

TREE AID ANNUAL REPORT & ACCOUNTS 2022/23



GROWING THE GREAT GREEN WALL



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WELCOME



Tree Aid offers a lasting and powerful solution to the climate crisis and poverty. This report shows the impact we made in 2022/23 by growing trees, regenerating land and supporting people in the drylands of Africa to transform their lives.

For millions across the Sahel, climate change is no longer a distant threat, but a harsh reality. Rising temperatures, erratic rainfall and devastating desertification continue to threaten their daily lives.

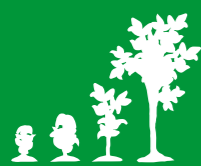
Our mission is to empower local communities with the tools and knowledge to turn the tide. By growing trees, restoring land and building sustainable businesses, communities can mitigate the disastrous impacts of climate change.

Bold progress

This year, we marked 35 years since Tree Aid was first established and our work has never been more relevant or urgent. With a growing recognition that the work we do has a deep, enduring impact on the communities we serve, we made great strides forward with our goals in 2022/23.

The first year of our new five-year strategy saw us join forces with local communities to grow more than 2.5 million trees and support over 900,000 people. The people we worked with increased their incomes by 144% on average, alongside growing nutritious food for their families to eat. These achievements put us well on the way

IN THE FIRST YEAR OF OUR NEW STRATEGY, WE HAVE...



Grown more than
2,500,000
trees with communities



Supported over
900,000
people across the Sahel



Increased incomes by
144%
on average

to our aim of growing 12 million trees and supporting 2.4 million people by 2026. They also moved us ever closer to our 20-year goal of reversing deforestation and land degradation in the drylands of Africa.

Our efforts this year are also contributing to progressing the realisation of the Great Green Wall – the epic, African-led movement to restore 100 million hectares of land across the continent’s Sahelian zone and sequester 250 million tonnes of carbon by 2030.

Collaborating and advocating for success

We know that tackling the climate crisis and other challenges facing the Sahel is a monumental task, too great to manage alone. Collaborating with other stakeholders striving for change and making our voice heard with key decision-makers is vital.

We’ve joined with a wide range of stakeholders to help create a movement which will see the delivery of land restoration and sustainable livelihoods across the drylands of Africa. Our work as a leading organisation delivering on the ground results for the Great Green Wall has given us the opportunity to build new alliances with governments, the private sector, research organisations, the UN and other like-minded agencies.

We’ve brought the voices of those people we serve in the Sahel, and borne witness to the challenges they face, to some of the most important international stages in the world – including at the climate COP27, the UNCCD COP15, African Climate Week and New York Climate Week. We were delighted that President Emmanuel Macron dedicated his whole speech at COP27 to the Great Green Wall, backing our key point: it’s accelerating, but local initiatives are struggling to reach funds – and changing this is critical. This was a fantastic amplification of our message, thanks to our advocacy

and collaboration with other organisations on this issue. These moments have given us new impetus to challenge the status quo regarding climate action in the drylands of Africa and demand that better solutions are found to empower communities across the region.

Thank you

We were pleased to increase our income to £10.8 million this year, as donors continued to recognise the impact of our approach.

A huge thank you to everyone who supported Tree Aid in 2022/23 – our work is only possible because of you. Thank you also to all our hardworking staff, volunteers, partners and Trustees who have made our achievements possible this year.

Together with the people we serve, we can help rewrite the future of the Sahel, transforming it from a region scarred by climate change to a beacon of resilience and sustainability. We look forward to continuing our progress with you in 2023/24.

Tom
Tom Skirrow
Chief Executive

Shireen
Shireen Chambers
Chair of Trustees

TOM SKIRROW, CHIEF EXECUTIVE



SHIREEN CHAMBERS, CHAIR OF TRUSTEES



OUR APPROACH

WE GROW TREES TO PROTECT THE ENVIRONMENT

We support people to use trees to improve the fertility of soil and manage land in a way that helps them tackle the effects of the climate crisis.

WE GROW TREES FOR LONG-TERM CHANGE

We campaign for forests to be managed by the people who depend on them. We work with communities and local government so they can agree rules for using forests and their resources.



WE GROW TREES TO GROW BUSINESSES

We support communities to make and sell tree products, like shea butter and soap. The income they make from their businesses pays for essential healthcare and education.

WE GROW TREES FOR HEALTHY FOOD

Trees provide nutritious fruit, nuts and leaves, giving people stable supplies of food even when other crops fail, all year round.

WHAT WE DO

Tree Aid works with people in the drylands of Africa to tackle poverty and the effects of the climate crisis by growing trees and restoring and protecting land.

Led by local people, our projects make sure trees thrive so they can provide nutritious food and incomes today, and look after the environment for tomorrow.

We support people to manage their land and resources in a way that helps slow down the effects of the climate crisis and stops fertile soil being lost.

Together with local communities, we also work to influence policy and push for change that protects trees, people's livelihoods and our planet.

We play a vital role in one of the most urgent movements of our time – the Great Green Wall, an epic international initiative to grow a vast mosaic of trees, vegetation and fertile land across Africa's drylands.

OUR GOALS

We launched our new strategy in 2022, with ambitious aims to scale up our work over the next five years and move ever closer to our 20-year goal of reversing deforestation and land degradation in the drylands of Africa.

Our new strategy focuses on three key areas to restore 220,000 hectares of land and grow 12 million trees:

1. Empowered families

Thriving, resilient and empowered smallholder families are central to achieving sustainable social and ecological change across the drylands of Africa. We will support households to develop skills and knowledge to enable them to lift themselves out of poverty. Only through empowering households can we ensure that change at the community level and beyond is possible.

We will support over 2.4 million people to gain knowledge and skills so that they have the tools to grow and diversify their incomes, adapt farming to more sustainable and higher-yield approaches, increase dietary diversity and improve nutrition, address gender inequities within households and become more resilient to future climate shocks.

2. Empowered communities

We know collective action is vital to achieve our mission. In the coming five years, we will support 4,000 communities to work together to effectively manage their landscape. We will ensure they have systems, skills and means to manage and restore their local landscapes.

We will also work with local authorities and traditional leadership to ensure fair and equal access for all members. We will support the development of cooperatives too, to ensure groups can maximise their potential to grow as businesses and access new markets.

3. Empowering & enabling systems

We recognise that our work is part of a broader movement across Africa's drylands and that the scale of the challenges this region faces are too great to tackle alone. In line with our Theory of Change, true sustainable impact requires an enabling environment and systems which reinforce and empower communities to thrive.

We're committed to challenging and changing systems, to empower communities and families to restore their landscapes and lift themselves out of poverty. We will do this in collaboration with both the communities we work in partnership with and other stakeholders who strive for change.

STRATEGIC REPORT

OUR MISSION

To enable people living in the drylands of Africa to unlock the potential of trees to reduce poverty and protect the environment.

OUR VISION

Thriving, sustainable communities across the drylands of Africa.

OUR IMPACT IN 2022/23



2,548,871
trees grown with communities



905,430
people supported from 181,086 households



1,299
communities benefited from Tree Aid projects



57,258
hectares of land under sustainable management



144%
average increase in household income



60%
of people who we worked with directly were women



763
enterprises supported to process & sell tree products



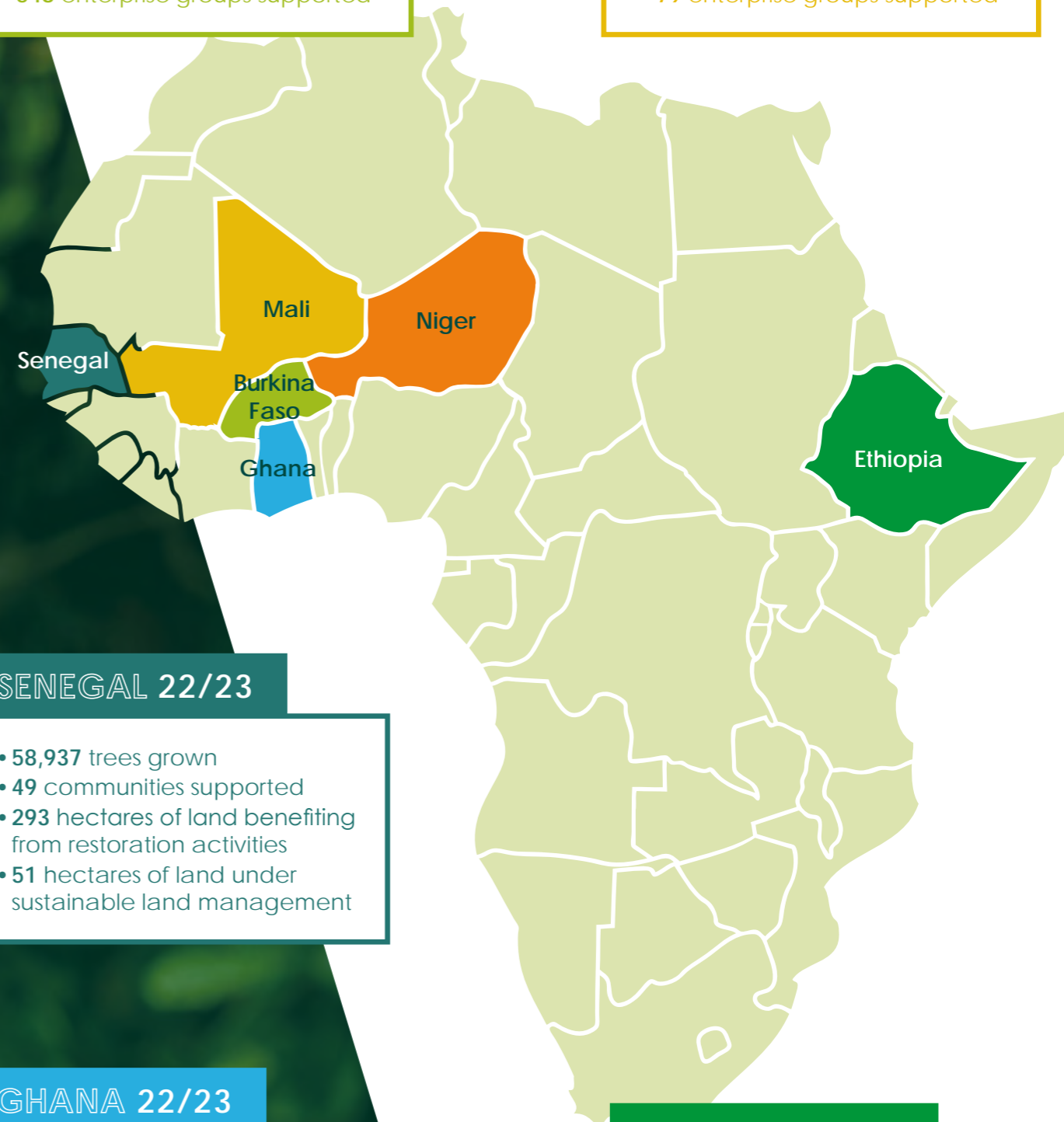
4,107
hectares of land benefiting from restoration activities

BURKINA FASO 22/23

- 1,404,863 trees grown
- 807,700 people supported
- 1,302 hectares of land benefiting from restoration activities
- 548 enterprise groups supported

MALI 22/23

- 251,925 trees grown
- 49,020 people supported
- 960 hectares of land benefiting from restoration activities
- 79 enterprise groups supported



SENEGAL 22/23

- 58,937 trees grown
- 49 communities supported
- 293 hectares of land benefiting from restoration activities
- 51 hectares of land under sustainable land management

GHANA 22/23

- 737,077 trees grown
- 35,255 people supported
- 1,213 hectares of land benefiting from restoration activities
- 95 enterprise groups supported

ETHIOPIA 22/23

- 96,069 trees grown
- 13,455 people supported
- 339 hectares of land benefiting from restoration activities
- 41 enterprise groups supported

WHO WE WORK WITH

Working with local communities

Local people lead our work in the Sahel region of Africa. Together, we harness their local knowledge and expertise and work to find long-term solutions to poverty and the climate crisis.

The communities we work with in the drylands of Africa rely on land for most of their food and income. But every day the climate crisis and growing insecurity in the region is making life harder for them. With low rainfall and poor-quality soil, local people can't grow enough food, so poverty and malnutrition are increasing. Many families survive on just one meal a day.

We believe everyone has the right to live a healthy life, free from poverty. We support communities to find other sources of income in addition to farming. This is particularly important for women, who have limited options when it comes to earning money.

SERINA SUMANI, PROJECT PARTICIPANT IN GHANA

"Joining Kanyitiwale Group gave me a voice. Now I am better able to provide for my children. Now, I am able to send them to school, buy clothes for them and also take good care of myself [...] I had no hope before Tree Aid came in. Now, the future looks bright."

#Working with local, national and international partners

We collaborate with local, national and international organisations to grow trees, improve people's incomes, and restore and protect land. Working in partnership, we influence policy and push for change that protects trees, people's livelihoods and our planet.

This year, we worked with 43 partner organisations who share our knowledge, expertise and passion to support communities in the drylands of Africa to achieve their goals.

TEKLE JIRANE, CHIEF EXECUTIVE OF SUNARMA, ETHIOPIA

"SUNARMA and Tree Aid's partnership works because it is based on our common objectives to save the mother planet through forest restoration and build community resilience against negative impacts of climate change by promoting forest-based livelihoods."

FOCUS ON: SENEGAL

In 2021, we began work in Senegal for the first time, with an exciting project – collaborating with the International Olympic Committee (IOC) to grow around 590,000 trees, creating an 'Olympic Forest' across both Senegal and Mali. Contributing to the Great Green Wall, Olympic Forest is an important element of the IOC's strategy to address climate change, which includes cutting emissions by 30% by 2024 and 50% by 2030, in line with the Paris Agreement. Over time, the Olympic Forest will remove carbon from the atmosphere, restore degraded land and create social and environmental benefits for local communities and nature.

Fighting back against crisis

In Senegal, many people living in rural areas depend on the land to grow food and make money. But land is rapidly losing its fertility and trees are being cut down. As a result, over a third of the population are living in poverty. Women in particular rarely have access to the land, equipment and training they need to grow food to eat and sell.

Our work to grow the Olympic Forest seeks to tackle these issues head-on. Two years in, we have worked with local communities to grow 72,505 trees, restoring large areas of degraded land in Mali and Senegal. The trees not only help slow climate change, but produce fruit, nuts and seeds that local people can eat and sell.

This year we also supported communities with conservation techniques like rainwater harvesting, to ensure they have the know-how to care for their trees and land for many years to come.

Supporting Rouguiyatou

"We've been farming since I was a little girl," says Rouguiyatou Diallo, who lives in Sinthiou, a village in Senegal impacted by climate change and deforestation. "At that time, we had so much water and it rained a lot. But I have noticed that from 2006 up to now there is no subsistence in the forest. There is no grass, trees are being cut down and there are frequent fires. In the last few years, even if you were to farm, you wouldn't produce enough."

We hope, God willing, that in the future the new trees will stand for a long time so that our children and grandchildren can benefit from them."

FOCUS ON: NIGER

Niger is one of the world's poorest countries. The climate is very hot and dry, and most of the country is desert. As a result, over two-thirds of the population are living in extreme poverty.

Since 2013, Tree Aid has been supporting communities there to tackle poverty and improve the environment.

Our work protecting and restoring the ecosystem in the Tamou and Dosso regions of Park W came to an end last year, and this year we've been busy working on exciting new opportunities to support projects launching in 2023/24.



FOCUS ON: BURKINA FASO

In Burkina Faso, over 70% of people live rurally and depend on the land to grow food and make an income. But the climate crisis and deforestation are causing it to rapidly lose its fertility. As a result, over a third of the population are living in extreme poverty and hunger.

We've been working with communities in the country since 1994, growing and protecting trees to tackle poverty and the effects of the climate crisis.

PROJECT PROGRESS

Growing food and incomes

Through this important project we're aiming to give 400,000 people tools and training to use trees to grow nutritious foods to eat and sell by 2024. 70% of participants will be women and 50% young people. We're also focusing on supporting people forced to move within Burkina Faso due to poverty and conflict.

In 2022/23 we:

- Joined forces with 100 enterprise groups to develop plans to expand their tree products businesses, so they can make enough money to live well
- Trained 19,588 people in everything from harvesting techniques to making biscuits from tree products to sell and grow their income
- Supported communities to set up 97 nutrition gardens where they can use trees to grow nutritious food.

Protecting forests

Our forest governance programme has been working with communities across Burkina Faso since 2007 to manage 25 forest areas, protecting them against the effects of the climate crisis, so they can provide food and income for local people.

In 2022/23 we:

- Worked with local communities to plant 988,307 trees, and restore 470 hectares of degraded land
- Supported communities to come together for 32 meetings to plan how

they can help their forests thrive in the future

- Provided training to support people to improve their trees' productivity, and to increase women's equality in local households.

Growing resilience with smallholder farmers

Techniques like composting and agroforestry (using the same land to both plant trees and for agriculture) are really effective tools to make farmland more productive. Focusing on these innovations, we're partnering with 210,000 smallholder farmers in western Burkina Faso to grow food to eat and sell.

In 2022/23 we:

- Supported local people to set up eight composting sites, where they can make compost rich in nutrients to boost the fertility of their land
- Supplied 60,775 farmers with kits of high-yield seeds including cowpea and maize they can plant to successfully grow crops to eat and sell
- Supported farmers to form 71 enterprise groups to create products including shea butter and honey to increase their income.

New projects

The scale of our work in Burkina Faso only grows. We launched another four projects in the country towards the end of 2022 aiming to plant trees, set up nutrition gardens, train farmers, protect forests, join forces with local people to set up enterprise groups, and more. We look forward to reporting on their results next year.



CREATING NUTRITION GARDENS, TACKLING HUNGER

8.3 million people in Burkina Faso don't have enough to eat. Our work partnering with communities to grow nutritious trees in community-owned gardens is a key part of the solution to this.

Nutrition gardens are small, communal village plots dedicated to growing trees offering highly nutritious crops like moringa, 100g of which contains as much protein as an egg. These trees are also hardy, offering a stable supply of food all year round, even when other crops fail.

Reducing malnutrition

We've helped to create over 200 nutrition gardens across West Africa, and we plan to deliver nearly 300 more by 2024. Since 2017, our gardens have reduced chronic malnutrition in under-fives by 42% and undernourishment by 8% in communities. Gardens have also helped people increase their annual income by 161% on average, as communities can also sell what they grow.

MOUMOUNI, PROJECT PARTICIPANT IN BURKINA FASO

"Before we had heavy rains, the soil was rich, and plants would grow well. But today, the soil is so poor. Trees are really important for us because our families consume moringa and baobab. Tree Aid has helped us create momentum."

OUR IMPACT IN 2022/23



1,404,863

trees grown with communities in Burkina Faso



807,700

people supported from 161,540 households across 738 communities



1,302

hectares of land benefiting from restoration activities



548

enterprise groups supported to process and sell tree products

FOCUS ON: ETHIOPIA



Between 1993 and 2016, Ethiopia lost 2.2 million hectares of forest cover – equivalent to 1.5 million football pitches. Without trees, the land is losing its fertility – two billion tonnes of fertile soil is lost each year. This is making it hard for people to grow enough food. As a result, over 37 million people are living in extreme poverty.

Tree Aid has been working with communities in Ethiopia for 32 years to tackle hunger, poverty and the effects of the climate crisis.

PROJECT PROGRESS

Restoring the Central Rift Valley

Huge areas of the Central Rift Valley in southern Ethiopia are no longer able to support plant life, and farming is becoming impossible. This project is aiming to support the restoration of 148 hectares of degraded land, and help 350 local households set up enterprises to increase their income.

In 2022/23 we:

- Began supporting local people to set up enterprise groups to tap for frankincense and keep beehives
- Trained 1,211 local people on biodiversity conservation and environmental management.

Protecting the Metema forest

Ethiopia's Metema forest is the last green belt before the start of the desert.

But the climate crisis and deforestation have taken hold, and without action it could be extinct in 20 years. Our Future Forest and Developing Rural Resistance projects are partnering with communities to protect and govern their land and tackle the climate crisis.

In 2022/23 we:

- Supported communities to plant almost 100,000 trees
- Trained 85 community leaders and government officials on preventing forest fires, which are common in Metema, and can be devastating. They passed on the training to another 600 people.
- Supplied 200 women with fuel-saving stoves. Fuel-saving stoves use 45% less firewood compared to traditional stoves. This saves trees from being cut down, reducing deforestation. They also produce less smoke, improving people's health.
- Worked with 180 local people to set up beehives to produce honey to eat and sell. Since spring 2021, they've collectively produced 645kg, selling it for 290,250 birr (£4,300) in total.



GOVERNING FORESTS, PROTECTING VITAL RESOURCES

Metema forest is particularly special because of its frankincense trees. People extract their resin to sell for use in incense and essential oils around the world.

However, the climate crisis, high rates of tree felling and unsustainable tapping are stopping the frankincense forest from regenerating. This is having a devastating impact on communities who rely on these trees.

This year, our Future Forest project supported communities and local government to agree rules for using the forest and its precious resources, so Metema can provide an income for people far into the future.

Working together

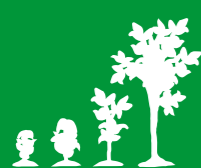
We helped bring together local people with officials from local government for regular meetings to make key decisions. Together, they've set up a taskforce to patrol the forest and stop illegal felling and tapping.

We also trained 30 government and police staff on forest laws and the value of the forest, inspiring them to support local people to protect it. 96% said the training had given them new skills.

DERESE, PROJECT PARTICIPANT IN ETHIOPIA

"The importance of [frankincense] trees in our area is tremendous. It has become a major cash source. If we get support and practical experience in how to use resources properly, I'm sure that the way we think and act will be changed. This very fragile ecosystem will be conserved and we will lead a good and peaceful life. I hope my children will work hard to improve the productivity of the forest, crops and other resources, and make poverty and destitution history."

OUR IMPACT IN 2022/23



96,069
trees grown with communities in Ethiopia



13,455
people supported from 2,691 households across 20 communities



36,099
hectares of land under sustainable management



41
enterprise groups supported to process and sell tree products

FOCUS ON: MALI



MANAGING RESOURCES, TRANSFORMING LIVES

Mali is one of the poorest countries in the world, with 44.7% of people living in severe multidimensional poverty.

In the south of Mali where we work, around 90% of people rely on farmland for food and income. But the climate crisis is making farming difficult and life tough. 2023 marks our 30th year of working with communities to tackle this.

PROJECT PROGRESS

Promoting forest governance

The Ségou region of Mali has been hit particularly hard by deforestation and the effects of the climate crisis. Through our three-year project there, we're aiming to promote good governance and management of forests, improving lives for 3,000 rural households.

In 2022/23 we:

- Supported local people to plant 10,336 trees
- Trained 3,000 people in soil and water retention techniques
- Worked with communities on a visioning process to understand how they would like to manage forest resources in the future.

Empowering women

Our two projects to support women in Mali's Koulikoro region to grow and sell tree products and improve gender equality came to an end this year.

Just some of their achievements included:

- Supporting 2,834 women to grow trees, food and incomes
- Joining forces with women to form 21 cooperatives to grow tree products such as fruit and nuts to eat and turn into products like soap and shea butter to sell

- Focusing on increasing women's equality through training and awareness-raising. Over the course of one of our projects, the proportion of women in local natural resource management decision-making positions rose from 20% to 50%.

Restoring Koulikoro

From 2019 to 2022, Tree Aid worked with communities in the Koulikoro region to restore and protect land, and improve people's diets and incomes.

The project's successes included:

- Supporting communities to plant 54,369 trees and regenerate a further 189,846
- Providing training for 200 farmers on sustainable practices, plus equipment, which they then used to restore 600 hectares of degraded land
- Partnering with communities to set up four nutrition gardens to grow baobab and moringa trees, improving the diversity of food on offer to local people.

New project

In 2023, we began a new project aiming to work with 44 villages in Ségou to restore land, develop green employment opportunities and improve people's incomes.

"When we were children there were many big trees. But all these have disappeared," says Samba, 67, about his home Koulikoro, Mali. There, deforestation and the effects of the climate crisis have resulted in gradual disappearance of trees, drought and poor agricultural production.

Our Growing the Great Green Wall project is working with people including Samba to plant and regenerate native trees. Our work is contributing to the Great Green Wall, the African-led initiative to grow an 8,000km mosaic of trees and vegetation across the continent to fight the climate crisis, poverty and hunger.

Innovative techniques

This year, our project joined forces with local communities to plant 240,000 new trees. We also supported people to use an innovative but low-cost approach called Farmer Managed Natural Regeneration (FMNR) to encourage growth and recovery of 55,543 existing trees.

FMNR techniques include coppicing and pollarding to encourage trees and shrubs to grow and recover. It's one of the key natural resource management approaches we're using across Africa's drylands to support people to lift themselves out of poverty.

Samba earns money by selling cereals and gardening products he grows. Thanks to the project, his fields have now been restored and fertilised.

SAMBA, PROJECT PARTICIPANT IN MALI

"The cowpea I grew this year will help me increase my income and make it easier to feed my children. My restored plots will be fertile, and I will have very good agricultural production in the future."

OUR IMPACT IN 2022/23



251,925
trees grown with communities in Mali



49,020
people supported from 9,804 households across 199 communities



21,108
hectares of land under sustainable management



79
enterprise groups supported to process and sell tree products

FOCUS ON: GHANA

In northern Ghana, where we've been working since 1994, a drastic reduction in fertile land and the climate crisis have devastated people's lives. Rainfall is unpredictable and drought and floods are becoming more frequent and severe. Poverty is rising and many are struggling to grow enough food.

Around half the people in the region are living in poverty. Our projects are working to change this.

PROJECT PROGRESS

Transforming land and livelihoods

Increasing income for women and young people is at the heart of this project, alongside promoting sustainable agriculture, decent work and social protection. Key to our success is partnering with 15 local civil society organisations to run climate change, advocacy and social protection projects.

In 2022/23 we:

- Supported 10,700 women with the tools and training they need to practise climate-resilient sustainable agriculture
- Supported women to form 111 Village Savings and Loans Associations, where they can save for their future and borrow money to start businesses
- Raised 24,783 people's awareness of women's rights and the importance of their access to natural resources.

Bongo reforestation

We're working with 20 local communities to grow over 200,000 trees and restore and protect 450 hectares of land in the Bongo River area of northern Ghana. Together we're reducing river erosion, improving land fertility and promoting land management methods to secure natural resources for the long term.

In 2022/23 we:

- Joined forces with local people to plant 179,390 trees and regenerate another 32,288
- Supported all 20 communities to agree on plans to manage their forests, and to work

towards setting laws to govern them with local authorities

- Partnered with people to plant 35,549 slips of vetiver along the Veve dam wall, lessening erosion by reducing the water's speed.

Restoring the Daka river

The Daka river is a vital source of water for drinking, eating, washing and farming. But a rapid loss of trees and soil fertility, and the effects of the climate crisis, mean the river can dry out for months on end. This has made growing food difficult, leading to high levels of poverty. Working with local people, we're growing trees to provide food and incomes and restore the river and land.

In 2022/23 we:

- Supported local people – 70% of whom are women – to form 61 enterprise groups to grow and sell products from trees
- Partnered with communities to plant 412,200 seedlings along the river, including mango and cashew trees
- Trained 385 farmers – including 262 women – in assisted natural regeneration, a technique to help young shrubs grow.

New project

We were excited to launch a new project in late 2022 to support people in the Gushiegu, Mion and Yendi districts of Ghana to grow 120,000 shea trees, and create and sell products from them.



GROWING CASHEW BUSINESSES, INCREASING INCOMES

Cashew nuts are rich in protein and minerals like iron, meaning they're popular to eat and sell. Their trees are also drought-hardy, and grow well in a tropical climate.

That's why for two years we supported 3,000 smallholders to grow this extraordinary nut in Ghana's West Gonja Savannah region. We partnered with communities including Adongo's to grow cashew trees using climate-smart practices.

Developing enterprises

The project also supported entrepreneurs to develop skills to run sustainable businesses using their cashews. Participants learned how to make products like cashew apple jam to sell, increasing the average percentage of their income that came from tree products from 8% to 46%.

Our surveys showed people spent their income on essentials like education, health services and food. However, people most commonly reinvested their money back into businesses, transforming their lives for the longer-term.

We also trained people in how to grow other crops to eat and sell, including honey and vegetables, so they could diversify and protect their income.

ADONGO, PROJECT PARTICIPANT IN GHANA

"Tree Aid's training included how to transplant cashew seedlings, mulching, pruning and planting distance. Tree Aid also provided pruning saws, wellington boots, cutlasses and gloves. My wife was given groundnut seeds which she planted on my cashew farm. She had 340 kilos which was sold at GH7 per kilo. She's used the money to support our children's education."

OUR IMPACT IN 2022/23



737,077
trees grown with communities in Ghana



35,255
people supported from 7,051 households across 293 communities



1,213
hectares of land benefiting from restoration activities



95
enterprise groups supported to process and sell tree products

OUR ADVOCACY WORK



We're committed to challenging and changing systems, to empower communities and families to restore their landscapes and grow themselves out of poverty.

To achieve our vision, we aim to influence governments, international bodies, the private sector and peer organisations to address systemic challenges which hinder progress in Africa's drylands.

Accessing funding for local civil society

Working towards our goal of improving access to funding for rural communities to grow trees, regenerate land and improve lives, in 2022/23 we focused on influencing carbon investors, Great Green Wall funders, potential investors in Sahelian value chains and climate finance providers.

Thanks to activities related to spreading our message and influence we had many successes, including networking and relationship building, taking part in coalitions, presentations and targeting key stakeholders. For example, we continued to develop a close working relationship with the United Nations Convention to Combat Desertification's Great Green Wall Accelerator (the unit working to mobilise resources for the initiative). We also provided technical input into the World Economic Forum's report on the Untapped Potential of the Sahel Value Chains. When President Emmanuel Macron dedicated his whole speech at COP27 to the Great Green Wall and the need for local initiatives to receive funding, we knew that our messages were getting heard.

We are proud to have co-created the MOSAIC consortium with CIFOR-ICRAF and ReSaD (Réseau Sahel Desertification) to promote a restoration model at scale with a more central role for local communities and civil society organisations across the Great Green Wall. The consortium has now signed memoranda of understanding with eight of the 11 founding countries that are part of Great Green Wall, plus the African Union and the Pan African Agency.

In the coming year, our focus will be to mobilise resources to implement the MOSAIC model. We will also develop compelling evidence that demonstrates the advantage of community-led

restoration and the need for current Great Green Wall funding to be more accessible to local communities and civil society.

Building our capacity

We finalised our first ever national advocacy strategy and workplan, launched in Burkina Faso for the financial year 2023/24. Backed by evidence, it calls for increased public funding for community-based ecosystem restoration and improved access to land for vulnerable people, including women, young people and displaced people. We're looking forward to implementing it, and developing a similar strategy for Ethiopia in the coming year.

To have even more impact with advocacy going forward, we welcomed new staff, including new country directors in Ethiopia and Mali and an advocacy and communications officer in Burkina Faso. Our CEO was also re-elected on the board of the Global Shea Alliance and was invited to join the World Economic Forum and 1t.org stakeholder council for the informal coalition on the Sahel and the Great Green Wall.



OUR FUTURE

I am proud of what we achieved during the first year of our new strategy. As we move into 2023/24, we have exciting plans to continue catalysing change across the drylands of Africa to create resilient and thriving communities.

2022-23 was a successful year for Tree Aid, growing our programmes in Mali, Ghana and Burkina Faso, and successfully influencing key stakeholders on important issues affecting the communities we work with.

We were also delighted that several new funding partners chose to work with us, including the Catalan Agency for Development Cooperation, Enabel and the Challenge Fund for Youth Employment.

In 2023/24, we will build on this momentum.

We're developing a plan to expand the Olympic Forest in Senegal and Mali in partnership with the International Olympic Committee, and we will scale up our work in Burkina Faso, restoring 12,000 hectares of land in a pioneering new project. We look forward to establishing new forest governance and enterprise development work in Mali, as well as a new project in Niger.

Our work is built on new research and evidence and in the year ahead we will continue to improve how we collect and analyse our data to understand how we can make the biggest possible impact. Our advocacy work will also continue at pace; we will continue building momentum around the MOSAIC consortium and push for better and more consistent funding for the Great Green Wall that will directly benefit the communities who are driving this movement.

Thank you for your backing this year. We hope you'll continue to support us in the year ahead so we can keep pushing for change here in the drylands of Africa to support our 20-year vision, that of a thriving natural environment where deforestation and land degradation rates have been reversed.

A handwritten signature in white ink, appearing to read 'Georges'.

GEORGES BAZONGO,
DIRECTOR OF OPERATIONS

IMPROVING OUR OPERATIONS

People

Our staff teams, with their combination of expertise and deep understanding of local context, culture and language, provide Tree Aid with a unique ability to operate effectively in often difficult working environments. We seek to support our teams with capacity building and resources so they are able to carry out their duties effectively.

In 2022/23 our focus was both on supporting our teams with adjustments in ways of working, with the policies, equipment and systems they needed to work safely and effectively, and on ensuring we had adequate support to effectively manage our growing number of projects. We continued to develop our approaches to wellbeing and staff engagement during the year as needs changed, and introduced a staff engagement survey and quarterly staff workshops to monitor progress.

We recruited additional project teams in West Africa as well as finance and project specialists in the UK to support growth in our projects. In addition, we recruited a part-time HR expert in the UK to carry out policy reviews, audit HR records and support to our line managers.

Systems and processes

In 2022/23 we continued to develop our monitoring, evaluation and learning capacity: designing a new Information Management System for measuring against portfolio-level Key Performance Indicators and also project level indicators. Further development is planned to integrate non-electronic data and develop additional thematic dashboards.

We have also been supporting staff working remotely with system changes (moving from a server-based IT system to MS365, cloud-based) to facilitate new working practices.

Our compliance team, made up of staff in Europe and Burkina Faso, continued to make progress reviewing and improving our processes in areas such as legal compliance, procurement, contract reviews, risk management, internal audit and partner due diligence. The collaborative approach we use has had a positive impact on risk-awareness and organisational culture across the entire

organisation.

As travel restrictions lifted, we made good use of the opportunity to carry out in-person internal audits in our African offices, building on our experiences from previous years. This involved using detailed questionnaires and follow-up testing, with risk-focused, in-person audits across most countries of operation.

Funding

We continued to seek opportunities for long-term partnerships with grant-making institutions, corporates, foundations, and trusts so we can expand our programmes and work with our supporter base to promote Tree Aid's work. The research for funding for Niger continued to be a priority for this year. In addition, we have been focusing on the development of several potential regional projects.

In 2022/23, we finalised new contracts with the Alliance for a Green Revolution in Africa (AGRA) and the Challenge Fund for Youth Employment (CFYE) in partnership with AUXFIN. Through these projects, Tree Aid will promote non-timber forest products in order to increase and diversify employment opportunities, incomes and nutrition in Burkina Faso.

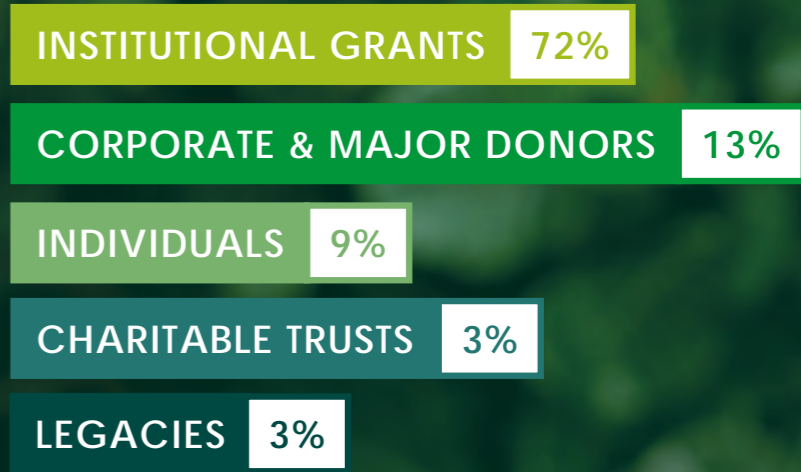
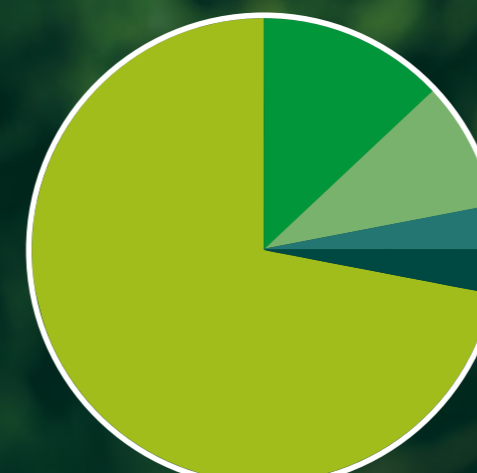
In addition, we began our work in partnership with Enabel on the promotion and the development non-timber forest products value chains in the Nakambé, Liptako and Gourma basins in Burkina Faso. The project aims to reduce vulnerability and food insecurity non-timber forest products.

Finally, we started the implementation of our project in support of the Great Green Wall initiative in Mali in collaboration with UNCCD. The project aims to tackle poverty and the effect of climate change by restoring land, developing the non-timber forest product value chains and exploring the potentiality of a carbon project in the region.

INCOME & EXPENDITURE

Income

In 2022/23, Tree Aid's total income increased to £10.8 million, compared to £6.7 million (restated) in the previous year. Income has been restated to take account of a change in the basis for recognising restricted income (see note 34, page 60). Underlying income growth was largely due to the expansion of our Enhancement of Non-Timber Forest Products project in Burkina Faso, described above. The chart below shows where our income came from:



Expenditure

Our total expenditure rose to £8.8 million, compared to £7.2 million in the previous year. A breakdown is shown in the chart below:



STRUCTURE, GOVERNANCE AND MANAGEMENT

Tree Aid as a charity and a company has specific responsibilities our Trustees are required to scrutinise and report on annually. Our Trustees focus on good governance and in 2022/23 reviewed:

- Our new five-year strategy
- Best practice for charities working internationally
- The Charity Code of Governance
- Risk and mitigation
- Board effectiveness and transition
- Safeguarding policy and practice
- Reserves policy and designation of funds
- Employment policies
- Delegation of Authority policy and limits
- Annual operational plans, budgets and staff remuneration
- Performance of Tree Aid's investments
- CC8: Internal Financial Controls for Charities
- The Fundraising Code of Practice
- CC20: Charity Fundraising: a Guide to Trustees' Duties.

Our Trustees review Tree Aid's performance in detail in the following areas each quarter:

- Programmes
- Finance
- Fundraising
- Compliance and risk
- Legal structure.

Tree Aid was established as a charity in 1987 and incorporated as a charitable company, limited by guarantee, in the UK, in April 2010. The Company was set up under a Memorandum of Association which established its objects and powers. It is governed under its Articles of Association. The Charity's purpose and main activities are described on page 27.

Group structure

Tree Aid, the Charity, has three wholly-owned subsidiary organisations which, together with the Charity, comprise the Group. In West Africa, Tree Aid Burkina Faso (an Association under the Law of Freedom of Association (10/92/ADP of 15 December 1992)) and Tree Aid Ghana (a company limited by guarantee under the Ghanaian Companies Act 1963) both have boards of directors and operate under similar charitable and non-profit-making objectives to those of Tree Aid. In the UK the Charity also has one wholly-owned subsidiary, Tree Aid Enterprises Limited, a company limited by shares, which is dormant.

Organisational structure

Our **Board of Trustees** makes sure Tree Aid is governed effectively and responsibly. The Board is collectively responsible for the delivery of our charitable objectives and for ensuring that we are governed in accordance with our Memorandum and Articles of Association. The Board meets quarterly and at 31 March 2023, comprised 8 Trustees. Each Trustee is also a Director of the Company for the purposes of company law. A list of Trustees is on page 61.

We recognise that a healthy Board identifies the mix of skills, knowledge and experience necessary for the efficient and effective governance of Tree Aid. A healthy Board will also make sure that the recruitment and appointment of Trustees provides adequate opportunities for reassessing and achieving that mix. Tree Aid is fully committed to equality of opportunity and diversity in its governance. We recruit Trustees to ensure the Board has the knowledge and skills required to achieve our mission and uphold our values. All new Trustees go through a full and open recruitment and interview process. Appointment is by Board resolution and all Trustees receive an induction on

appointment and relevant training is made available.

The Board follows good practice by planning for succession and periodically reviews whether it has the appropriate skills and capacities going forward. The Board also evaluates its performance regularly.

In line with our Articles of Association, the Board delegates certain functions to sub-committees, under terms of reference it has approved. These sub-committees report to the Board at each Board meeting. There are three sub-committees of the Board:

The **Finance and Audit Committee** deals primarily with financial, audit and administrative matters and has oversight of the process of risk management. It comprises three Trustees with governance, business and risk experience.

The **Fundraising Standards Committee** reports to the Board on fundraising standards, compliance with regulation and risk in relation to fundraising standards. A member of the Board with fundraising expertise chairs this committee, and it includes two other Trustees with fundraising and marketing experience.

The **People Committee** is responsible for making recommendations on Board composition and for supporting the Chief Executive Officer to identify and recruit for Board and Senior Management Team vacancies. This sub-committee also reviews remuneration for staff, and ensures that safeguarding and human resources policies are regularly reviewed and updated. The Chair of the Board chairs the People Committee and it includes two other Trustees with human resources experience.

The Board appoints the **Chief Executive Officer** to manage the day-to-day running of Tree Aid under powers the Board delegates to the position. Working closely with the Chair of the Board, our Chief Executive leads the Senior Management Team to make sure our strategy and operations are aligned and effectively delivered.

The **Senior Management Team** has executive responsibilities and comprises the Chief Executive Officer, Director of Operations, Director of Finance and Resources, and Director of Communications and Fundraising.

Related parties

All Trustees give their time freely and none receive remuneration or other benefit from their work with Tree Aid. Any contractual relationship between a Trustee or senior manager of Tree Aid or our subsidiaries and a related party must be disclosed to the Board of Trustees. We have taken out Trustee indemnity insurance which indemnifies Trustees and Tree Aid up to £1 million. This cover is provided as part of a general charity insurance policy which cost £2,925 (2021/22: £2,924). Please see note 24 to the accounts for further details of related party transactions.

Remuneration policy for senior staff

The Board of Trustees and the Senior Management Team comprise the key management personnel responsible for directing, controlling, running and operating Tree Aid on a day-to-day basis. Details of Trustees' expenses and related party transactions are disclosed in notes 12 and 24 to the accounts.

The Board of Trustees reviews the remuneration of all staff annually, benchmarking salaries using Cendex and Birches voluntary sector salary data. We aim to offer salaries that are affordable and competitive, compared to those similar voluntary sector organisations offer.

The remuneration of key management personnel is disclosed in note 11 to the Accounts.

Risk management

Our Board identifies and reviews the strategic, business and operational risks Tree Aid is exposed to, and ensures that appropriate controls are in place to provide reasonable assurance against fraud and error. Our Board and Senior Management Team carry out a quarterly assessment of the risks facing the organisation. This assessment process is based on a risk register, which assigns management of risks to specific people, and recommends actions to mitigate them.

In 2022/23 we continued to build the capacity of our compliance team,

made up of a dedicated Head of Risk & Compliance in Europe supported by a Compliance Officer in Burkina Faso. This team monitors risk exposure and regulatory updates, trains our teams and partners in our policies and controls, and makes sure that compliance with these is audited, focusing on areas of highest risk.

Our compliance team made good progress this year reviewing in improving our processes in areas such as risk management, internal audit and partner due diligence. As an outcome of the work this team carries out on risk, the Board has identified the key risks below and put in place mitigation plans, which it monitors regularly:

Political unrest and staff safety: we have business continuity plans in place for each country to ensure continuity of programmes where possible. We supplement local knowledge by reviewing United Nations and UK Foreign, Commonwealth and Development Office security alerts. We also regularly review travel protocols. A Regional Security Officer is in post in West Africa.

People and culture: in a context of growth and of flexible working, we regularly assess employee wellbeing, workload and monitor the reasons for staff turnover closely. The Senior Management Team is dedicated to ensuring healthy work relations and to addressing any issues promptly.

Undetected fraud: Tree Aid has clear finance procedures in place with appropriate segregation of duties. Internal and external audits are carried out regularly. We have also established and implemented enhanced partner due diligence processes. Staff and Trustees are trained annually in anti-fraud policy and procedures.

Safeguarding: our staff, Trustees and implementing partners are trained annually in safeguarding policy and procedures. Adherence to policy is mandatory in partner contracts and enhanced whistleblowing procedures have been established throughout Tree Aid and with our partner organisations and programme participants. Our Board of Trustees regularly reviews our policy and approach and implements additional measures where appropriate.

Data protection and cyber-security: we have detailed IT security and recovery plans in place for each of our systems, managed by outsourced IT suppliers. The Board reviews system security measures periodically.

Management of organisational growth: we manage growth through large institutional grants by partnering with reliable, mature downstream partners, monitoring staff structures and workloads closely, and ensuring that we have adequate reserves to counter potential delays in disbursements.

Unbalanced portfolio: we continuously monitor our donor base and projects to build a healthy diversification between countries.

Risk of changes in governments' appetites for international development resulting in a reduction in funding: we monitor funding from individual governments as a proportion of total funding, with the aim of limiting exposure to one single donor.

Insufficient unrestricted income: we review the restricted/unrestricted ratio on a quarterly basis, while ensuring funds are generated from a wider range of fundraising sources as well as maximising cost recovery in new donor proposals.

In 2022/23 with regards to our performance against the Charity Governance Code, Trustees focused on the following areas:

The Board reviews its own performance and that of individual Trustees, including the Chair: the Board reviewed its own performance in December 2022, the evaluation led by the Vice-Chair concluded the Board was effective.

The Board periodically takes part in training and/or reflection about diversity and understands its responsibilities in this area: the Board has initiated a recruitment process which takes account of its responsibility to ensure a diverse Board and has reviewed performance against diversity objectives.

In 2022/23 Trustees carried out their annual review of Tree Aid's internal controls against the Charity Commission's Internal Financial Controls Checklist (CC8). They concluded that, where applicable, internal control processes were in place in line with the Checklist.

Fundraising

We would not be able to do our important work without the support of our donors. We seek to maintain the highest possible standards in fundraising and relationships with our supporters and we take pride in providing excellent supporter care.

Tree Aid is registered with the Fundraising Regulator and bound by its Code of Fundraising Practice. We continue to monitor compliance as this Code is revised, to ensure all our fundraising activities are operating to the highest standards. We received zero complaints relating to fundraising via the Fundraising Regulator in 2022/23 and 13 directly. We responded to these promptly and resolved them in line with donors' preferences.

We are also registered with the Fundraising Preference Service and had four donors opt out of communications via the Fundraising Preference Service this year (23 in total since its launch in 2017). We ensure we are compliant with the General Data Protection Regulation (GDPR).

Trustees and the Senior Management Team regularly review all aspects of our fundraising, including plans, performance and compliance. We produce annual plans and reviews, and monitor performance against targets monthly and performance indicators quarterly.

We deliver some fundraising activities with the support of professional fundraising organisations. We ensure these organisations are fully compliant with fundraising regulations and with our own policies. We have clauses built into all our supplier contracts which ensure high standards in supporter care, data protection and working with vulnerable people.

We have a specific policy on Fundraising from vulnerable people. This includes our procedures and guiding principles on which all fundraising staff are trained.

Focus to ensure our activities achieve our charitable aims

Tree Aid's objectives, as set out in our Articles of Association, are to benefit the public through:

- Relieving the poverty of and promoting

the welfare of poor persons overseas by promoting for the benefit of such persons the conservation and improvement of their natural environment especially through silviculture and job creation

- Promoting, for the public benefit, research into methods of reclaiming or preventing degradation of agricultural or forest land into desert land for its continued use for forestry, agricultural, industrial or commercial purposes and publishing the results of such research.

The Board regularly reviews Tree Aid's aims, objectives and activities and summarises our achievements and outcomes in this report. This review helps the Board ensure that the organisation's aims, objectives and activities remain focused on our stated purposes. By carrying out this review and as set out in detail in this report, the Trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the public benefit requirement under that Act.

FINANCIAL REVIEW

The Trustees' Annual Report and audited consolidated financial statements are prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, our Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

The legal and administrative information set out on page 61 forms part of this report.

Income

Our principal funding sources were institutional grants, individuals, companies and charitable trusts as follows:

	2023 £	2022 (Restated) £
Institutional grants	7,751,807	3,823,738
Charitable trusts	365,786	357,627
Corporate and major donors	1,362,332	1,310,583
Individuals	940,607	1,153,313
Legacies	316,405	87,566
Donations in kind	19,512	-
Donations and legacies	10,756,449	6,732,827
Investment and other income	23,670	5,388
Total income	10,780,119	6,738,215

Income from individual donations, legacies, corporate donors and charitable trusts increased slightly to £3.0 million compared to £2.9 million in 2021/22. The decrease in individual giving was offset by the increase in legacy and corporate income.

Grants from institutions increased to £7.8 million in 2022/23, compared to £3.8 million in 2021/22 (adjusted for a change in treatment of previously deferred income – see note 34). The underlying increase in activity was largely as a result of the Swedish International Development Cooperation Agency project in Burkina Faso and a full year of activity in Senegal for the Olympic Forest.

Expenditure

	2023 £	2022 £
Raising funds	854,157	786,017
Programme delivery	7,814,649	6,250,322
Advocacy and awareness	168,421	160,667
Total resources expended	8,837,227	7,197,006

To achieve future income growth, we continued to invest in institutional and supporter fundraising though at a lower level of activities than in 2021/22. Overall, our investment in raising funds at £0.9 million, was £0.1 million higher than in the previous year. The cost of raising funds is an unrestricted expense, but raises both restricted and unrestricted income.

Total expenditure on charitable activities, mainly comprising programme delivery and advocacy and awareness costs, was £8.0 million, £1.6 million higher than in the previous year.

Tree Aid ran 20 projects during the year (2021/22: 16) across the six countries we operate in, including major projects in Burkina Faso funded by the Swedish, Swiss and Dutch governments.

Tree Aid is primarily funded through a number of multi-year, restricted grants across our countries of operation. With the addition of matched and unrestricted funding these fully fund our project activities and our in-country operations costs. In addition we raise unrestricted funds to support project delivery and enable investment in innovation and growth, providing valuable technical support to our overseas teams and ensuring compliance, quality and consistency across our projects.

Tree Aid ended 2022/23 with a strong balance sheet, with a level of reserves adequate to support future growth. The Board aims to ensure that this strong financial base is not eroded as a result of any of the risks identified in the Risk Register described on pages 25 and 26.

We have made conservative assumptions in our recently completed going concern review on the levels of unrestricted funding likely to be raised, based on our experience and on our knowledge of and relationship with our committed supporters. The budget for 2023/24 and the going concern review indicate that Tree Aid has adequate reserves, backed by investments and other funds, to continue as a going concern for at least 12 months from the date of this report. Cashflow forecasts show positive balances of restricted and unrestricted funds and consequently the Board believes that Tree Aid can continue to account on a going concern basis. In view of the strength of the balance sheet on 31 March 2023, the Board believes that Tree Aid's financial position

at the year-end was satisfactory.

Currency exchange rates remained volatile in 2022/23. To help manage exposure to currency fluctuations, we continued to carry a proportion of funding received in the UK in Euros. This funding will be spent in Central African Francs, the exchange rate for which is linked to the Euro. In addition, to mitigate against other currency fluctuations, we carry a proportion of grant funding received in dollars and UK pounds. This practice will continue in the next financial year.

Investment values in both of our managed investment funds have been volatile this year though the value of UK woodland remains high: the effect of this on Tree Aid's investment holdings is considered under Investment performance on page 30 of this report.

Reserves

Total funds held by the Charity at the year-end were £5.4 million (Group: £7.7 million) of which £2.5 million (Group: £4.7 million) were restricted and not available for the general purposes of the Charity.

We have identified the following primary criteria for holding unrestricted reserves as part of funds, at the appropriate levels to maintain general reserves (those unrestricted reserves which are not invested in fixed assets, designated for a specific purpose or otherwise committed) at the higher of either:

- The amount required to ensure the continuity of Tree Aid's activities in the event of unexpected setbacks, at a level equivalent to six months of unrestricted budgeted expenditure; or
- The amount required to close down Tree Aid, ensuring that there are sufficient resources available to fulfil legal obligations in the unlikely event that Tree Aid ceases to operate.

Reserves are monitored on a monthly basis and reported to the Board quarterly, with the target level of reserves reviewed annually as part of the budget process. Based on the 2023/24 budget, the Group target for free reserves was £1.6 million which compared to actual free reserves of £1.7 million. The Trustees decided to re-designate some reserves against planned future expenditure to support the new strategy and strategic growth. These are detailed further in note 20 to the accounts.

A budget has been set for 2023/24 including some costs which will be funded from designated reserves.

Net movement in funds

There was a £2.2 million net inflow to restricted funds in 2022/23 for the Group, leaving closing restricted funds at £4.7 million at the end of the year.

Unrestricted funds for the Group showed a reduction for the year of £0.1 million, including a loss on investments of £0.03 million. After the changes to designated reserves described in note 20 to the accounts, general reserves increased to £1.7 million.

Subsidiary companies

Our subsidiary companies, Tree Aid Burkina Faso and Tree Aid Ghana, continued to operate as integral elements of the Group, sharing and contributing to the achievements and performance within the financial parameters set by the Board of Trustees. Both were mainly grant-funded by the parent company.

Tree Aid Enterprises Limited's accounts have not been prepared on a going concern basis as the company is dormant.

Investment policy and objectives

Tree Aid has adopted an ethical investment policy. This means that we seek to avoid investments that conflict with our aims or create reputational risk. Our investment policy emphasises the use of positive ethical criteria.

We actively seek to invest in companies that are able to demonstrate:

- Responsible employment practices
- Good corporate governance practice
- Conscientiousness with regard to human rights
- Sustainable environmental practice
- Sensitivity towards the communities in which their business operates.

Tree Aid's policy is that assets can be invested widely and should be diversified by asset class (taking account of geographical location), manager and security. Asset classes could include cash, bonds, equities, property, land

and any other asset that is deemed suitable for Tree Aid.

Investment management is delegated to two authorised professional investment managers, regulated by the Financial Conduct Authority.

The Board has set Tree Aid's investment objectives as follows:

- To produce the best financial return within an acceptable level of risk
- To generate a return in excess of inflation from long-term investments
- To preserve the capital value with a minimum level of risk for short-term investments.

Investment performance

Tree Aid's investment with Rathbone Greenbank, initially £0.2 million, fell at a level greater than the overall fall in global markets, decreasing by 6% during the year.

The value of investment in the CCLA COIF Charities Ethical Investment Fund units decreased by 2%. This compared with a benchmark composite comparator for the year with a decline of 4% for global equities. The closing value of Tree Aid's investment in the fund was £0.7 million taking into account the reinvestment of income.

The legacy gift of 25 hectares of woodland in Devon was externally revalued in 2021 to a value of £0.4 million by Tustins Group Ltd and continues to be carried at this value. Based on current valuations of similar woodland, we believe that this continues to be at fair value. The current valuation compares to a £0.3 million valuation on receipt in 2019.

STATEMENT OF THE TRUSTEES' RESPONSIBILITIES

The Charity Trustees (who are also the Directors of Tree Aid for the purposes of company law) are responsible for preparing a Trustees' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards. Charity law requires the Charity Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the Charity and the Group as at the end of the year and of its and the Group's financial activities during the year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards). In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgments and accounting estimates that are reasonable and prudent
- Follow applicable United Kingdom Accounting Standards and the Charities Statement of Recommended Practice, disclosing and explaining any departures in the accounts
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue to operate.

The Trustees are responsible for ensuring that adequate accounting records are maintained that are sufficient to show and explain the Charity's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and the Group, and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Charity and the Group and ensuring their proper application in accordance with charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure to our auditor

In so far as the Trustees are aware at the time of approving our Trustees' Annual Report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the Group's auditor is unaware, and
- The Trustees, having made enquiries of fellow Directors and the Group's auditor that they ought to have individually made, have each taken all steps that they are obliged to take as Directors to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Group accounts are prepared in accordance with section 398 of the Companies Act 2006, section 138 of the Charities Act 2011, and with the special provisions of part 15 of the Companies Act relating to small companies. They constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the Company. Tree Aid will put forward a resolution proposing the appointment of a statutory auditor.

Approved by the Board of Trustees on 13 July 2023 and signed on its behalf by:



Shireen Chambers MBE
Chair of the Board of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF TREE AID

Opinion

We have audited the financial statements of Tree Aid (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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 group financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Tree Aid'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 trustees' annual report, including the strategic report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group 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 group 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 group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company 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 statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the

directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

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

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities,

including fraud and non-compliance with laws and regulations, our procedures included the following:

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

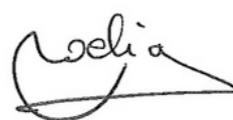
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to

a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditors/audit-assurance-ethics/auditors-responsibilities-for-the-audit. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Date: 3rd August 2023

Noelia Serrano
Senior Statutory Auditor

For and on behalf of
Sayer Vincent LLP
Statutory Auditor
Invicta House
108-114 Golden Lane
London
EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an income and expenditure account)

	Notes	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds (Restated) 2022 £
Income from					
Donations and legacies	2	9,064,071	1,692,378	10,756,449	6,732,827
Investment income	3	-	3,699	3,699	2,166
Other income	4	-	19,971	19,971	3,222
Total income		9,064,071	1,716,048	10,780,119	6,738,215
Expenditure on					
Raising funds	5	-	(854,157)	(854,157)	(786,017)
Charitable activities	6	(6,934,475)	(1,048,595)	(7,983,070)	(6,410,989)
Total expenditure	7	(6,934,475)	(1,902,752)	(8,837,227)	(7,197,006)
Investments					
Net (losses)/gains on investments		-	(32,927)	(32,927)	93,703
Net income		2,129,596	(219,631)	1,909,965	(365,088)
Movement in funds					
Transfer between funds	20	61,914	(61,914)	-	-
Other recognised gains/(losses)		-	171,111	171,111	(6,429)
Net movement in funds	9	2,191,510	(110,434)	2,081,076	(371,517)
Reconciliation of funds					
Total funds brought forward as previously stated		485,356	3,113,999	3,599,355	3,015,434
Prior Year Adjustment	34	1,986,718	-	1,986,718	2,942,156
Total funds brought forward (Restated)	20	2,472,074	3,113,999	5,586,073	5,957,590
Total funds carried forward	20	4,663,584	3,003,565	7,667,149	5,586,073

The notes on pages 38 to 60 form part of these financial statements.

CONSOLIDATED AND CHARITY BALANCE SHEETS

	Notes	Group 2023 £	Group 2022 (Restated) £	Charity 2023 £	Charity 2022 (Restated) £
Fixed assets					
Tangible fixed assets	15	9,208	16,602	505	1,275
Investments	16	1,334,200	1,367,127	1,334,200	1,367,127
Investment in subsidiaries	16	-	-	2	2
Total fixed assets		1,343,408	1,383,729	1,334,707	1,368,404
Current assets					
Debtors	17	1,541,536	929,134	388,143	251,480
Short-term investments	18	180,670	342,146	180,670	342,146
Cash at bank and in hand		4,969,639	3,636,922	3,680,776	2,751,750
Total current assets		6,691,845	4,908,202	4,249,589	3,345,376
Current liabilities					
Creditors falling due within one year	19	(368,104)	(705,858)	(205,758)	(353,378)
Net current assets		6,323,741	4,202,344	4,043,831	2,991,998
Net assets	21	7,667,149	5,586,073	5,378,538	4,360,402
Funds					
Restricted funds	20	4,663,584	2,472,074	2,491,934	1,717,474
Designated reserves	20	1,348,773	1,562,595	1,348,773	1,562,595
Free reserves	20	1,654,792	1,551,404	1,537,831	1,080,333
Total unrestricted funds		3,003,565	3,113,999	2,886,604	2,642,928
Total funds	20	7,667,149	5,586,073	5,378,538	4,360,402

The Charity-only net income in the year was £1,018,136 (2022 restated: £443,922). The Group accounts are prepared in accordance with section 398 of the Companies Act 2006, section 138 of the Charities Act 2011, and with the special provisions of Part 15 of the Companies Act relating to small companies. They constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the Company.

Approved and authorised for issue by the Board of Trustees on 13 July 2023 and signed on their behalf by:



Tristram Hilborn
Chair of Finance & Audit Committee

The notes on pages 38 to 60 form part of these financial statements.

Tree Aid charity no. 1135156 Company no. 03779545.

CONSOLIDATED STATEMENT OF CASHFLOWS

	Notes	2023 £	2022 £
Cashflows from operating activities			
Net cash provided by/(used in) operating activities	22	996,431	(408,611)
Cashflows from investing activities			
Dividends and interest from investments		3,699	2,166
Purchase of property, plant and equipment		-	-
Net cash provided by investing activities		3,699	2,166
Increase/(decrease) in cash and cash equivalents in the reporting period		1,000,130	(406,445)
Cash and cash equivalents at the beginning of the reporting period		3,979,068	4,391,942
Decrease in cash and cash equivalents due to exchange rate movements		171,111	(6,429)
Cash and cash equivalents at the end of the reporting period		5,150,309	3,979,068

The notes on pages 38 to 60 form part of these financial statements.

NOTES TO THE ACCOUNTS

1. Principal accounting policies

a. Company information

The Charity is a company limited by guarantee (company no. 03779545) and a registered charity in England and Wales (charity no. 1135156), which is incorporated and domiciled in the United Kingdom. The address of the principal and registered office is Brunswick Court, Brunswick Square, Bristol, BS2 8PE.

b. Basis of preparation

The consolidated financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) issued on 16 July 2014 (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

Tree Aid meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value in accordance with applicable accounting standards unless otherwise stated in the relevant accounting policy note.

After making enquiries, the Trustees have a reasonable expectation that the Charity has adequate reserves to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the statement of Trustees' responsibilities on page 31.

c. Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent Company and all its subsidiaries. Entities over which the Group has the ability to exercise control are accounted for as subsidiaries. The

accounts of Tree Aid subsidiaries are based on the accounting standards applicable in the country in which they reside.

Transactions and balances between Group companies are eliminated on consolidation.

No statement of financial activities is presented for the Charitable Company alone as the results of the subsidiary companies are separately identified within the Group accounts and the Charitable Company is exempt from presenting such a statement under section 408 of the Companies Act 2006.

d. Income recognition

Voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities when receivable. In line with the requirements of SORP (FRS 102), the value of time kindly contributed by volunteers is not included in the financial statements.

Legacy income is recognised when it is received, unless there is evidence in advance to allow Tree Aid to be sufficiently certain that the income will be received, and to be able to estimate the value of the legacy with reasonable certainty (receipt is more likely than not).

Income from grants is included in income when there is evidence of entitlement, the amount can be measured and the receipt is probable. When donors impose conditions which have to be fulfilled before the Charity becomes entitled to such income, the receipt of income is not included in income until the pre-conditions for use have been met.

Grants for the purchase of fixed assets are credited to restricted income when receivable. Depreciation of fixed assets purchased with such grants is charged against the restricted fund.

Income from Gift Aid tax reclaims is recognised for all donations made prior to the year-end, where a valid Gift Aid declaration is held.

Investment income is accounted for on the accruals basis.

e. Expenditure and basis of allocation of costs

Expenditure is recognised in the period in

which it is incurred, and includes attributable VAT which cannot be recovered.

Expenditure is analysed into the following activities:

- i. **Raising funds** – this includes the salaries, direct expenditure and support costs of staff engaged in fundraising activities. Fundraising costs are recognised in the year they are incurred although income derived from the initiatives may arise in future years.
- ii. **Programme delivery** – this comprises direct purchases, the cost of Tree Aid's staff involved in the delivery of programmes, particularly those staff based in Africa, and the value of grants that have been made to implementing partners working on Tree Aid's projects, to the extent that this has been spent. Tree Aid staff provide specialist support, training and networking for partner organisations, as well as undertaking the research required to develop programmes. The cost of grants is included in the statement of financial activities in the year they are payable.
- iii. **Advocacy and awareness** – this represents the costs incurred in raising awareness of institutions and members of the public on the issues being addressed by the Charity.
- iv. **Governance costs** – these are the costs associated with the governance arrangements of the Charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the Charity's activities.
- v. **Support costs** – expenditure is allocated to a particular activity where the cost relates directly to that activity. In addition, support costs incurred to facilitate activities (back-office costs, the costs of budgetary and financial control, information technology, depreciation, human resources and payroll) are apportioned to activities based on the proportion of staff time spent on each activity as shown in the table below.

Apportionment of support costs:

Activity	2023	2022
Raising funds	27%	30%
Programme delivery	66%	68%
Advocacy and awareness	7%	2%

Redundancy/termination payments are accounted for on the accruals basis.

f. Fund accounting

The Charity maintains three main types of fund as follows:

- i. **Restricted funds** which are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund
- ii. **Unrestricted funds** representing income that is expendable at the discretion of the Trustees in the furtherance of the objects of the Charity
- iii. **Designated funds** which are where the Trustees have set aside unrestricted funds for a specific purpose.

g. Tangible fixed assets and depreciation

Depreciation is calculated so as to write off the cost of tangible fixed assets by equal annual instalments over their estimated useful lives at the following rates:

United Kingdom fixtures and fittings	25%
Africa motor vehicles	25%
Africa fixtures and fittings	25%

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on a basis which is an estimate, based on staff time, of the amount attributable to each activity. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

h. Fixed asset investments

Investments are valued at market value at the balance sheet date.

i. Programme-related investments

The asset is valued at the amount invested into the fund, less any amounts written off due to non-repayment of loans by entrepreneur groups.

j. Debtors

Short-term debtors are initially measured at transaction price, less any impairment. Prepayments are measured at the amount prepaid.

k. Short-term investments

Short-term investments comprise cash deposit with notice periods of more than three months and less than 12 months.

l. Cash at bank and in hand

Cash at bank and in hand comprise cash

deposits with notice periods of less than three months, and petty cash balances held.

m. Creditors

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. There is a provision in place which provides for termination payments payable to staff in Burkina Faso and Niger on leaving their employment. The provision is related to the accumulated length of service for each member of staff.

n. Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the month-end rate of exchange for the month. Exchange differences are taken into account in arriving at the net movements in funds for the year.

o. Pensions

The Charity offers a defined contribution pension scheme to employees. The assets of the scheme are held in independently administered funds. Pension costs charged in the statement of financial activities represent the contributions payable by the Charity during the year. The liability and expense are apportioned to activities and between restricted and unrestricted funds based on the proportion of staff time spent on each activity.

p. Leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities in the year in which they fall due.

q. Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments, these being cash at bank, debtors and creditors (see note 27). Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

r. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually

evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The items in the financial statements where these estimates and judgements have been made include the following:

i. Accruals

Included in accruals are liabilities where the amount and/or timing of its settlement is uncertain. An accrual is only recognised where:

- There is a present obligation at the reporting date as a result of a past event;
- It is probable that a transfer of economic benefit will be required in settlement; and
- The amount of the settlement can be estimated reliably.

ii. Deferred income

Where terms and conditions have not been met, or uncertainty exists as to whether Tree Aid can meet the terms and conditions otherwise within its control, the income is not recognised but deferred as a liability until it is probable that the terms and conditions imposed can be met.

2. Donations and legacies

	Restricted funds £	Unrestricted funds £	Total 2023 £	Total 2022 £ (Restated) £
Institutional grants	7,751,807	-	7,751,807	3,823,738
Charitable trusts	274,046	91,740	365,786	357,627
Corporate and major donors	1,038,218	324,114	1,362,332	1,310,583
Individuals	-	940,607	940,607	1,153,313
Legacies	-	316,405	316,405	87,566
Donations in kind	-	19,512	19,512	-
Total	9,064,071	1,692,378	10,756,449	6,732,827

Included in institutional grant income are government grants received that fund projects in Africa as follows (unspent balances are carried forward in deferred income to future periods):

		Total 2023 £	Total 2022 £
United Kingdom	Department for Environment, Food and Rural Affairs	265,822	91,828
	Foreign Commonwealth and Development Office	198,375	122,969
Channel Islands	Jersey Overseas Aid	-	22,749
International	Swedish International Development Cooperation Agency	3,475,332	1,492,731
	Swiss Agency for Development and Co-operation	2,548,955	2,032,861
Total government grants		6,488,484	3,763,138

The amount of government grants recognised as income during the year was £6,350,497 (2022 restated: £3,287,925). This is calculated in line with Tree Aid's income recognition policy. This is different from amounts received from these and other funders in this period. There were no unspent grant balances repayable in the year (2022: £nil).

3. Investment Income

	Restricted funds £	Unrestricted funds £	Total 2023 £	Total 2022 £
Dividend income	-	-	-	995
Deposit account interest	-	3,699	3,699	1,171
Total	-	3,699	3,699	2,166

4. Other Income

	Restricted funds £	Unrestricted funds £	Total 2023 £	Total 2022 £
Sundry receipts	-	19,971	19,971	3,222
Total	-	19,971	19,971	3,222

All investment and other income received for 2022 and 2023 was unrestricted.

5. Raising funds

	Delivery costs £	Development costs £	Support costs £	Total 2023 £	Total 2022 £
Supporter fundraising	429,682	3,598	273,473	706,753	658,374
Institutional fundraising	115,783	-	31,621	147,404	127,643
Total	545,465	3,598	305,094	854,157	786,017

6. Charitable activities

	Delivery costs £	Development costs £	Support costs £	Total 2023 £	Total 2022 £
Programme delivery	6,941,122	115,230	758,297	7,814,649	6,250,322
Advocacy and awareness	104,677	-	63,744	168,421	160,667
Total	7,045,799	115,230	822,041	7,983,070	6,410,989

7. Total expenditure

	Delivery costs £	Development costs £	Support costs £	Total 2023 £	Total 2022 £
Raising funds	545,465	3,598	305,094	854,157	786,017
Charitable activities	7,045,799	115,230	822,041	7,983,070	6,410,989
Total	7,591,264	118,828	1,127,135	8,837,227	7,197,006

The main components of support costs are:

	Total 2023 £	Total 2022 £
Office costs	689,901	645,998
Depreciation	7,394	6,650
Administration and support salaries	312,459	266,096
Governance costs	117,381	86,216
Total	1,127,135	1,004,960

8. Grants analysed by country and project

Included within 'Charitable activities, Delivery costs' are grants made to various implementing partners, principally local NGOs based in the country of the project, for the following projects:

	Group 2023 £	Group 2022 £
Burkina Faso		
Local Governance of Forest Resources: Phase 3	1,458,772	729,745
Enhancement of Non-Timber Forest Products: Direction du développement et de la coopération (DDC)	349,994	286,910
Inclusive approach to support the resilience of smallholders farmers	360,762	-
Total	2,169,528	1,016,655

Group 2023 £ Group 2022 £

Ethiopia

Sustainable Livelihoods and Ecosystems	92,962	9,715
Frankincense: North Gondar Zone 1	4,445	10,028
Metema participatory forest management	3,072	9,663
Community resilience & eco-system restoration	68,499	6,664
Total	168,978	36,070

Mali

Restoring Koulikoro	-	15,071
Empowering Women in Rural Mali	15,329	35,347
Re-greening Nonkon and Nossombougou		56,919
Olympic forest	155,593	-
Promoting Forest Governance for Resilience	81,465	-
Total	252,387	107,337

Niger

Rehabilitation of Park W	-	10,308
Total	-	10,308

All countries

Total	2,590,893	1,170,370
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9. Net movement in funds

This is stated after charging:

	Group 2023 £	Group 2022 £
Auditor's remuneration – audit fee for year	19,800	19,350
Auditor's remuneration – audit fee under accrual prior year	2,625	-
Auditor's remuneration – non-audit services	1,980	1,890
Depreciation of tangible fixed assets	7,394	6,645
Operating lease costs	18,858	18,424

10. Employee numbers and costs

The average monthly head count was 105 employees, 91 engaged in charitable activities, 14 in fundraising (2022: 99, 84 charitable activities, 15 fundraising), the employment costs of which were:

	UK 2023 £	Overseas 2023 £	Group 2023 £	Group 2022 £
Wages and salaries	1,007,311	809,119	1,816,430	1,637,667
Social security costs	112,160	78,610	190,770	169,711
Pension costs	94,683	51,902	146,585	116,117
Total	1,214,154	939,631	2,153,785	1,923,495

For staff paid £60,000 or more per annum, the number of employees with emoluments in the following ranges were:

	Group 2023 (no.)	Group 2022 (no.)
£60,000 to £69,999	1	2
£70,000 to £79,999	-	-
£80,000 to £89,999	1	1

Tree Aid operates a defined contribution workplace pension scheme in the UK: employer contributions are funded from unrestricted income. Pension costs charged in the statement of financial activities represent the contributions payable by Tree Aid in the year. The Charity has no pension obligations other than the contributions payable in the year and there were no unpaid contributions at the year-end.

11. Key management personnel

The key management personnel of the Charity and the Group comprise the Chief Executive, Director Global Operations, Director Finance & Resources and Director Fundraising and Communications. The total salary and employee benefits of the key management personnel were £275,117 (2022: £284,045).

The remuneration of the key management personnel for the year was:

	Group 2023 £	Group 2022 £
Chief Executive	99,306	94,908
Director of Finance and Resources	71,526	68,420
Director Fundraising and Communications (resigned 22 August 2022)	41,255	68,231
Director of Operations	63,030	52,486

12. Trustee remuneration, expenses and donations

The Trustees were not paid and did not receive any other benefits from the Charity or its subsidiaries in the year (2022: £nil). No Trustee received payment for professional or other services supplied to the Charity (2022: £nil).

Directly incurred Trustee expenses borne by the Charity in the year totalled £1,055 (2022: £193), paid to 2 (2022: 1) Trustees. Those expenses were for travel and subsistence. The total amount of donations received from Trustees without conditions was £627 (2022: £1,152).

13. Taxation

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

14. Gross income and results – Charity only

	2023 £	2022 £
Income	7,254,648	4,972,654
Expenditure	(6,236,512)	(4,528,732)
Net income/(expenditure)	1,018,136	443,922

15. Tangible fixed assets – Group

	UK fixtures and fittings £	Africa motor vehicles £	Africa fixtures and fittings £	Total £
Cost				
At 1 April 2022	39,600	308,063	96,322	443,985
Additions	-	-	-	-
Disposals	-	-	-	-
Project assets	-	94,408	-	94,408
Total at 31 March 2023	39,600	402,471	96,322	538,393

Depreciation

At 1 April 2022	38,325	308,038	81,020	427,383
Disposals - depreciation	-	-	-	-
Charge for the year	770	25	6,599	7,394
Project assets	-	94,408	-	94,408
Total at 31 March 2023	39,095	402,471	87,619	529,185

Net book value

At 31 March 2023	505	-	8,703	9,208
At 31 March 2022	1,275	25	15,302	16,602

Tangible fixed assets – Charity

	UK fixtures and fittings £	Total £
Cost		
At 1 April 2022	39,600	39,600
At 31 March 2023	39,600	39,600

Depreciation

At 1 April 2022	38,325	38,325
Charge for the year	770	770
At 31 March 2023	39,095	39,095

Net book value

At 31 March 2023	505	505
At 31 March 2022	1,275	1,275

16. Investments – market value

	COIF Charities Ethical Investment Fund £	Rathbone Greenbank investments £	Investment in woodland £	Other unlisted investments £	Group & Charity total 2023 £	Group & Charity total 2022 £
Valuation at 1 April	710,621	238,876	400,000	17,630	1,367,127	1,273,424
Revaluation	(14,227)	(14,965)	-	(3,735)	(32,927)	93,703
At 31 March	696,394	223,911	400,000	13,895	1,334,200	1,367,127

Management of the COIF Charities Ethical Investment Fund and Rathbone Greenbank investments is delegated to authorised professional investment managers, regulated by the Financial Conduct Authority.

The legacy gift of 25 hectares of woodland in Devon was externally revalued as at 31 March 2021 to a value of £0.4 million by Tustins Group Ltd. This compares to the £0.3 million valuation on receipt in 2019. Based on current woodland valuations in the south west of England, we believe that this valuation still reflects fair value.

Other investments represent shares received under a legacy or gifted to the Charity.

Investments in subsidiaries – Charity

	2023 £	2022 £
Cost and net book value		
At 1 April 2022	2	2
At 31 March 2023	2	2

There are three subsidiaries:

Name	Registration	Registered office	Principal place of business
Tree Aid Burkina Faso	Association under the Law of Freedom of Association (10/92/ADP, 15 December 1992) in Burkina Faso	1200 Logements Ouagadougou Burkina Faso	Burkina Faso
Tree Aid Ghana	Company limited by guarantee under the Ghanaian Companies Act 1963	318 North Kanivili Tamale Northern Region Ghana	Ghana
Tree Aid Enterprises Ltd	Registered company incorporated in England, company number: 9199430	Brunswick Court Brunswick Square Bristol BS2 8PE, UK	UK

Tree Aid is the sole member of each subsidiary and has the power to appoint the directors. Tree Aid Burkina Faso and Tree Aid Ghana are non-profit-making organisations with similar objectives to Tree Aid.

Tree Aid Enterprises Ltd is limited by shares and is now dormant. It was the holding company for a social enterprise entity in Burkina Faso (Tree Aid Enterprises sa) which was wound up in the previous year.

	Tree Aid Enterprises Ltd*	Tree Aid Burkina Faso	Tree Aid Ghana
Charity's shareholdings in subsidiaries	100%	100%	100%

Balances at 31 March 2023 £

Tangible fixed assets	-	7,132	1,569
Current assets	2	2,344,116	87,706
Current liabilities	(99,886)	(198,937)	(1,996)
Total funds	(99,884)	2,152,311	87,279

Results for the year to 31 March 2023 £

Income	-	6,808,715	523,626
Expenditure	-	(5,894,171)	(502,410)
Net expenditure	-	914,544	21,216

*The accounts for Tree Aid Enterprises Ltd have been prepared on the breakup basis as the company is in the process of becoming dormant.

17. Debtors

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Amounts falling due within one year				
Trade debtors	1,106,845	852,137	34,112	62,236
Prepayments and accrued income	124,915	40,371	121,396	40,519
Other debtors	309,776	36,591	232,635	20,926
Amounts owed by Group and associated undertakings	-	35	-	127,799
Total	1,541,536	929,134	388,143	251,480

18. Short-term investments

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Cash held on deposit	180,670	342,146	180,670	342,146

19. Creditors falling due within one year

	Group 2023 £	Group 2022 (Restated) £	Charity 2023 £	Charity 2022 (Restated) £
Project creditors	95,132	173,805	107,861	174,222
Other creditors	33,088	43,889	20,788	39,291
Accruals	87,647	317,187	42,986	51,421
Provisions for liabilities	113,209	86,848	8,573	17,724

	Group 2023 £	Group 2022 (Restated) £	Charity 2023 £	Charity 2022 (Restated) £
Deferred income	-	47,950	-	47,950
Tax and social security	39,028	36,179	25,550	22,770
Total	368,104	705,858	205,758	353,378

Provision for liabilities

The provision for liabilities relates to dilapidations of the UK office and termination payments payable to staff in Burkina Faso and Niger on leaving employment with Tree Aid. The termination provision is related to the accumulated length of service for each member of staff. The timing of the outflow is uncertain as the dates of staff leaving their employment is not known.

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
At 1 April 2022	86,848	78,919	17,724	17,724
Additions	-	7,929	-	-
Amounts charged	-	-	-	-
Amounts released	26,361	-	(9,151)	-
At 31 March 2023	113,209	86,848	8,573	17,724

Deferred income comprise

	Group 2023 £	Group 2022 (Restated) £	Charity 2023 £	Charity 2022 (Restated) £
Regreening Nonkon and Nossombougou	-	47,950	-	47,950
Total	-	47,950	-	47,950

Deferred income in 2022 has been restated to reflect the change in treatment explained further in note 34.

20. Movements in funds – Group

	Opening balance (Restated) £	Income £	Expenditure £	Investment and other gains £	Transfers £	Closing balance £
Restricted funds						
Burkina Faso						
Enhancement of NTFPs: Development and Phase 3	174,087	2,548,954	(2,031,701)	-	-	691,340
Local Governance of Forest Resources	1,224,611	3,475,332	(2,317,123)	-	-	2,382,820
Supporting Smallholder Farmer Resilience	473,798	391,377	(755,953)	-	-	109,222
Carbon Storage Evaluation	565	1,273	(573)	-	-	1,265
Pro-ADAPT project	-	206,124	(824)	-	-	205,300

	Opening balance (Restated) £	Income £	Expenditure £	Investment and other gains £	Transfers £	Closing balance £
Developing sustainable and inclusive value chains	-	154,179	(5,261)	-	-	148,918
NFTP value chains 2	-	65,234	-	-	-	65,234
Tree Foods Phase 2	6,250	-	-	-	(6,250)	-

Ghana

Daka River Restoration 2	-	235,176	(174,364)	-	-	60,812
Daka River Restoration 3	(101,929)	74,327	(23,456)	-	-	(51,058)
Ghana Rural Agriculture and Cashew Enterprises	-	4,000	(18,473)	-	14,473	-
Northern Ghana Integrated Development	106,150	74,014	(127,521)	-	-	52,643
Bongo Reforestation	35,345	141,169	(124,828)	-	-	51,686
Yendi Tree Enrichment	73,961	-	(43,361)	-	-	30,600
Carbon Study Bongo	-	-	(1,959)	-	1,959	-
Ghana Shea Landscape Restoration	-	95,437	(34,795)	-	-	60,642

Ethiopia

Frankincense: North Gondar 1	(81)	122,440	(137,234)	-	14,875	-
Frankincense: North Gondar 2	17,429	-	(5,909)	-	4,778	16,298
Metema PFM development	(2,806)	-	(3,072)	-	5,878	-
Community Resilience and Ecosystem Restoration	3,762	187,690	(154,421)	-	-	37,031

Mali

Regreening Nonkon and Nossombougou	-	56,304	(56,304)	-	-	-
Regreening Koulikoro	(9,724)	16,928	(5,602)	-	-	1,602
Strengthening Forest Management	600	600	-	-	(1,200)	-
Empowering Women in Rural Mali	-	116,726	(116,726)	-	-	-
Growing the Great Green Wall in Tominian	-	223,747	(35,515)	-	-	188,232
Forest Governance Segou	18,251	159,951	(130,507)	-	15,222	62,917
She Grows Expansion	59,864	82,445	(142,309)	-	-	-
Olympic Forest	176,208	609,644	(364,191)	-	-	421,661
Growing the Great Green Wall in Koulikoro	109,167	-	(121,994)	-	12,827	-

	Opening balance (Restated) £	Income £	Expenditure £	Investment and other gains £	Transfers £	Closing balance £
Niger						
Rehabilitation of Park W: Tamou	2,105	-	-	-	(2,105)	-
Rehabilitation of Park W: Dosso	4,310	-	-	-	-	4,310
Enterprise Development in Falmey	-	15,000	-	-	-	15,000
Project Fund	78,786	-	-	-	-	78,786
Development Fund	21,365	6,000	(499)	-	1,457	28,323
Total restricted funds	2,472,074	9,064,071	(6,934,475)	-	61,914	4,663,584
Unrestricted funds						
Woodland Investment Reserve	400,000	-	-	-	-	400,000
Fixed Asset Reserve	16,602	-	-	-	(7,394)	9,208
Driving forward our strategy	113,413	-	(113,413)	-	-	-
Evidencing the impact of our work	356,111	-	(77,000)	-	-	279,111
Investment in M&E Systems and Equipment	143,460	-	(103,000)	-	50,000	90,460
Long-Term Sustainable Funding	406,648	-	(68,000)	-	100,000	438,648
Managing Risk	80,015	-	-	-	(80,015)	-
Investment in Infrastructure	46,346	-	(15,000)	-	100,000	131,346
Total designated funds	1,562,595	-	(376,413)	-	162,591	1,348,773
General reserves	1,551,404	1,716,048	(1,526,339)	138,184	(224,505)	1,654,792
Total unrestricted funds	3,113,999	1,716,048	(1,902,752)	138,184	(61,914)	3,003,565
Total funds	5,586,073	10,780,119	(8,837,227)	138,184	-	7,667,149

Purpose of restricted funds

Restricted funds are generated when the donor stipulates how the income may be expended. In most cases there will be a timing difference between when the income is received and when it is spent, resulting in balances being held on these funds at year-end. The purpose of the various restricted funds is outlined below.

Burkina Faso:

Enhancement of Non-Timber Forest Products Development and Phase 3

Improving non-timber forest product value chains, creating market gardens and improving nutrition for 14,500 households in Burkina Faso. This project is funded by the Swiss Agency for Development and Cooperation. The latest, scale-up phase started in January 2021 and will run to 2024.

Local Governance of Forest Resources Phase 3

Decentralised forest governance through transferring rights and responsibilities for forest stewardship to community-led forest management groups in 18 new communes. The project is funded by the Swedish International Development Cooperation

Agency (Sida) and the second half of the project has now been contracted – running from 2021 to 2024.

Supporting Smallholder Farmer Resilience

Inclusive approach to support the resilience of smallholder farmers in Burkina Faso (Pro-RES Burkina). This project, funded by the Alliance for a Green Revolution in Africa (AGRA) aims to improve the food security and income of 210,000 smallholder farmers in the Hauts-Bassins, Cascade, Boucle du Mouhoun and Centre-Ouest regions as well as strengthen the resilience to climate change in these regions. Tree Aid is partnering with the Ecological Center Albert Schweitzer of Burkina Faso (CEAS).

Carbon Storage Evaluation

Evaluation of baseline data on the carbon storage potential of agroforestry ecosystems in Burkina Faso. Tree Aid is supporting INERA in certain activities around the potential of agroforestry to capture and store carbon. It has a small budget to support workshops and data collection.

Pro-ADAPT project

The project builds on the Pro-RES project by constructing 10 nutrition gardens, establishing 11 NTFP parks, sensitising 20,000 people farmers on NTFP consumption, protecting 55 ha of forest and planting 32,000 trees. The Alliance for a Green Revolution in Africa (AGRA) funds this project alongside the Supporting Smallholder Farmer Resilience project above. Developing sustainable and inclusive value chains for non-timber forest products in the Nakambé and Niger basins of Burkina Faso. The project will support 11,250 direct beneficiaries (4,750 men and 6,500 women, including 4,510 youth) by reducing their vulnerability and food insecurity through their integration into a sustainable NTFP productive cycle and by increasing their NTFP consumption.

Non-Timber Forest Products - value chains 2

The project, funded by Challenge Fund for Youth Employment (CFYE) aims to create and improve 3,370 jobs through the deployment of digital rural service ecosystem and support for the cultivation and processing and marketing of NTFPs. This project will assist local groups to develop Nutritious Gardens (NGs) and Village Tree Enterprises (VTEs) to process and market Non-Timber Forest Products (NTFP) and deploys a digital financial service ecosystem

to realise efficient financial and other services to facilitate further development of the value chain.

Ghana:

Daka River Restoration 2 & 3

Community-led tree planting and regeneration along the Daka River in Northern Ghana. These are phases of a project funded by Ecosia along with various trusts and foundations. The initial two-year Ecosia project finished in early 2022, and a new phase is now running until the end of 2024 in the Yendi region.

Ghana Rural Agriculture and Cashew Enterprises

Supporting poor smallholder cashew farmers to increase and diversify incomes from improved cashew yields, intercropping nitrogen-fixing legumes and honey production to promote pollination. This project started in August 2019 with funding from UK Aid Direct and trusts and foundations. The UK Foreign, Commonwealth and Development Office ceased their support for this project in April 2021 and the project was completed with funding raised from other sources in August 2022.

Northern Ghana Integrated Development

Promoting opportunities for sustainable agriculture, social protection and decent work in the agrarian sector targeting civil society organisations. Led by ActionAid Ghana, the consortium is funded by the EU. Tree Aid is responsible for delivery in four of the 15 target districts. This project finishes in May 2023.

Bongo Reforestation

This project, funded by Trees for All, aims to restore ecosystem services along selected rivers and around the VEA Dam, near Bolgatanga in the Bongo District of Northern Ghana, improving the livelihoods of 20 riverine communities. This project targets the planting of 150,000 trees, restoring 50 kilometres (in 450 hectares) of riparian buffer zones in the Bongo River catchment area. It will last for three years with a further seven years of monitoring.

Yendi Tree Enrichment

The work in Yendi for Ecosia under the Daka River Restoration project also included planting and geotagging trees for a corporate partner, Treedom. There is a negative funds balance on phase 2 and a positive balance on phase 3, the offset of which had not been concluded at

the year-end. A third contract was signed for planting in 2021 in Yendi, which has a positive balance. This contract finished in 2022.

Carbon Study Bongo

Pre-feasibility study into carbon certification in the Bongo District for Blue Deal, a Dutch organisation. This small project is looking at the potential for enrichment planting and agroforestry to support a carbon sequestration project in the Bongo District.

Ghana Shea Landscape Restoration Project

The project will take place in the Gushiegu Municipal District, Mion District, and Yendi Municipal District in the Northern Region of Ghana. Tree Aid currently works in these three districts as part of the 'Daka River Restoration' project funded by Ecosia, which aims to grow over 2 million trees in riparian buffer zones, open parklands, and farmlands in 61 villages. There is a high shea resource base in the communities which are not well harnessed to benefit the people, especially women, and these shea trees are being cut to open space for farming and to process charcoal.

Ethiopia:

Frankincense: North Gondar 1 & 2

This project started in December 2021, with Tree Aid funds. UK Aid Match funding was available from April 2022. The project focuses on the frankincense value chain in the Metema forests. While the collection of frankincense will be made more sustainable through training in best practices, the income that tappers get for their efforts will be improved through training and provision of equipment to improve quality and prices. The project will also work with communities to manage the boswellia (frankincense) forest in a more sustainable way – targeting reductions in grazing of cattle and bushfires that cause low survival rate of new saplings.

Metema PFM development

A small project was conducted, using funds remaining from the Sustainable Livelihoods and Ecosystems project. This was focused on some small planting activities and engaging the groups that will form part of the frankincense project in North Gondar.

Community Resilience and Ecosystem Restoration

Developing Rural Pathways to Community

Resilience and Ecosystem Restoration is a complementary project to the Frankincense project mentioned above. The project is looking more at research and partnering with UK-based and Ethiopia-based institutions to further the protection and management of forests work in the Metema area.

Mali:

Regreening Nonkon and Nossombougou

The project finished in December 2021 and the remaining balance was invested in the Tree Aid Mali programme, as agreed with the donor, Timberland.

Regreening Koulikoro

Supporting communities to restore parkland trees and reverse serious land degradation. This project was funded by the Turing Foundation. An evaluation of the project and final report were completed in October 2022.

Strengthening Forest Management

The project is now completed including implementation of forest management plans for two forest areas in Segou region and strengthening non-timber forest product value chains. This project is funded by the Darwin Initiative and various trusts and foundations.

Empowering Women in Rural Mali through Improved Forest Access and Enterprises

The project has facilitated the granting of land for 10 women's cooperatives, and provide the skills and means for the regeneration of that land. Livelihoods have been improved through the provision of training, tools and equipment for the development of small enterprises based on honey and shea. The project was funded by the Foreign, Commonwealth & Development Office and the contract was signed in February 2020. The project activities finished in February 2023 and the final report will be completed in August 2023.

Growing the Great Green Wall in Tominian

Funded by the Turkish government, through the UNCCD (The United Nations Conventions to Combat Desertification), this project supports the Great Green Wall Initiative by working with 10 communes (44 villages) in Segou region, to tackle poverty and the effects of the climate crisis. With capacity development, provision of inputs to local communities and further expansion of the non-timber forest product (NTFP) value chains in the region, Tree Aid

will restore degraded lands in and around Duwa and Sutebwo forest while developing green employment opportunities that improve people's income.

Forest Governance Segou

Promoting forest governance for resilient ecosystems and communities in Segou. This project aims to strengthen promotion of local forest governance, investments in forests and valorisation of non-timber forest products for sustainable improvement of livelihoods for 3,000 rural households in Tominian circle, Mali. Funding comes from the Darwin Initiative.

She Grows Expansion

Funded by the Catalan government, this project took the She Grows approach and targeted participants in neighbouring communes that have been part of the Regreening Koulikoro project. It was completed in December 2022.

Olympic Forest (Senegal and Mali)

Through this project, Tree Aid and the International Olympic Committee (IOC) will grow thousands of trees and restore huge areas of land across Mali and Senegal, contributing to the Great Green Wall movement. Together with communities living in the path of the Great Green Wall, we will grow trees and restore degraded land, helping to sequester 200,000 tonnes of CO₂e over 25 years. Tree Aid has partnered with a new organisation in Senegal, and set up its own office in Kayes, Mali.

Growing the Great Green Wall in Koulikoro

This project was completed in December 2022. The project was funded by a corporate partner, Vero Moda, having established nurseries, enterprise groups and nutrition gardens. A total of 197,840 trees were planted for NTFP production and a further 25,000 acacia trees planted for land restoration.

Niger:

Rehabilitation of the Ecosystem of the National Park W Landscape (Tamou)

The project finished in 2021. The remaining balance was used on the Niger programme, as agreed with the donors.

Rehabilitation of the Ecosystem of the National Park W Landscape (Dosso)

This project finished in 2022. The remaining balance will be returned to the donor, the

Swedish Postcode Lottery. The project focused on supporting local livelihoods by establishing community forest governance through better management of local natural resources and the development of tree enterprises.

Enterprise Development in Falmey

This small project looks to help support 10 Village Tree Enterprises (VTEs) which were created in other projects, to further women's ability to obtain income and to manage their resources. The 10 VTE's will receive further training in how produce shea butter, peanuts and other non-timber forest products. The VTEs will also be supported in helping to commercialise their products. It is funded by the Roughly Foundation.

Project Fund

Donations restricted to development work on certain projects or in certain countries.

Development Fund

Donations restricted to the Development Fund are utilised for activities that strengthen and expand Tree Aid's impact and influence through leveraging institutional funding, releasing unrestricted funding and bringing donors closer to Tree Aid by providing them with unique insights.

Purpose of unrestricted funds

Unrestricted funds are generated when there is no stipulation from the donor as to how the income may be spent. They include designated funds where the Trustees have set aside monies for a specific purpose.

Designated funds are provided for the following purposes:

Evidencing the impact of our work

To better communicate and advocate our work we will use the evidence we gather to influence policy and practice in the Sahel and will invest in our advocacy capacity and activities in the coming years. This investment will be a short-term kick-start to a broader plan for increasing our annual activities around influencing which currently is not easily funded by restricted grant funding. Over the next few years we will invest £0.3 million in this area.

Investment in M&E Systems and Equipment

We will be investing an additional £0.1 million in the coming years in deepening our capacity and tools to measure, monitor

and demonstrate the levels of degradation and the impact of our work to combat this. Such evidence will be vital in our efforts to communicate the urgency of action required and the potential of our approaches as a key method for combatting the crisis of deforestation and land degradation in the African drylands.

Long-term sustainable funding

To continue on this strategic path of raising our voice on the issues most critical to our charitable mission, it is essential that Tree Aid achieves a stronger balance of unrestricted funding which will enable sustained investment into evidence, advocacy and communications. Over the coming three years we will look to invest £0.5 million additional reserves into growing our digital fundraising capacity with an aim to secure a sustained growth in unrestricted public giving.

Investment in infrastructure

Tree Aid will need to adapt to the reality of new ways of working. As such it is essential we invest in our offices and infrastructure to ensure we have the necessary environment to work much more flexibly and remotely. We have set aside £0.1 million to invest in this area to ensure we remain adaptable and provide adequate infrastructure for our staff to continue to work effectively.

At the year-end there were two designated reserves which represent the carrying value of the Investment in woodland, £0.4 million, and Fixed assets, to recognise these separately from general reserves.

Transfers between funds

Transfers between funds represent the application of income to particular project funds whose objectives fall within the wider restrictions of the funds from which those funds are transferred with the explicit agreement of the donor for restricted funds transfers.

21. Analysis of net assets between funds – Group

	Restricted funds £	Designated funds £	Unrestricted funds £	Total 2023 £
Tangible fixed assets	-	9,208	-	9,208
Investments	-	400,000	934,200	1,334,200
Cash at bank and short-term investments	3,651,526	939,565	559,218	5,150,309
Debtors	1,012,058	-	529,478	1,541,536
Creditors falling due within one year	-	-	(368,104)	(368,104)
Total	4,663,584	1,348,773	1,654,792	7,667,149

Analysis of net assets between funds – Charity

	Restricted funds £	Designated funds £	Unrestricted funds £	Total 2023 £
Tangible fixed assets	-	506	-	506
Investments	-	400,000	934,202	1,334,202
Cash at bank and short-term investments	2,332,864	948,267	580,315	3,861,446
Debtors	159,070	-	229,072	388,142
Creditors falling due within one year	-	-	(205,758)	(205,758)
Total	2,491,934	1,348,773	1,537,831	5,378,538

22. Reconciliation of net movement in funds to net cashflow from operating activities

	Group 2023 £	Group 2022 (Restated) £
Net income for the reporting period	1,909,965	(365,088)
Adjustments for		
Depreciation charges	7,394	6,645
Gains on investments	32,927	(93,703)
Investment income	(3,699)	(2,166)
Increase in debtors	(612,402)	(279,033)
(Decrease)/increase in creditors	(337,754)	324,704
Net cash generated by/(used in) operating activities	996,431	(408,611)

Analysis of cash and cash equivalents

	Group 2023 £	Group 2022 £
Cash in hand	4,969,639	3,636,922
Short-term investments (less than three months' notice)	180,670	342,146
Total	5,150,309	3,979,068

As Tree Aid has no debt, the requirement to disclose a net debt reconciliation is covered in the presentation of the consolidated statement of cashflows.

23. Legal status of the Charity

The Charity is a company limited by guarantee and has no share capital. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

24. Related party transactions

Tree Aid transacted with its 100% subsidiary entities during the year. The value of transactions during the year, which were made in the normal course of business and comprised mainly grants to fund the Group's charitable activities, totalled:

	2023 £	2022 £
From Tree Aid to Tree Aid Burkina Faso	3,506,769	2,224,564
From Tree Aid to Tree Aid Ghana	449,612	456,277

There were no balances outstanding at the year-end between the Charity and Tree Aid Burkina Faso or Tree Aid Ghana (2021/22: Enil).

There were no movements on loans for the social enterprise initiative during the current or prior year. The loans are unsecured and interest-free.

25. Operating lease commitments

Tree Aid had future minimum lease payments under non-cancellable operating leases at the year-end, expiring as follows:

	Land and buildings £	Office equipment £	Group 2023 £	Group 2022 £
Expiring				
Within 1 year	18,495	363	18,858	18,061
2-5 years	-	-	-	363

	Land and buildings £	Office equipment £	Charity 2023 £	Charity 2022 £
Expiring				
Within 1 year	13,279	363	13,642	13,219
2-5 years	-	-	-	363

26. Capital commitments

There were no capital commitments in the current or prior year.

27. Basic financial instruments

Financial assets that are debt instruments measured at fair value:

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Accrued income on contracts	121,311	40,448	121,311	40,448
Trade debtors	1,106,845	852,137	34,112	62,236
Other debtors	309,776	36,591	232,635	20,926
Cash at bank and in hand	4,969,639	3,636,922	3,680,776	2,751,750
Short-term investments	180,670	342,146	180,670	342,146

Financial liabilities measured at fair value:

Accruals	87,647	317,187	42,986	51,421
Other creditors	33,088	43,889	20,788	39,291

28. Prior year: consolidated statement of financial activities (restated)

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Income from			
Donations and legacies	4,998,940	1,733,887	6,732,827
Investment income	-	2,166	2,166
Other income	-	3,222	3,222
Total	4,998,940	1,739,275	6,738,215
Expenditure on			
Raising funds	-	(786,017)	(786,017)
Charitable activities	(5,802,484)	(608,505)	(6,410,989)
Total	(5,802,484)	(1,394,522)	(7,197,006)

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Investments			
Net gains/(losses) on investments	-	93,703	93,703
Net income	(803,544)	438,456	(365,088)

Movement in funds

Transfer between funds	37,078	(37,078)	-
Other currency exchange losses	-	(6,429)	(6,429)
Net movement in funds	(766,466)	394,949	(371,517)

Reconciliation of funds

Total funds brought forward	3,238,540	2,719,050	5,957,590
Total funds carried forward	2,472,074	3,113,999	5,586,073

29. Prior year: Raising funds

	Delivery costs £	Development costs £	Support costs £	Total 2022 £
Supporter fundraising	406,877	4,931	246,566	658,374
Institutional fundraising	87,348	-	40,295	127,643
Total fundraising	494,225	4,931	286,861	786,017

30. Prior year: Charitable activities

	Delivery costs £	Development costs £	Support costs £	Total 2022 £
Programme delivery	5,481,714	99,042	669,566	6,250,322
Advocacy and awareness	112,134	-	48,533	160,667
Total charitable activities	5,593,848	99,042	718,099	6,410,989

31. Prior year: Total expenditure

	Delivery costs £	Development costs £	Support costs £	Total 2022 £
Raising funds	494,225	4,931	286,861	786,017
Charitable activities	5,593,848	99,042	718,099	6,410,989
Total expenditure	6,088,073	103,973	1,004,960	7,197,006

32. Prior year: movements in funds – Group (restated)

	Opening balance £	Income £	Expenditure £	Investment & other gains £	Transfers £	Closing balance £
Restricted funds						
Burkina Faso						
Enhancement of NTFPs: Development and Phase 3	1,355,563	1,419,073	(2,609,859)	-	9,302	174,079
Local Governance of Forest Resources Phase 3	1,408,190	1,492,724	(1,676,303)	-	-	1,224,611
Tree Foods Phase 2	-	6,250	-	-	-	6,250
Supporting Smallholder Farmer Resilience	-	560,735	(86,937)	-	-	473,798
Carbon Storage Evaluation	-	1,251	(686)	-	-	565
Ghana						
Daka River Restoration 2	68,767	-	-	-	(68,767)	-
Daka River Restoration 3	(70,934)	225,149	(290,694)	-	34,550	(101,929)
Treedom: West Gonja	17,148	-	(317)	-	(16,831)	-
Ghana Rural Agriculture and Cashew Enterprises	2,681	128,604	(151,270)	-	19,985	-
Grow Hope	(22,495)	22,749	(2,685)	-	2,431	-
Northern Ghana Integrated Development	47,650	209,313	(150,813)	-	-	106,150
Shea Parkland Management	757	700	-	-	(1,457)	-
Bongo Reforestation	43,089	57,834	(65,578)	-	-	35,345
Yendi Tree Enrichment	-	59,514	(36,601)	-	51,048	73,961
Carbon Study Bongo	-	20,144	(24,112)	-	3,968	-
Ethiopia						
Sustainable Livelihoods and Ecosystems	13,170	-	25,266	-	(38,436)	-
Initiative for Sustainable Landscapes	-	(2,467)	-	-	2,467	-
Frankincense: North Gondar 1	20,000	-	(20,081)	-	-	(81)
Frankincense: North Gondar 2	-	15,222	(21,668)	-	23,875	17,429
Metema PFM development	-	-	(16,292)	-	13,486	(2,806)
Community Resilience and Ecosystem Restoration	-	28,853	(25,091)	-	-	3,762
Mali						
Regreening Nonkon and Nossombougou	-	54,403	(54,403)	-	-	-

	Opening balance £	Income £	Expenditure £	Investment & other gains £	Transfers £	Closing balance £
Regreening Koulikoro	11,450	24,000	(45,174)	-	-	(9,724)
Strengthening Forest Management	-	600	-	-	-	600
Empowering Women in Rural Mali	-	79,128	(79,128)	-	-	-
Growing the Great Green Wall in Koulikoro	105,905	79,439	(76,177)	-	-	109,167
Forest Governance Segou	-	35,924	(17,673)	-	-	18,251
She Grows Expansion	-	64,849	(4,985)	-	-	59,864
Olympic Forest	-	379,897	(203,689)	-	-	176,208
Niger						
Rehabilitation of Park W: Tamou	19,667	29,052	(46,614)	-	-	2,105
Rehabilitation of Park W: Dosso	124,174	-	(119,864)	-	-	4,310
Project fund	78,786	-	-	-	-	78,786
Development fund	14,972	6,000	(1,064)	-	1,457	21,365
Total restricted funds	3,238,540	4,998,940	(5,802,484)	-	37,078	2,472,074
Unrestricted funds						
Designated funds						
Woodland Investment Reserve	400,000	-	-	-	-	400,000
Covid-19 Reserve	287,822	-	-	-	(287,822)	-
Fixed Asset Reserve	23,247	-	-	-	(6,645)	16,602
Driving Forward our Strategy	50,000	-	(36,587)	-	100,000	113,413
Evidencing the Impact of our Work	200,000	-	(93,889)	-	250,000	356,111
Investment in M&E Systems and Equipment	100,000	-	(6,540)	-	50,000	143,460
Long-Term Sustainable Funding	226,691	-	(120,043)	-	300,000	406,648
Managing Risk	100,000	-	-	-	(19,985)	80,015
Investment in Infrastructure	50,000	-	(3,654)	-	-	46,346
Total designated funds	1,437,760	-	(260,713)	-	385,548	1,562,595
General reserves	1,281,290	1,739,275	(1,133,809)	87,274	(422,626)	1,551,404
Total unrestricted funds	2,719,050	1,739,275	(1,394,522)	87,274	(37,078)	3,113,999
Total funds	5,957,590	6,738,215	(7,197,006)	87,274	-	5,586,073

LEGAL AND ADMINISTRATIVE DETAILS

33. Prior year: analysis of net assets between funds – Group (restated)

	Restricted funds £	Designated funds £	Unrestricted funds £	Total 2022 £
Tangible fixed assets	-	16,602	-	16,602
Investments	-	400,000	967,127	1,367,127
Cash at bank and short-term investments	1,614,230	1,145,993	1,218,845	3,979,068
Debtors	905,794	-	23,340	929,134
Creditors falling due within one year	(47,950)	-	(657,908)	(705,858)
Total	2,472,074	1,562,595	1,551,404	5,586,073

Prior year: analysis of net assets between funds – Charity

	Restricted funds £	Designated funds £	Unrestricted funds £	Total 2022 £
Tangible fixed assets	-	1,275	-	1,275
Investments	-	400,000	967,129	1,367,129
Cash at bank and short-term investments	1,658,634	1,161,320	273,942	3,093,896
Debtors	106,790	-	144,690	251,480
Creditors falling due within one year	(47,950)	-	(305,428)	(353,378)
Total	1,717,474	1,562,595	1,080,333	4,360,402

34. Prior Year Adjustment – Group

In accordance with Charity SORP, the unspent amounts on performance-related grants that are within the control of the charity are to be recognised as restricted funds. 2021/22 comparatives have therefore been adjusted accordingly to reflect this. The adjustment has impacted funds and results for the prior year as follows:

	Restricted funds 1 April 2021 £	Unrestricted funds 1 April 2021 £	Total 1 April 2021 £
Impact on Reserves			
Funds previously reported on	296,384	2,719,050	3,015,434
Prior year adjustment: Income recognition	2,942,156	-	2,942,156
Restated funds balance	3,238,540	2,719,050	5,957,590
	1 April 2022 £	1 April 2022 £	1 April 2022 £
Funds previously reported on	485,356	3,113,999	3,599,355
Prior year adjustment: Income recognition	1,986,718	-	1,986,718
Restated funds balance	2,472,074	3,113,999	5,586,073

	Restricted income 2021/22 £	Unrestricted income 2021/22 £	Total 2021/22 £
Impact on Income			
Income previously reported on	5,954,378	1,739,275	7,693,653
Prior year adjustment: Income recognition	(955,438)	-	(955,438)
Income Restated	4,998,940	1,739,275	6,738,215

Legal status

Tree Aid is an incorporated company limited by guarantee, no. 03779545, and a registered charity, no. 1135156.

Trustees

Shireen Chambers MBE ³	Chair
Hilary Allison	Vice Chair
Tristram Hilborn ¹	
Judith Twentyman ²	
Trevor Reaney ³	(resigned 14 July 2022)
Alex Rees ⁴	(resigned 14 July 2022)
Elizabeth Davis ^{1,3}	
Nick Pride ²	
Philip Songhurst-Thonet ¹	
Alexander Simuyandi ³	
Mairi Tejani	(resigned 22 September 2022)

¹ Member of the Finance and Audit Committee

² Member of the Fundraising Standards Committee

³ Member of the People Committee

⁴ Member of the Programmes Advisory Group

Senior Management Team

Tom Skirrow	Chief Executive
Georges Bazongo	Director of Programmes
Ben Sheahan	Director of Finance and Resources
Sally Airey	Director of Communications and Fundraising (appointed 11 April 2023)
Melanie Knight	Director of Fundraising and Communications (resigned 22 August 2022)

Registered office and principal office address

Brunswick Court, Brunswick Square, Bristol, BS2 8PE

Advisors

Bank

NatWest plc, 3 Temple Back East, Temple Quay, Bristol, BS1 9BW

Auditor

Sayer Vincent LLP, Invicta House, 108-114 Golden Lane, London, EC1Y 0TL

THANK YOU

On behalf of the 905,430 people we supported in the drylands of Africa in 2022/23, we would like to thank the corporate supporters, trusts, foundations, institutions and individuals who made our work possible. We are extremely grateful for your support.

Thank you to our funders, including:

2000Trees	Netcetera	The Henry C. Hoare Charitable Trust
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Action Aid	Nova Tissue	The Hon ML Astors Discretionary Trust 1969
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Helen Fletcher Trust	The Dutch Water Authorities	United Nation Convention to Combat Desertification (UNCCD)
IDH – The Sustainable Trade Initiative	The Evan Cornish Foundation	United Nations Development Programme (UNDP)
International Olympic Committee (IOC)	The Frays Charitable Trust	Vera Moda
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SPOTLIGHT ON OUR FUNDING PARTNERS

Sida

Sida is Sweden's government agency for development cooperation, striving to reduce poverty and oppression around the world. In cooperation with organisations, government agencies and the private sector, SIDA invests in sustainable development for all people.

Sida funds our Protecting Forests project in Burkina Faso.



International Olympic Committee

Sustainability is a central element of the IOC's strategic roadmap Olympic Agenda 2020+5. Olympic Forest is part of the IOC's climate commitment, which includes cutting emissions 30% by 2024 and 50% by 2030, in line with the Paris Agreement, removing more than the remaining emissions from the atmosphere, and using the organisation's influence to help make sport more sustainable.

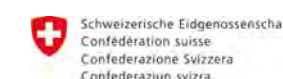
The IOC funds our Growing the Olympic Forest project in Mali and Senegal.



Swiss Development & Cooperation

Switzerland's international cooperation strategy is a foreign policy instrument that is rooted in the Federal Constitution. Its purpose is to alleviate need and poverty around the world, to foster respect for human rights, to promote democracy and to conserve the environment.

SDC funds our Growing Food and Incomes project in Burkina Faso.



AGRA

AGRA is a farmer-centred, African-led and partnerships-driven institution that is transforming Africa's smallholder farming from a solitary struggle to survive to businesses that thrive. AGRA's vision is to contribute to a food system-inspired inclusive agricultural transformation across Africa, to reduce hunger, improve nutrition, and adapt to climate.

AGRA funds our Growing Resilience with Smallholder Farmers project in Burkina Faso.



Patrons

The Trustees would like to express their thanks to Tree Aid's patrons, Joanna Lumley DBE FRGS, Zoë Wanamaker CBE, Adjoa Andoh and Hilary Benn MP, for the time and support that they have given during the year.

Staff and volunteers

The Trustees recognise the huge and ongoing contribution made by staff in our offices in Addis Ababa, Bamako, Bristol, Niamey, Ouagadougou and Tamale, and in particular those staff working directly with our programme participants. We extend our gratitude to them all and acknowledge their energetic commitment to Tree Aid's mission, values and programmes.

The Trustees are also extremely grateful to the volunteers who donated their time to Tree Aid during the year, who have assisted in office-based administration and other support.





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England, no. 03779545 at
Brunswick Court, Brunswick
Square, Bristol, BS2 8PE.