



TREE AID

ANNUAL REPORT AND CONSOLIDATED ACCOUNTS

Year ended 31 March 2019

TREE AID - a company limited by guarantee

Charity No. 1135156

Company No. 03779545

• In Africa, trees mean life •

Contents

Report from the Chair of the Board.....	2
Strategic Review.....	3
Achievements and Performance	5
Structure, Governance and Management	9
Financial Review.....	14
Our Future	18
Statement of the Trustees' Responsibilities	19
Independent Auditor's Report to the Members and Trustees of TREE AID.....	21
Consolidated Statement of Financial Activities	25
Consolidated and Charity Balance Sheets	26
Consolidated Statement of Cash Flows	27
Notes to the Accounts.....	28
Legal and Administrative Details	55
Thank you.....	56

TREE AID's Board of Trustees (the Board) is pleased to present the Annual Report and audited Consolidated Financial Statements for the year ended 31 March 2019.

Report from the Chair of the Board

In this past year TREE AID has planted and regenerated 2.1 million trees, our highest ever, and reached nearly half a million people in the drylands of Burkina Faso, Niger, Mali, Ghana and Ethiopia. Our programmes have helped local communities sustainably manage 59,479 hectares of forests and parkland while nearly doubling household income through village tree enterprises.

The climate emergency, characterised in the drylands of Africa by changing and unpredictable weather patterns, is already having an impact on people's livelihoods. Increasing frequency and duration of droughts and floods is making it harder than ever for farmers to grow enough food and make a living. As a result forests have been cleared to grow crops and overgrazing has degraded productive parkland. Communities find themselves caught in a vicious circle of poverty, deforestation and environmental decline.

But it doesn't have to be this way, TREE AID is working alongside these communities to find practical solutions that increase the number of trees and restore degraded land. We are growing our programmes and we are determined in our efforts. Your support is needed now more than ever.

Alongside our annual accounts, in this report we update you on Growing Hope, our 2017-22 strategic plan, and the impact of our programmes in 2018/19, illustrated by project case studies that demonstrate our unique approach. We also provide details of our fundraising activity.

We hope you enjoy reading this report and finding out more about the impact we have achieved in 2018/19. The scaling up of our activities has only been possible due to dedicated and committed staff both in the UK and in Africa, and our ability to deliver impact is only possible because of the generous support of our donors.



Shireen Chambers MBE
Chair of the Board of Trustees

Strategic Review

Our Strategy

Our Strategy, Growing Hope, covers the period from 2017/22. Our mission is to enable people living in the drylands of Africa to unlock the potential of trees to reduce poverty and protect the environment. Our vision is to have thriving communities across the drylands of Africa where trees sustain livelihoods and enrich the environment.

By 2022 we aim to have helped 2.5 million people, to have planted or regenerated over eight million trees and restored over 250,000 hectares of degraded land. We will only be able to do this by sustaining and building the value of donations from individuals and businesses and increasingly from international development agencies.

In line with this Strategy, our objectives for 2018/19 were to:

- Improve income and nutrition for poor households;
- Protect and restore tree cover and improve resilience to climate change; and
- Influence decision-makers, policy and practice.

We have had significant success over the last twelve months which we are proud and excited to lay out in this annual report: we have planted more trees than ever before, reached more people and had considerable success in attracting development funds as we are seen as a trusted partner who delivers for the poorest and most vulnerable.

A global crisis – TREE AID's contribution to the solution

There has never been a more critical time as our world is facing rapidly changing human and environmental challenges. Climate change, conflict, population growth and migration, when taken together, present complex challenges and risks to the lives and wellbeing of millions of families. The good news is that there is a spirit of co-operation and a call to action set out in the Sustainable Development Goals¹. Trees and forests have a vital role to play in achieving these Development Goals; increasing the resilience of communities and landscapes in the face of climate change, encouraging bio-diversity, protecting against water and wind erosion and providing livelihoods and nutrition for some of the poorest people in Africa.

The people of the drylands of Africa rely heavily on natural resources through farming for their survival, which, when compounded by growing populations, poor access to technology and unsustainable production practices, contribute to land

¹ Transforming our World: the 2030 Agenda for Sustainable Development. United Nations General Assembly, September 2015.

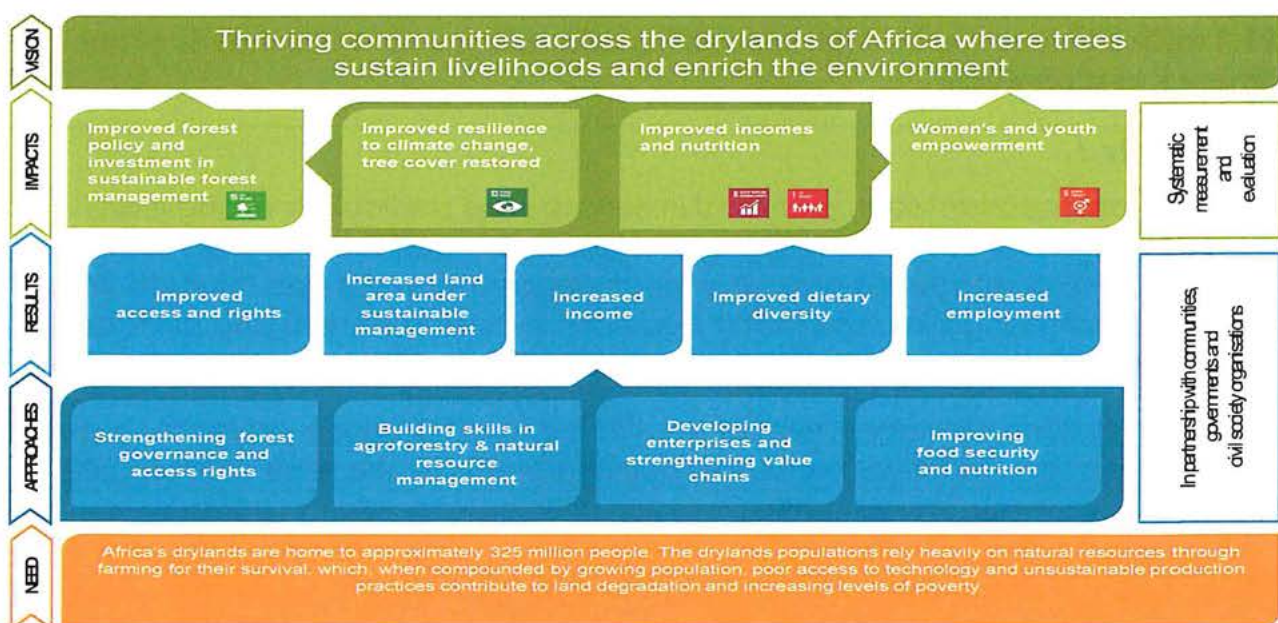
degradation and increasing levels of poverty. TREE AID empowers rural communities to make the most of the tree resources available to them. We help them build the knowledge and skills necessary to manage trees and forests effectively in order to achieve higher incomes, deliver improvements in their environment, create additional sources of food, and become more resilient to unpredictable weather patterns.

We bridge the gap between policy and practice, and work with both government and communities to develop and implement good forest governance that secures access and rights to tree resources for rural communities. We work through local partners, who understand local challenges. Our expert staff offer practical knowledge and policy solutions that support the sustainable use and management of trees and forests.

TREE AID's work focuses on four interconnected themes that work together to bring about social, economic and environmental changes:

- **Enterprise development and trade** – supporting communities to link with markets and achieve the best price for the tree products they sell.
- **Agroforestry and natural resource management** – sustainably using resources such as trees, land and water to enable communities to develop while protecting the environment.
- **Forest governance** – ensuring communities have access to and rights to use the trees that they rely on for their survival.
- **Food security and nutrition** – using trees to improve resilience and, through education, changing behaviour to encourage dietary diversification by consumption of fruit, seeds, nuts and leaves as part of a healthy diet.

The pathway between our approach, the impact of our work and its contribution to the broader Sustainable Development Goals and our vision is presented below.



We continue to work in Burkina Faso, Ethiopia, Ghana, Mali and Niger with communities where there are few resources, where people rely on small plots of land to grow food to eat and sell. Often the most vulnerable use produce from trees to supplement their diet and provide extra income.

The governments of Burkina Faso, Ethiopia, Ghana, Mali and Niger are embracing the forest focus. As part of the African Union, they have made significant progress since the approval of the Great Green Wall Sahara and Sahel Initiative in 2005 and are some of the many countries currently signed up to it². The Great Green Wall initiative has grown in scope, trees have been planted and the wall of trees concept has become a vehicle for a wider goal; countries in the region working together to tackle climate change, food security, and economic growth.

TREE AID's 2017/22 Strategy builds on these developments, setting out clearly how TREE AID's programmes contribute to achieving core elements within these wider goals, reducing poverty, and protecting the environment within our beneficiary communities.

Achievements and Performance

During 2018/19 TREE AID made strong progress against the objectives set out in our Strategy, Growing Hope and our annual operational plan.

Growing Incomes

Objective 1: Improve income and nutrition for poor households.

Our strategic target is to reach 15,000 members of village tree enterprises. In 2018/19 229 new groups have been formed and we are well ahead of target with 12,000 members (81% of target). These enterprises have generated an estimated £1.3 million in revenue through processing and selling over 1,200 tonnes of non-timber forest products.

Case Study 1

Trees are an important source of food in Burkina Faso particularly during lean periods when families rely on foraging to supplement grain stocks. Trees provide nuts, fruit, leaves and seeds providing much needed vitamins and minerals. Tree foods are increasingly in demand for purchase in Burkina's towns and cities as people migrate from rural to urban centres for work.

TREE AID set up the Enhancement of non-timber forest products project to increase availability of tree foods for household nutrition and sale. We have planted 200

² <http://www.greatgreenwall.org/great-green-wall/>: Algeria, **Burkina Faso**, Benin, Chad, Cape Verde, Djibouti, Egypt, Eritrea, **Ethiopia**, Lybia, **Mali**, Mauritania, **Niger**, Nigeria, Senegal, Somalia, Sudan, The Gambia and Tunisia.

Case Study 1 (continued)

nutrition gardens, trained 160 new enterprise groups and constructed 5 kiosks in towns to help promote and sell produce. As the project progresses over the next two years we will continue to work with these enterprises to raise their business skills and maximise their income from non-timber forest products.

Case Study 2

Securing access and rights to use tree resources available on communal land has been a challenge in Burkina Faso and a disincentive to protect and conserve forest land. TREE AID has been working with the Ministry of Environment to decentralise and legally pass control for the management of communal forests to villages in eight communes. Over the last three years we have helped villagers set up village tree enterprise groups to better use their forest resources as a sustainable source of income.

By 2018/19 we had supported 232 enterprises through this project and this year evaluated the impact of our approach on household income. On average, households that have joined a village tree enterprise group earned 37% more than non-members and the proportion of income from non-timber forest products had risen by 300%.

Growing Trees

Objective 2: Protect and restore tree cover and improve resilience to climate change.

Our strategic target is to plant or regenerate over eight million trees. In 2018/19 we had our best year ever, planting or regenerating over 2.1 million trees (bringing us to 37% of our five-year Strategic target) and we placed over 60,000 hectares of land under sustainable management.

Much of our planting last year relates to our ambitious projects in Ghana and Ethiopia to protect and restore river banks and conserve water.

Case Study 3

The Daka river is an important source of water for farming and livestock in Yendi district, northern Ghana. As a result of deforestation, significant erosion of the river banks has led to siltation of the river bed, a reduction in water flow and a drop in the water table. The Daka is a seasonal river that was once a regular source of vital water for communities but now it is completely dried out for a large part of the year. This year we partnered with the local community, the Forestry Commission of Ghana and the search engine, Ecosia, to fully restore fifty-three kilometres of the bank of the river with an intensive programme of tree planting and regeneration.

Case Study 3 (continued)

The project worked closely with the local community, delivering training in tree planting and care, assisted natural regeneration, and bushfire management, and provided seedlings and tools. With substantial effort from the TREE AID project team and local community, this year we were able to grow over 1 million trees along river banks and we will expand further along the river banks next year.

Growing Influence**Objective 3: Influence-decision makers, policy and practice**

Our strategic intent is to work at the international, national and local levels to ensure policy makers and practitioners can learn from our work and implement approaches which enable communities in the drylands of Africa to thrive. We are doing this through implementing high quality research projects and presenting our results at key international and national conferences. In 2018/19 we:

- **presented our forest governance work at the United Nations Climate Change Conference, COP24, in Poland;**
- **promoted the essential role of civil society in achieving the Great Green Wall Initiative to the African Union; and**
- **demonstrated the success of village tree enterprises at the Forest Livelihood Assessment Research and Evaluation conference and at a peer group conference at Wageningen University.**

Our ability to present authoritatively is backed up by research and rigorous monitoring and evaluation. This year we completed two research programmes The West Africa Forest Farm Interface and Shea Tree Productivity and Population Restoration.

Case Study 4

The West Africa Forest Farm Interface research in conjunction with the Centre for International Forestry Research (CIFOR) enabled communities in Ghana and Burkina to self-assess their needs and self-identify better sustainable land management practice. The outcomes have been shared with local and national governments to assist with planning.

Case Study 5

Shea trees are an important source of income for poor families in West Africa. Shea butter continues to grow in demand internationally for its use as an ingredient in cosmetics and the food industry, which has led to demand for higher quantities and improved quality. Our Shea research project tested a variety of methods of shea propagation and orchard management practice to improve yields. Following this research, we will incorporate findings into our community training to share best practice.

People

During 2018/19 we continued to manage for high performance across all our teams, supporting staff to develop and grow in their roles. We strengthened cross-team working between our programmes in Africa to support learning and continuous improvement across our country programmes and have improved our human resource support across the organisation through training and more accessible policies and procedures. We also strengthened our safeguarding procedures, applying them to the partners who we work with, and we ensured that all staff are fully trained and comply with our safeguarding procedures.

Systems and Processes

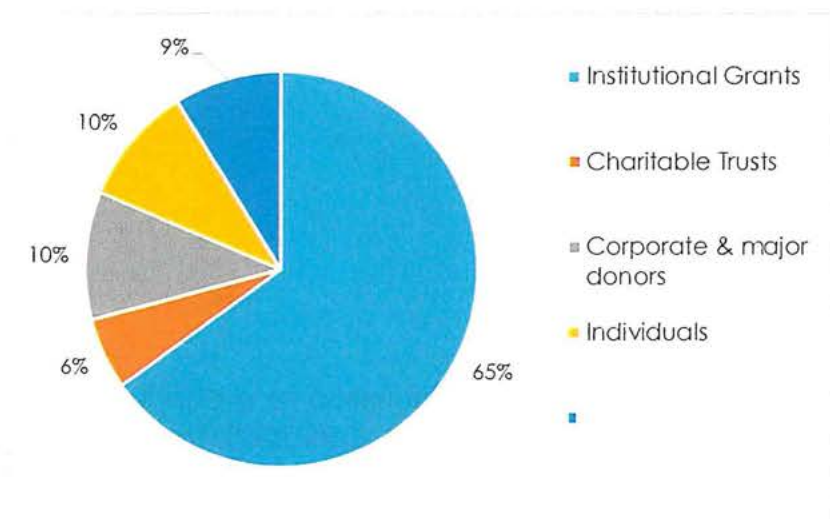
We made progress in 2018/19 in further developing our monitoring and evaluation capability, embedding standardised systems across our programmes. Early in the year we completed a thorough review of our compliance with the EU General Data Protection Regulation and continue to monitor our performance in this area. We made progress in implementing our new cloud-based finance system in West Africa and the implementation was completed soon after the year-end.

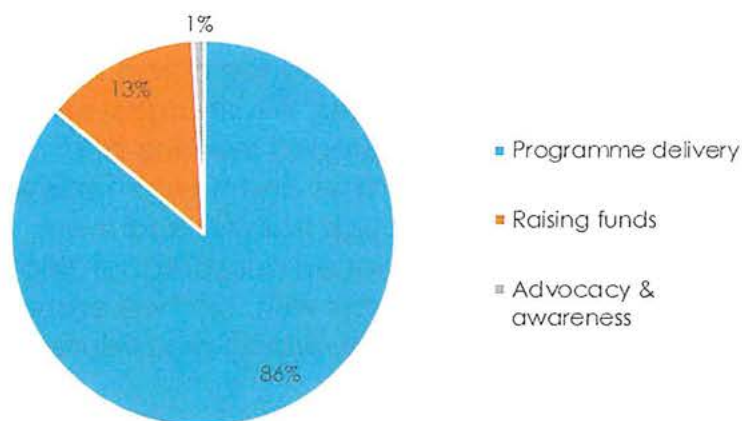
Funding

We continued to seek opportunities for long-term partnerships with grant-making institutions and trusts to expand our programmes and to work with our supporter-base to promote TREE AID's work in the United Kingdom.

In 2018/19 TREE AID's income grew to £5.7 million from £3.3 million in the previous year, driven by a significant increase in institutional and other sources of funding.

We continue to invest as planned to deliver sustainable growth in TREE AID's programmes. Our aim is to achieve a step-change in TREE AID's scale and impact for the future and this has started to show in TREE AID's results.





Total expenditure increased to £5.2 million in 2018/19 compared to £3.7 million in the previous year, an increase of 42% compared to 2017/18. Expenditure on programme delivery increased by 54% from the previous year to £4.5 million as project delivery accelerated. Fundraising expenditure remained at the same level as in 2017/18 at £0.7 million.

Structure, Governance and Management

TREE AID as a charity and a company has specific responsibilities that we are required to scrutinise and report on annually. The Trustees are focussed on good governance and in 2018/19 we reviewed:

- Articles of Association
- Board effectiveness
- Charity Governance Code
- Safeguarding policy and practice
- Code of fundraising practice

And on a regular basis Trustees review:

- Operational programmes
- Financial performance
- Risks to the organisation

Legal Structure

TREE AID was established as a charity in 1987 and incorporated as a charitable company, limited by guarantee, in the United Kingdom, in April 2010. The Company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. During the year the Board undertook a review of TREE AID's

Articles of Association with the aim of bringing them up-to-date. This review had been completed at the year-end and new Articles of Association have been submitted to the Charity Commission for approval.

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 United Kingdom, TREE AID Enterprises Limited, a company limited by shares, was the holding company for TREE AID Enterprises sa, a company incorporated in Burkina Faso. TREE AID Enterprises sa was wound up during the year and TREE AID Enterprises Limited is in the process of being made dormant.

Organisational Structure

The **Board of Trustees** ensures that TREE AID is governed effectively and responsibly. The Board is collectively responsible for TREE AID delivering its charitable objectives and for ensuring that the organisation is governed in accordance with its Memorandum and Articles of Association. The Board meets quarterly and at 31 March 2019, there were nine Trustees. Each Trustee is also a director of the Company for the purposes of company law. A list of Trustees is given on page 55.

TREE AID recognises that a healthy Board is one which identifies the mix of skills, knowledge and experience necessary for the efficient and effective governance of the Charity and ensures that the recruitment and appointment of Trustees provides adequate opportunities for reassessing and achieving that mix. TREE AID is fully committed to ensuring equality of opportunity and diversity in the governance of the Charity. Trustees are recruited to ensure that the Board has the knowledge and skills required to achieve the organisation's mission and uphold its 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 courses are made available.

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

In line with the Articles of Association, the Board delegates certain of its functions to sub-committees under terms of reference approved by the Board. These sub-committees report to the Board at each Board meeting. There are three sub-committees of the Board and an advisory group:

The **Finance and Audit Committee** deals primarily with financial, audit and administrative matters. The Finance and Audit Committee is chaired by the

Treasurer and includes three other Trustees with finance, administrative and business experience.

The **Fundraising Standards Committee** reports to the Board on fundraising standards, compliance with regulation and risk in relation to fundraising standards. The Fundraising Standards Committee is chaired by a member of the Board with Fundraising expertise and includes two other Trustees with fundraising or marketing experience.

The **Nominations and Remuneration Committee** is responsible for making recommendations regarding Board composition and supporting the Chief Executive Officer in identifying and recruiting for Board and Senior Management Team vacancies. In addition, this sub-committee reviews remuneration for senior staff and ensures that safeguarding and human resource policies are reviewed and regularly updated. The Nominations and Remuneration Committee is chaired by the Chair of the Board and includes two other Trustees with Human Resources experience.

The **Programmes Advisory Group** provides expert advice and support to the operations team and trustees and acts as a critical friend to support continuous improvement in programming. The group is chaired by a trustee, other members are co-opted for their relevant skills and experience.

The **Chief Executive** is appointed by the Board to manage the day to day running of the Charity under powers delegated to the position by the Board and, working closely with the Chair of the Board, leads the Senior Management Team to ensure that 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 & Resources, and Director of Fundraising & Communications.

Related parties

All Trustees give their time freely and none receive remuneration or other benefit from their work with the Charity. Any contractual relationship between a Trustee or senior manager of the Charity or its subsidiaries and a related party must be disclosed to the Board of Trustees. TREE AID has 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 £2,559 (2018: £2,456). Please see note 25 to the Accounts for full details of related party transactions during the year.

Loans outstanding to the Charity's wholly owned subsidiary TREE AID Enterprises sa, which had been fully provided against in prior years, were written off in the year as part of the winding up of TREE AID Enterprises sa (see note 25 to the Accounts).

Remuneration policy for senior staff

The Board of Trustees and the Senior Management Team comprise the key management personnel of the Charity responsible for directing, controlling, running and operating the Charity on a day-to-day basis. Details of Trustees' expenses and related party transactions are disclosed in notes 13 and 25 to the Accounts.

The remuneration of staff is reviewed annually by the Board of Trustees, benchmarking salaries using the NCVO-approved Voluntary Sector Salary Survey with the aim of offering salaries that are competitive when compared to those offered by similar voluntary sector organisations.

We publish the remuneration of Key Management Personnel in note 12 to the Accounts.

Risk management

The Board identifies and reviews the strategic, business and operational risks to which the Charity is exposed, and ensures that appropriate controls are in place to provide reasonable assurance against fraud and error. The Board and the Senior Management Team undertake an annual assessment of the risks facing the organisation. This assessment process produces a risk register, which assigns management of these risks to specific individuals and recommends actions to be taken to mitigate them.

The Board has identified the following risks and has put in place mitigation plans which it monitors on a regular basis:

- The United Kingdom leaving the European Union and the impact of this on TREE AID's institutional funding: TREE AID monitors closely exposure to direct EU funding and holds funds in multiple currencies to mitigate exposure to related exchange risk.
- Political unrest and insecurity in the areas of operation: business continuity plans for each country to ensure continuity of the programme where possible. Local knowledge is supplemented by Foreign & Commonwealth Office security alerts.
- Management of delivery of the programme: performance management systems and benchmarking of remuneration are in place to attract and retain key staff; investment is made in staff capacity to plan, monitor and review projects effectively.
- Implementation of safeguarding policy: staff trained in safeguarding policy and procedures. Adherence to policy mandatory in partner contracts. Policy and approach reviewed by the Board of Trustees and additional measures implemented where appropriate.

TREE AID has reviewed its performance against the Charity Governance Code to assist Trustees in assessing the degree to which the Code is being applied and where further work is required. This included a detailed review of Board

effectiveness. In addition, during 2018/19 Trustees reviewed TREE AID's internal controls against the Charity Commission Internal Financial Controls Checklist (CC8), and concluded that, where applicable, internal control processes were in place in line with the Checklist. The Board will continue to monitor performance against the Code and take action as appropriate.

Focus to ensure that our activities achieve our charitable aims

The objectives of the Charity, as set out in its Memorandum, are to benefit the public through:

1. 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.
2. 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 reviews the aims, objectives and activities of the Charity regularly and summarises the Charity's achievements and outcomes in this report. This review helps the Board ensure that the Charity's aims, objectives and activities remain focused on its 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.

Fundraising

TREE AID would not be able to carry out its important work without the support of our donors. We therefore seek to maintain the highest possible standards in fundraising and relationships with our supporters. 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 no complaints via the Fundraising Regulator or Charity Commission in 2018/19. We are also registered with the Fundraising Preference Service and have had two donors opt out of communications via the Fundraising Preference Service (three 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 fundraising, including plans, performance and compliance. We produce annual plans and reviews, and monitor performance against targets monthly and performance indicators quarterly. Some fundraising activities are delivered with the support of professional fundraising organisations. We ensure these organisations are fully compliant with fundraising regulation and with our own

policies. We have clauses built in to all of our supplier contracts which ensure high standards of supporter care, data protection and working with vulnerable people. Supporter experience is important to us and we take pride in providing excellent supporter care. During 2018/19 we received a total of fifteen complaints relating to fundraising. These were responded to promptly and resolved in line with donors' preferences.

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, the 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 55 forms part of this report.

Income and expenditure

Income from individual donations, legacies, corporate donors and charitable trusts increased to £2.0 million compared to £1.2 million in 2017/18 and grants from institutions increased from £2.1 million to £3.7 million. The growth in institutional income came mainly from significant funding for three projects in Burkina Faso: the Swedish International Development Cooperation Agency funded Forest Governance scale-up, the Swiss Agency for Development and Cooperation funded Enhancement of Non-Timber Forest Products project, and the World Agroforestry Centre funded Drylands Development project.

To help manage exposure to currency fluctuations, we continued to carry a proportion of West Africa funding received in the United Kingdom in Euros and this will continue in the next financial year.

In view of the strength of the balance sheet the Charity's financial position at the year-end was satisfactory.

Income

The principal funding sources were from institutional grants, individuals, companies and charitable trusts.

Income (continued)	2018/19	2017/18
	£	£
Institutional grants	3,707,539	2,088,586
Charitable trusts	333,718	176,165
Corporate and major donors	596,886	462,723
Individuals	558,740	504,548
Legacies	504,926	56,853
Donations and legacies	5,701,809	3,288,875
Investment & other income	10,582	16,953
Total income	5,712,391	3,305,828

Income increased significantly year-on-year, primarily through institutional grants. Corporate income increased due to a grant from a new partner, Ecosia. Income from individuals and legacies was higher than the previous year largely due to the receipt of a legacy gift of woodland. Income from charitable trusts was also higher than in the previous year. Overall, corporate income and income from trusts, individuals and legacies was ahead of fundraising targets set at the start of the year.

Expenditure

	2018/19	2017/18
	£	£
Raising funds	692,497	736,698
Programme delivery	4,466,465	2,910,054
Advocacy & awareness	47,531	22,021
Total resources expended	5,206,493	3,668,773

Cost of raising funds

To achieve future income growth, we continued to invest in supporter fundraising to bring in new supporters. The Trustees and the Senior Management Team are actively monitoring levels of activity and the return on investment. Overall, our cost of investment in raising funds remained at £0.7 million, the same as in the previous year. The cost of raising funds is an unrestricted fund expense, but raises both restricted and unrestricted income.

Charitable expenditure

Total expenditure on charitable activities, mainly comprising programme delivery and advocacy and awareness costs, was £4.5 million, higher than the previous year's £2.9 million by 54%.

TREE AID ran eighteen projects during the year (2017/18: 20) across the five countries of operation, including the three major projects in Burkina Faso.

Reserves

Total funds held by the Charity at the year-end were £2.4 million (Group: £2.5 million) of which £0.3 million (Group: £0.3 million) were restricted and not available for the general purposes of the Charity. TREE AID has identified the following primary reasons 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 the Charity, 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 2019/20 budget, the Group target was £1.1 million which compared to actual general reserves of £1.2 million at the year-end.

The Trustees decided to hold the following designated reserves against planned future expenditure as explained in Note 21 in the Accounts, in order to support strategic growth.

The designated reserve for **Improving the Quality of our Work** comprises planned expenditure of £0.1 million over the next two years contributing to the funding of operational leadership posts.

The designated reserve for **Growing Our Income** of £0.5 million represents our continued commitment to increasing our individual supporter base and fund supporter and institutional fundraising posts.

The designated reserve for **Improving our Ability to Generate Data, Evidence & Communication** had a balance of £0.1 million which contributes to spend on a learning and impact post.

In addition, two designated reserves have been set up to represent the carrying value of the **investment** in woodland, £0.3 million, and **fixed assets**, in order to separate these from general reserves.

As a result of better than budgeted fundraising income in 2018/19, the planned use of designated reserves was deferred to later years. A deficit budget has been set for 2019/20 and investment from designated funds will be used to meet that deficit.

Net movement in funds

There was a £0.1 million net inflow of restricted funds in 2018/19, leaving closing restricted funds at £0.3 million at the end of the year.

Unrestricted funds showed a surplus for the year of £0.4 million. After other gains general reserves increased by £0.2 million. At 31 March 2019, TREE AID's Group general reserves stood at £1.2 million.

Subsidiary companies

The 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 in the process of being made dormant. TREE AID Enterprises sa was wound up during the year and was struck off after the year-end.

Investment policy & objectives

TREE AID has adopted an ethical investment policy. This means that we seek to avoid investments that conflict with the aims of the Charity 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; and
- sensitivity towards the communities in which the 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 the investment objectives for the Charity 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

During 2018/19 TREE AID invested £0.2 million with Rathbone Greenbank, to be invested in line with the Investment policy. This was valued at £0.2 million at the year-end. The total return on the CCLA COIF Charities Ethical Investment Fund units held for 2018/19 was 12% with income being reinvested. This compared with a benchmark composite comparator for the year of 10% for global equities. In addition, TREE AID received a legacy gift of 25 hectares of woodland in Devon valued at £0.3 million which is being held as an investment.

Our Future

TREE AID has ambitious plans for the future to help address the human and environmental challenges caused by climate change, conflict, population growth and migration, affecting the future prospects of millions of families. We see new and positive opportunities for livelihoods, reforestation and sustainable land management emerging and our Strategy, Growing Hope, aims to build on these.

To support delivery of our Strategy, each year we develop operational plans that break our strategic outcomes into specific and timebound objectives and set out the key actions for TREE AID in the next year to ensure we achieve our strategic goals. We develop our annual objectives by functional team (programmes, fundraising, finance and resources) aligned to the strategic outcomes they support.

Strategic Outcome	Annual Objective 2019/20
Growing Incomes	<ul style="list-style-type: none"> • We will start a new project in Mali to support 1000 women to set up village tree enterprises in Shea and honey value chains. • We will start a new project in Ghana to support 3000 cashew farmers.
Growing Trees	<ul style="list-style-type: none"> • We will plant or regenerate over 2 million trees. • We will expand our riverine greening work along the Daka river in Ghana and the Meki river in Ethiopia. • We will expand our greening of degraded land work in Koulikoro, Mali. • We will scale up our successful nutrition garden approach piloted through the Enhancement of Non-Timber Forest Products project in Burkina Faso increasing nutritious tree nurseries and homestead planting. • We will expand our work in the National Park W, Niger to expand efforts to restore degraded land and reduce pressure on the Park's resources.
Growing Influence	<ul style="list-style-type: none"> • Scale up our Forest Governance work in Burkina Faso expanding from 8 to 21 districts.

	<ul style="list-style-type: none"> • Develop our GIS and satellite mapping capability to better monitor and evidence changes in biomass over time. • Develop a focused influencing plan to increase our engagement with the Great Green Wall initiative and promote community led reforestation.
Supporting Functions	
Fundraising	<ul style="list-style-type: none"> • We will run our first United Kingdom Aid Match appeal in support of our programme in Mali. We will significantly scale up our communications activity to support the appeal and aim to raise £250,000 during the appeal period (April – June 2019). • We will launch a major donor partnership programme to improve communication and connection between our major donors that have a particular interest in enterprise, regreening and food and nutrition. • We aim to recruit new corporate supporters to contribute significantly to our growth in fundraising during the year. • We also aim to recruit new donors and regular givers by testing a variety of new approaches to communicating with the public.
Finance and Resources	<ul style="list-style-type: none"> • We will increase our internal audit and compliance function to support our staff and partners to best manage increasingly complex donor contracts. • We will complete roll out of PS Financials to optimise efficiency and effectiveness in financial reporting • We will review and improve controls • We will support recruitment and staff development processes in West Africa and Ethiopia to ensure we have the best people to deliver our growing portfolio of projects.

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 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 taken, have each taken all steps that they are obliged to take as directors in order 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.

Crowe UK LLP has indicated its willingness to be reappointed as statutory auditor. TREE AID will put a forward a resolution proposing that Crowe UK LLP will be reappointed as auditor.

Approved by the Board of Trustees on 11 July 2019 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 for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the charitable company's affairs as at 31 March 2019 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 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 financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the charitable Company and their environment obtained in the course of the audit, we have not

identified material misstatements in the directors' report included within the Trustees' Report.

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

- the parent company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on pages 19 and 20, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

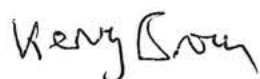
Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

expected to influence the economic decisions of users taken on the basis of these financial statements.

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



Kerry Brown

Senior Statutory Auditor

For and on behalf of

Crowe UK LLP

Statutory Auditor

Black Country House

Rounds Green Road

Oldbury

B69 2DG

Date: 5 August 2019

Crowe UK LLP is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Consolidated Statement of Financial Activities

(Incorporating an Income and Expenditure Account)

	Notes	Restricted Funds 2019 £	Unrestricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
INCOME FROM					
Donations and legacies	2	4,367,274	1,334,535	5,701,809	3,288,875
Charitable activities	3	-	-	-	993
Investment income	4	-	10,217	10,217	15,486
Other income	5	-	365	365	474
TOTAL		4,367,274	1,345,117	5,712,391	3,305,828
EXPENDITURE ON					
Raising funds	6	-	692,497	692,497	736,698
Charitable activities	7	4,243,277	270,719	4,513,996	2,932,075
TOTAL	8	4,243,277	963,216	5,206,493	3,668,773
Net gains on investments		-	54,975	54,975	20,277
NET INCOME / (EXPENDITURE)		123,997	436,876	560,873	(342,668)
Other recognised gains:					
Other gains		-	645	645	2,548
NET MOVEMENT IN FUNDS	10	123,997	437,521	561,518	(340,120)
RECONCILIATION OF FUNDS					
Total funds brought forward	21	151,073	1,761,643	1,912,716	2,252,836
Total funds carried forward	21	275,070	2,199,164	2,474,234	1,912,716

The notes on pages 28 to 54 form part of these financial statements.

Company number: 03779545

Consolidated and Charity Balance Sheets

	Notes	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
FIXED ASSETS					
Tangible fixed assets	16	11,375	22,890	-	1,006
Investments	17	1,007,946	462,971	1,007,946	462,971
Investment in subsidiaries	17	-	-	2	2
		1,019,321	485,861	1,007,948	463,979
CURRENT ASSETS					
Debtors	18	320,137	485,783	100,807	270,141
Short-term investments	19	517,130	693,546	517,130	693,546
Cash at bank and in hand		1,211,343	2,007,028	1,062,194	1,545,728
		2,048,610	3,186,357	1,680,131	2,509,415
CURRENT LIABILITIES					
Creditors falling due within one year	20	(593,697)	(1,759,502)	(316,794)	(1,494,042)
		1,454,913	1,426,855	1,363,337	1,015,373
NET CURRENT ASSETS					
		1,454,913	1,426,855	1,363,337	1,015,373
NET ASSETS					
	22/31	2,474,234	1,912,716	2,371,285	1,479,352
FUNDS					
Restricted funds	21	275,070	151,073	260,818	150,839
Unrestricted funds					
Designated reserves	21	1,021,776	743,291	1,021,776	743,291
General reserves	21	1,177,388	1,018,352	1,088,691	585,222
Total unrestricted funds		2,199,164	1,761,643	2,110,467	1,328,513
Total funds	21	2,474,234	1,912,716	2,371,285	1,479,352

The Charity-only net income in the year was £891,933 (2018: net expenditure £582,538).

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 11 July 2019 and signed on their behalf by:



Judith Twentyman

Treasurer

The notes on pages 28 to 54 form part of these financial statements.

Consolidated Statement of Cash Flows

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Net cash (used in) / provided by operating activities	23	(779,126)	286,902
Cash flows from investing activities			
Dividends and interest from investments		10,217	15,486
Proceeds from sale of investments		-	14,209
Purchase of property, plant and equipment		(3,837)	(4,435)
Purchase of investments		(200,000)	-
Net cash (used in) / provided by investing activities		(193,620)	25,260
(Decrease) / increase in cash and cash equivalents in the reporting period		(972,746)	312,162
Cash and cash equivalents at the beginning of the reporting period		2,700,574	2,385,864
Increase in cash and cash equivalents due to exchange rate movements		645	2,548
Cash and cash equivalents at the end of the reporting period		1,728,473	2,700,574

The notes on pages 28 to 54 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 pages 19 and 20.

The Trustees have determined that there are no material uncertainties over the charitable company's ability to continue as a going concern.

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. TREE AID Enterprise sa has a financial year ending 31 December 2018.

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 sufficient 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 or where the donor has specified that the income is to be expended in a future period, 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. The cost of fundraising initiatives is recognised in the year in which it is 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 the programme, particularly those staff based in Africa, and the value of grants that have been made to implementing partners working on TREE AID's projects. TREE AID staff provide specialist support, training and networking for partner organisations, as well as undertaking the research required to develop our programme. The cost of grants is included in the statement of financial activities in the year they are payable.
- iii **Advocacy & 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 the 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 are incurred which are necessary to facilitate the above activities. These are back office costs, including the costs of budgetary and financial control, information technology, depreciation, human resources and payroll, and are apportioned to activities based on the proportion of staff time spent on each activity as shown in the table below.

Activity	Apportionment of support costs	
	2019	2018
Raising funds	31%	41%
Programme delivery	67%	57%
Advocacy & awareness	2%	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 & Fittings	25%
Africa Motor Vehicles	25%
Africa Fixtures & 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 deposits with notices greater than three months and less than twelve months.

l. Cash at bank and in hand

Cash at bank and in hand comprise cash deposits with notices 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 28). 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 2019	Total 2018
	£	£	£	£
Institutional grants	3,707,539	-	3,707,539	2,088,586
Charitable trusts	268,968	64,750	333,718	176,165
Corporate & major donors	389,767	207,119	596,886	462,723
Individuals	1,000	557,740	558,740	504,548
Legacies	-	504,926	504,926	56,853
Total	4,367,274	1,334,535	5,701,809	3,288,875

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 2019	Total 2018
		£	£
United Kingdom	Department for Environment, Food and Rural Affairs	157,416	78,013
Channel Islands	Jersey Overseas Aid	-	8,734
International	Swedish International Development Cooperation Agency	516,820	630,473
	Swiss Agency for Development & Co-operation	1,519,087	721,969
Total government grants		2,193,323	1,439,189

There were no unspent grant balances repayable in the year (2018: £nil).

3. Charitable activities

	Restricted Funds	Unrestricted Funds	Total 2019	Total 2018
	£	£	£	£
Contract services	-	-	-	993
Total	-	-	-	993

4. Investment income

	Restricted Funds	Unrestricted Funds	Total 2019	Total 2018
	£	£	£	£
Dividend income	-	789	789	128
Deposit account interest	-	9,428	9,428	15,358
Total	-	10,217	10,217	15,486

5. Other income

	Restricted Funds	Unrestricted Funds	Total 2019	Total 2018
	£	£	£	£
Sundry receipts	-	365	365	474
Total	-	365	365	474

6. Raising funds

	Delivery costs	Development costs	Support costs	Total 2019	Total 2018
	£	£	£	£	£
Supporter fundraising	461,148	5,209	142,784	609,141	664,674
Institutional fundraising	9,366	-	73,990	83,356	72,024
Total	470,514	5,209	216,774	692,497	736,698

7. Charitable activities

	Delivery costs £	Development costs £	Support costs £	Total 2019 £	Total 2018 £
Programme delivery	3,908,601	88,208	468,647	4,465,456	2,905,608
Social enterprise - trading	1,009	-	-	1,009	4,446
Advocacy & awareness	31,250	-	16,281	47,531	22,021
Total	3,940,860	88,208	484,928	4,513,996	2,932,075

8. Total expenditure

	Delivery costs £	Development costs £	Support costs £	Total 2019 £	Total 2018 £
Raising funds	470,514	5,209	216,774	692,497	736,698
Charitable activities	3,940,860	88,208	484,928	4,513,996	2,932,075
Total	4,411,374	93,417	701,702	5,206,493	3,668,773

The main components of support costs are:

	Total 2019 £	Total 2018 £
Office costs	451,990	389,742
Depreciation	15,352	26,193
Administration and support salaries	170,801	189,613
Governance costs	63,559	88,851
Total	701,702	694,399

9. 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 2019 £	Group 2018 £
Burkina Faso:		
Forest Governance Phase 2	576,918	269,934
Women's Forest Livelihoods Phase 2	-	23,166
Enhancement of Non-Timber Forest Products	381,651	98,867
Drylands Development	15,269	11,865
West Africa Farm Interface	6,495	-
Shea Research	3,412	7,542
	983,745	411,374
Ethiopia:		
Wof Washa Forest Sustainable Management	7,189	38,732
Initiative for Sustainable Landscapes Programme	3,079	-
Sustainable Livelihoods and Ecosystems	103,020	74,109
	113,288	112,841
Ghana:		
West Africa Forest Farm Interface	-	6,980
Grow Hope	29,807	-
	29,807	6,980
Mali:		
Regreening Samine and Sakoiba	15,772	23,859
Strengthening Forest Management	54,231	40,785
	70,003	64,644
Niger:		
Rehabilitation of the ecocsystem of National Park W Landscape	28,341	-
Village Tree Enterprise	(271)	-
	28,070	-
Total	1,224,913	595,839

Negative amounts (shown in brackets) represent grants repayable by partners to TREE AID.

10. Net movement in funds

This is stated after charging:

	Group 2019 £	Group 2018 £
Auditor's remuneration – audit	10,500	10,500
Auditor's remuneration - non-audit services	800	1,000
Depreciation of tangible fixed assets	15,352	26,193
Operating lease costs	27,267	30,719

11. Employee numbers and costs

The average monthly head count was 55 employees (2018: 52), the employment costs of which were:

	Group 2019 £	Group 2018 £
Wages and salaries	1,091,700	1,017,226
Social security costs	120,784	96,904
Pension costs	90,364	66,828
Total	1,302,848	1,180,958

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

	Group 2019 No	Group 2018 No
£70,000 to £79,999	1	1

TREE AID operates a defined contribution workplace pension scheme in the UK. 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.

12. Key management personnel

The key management personnel of the Charity and the Group comprise the Chief Executive, Director Operations, Director Finance & Resources and Director Fundraising & Communications. The total remuneration (including National Insurance and pension contributions) of the key management personnel was £267,286 (2018: £240,441).

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

	Group	Group
	2019	2018
	£	£
Chief Executive	83,180	82,377
Director Finance & Resources (0.7 FTE in 2017/18)	64,465	43,598
Director Fundraising & Communications (0.9 FTE to January 2019)	59,244	55,968
Director Operations	60,397	58,498

13. 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 (2018: £nil). No Trustee received payment for professional or other services supplied to the Charity (2018: £nil).

Directly incurred Trustee expenses borne by the Charity in the year totalled £3,670 (2018: £3,793), paid to 6 Trustees (2018: 7). Those expenses were for travel and subsistence. The total amount of donations received from Trustees without conditions was £1,562 (2018: £10,885).

14. Taxation

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

15. Gross income and results – Charity only

	2019	2018
	£	£
Income	3,872,431	2,309,585
Expenditure	(2,980,498)	(2,892,123)
Net Income / (Expenditure)	891,933	(582,538)

16. Tangible fixed assets - Group

	UK Fixtures & Fittings £	Africa Motor Vehicles £	Africa Fixtures & Fittings £	Total £
Cost				
At 1 April 2018	53,891	169,332	68,548	291,771
Additions	-	-	3,837	3,837
Project assets	-	49,526	4,886	54,412
At 31 March 2019	53,891	218,858	77,271	350,020
Depreciation				
At 1 April 2018	52,885	164,388	51,608	268,881
Charge for the year	1,006	3,150	11,196	15,352
Project assets	-	49,526	4,886	54,412
At 31 March 2019	53,891	217,064	67,690	338,645
Net book value				
At 31 March 2019	-	1,794	9,581	11,375
<i>At 31 March 2018</i>	<i>1,006</i>	<i>4,944</i>	<i>16,940</i>	<i>22,890</i>

Tangible fixed assets – Charity

	UK Fixtures & Fittings £	Total £
Cost		
At 1 April 2018	53,891	53,891
At 31 March 2019	53,891	53,891
Depreciation		
At 1 April 2018	52,885	52,885
Charge for the year	1,006	1,006
At 31 March 2019	53,891	53,891
Net book value		
At 31 March 2019	-	-
<i>At 31 March 2018</i>	<i>1,006</i>	<i>1,006</i>

17. Investments – market value

	COIF Charities Ethical Investment Fund £	Rathbone Greenbank Investments £	Investment in woodland £	Other unlisted investments £	Group & Charity Total 2019 £	Group & Charity Total 2018 £
Valuation						
At 1 April 2018	458,792	-	-	4,179	462,971	452,693
Additions at cost	-	200,000	290,000	-	490,000	-
Disposals	-	-	-	-	-	(9,999)
Revaluation	54,975	-	-	-	54,975	20,277
At 31 March 2019	513,767	200,000	290,000	4,179	1,007,946	462,971

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 investment in woodland was received by TREE AID under a gift of estate during the year. It was valued by Mr A Geddes of John Clegg & Co, Chartered Surveyors and Forestry Agents, on 30 November 2017.

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

Investment in subsidiaries – Charity

	2019 £	2018 £
Cost & net book value		
At 1 April 2018	2	2
At 31 March 2019	2	2

There are three subsidiaries:

• In Africa, trees mean life •

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 the trading subsidiary in the UK and was the holding company for a social enterprise entity in Burkina Faso (TREE AID Enterprises sa) which was wound up in the year.

	TREE AID Enterprises Ltd*	TREE AID Burkina Faso	TREE AID Ghana
Charity's shareholdings in subsidiaries	100%	100%	100%
	£	£	£
Balances at 31 March 2019			
Tangible Fixed Assets	-	7,592	3,783
Current Assets	-	350,078	18,401
Current Liabilities	(1,014)	(271,030)	(4,859)
Total funds	(1,014)	86,640	17,325

Results for the year to 31 March 2019

Income	3,156	3,056,669	251,640
Expenditure	-	(3,377,042)	(264,838)
Net income/(expenditure)	3,156	(320,373)	(13,198)

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

18. Debtors

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Amounts falling due within one year				
Tax recoverable (Gift Aid)	-	7,079	-	7,079
Trade debtors	98,740	354,620	17,980	5,534
Prepayments & accrued income	179,448	106,334	71,583	95,446
Other debtors	41,949	17,750	11,244	1,534
Amounts owed by group and associated undertakings	-	-	-	160,548
Total	320,137	485,783	100,807	270,141

19. Short-term investments

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Cash held on deposit	517,130	693,546	517,130	693,546

20. Creditors falling due within one year

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Project creditors	82,227	232,778	67,937	231,101
Other creditors	66,538	32,063	33,832	30,545
Accruals	26,824	29,219	16,307	25,258
Provisions for liabilities	56,471	37,441	8,619	8,619
Deferred income	311,684	1,378,864	161,563	1,171,911
Tax and social security	49,953	49,137	28,536	26,608
Total	593,697	1,759,502	316,794	1,494,042

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		Charity	
	2019	2018	2019	2018
	£	£	£	£
At 1 April 2018	37,441	29,356	8,619	7,044
Increase in provision	19,030	8,085	-	1,575
At 31 March 2019	56,471	37,441	8,619	8,619

Deferred income comprises:

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Shea Research	-	18,464	-	-
Drylands Development	-	174,737	-	-
Forest Governance Phase 2	89,842	983,980	89,842	983,980
Enhancement of NTFPs in Burkina Faso	150,121	13,752	-	-
Sustainable Livelihoods & Ecosystems	63,300	14,191	63,300	14,191
Strengthening Forest Management	8,091	14,653	8,091	14,653
Grow Hope	-	138,524	-	138,524
Daka River Restoration	-	20,563	-	20,563
Mali Regreening	330	-	330	-
Total	311,684	1,378,864	161,563	1,171,911

Deferred income relates to institutional and corporate grant income received in advance for work to be performed in the next financial year. In the Group, deferred income of £311,684 (2018: £1,378,864) arose in the year and £1,378,864 (2018: £755,175) brought forward from last year was utilised. In the Charity, deferred income of £161,563 (2018: £1,171,911) arose in the year and £1,171,911 (2018: £316,568) brought forward from last year was utilised.

21. Movements in funds - Group

	Opening balance	Income	Expenditure	Investment & other gains	Transfers	Closing Balance
	£	£	£	£	£	£
Restricted funds						
Building Biocarbon & Rural Development in West Africa*	228	-	(228)	-	-	-
Bongo River Trees	15,548	-	(1,296)	-	-	14,252
West Africa Forest Farm Interface (Burkina Faso)	-	79,415	(45,673)	-	(33,742)	-
West Africa Forest Farm Interface (Ghana)	-	-	(33,742)	-	33,742	-
Daka River Restoration 1	-	211,056	(207,262)	-	-	3,794
Daka River Restoration 2	-	57,000	(3,923)	-	-	53,077
Drylands Development	-	494,345	(494,345)	-	-	-
Enhancement of NTFPs	-	1,382,718	(1,382,718)	-	-	-
Forest Governance Phase 2	-	1,410,958	(1,410,958)	-	-	-
Forest Trade Association*	5	-	-	-	(5)	-
Ghana Non-Timber Forest Products Trade	(5,050)	-	663	-	4,387	-
Ghana Rural Agriculture and Cashew Enterprises	-	33,000	-	-	21,979	54,979
Ghana Village Tree Enterprise	8,360	-	-	-	(8,360)	-
Grow Hope Initiative for Sustainable Landscapes Programme	-	156,524	(154,867)	-	-	1,657
Kandema Rural Regeneration*	-	5,596	(5,596)	-	-	-
Regreening Samine and Sakoiba	4,387	-	-	-	(4,387)	-
Niger BRACED	-	47,048	(47,048)	-	-	-
Niger Village Tree Enterprise	-	3,658	(3,658)	-	-	-
Regreening Koulikoro	7,805	-	(7,805)	-	-	-
Regreening Segou	-	55,331	(2,254)	-	-	53,077
Rehabilitation of the ecosystem of the Park W landscape	725	-	(730)	-	5	-
Shea Research	-	100,873	(100,873)	-	-	-
Strengthening Forest Management	-	18,464	(18,464)	-	-	-
Sustainable Livelihoods and Ecosystems	-	130,521	(130,521)	-	-	-
Tree Foods Phase 1*	-	156,267	(156,267)	-	-	-
Tree Foods Phase 2	5,226	-	-	-	(5,226)	-
VTE Learning Study*	1,500	-	-	-	-	1,500
Wof Washa Forest Sustainable Management*	8,393	-	-	-	(8,393)	-
Project Fund	20,546	250	(17,604)	-	-	3,192
Development Fund	83,400	-	-	-	-	83,400
	-	24,250	(18,108)	-	-	6,142
Total restricted funds	151,073	4,367,274	(4,243,277)	-	-	275,070

	Opening balance £	Income £	Expenditure £	Investment & other gains £	Transfers £	Closing Balance £
Unrestricted funds						
Designated funds						
Woodland Investment Reserve	-	290,000	-	-	-	290,000
Fixed Asset Reserve	22,890	-	(11,515)	-	-	11,375
Improving the Quality of Our Work	63,697	-	-	-	-	63,697
Growing Our Income	547,353	-	-	-	-	547,353
Improving Our Ability to Generate Data, Evidence & Communication	109,351	-	-	-	-	109,351
Total designated funds	743,291	290,000	(11,515)	-	-	1,021,776
General reserves	1,018,352	1,055,117	(951,701)	55,620	-	1,177,388
Total unrestricted funds	1,761,643	1,345,117	(963,216)	55,620	-	2,199,164
Total funds	1,912,716	5,712,391	(5,206,493)	55,620	-	2,474,234

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:

Drylands Development

Farmer-led sustainable land management techniques to enhance water management, food security, and economic development in the drylands of Burkina Faso. The project is funded by ICRAF who are contracted and funded by the Government of the Netherlands.

Enhancement of Non-Timber Forest Products in Burkina Faso

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 Cooperation (SDC).

Forest Governance Sida Phase 2 – Burkina Faso

Decentralised forest governance through transferring rights and responsibilities for forest stewardship to community led forest management groups. The project is funded by the Swedish International Development Cooperation Agency (SIDA).

Shea Research Research into restoring and improving productivity of shea stands in Burkina Faso. This project is funded by the Environmental Institute for Agricultural Research (INERA).

West Africa Forest Farm Interface, Burkina Faso and Ghana

Research to inform policy development that supports integrated smallholder forest farm management systems. This project is funded by the Centre for International Forestry Research (CIFOR).

Ghana:

Bongo River Trees

The restoration of 50km² of the degraded catchment area and eroded river bank in Northern Ghana. The project was fully funded by RPS Group plc.

Daka River Restoration 1 & 2

Community led planting and regeneration of 1.2 million trees along the Daka river in Northern Ghana. This project is funded by Ecosia and trusts and foundations.

Ghana Rural Agriculture & 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. The focus is to.. This project will start in 2019 with funding from UK Aid Direct and Trusts and Foundations.

Grow Hope

Creating and strengthening non-timber forest product cooperatives in Northern Ghana. This project is funded by Jersey Overseas Aid and AG Leventis Foundation.

Tree Foods for Nutritional Security

Research into availability, accessibility and utilisation of tree foods within rural household. This project is complete with the remaining funds transferred to the Cashew Enterprise project.

Ethiopia:

Sustainable Livelihoods & Ecosystems

Restoration of 300 hectares of degraded land, improved incomes and nutritional diversity of households in Meki district. This project is funded by RPS Group plc.

Initiative for Sustainable Landscapes

Restoration of 120 hectares of degraded land, improved incomes and nutritional diversity of households in Meki district. This is an expansion of The Sustainable Livelihoods & Ecosystems Project funded by the Sustainable Trading Initiative (IDH).

Wof Washa Forest Sustainable Management – Ethiopia

Improving livelihoods for 53 communities living around Wof Washa forest, restoration and management of forest biodiversity. This project is complete and was funded by a number of trusts and foundations.

Mali:

Regreening Samine and Sakoiba

Restoration of parkland trees through planting and regeneration of trees and promotion of agroforestry in the Samine and Sakoiba communes, Mali. This project is funded by the Turing Foundation.

Regreening Koulikoro

Supporting communities to restore parkland trees and reverse land serious degradation. This project is funded by the Turing Foundation.

Strengthening Forest Management in Mali

Development and implementation of forest management plans for two forest conserves in Segou region and strengthening non-timber forest product value chains. This project is funded by the Darwin Initiative and Trusts and Foundations.

Niger:**Building Resilience and Adaptation to Climate Extremes and Disasters (BRACED)**

Developing Village tree enterprises and supporting communities to build economic and environmental resilience to cope with changing weather patterns. This project was delivered through a sub-contract with CARE UK and funded by The Department for International Development.. This project is complete.

Village Tree Enterprise

Supported village groups to set up tree enterprises and maintain forests This project was funded from Trusts and Foundations. This project is complete.

Rehabilitation of the Ecosystem of the National Park W Landscape

Protecting wildlife and supporting local livelihoods by establishing community forest governance through partnerships between the local communities and National Park W management and tree enterprises. This project is funded by the Darwin Initiative and Trusts and Foundations.

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 by funding core charitable activities, creating a sense of community within our donors 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, and include designated funds where the Trustees have set aside monies for a specific purpose.

Designated funds are provided for the following purposes:

Woodland Investment Reserve represents the carrying value of a legacy gift of woodland donated in the year.

Fixed Assets Reserve represents the unamortised carrying value of unrestricted fund tangible fixed assets.

To fund future expenditure on **Improving the Quality of our Work** including planned funding for operational leadership posts.

To provide investment into future expenditure for **Growing our Income**, representing the continuing commitment to increase our individual supporter base by direct costs and on supporter and institutional fundraising staff posts.

To provide investment into future expenditure for **Improving our Ability to Generate Data, Evidence & Communications**, in particular for committed spend on a monitoring, evaluation and learning post.

Transfers between funds

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

22. Analysis of net assets between funds - Group

	Restricted funds	Designated funds	Unrestricted funds	2019 Total
	£	£	£	£
Tangible fixed assets	-	11,375	-	11,375
Investments	-	290,000	717,946	1,007,946
Cash at bank & short-term investments	420,426	720,401	587,646	1,728,473
Debtors	248,555	-	71,582	320,137
Creditors falling due within one year	(393,911)	-	(199,786)	(593,697)
	275,070	1,021,776	1,177,388	2,474,234

Analysis of net assets between funds - Charity

	Restricted funds	Designated funds	Unrestricted funds	2019 Total
	£	£	£	£
Tangible fixed assets	-	-	-	-
Investments	-	290,000	717,948	1,007,948
Cash at bank & short-term Investments	407,763	731,776	439,785	1,579,324
Debtors	82,555	-	18,252	100,807
Creditors falling due within one year	(229,500)	-	(87,294)	(316,794)
	260,818	1,021,776	1,088,691	2,371,285

23. Reconciliation of net movement in funds to net cash flow from operating activities

	Group	
	2019	2018
	£	£
Net income/(expenditure) for the reporting period	560,873	(342,668)
Adjustments for:		
Depreciation charges	15,352	26,193
Legacy gift of Woodland	(290,000)	-
Gains on investments	(54,975)	(24,487)
Investment income	(10,217)	(15,486)
Decrease / (increase) in debtors	165,646	(194,074)
(Decrease) / increase in creditors	(1,165,805)	837,424
Net cash (used in) /provided by operating activities	(779,126)	286,902

Analysis of cash and cash equivalents

	Group	
	2019	2018
	£	£
Cash in hand	1,211,343	2,007,028
Short-term investments (less than 3 months)	517,130	693,546
	1,728,473	2,700,574

24. 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.

25. Related parties 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:

	2019	2018
	£	£
From TREE AID to TREE AID Burkina Faso	987,402	1,289,677
From TREE AID to TREE AID TREE AID Ghana	251,587	78,847

There were no balances outstanding at the year-end between the Charity and TREE AID Burkina Faso or TREE AID Ghana (2018: £nil).

There were movements on loans for working capital for the social enterprise initiative during the year. The loans are unsecured and interest free. The total movements at the year-end were:

	2019	2018
	£	£
Movement in loans during the year with TREE AID Enterprises Ltd	96,343	2,450
Movement in loans during the year with TREE AID Enterprises sa	44,698	(12,318)

Provisions were previously made against the deficit on reserves in each of the subsidiaries and were released in the year following the write-off of loan balances:

	2019	2018
	£	£
Provision against amounts due from TREE AID Enterprises Ltd	-	88,237
Provision against amounts due from TREE AID Enterprises sa	-	47,055

26. Operating lease commitments

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

	Land & buildings	Office Equipment	Group	
Expiring:	£	£	2019	2018
			£	£
Within 1 year	15,871	1,931	17,802	15,142
2 – 5 years	-	2,595	2,595	3,802

	Land & buildings	Office Equipment	Charity	
	£	£	2019	2018
			£	£
Within 1 year	11,079	1,931	13,010	12,579
2 – 5 years	-	2,595	2,595	3,802

27. Capital commitments

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

28. Basic financial instruments

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Financial assets that are debt instruments measured at amortised cost:				
Accrued Income on contracts	148,211	95,446	64,574	95,446
Trade Debtors	98,740	354,620	17,980	5,534
Other Debtors	41,949	17,750	11,244	1,534
Cash at bank and in hand	1,211,343	2,007,028	1,062,194	1,545,728
Short-term investments	517,130	693,546	517,130	693,546
Financial liabilities measured at amortised cost:				
Accruals	26,824	29,219	16,307	25,258
Other creditors	66,538	32,063	33,832	30,545

29. Prior Year: Consolidated Statement of Financial Activities

	Notes	Restricted Funds 2018 £	Unrestricted Funds 2018 £	Total Funds 2018 £
INCOME FROM				
Donations and legacies	2	2,449,099	839,776	3,288,875
Charitable activities	3	-	993	993
Investment income	4	-	15,486	15,486
Other income	5	-	474	474
TOTAL		2,449,099	856,729	3,305,828
EXPENDITURE ON				
Raising funds	6	160	736,538	736,698
Charitable activities	7	2,528,903	403,172	2,932,075
TOTAL	8	2,529,063	1,139,710	3,668,773
Net gains on investments		-	20,277	20,277
NET (EXPENDITURE)		(79,964)	(262,704)	(342,668)
Transfer between funds	21	(131,187)	131,187	-
Other recognised gains:				
Other gains		-	2,548	2,548
NET MOVEMENT IN FUNDS	10	(211,151)	(128,969)	(340,120)
RECONCILIATION OF FUNDS				
Total funds brought forward	21	362,224	1,890,612	2,252,836
Total funds carried forward	21	151,073	1,761,643	1,912,716

30. Prior Year: Movements in Funds - Group

	Opening balance	Income	Expenditure	Investment & other gains	Transfers	Closing balance
	£	£	£	£	£	£
Restricted funds						
Intensification of Sorghum and Pearl Millet-Based Production Systems*	5,789	-	-	-	(5,789)	-
Building Biocarbon & Rural Development in West Africa*	2,788	-	(2,560)	-	-	228
Bongo River Trees	29,324	-	(13,776)	-	-	15,548
CIFOR (Burkina Faso)	-	61,053	(38,632)	-	(22,421)	-
CIFOR (Ghana)	-	1,593	(24,014)	-	22,421	-
Community Self Reliance*	25,204	-	(15,599)	-	(9,605)	-
Daka River Restoration	-	49,879	(49,879)	-	-	-
Drylands Development	-	254,153	(254,153)	-	-	-
Enhancement of NTFPs in Burkina Faso	-	721,969	(721,969)	-	-	-
Forest for Foods*	16,171	-	-	-	(16,171)	-
Forest Governance Sida Phase 2	-	630,473	(630,473)	-	-	-
Ghana NTFP Trade	5	-	(910)	-	(4,140)	(5,045)
Ghana Village Tree Enterprise	13,652	-	(5,292)	-	-	8,360
Grow Hope	-	8,734	(8,374)	-	-	-
Growing Tree Businesses*	26,643	-	-	-	(26,643)	-
Kandema Rural Regeneration*	19,949	-	(3,380)	-	(12,182)	4,387
Mali Regreening Project	473	62,703	(66,331)	-	3,155	-
Natural Resource Management on ex-VTE sites*	6,310	-	-	-	(6,310)	-
Niger BRACED	-	295,724	(294,435)	-	(1,289)	-
Niger Village Tree Enterprise	7,848	-	(43)	-	-	7,805
Regreening Mopti*	13,545	-	-	-	(13,545)	-
Regreening Segou	4,728	-	(4,003)	-	-	725
Strengthening Forest Management in Mali	-	94,608	(94,608)	-	-	-
Shea Research	-	36,874	(36,874)	-	-	-
Sustainable Livelihoods & Ecosystems	-	114,057	(114,057)	-	-	-
Tree Foods Phase I*	5,226	-	-	-	-	5,226
Tree Foods Phase II*	1,500	-	-	-	-	1,500

	Opening balance	Income	Expenditure	Investment & other gains	Transfers	Closing balance
	£	£	£	£	£	£
Restricted funds						
VTE Learning Study*	8,393	-	-	-	-	8,393
Wof Washa Forest Sustainable Management*	51,058	81,988	(75,920)	-	(36,580)	20,546
Women's Forest Livelihoods Phase II	33,294	9,103	(42,397)	-	-	-
Project Fund	90,087	-	(6,687)	-	-	83,400
Development Fund	237	26,188	(24,337)	-	(2,088)	-
Total restricted funds	362,224	2,449,099	(2,529,063)	-	(131,187)	151,073
Unrestricted funds						
Fixed Asset Reserve	-	-	-	-	22,890	22,890
Working Capital for Trading Subsidiary	318,316	-	(4,446)	-	(313,870)	-
Improving the Quality of our Work	138,848	-	(75,151)	-	-	63,697
Growing Our Income Improving our Ability to Generate Data, Evidence & Communication	775,093	15,486	(263,503)	20,277	-	547,353
	163,716	-	(54,365)	-	-	109,351
Total designated	1,395,973	15,486	(397,465)	20,277	(290,980)	743,291
General Reserves	494,639	841,243	(742,245)	2,548	422,167	1,018,352
Total unrestricted funds	1,890,612	856,729	(1,139,710)	22,825	131,187	1,761,643
Total funds	2,252,926	3,305,828	(3,668,773)	22,825	-	1,912,716

The opening balances for restricted funds marked * above were included in Other Project Funds in the 2016/17 Annual Report & Accounts. They have now been separately identified for greater clarity.

31. Prior Year: Analysis of net assets between funds - Group

	Restricted funds	Designated funds	Unrestricted funds	2018 Total
	£	£	£	£
Tangible fixed assets	-	22,890	-	22,890
Investments	-	462,971	-	462,971
Cash at bank & short-term Investments	1,312,649	257,430	1,130,495	2,700,574
Debtors	450,066	-	35,717	485,783
Creditors falling due within one year	(1,611,642)	-	(147,860)	(1,759,502)
	151,073	743,291	1,018,352	1,912,716

Prior Year: Analysis of net assets between funds - Charity

	Restricted funds	Designated funds	Unrestricted funds	2018 Total
	£	£	£	£
Tangible fixed assets	-	1,006	-	1,006
Investments	-	462,973	-	462,973
Cash at bank & Short-term Investments	1,292,322	279,312	667,640	2,239,274
Debtors	261,529	-	8,612	270,141
Creditors falling due within one year	(1,403,012)	-	(91,030)	(1,494,042)
	150,839	743,291	585,222	1,479,352

Legal and Administrative Details

LEGAL STATUS

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

TRUSTEES

Shireen Chambers ^{3 4}	Chair
Terence Jagger ¹	Vice Chair
Judith Twentyman ¹	Treasurer
Trevor Reaney ³	
Alex Rees ^{2 4}	
Tom de Pass ²	(appointed 13 July 2018)
Elizabeth Davis ^{1 3}	(appointed 13 July 2018)
Nick Pride ²	(appointed 13 July 2018)
Philip Songhurst-Thonet ¹	(appointed 13 July 2018)
John Collenette ¹	(end of term: resigned 13 July 2018)
Annie Moreton ²	(end of term: resigned 13 July 2018)
Mikko Simula ¹	(resigned 11 April 2018)

¹ Member of the Finance and Audit Committee.

² Member of the Fundraising Standards Committee.

³ Member of the Nominations and Remuneration Committee.

⁴ Member of the Programmes Advisory Group

SENIOR MANAGEMENT TEAM

John Moffett	Chief Executive
Ben Sheahan	Director of Finance & Resources
Marian Rose	Director of Fundraising & Communications (left 31 January 2019)
Tina Antonio	Director of Fundraising & Communications (joined 21 January 2019)
Tom Skirrow	Director Operations

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

Crowe UK LLP, Carrick House, Lypiatt Road, Cheltenham, Gloucestershire GL50 2QJ.

Thank you...

...to the many individual and corporate supporters, trusts, foundations and institutions who enabled us to support more communities to thrive in the drylands of Africa in 2018/19. We are totally dependent on your support. Without it our work would simply not be possible...

... to our Institutional funders, including:



AMBASSADE DE SUEDE



Swiss Agency for Development
and Cooperation

... to the following trusts, foundations and companies for their support throughout the year:

Blue Diamond Ltd	The Headley Trust
Christadelphian Meal a Day Fund	The Langdale Trust
Ecosia GmbH	The Master Charitable Trust
Joseph Rochford Gardens Ltd	The Kirby Laing Foundation
Oak Philanthropy UK	The Patrick & Helena Frost Foundation
RPS Group PLC	The Paul Foundation
The A G Leventis Foundation	The Roughley Charitable Trust
The Blue Sky Trust	The Triodos Foundation
The Christmas Forest	Turing Foundation

Patrons

The Trustees would like to express their thanks to TREE AID's patrons, Joanna Lumley OBE, FRGS, Zoë Wanamaker CBE 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, as well as those staff working in the field. 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.