Forest Guardians - Working with children, young people and adults from disadvantaged areas, including those out of work, with learning disabilities, or disproportionately affected by Covid-19 through job loss or interrupted education, to restore and enhance 21.4ha of ancient semi natural woodland, grassland and wetland at Gorcott Hill in the Heart of England Forest. This project will conserve and restore nature, benefiting nationally threatened wildlife species, provide nature-based solutions for carbon sequestration and connect young people with nature.
- c) RDPE - Growing Tourism in HoEF – this is a grant received to help grow and promote tourism in The Heart of England Forest.
- d) Millie's Watch - Education Facilities – this is for equipment for education facilities, and the balance is expected to be spent in 2022/23.
- e) Severn Trent - Pollinator Pathways Project – this project will increase biodiversity through creation or enhancement of habitats, by creating pollinator pathways across 68 ha of the Heart of England Forest. It is an ongoing project, expected to last 5 years until 2025.
- f) William A Cadbury Charitable Trust - this is for an outdoor learning programme and is expected to be spent in 2022/23.
- g) EU Undertrees – a project to understand ecosystem services of agroforestry systems.
- h) Heritage Fund Green Recovery in the Heart of England – a project to create a tree nursery as a sustainable social enterprise; to help create a native woodland of 125ha, with enhancements to hedgerows and grassland resulting in large scale nature recovery networks; and a community woodland of 28ha planting over 115,000 trees. The project ran until June 2022. Additional funding and spend took place post year end with the project achieving its planned break-even position.
- i) D'Oyly Carte Charitable Trust - contributed towards a water vole habitat at Noleham Brook. This is expected to be spent in 2022/23.
- j) The Environment Agency - Noleham Brook - this is for work at Noleham Brook, and is expected to be spent in 2022/23.

20 Analysis of Net Assets by Fund

	Unrestricted			Total £000
	General Funds £000	Designated Funds £000	Restricted Funds £000	
Intangible Fixed Assets	294	-	-	294
Tangible Fixed Assets	-	50,031	-	50,031
Fixed Asset Investments	-	161,882	-	161,882
Current Assets	1,390	8,004	(66)	9,328
Current Liabilities	(790)	-	-	(790)
Non-current Liabilities	-	(2,721)	-	(2,721)
Provisions	(114)	-	-	(114)
	2,000	215,976	(66)	217,910

21 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.

	2022 £000	2021 £000
Profit and Loss Account		
Turnover	817	939
Cost of Sales	(564)	(746)
Gross Profit	253	193
Administration	(78)	(180)
Interest payable	(125)	(117)
Taxation	-	-
Unrealised gain	-	-
Revaluation	15	-
Operating Profit	65	(104)
Balance Sheet		
Fixed Assets		
Intangible Assets	274	250
Tangible Assets	5,409	5,451
Investments	1,041	1,041
	6,724	6,742
Stock	153	195
Debtors	340	589
Cash at bank	234	72
	727	856
Creditors: amounts falling due within one year	(2,626)	(2,649)
Creditors: amounts falling due after more than one year	(2,721)	(2,890)
Provisions	(74)	(94)
Net Assets	2,030	1,965
Capital and reserves		
Share capital	1,080	1,080
Retained earnings at the end of the year	950	885
Shareholders funds	2,030	1,965

21 Trading Activities of Subsidiary Undertakings (cont)

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

Audited accounts are filed with the Registrar of Companies.

	2022 £000	2021 £000
Profit and Loss Account		
Turnover	211	150
Cost of Sales	(109)	(110)
Gross Profit	102	40
Administration	(30)	(41)
Taxation	-	-
Gift Aid	-	-
Operating Profit/(Loss)	72	(1)
Balance Sheet		
Fixed Assets		
Tangible Assets	1,344	1,355
	1,344	1,355
Stock	2	2
Debtors	69	67
Cash at bank	231	106
	302	175
Creditors: amounts falling due within one year	(217)	(173)
Net Assets	1,429	1,357
Capital and reserves		
Share capital	1,253	1,253
Retained earnings at the end of the year	176	104
Shareholders funds	1,429	1,357

21 Trading Activities of Subsidiary Undertakings (cont)

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

Unaudited accounts are filed with the Registrar of Companies.

	2022 £000	2021 £000
Profit and Loss Account		
Turnover	5	5
Administration	(1)	(5)
Gift Aid	-	-
Operating Profit	4	-
Balance Sheet		
Fixed Assets		
Tangible Assets	346	346
	346	346
Stock		
Debtors	4	-
Cash at bank	43	47
	47	47
Creditors: amounts falling due within one year	(4)	(8)
Net Assets	389	385
Capital and reserves		
Share capital	386	386
Retained earnings at the end of the year	3	(1)
Shareholders funds	389	385

22 Consolidated Statement of Financial Activities for the year ended 31 March 2021

	Notes	Unrestricted			Total Funds
		General Funds	Designated Funds	Restricted Funds	
		2021 £000	2021 £000	2021 £000	2021 £000
Income					
<i>Income from generated funds</i>					
Donations and legacies	2	177	-	354	531
Other trading activities	3	657	-	-	657
Investment income	4	84	2,596	-	2,680
Other		23	-	-	23
<i>Income from charitable activities</i>	5	449	-	-	449
Total Income		1,390	2,596	354	4,340
Expenditure					
Raising funds	6	1,273	670	-	1,943
Charitable activities	6	1,265	-	100	1,365
Total Expenditure		2,538	670	100	3,308
Gains/(losses) on investment assets					
Realised	13	-	1,530	-	1,530
Unrealised	13	-	27,222	-	27,222
Exceptional items	8	-	-	-	-
Net income/(expenditure)		(1,148)	30,678	254	29,784
Transfers between funds	19	1,148	(1,148)	-	-
Net movement in funds		-	29,530	254	29,784
Fund Balance brought forward 1 April 2020		2,000	174,474	53	176,527
Fund Balance carried forward 31 March 2021		2,000	204,004	307	206,311

23 Related Party Transactions

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 £19,624 (2021: £15,318) to the firm. There was Nil balance at year end (2021: Nil).

24 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.

25 Control

The charity is controlled by the trustees.

Heart of England Forest,
Colletts Farm Office, Dorsington,
Stratford-upon-Avon,
Warwickshire CV37 8AU
T 01789 778541
E info@heartofenglandforest.org

 heartofenglandforest.org

 [@heartofenglandforest](https://www.facebook.com/heartofenglandforest)

 [@The_HOEF](https://twitter.com/The_HOEF)

 [@theheartofenglandforest](https://www.instagram.com/theheartofenglandforest)

 [Heart of England Forest](https://www.linkedin.com/company/heart-of-england-forest)

Planting tomorrow's great native woodland

