

The Heart of England Forest

Annual report for the year ended
31 March 2023

Registered Charity Number 1097110 (in England and Wales)

Company Registration Number 4309564 (in England and Wales)



Company information

Trustees and Directors

Jon Snow (Chair to 22.05.2023)
Alison Hunter (Vice Chair)
Anthony Burton
Nicky Corbishley
Rebecca Donnelly (from 28.04.2023)
Asa Gurden
Doreen Massey
Steve Price
Sharon Redrobe (from 28.04.2023)
Dave Throup (from 28.04.2023)

Chief Executive

Beth Brook

Auditor

Mazars LLP
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Birmingham B3 3AX

Bankers

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London W1K 3JB

Registered Office

Colletts Farm Office
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Stratford-Upon-Avon CV37 8AU

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CHAIR'S REPORT

As we emerged from the COVID-19 pandemic and life started to get back to some sense of normality, we were hit with the cost-of-living crisis, which presents different challenges. Our staff are always front and centre in our thoughts, as without their dedication, enthusiasm, and hard work we would be unable to deliver the magnitude of public benefits which we do as a charity. Being a Living Wage Foundation Accredited Employer, as well as having a range of other benefits and support in place, has helped to ease our team members' financial worries.

We understand that many of our supporters and visitors had to review their outgoings, so we were heartened to see less of an impact on our fundraising income this year than anticipated. We are proud that this year permissive access in the Forest was further expanded, giving our visitors more space to connect with nature and escape from their day-to-day stresses.

Once again, the Forest has grown. Thanks to our team and wonderful volunteers, 127,748 native trees and shrubs were planted across 233 acres in five areas of the Forest. We have now established 4,685 acres of new native broadleaf woodland, as part of our 7,000 acres of habitat mosaic. Through acquisitions, we also added to the mature and ancient woodland that we protect as part of the Forest mosaic, which now totals over 600 acres.

Important as they are, the Forest is more than just trees, and this year we made great progress with our wetland and pond creation at Netherstead, as well as habitat management and enhancement at Gorcott Hill. This work will improve conditions for wildlife and maximise the potential of our Forest sites for mitigating the effects of climate change.



As the Forest grows, so too does the charity team that cares for it. We are creating a Forest that will be here for life, so ongoing investment in and commitment to expanding our expert team and high standards of governance will ensure the charity goes from strength to strength.

Despite challenging times, we continue to make great strides towards our end goal of a 30,000 acre Forest to benefit the environment, wildlife, and people, both now and for hundreds of years to come.

A handwritten signature in blue ink, which appears to read 'Jon Snow'.

Jon Snow
Chair, Heart of England Forest

Resigned 22 May 2023

MESSAGE FROM OUR CHIEF EXECUTIVE



As world leaders met for COP15 at the end of last year to agree a way forward in tackling the biodiversity crisis, we released data showing an overwhelming level of public support for greater action to protect our current woodland and forests and to create more to help address the crisis.

Our work creating biodiverse habitats that support not just wildlife, but human life, will give us all the best chance of adapting to our changing climate. And it has never been more needed.

A prime example of this is at Gorcott Hill near Redditch, the site of our 'Growing Future Forest Guardians' project, funded by the Green Recovery Challenge Fund, which concluded this year. One of the key aims of this project was to provide opportunities for more people to increase their connection with nature and improve their skills. 1,115 young people visited the Forest for the first time as part of this project, and we worked with more young people from disadvantaged and underrepresented communities than ever before.

The biodiversity elements of the project resulted in work that significantly restored and enhanced the 21.4 hectare site, improving conditions for wildlife. Gorcott Hill Wood, the ancient semi-natural woodland at this site, supports many rare plants and animals and makes a vital contribution to conserving biodiversity. We were delighted that the wood was granted Local Wildlife Site (LWS) status in November 2022 due to its scientific and cultural importance and will now be protected for future generations.

We are creating a Forest not just for the planet we have now, but the planet of the future. As we look towards 2023/24, we remain focused on our vision to grow the Forest and along with it the benefits to both our health and that of the natural world.

BETH

Beth Brook
Chief Executive, Heart of England Forest

TRUSTEES' / DIRECTORS' REPORT

The directors are pleased to present their report together with the financial statements of the charity and group for the year ended 31 March 2023.

The financial statements comply with current statutory requirements, the Articles of Association and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)— (Charities SORP (FRS102)).

DIRECTORS

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

Jon Snow (Chair)
Anthony Burton
Nicky Corbishley
Asa Gurden
Alison Hunter
Doreen Massey
Steve Price
Sharon Redrobe (appointed 28 April 2023)
Dave Throup (appointed 28 April 2023)
Becky Donnelly (appointed 28 April 2023)



OUR PURPOSE

We are helping to reverse centuries of woodland decline by creating and conserving a huge broadleaf forest, protected for generations to come. The Forest is home to an incredible array of habitats, including new tree planting, mature and ancient woodland, grassland, heathland, and wetland, that enable animals, plants, and people to thrive. As the Forest grows, so too will the benefits to both our health and that of the natural world.

Above: A pond in the Forest at College Wood

OBJECTIVES

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

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

STRATEGIC PLAN

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

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

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

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

PROGRESS MADE IN 2022/23

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



1 GROWING THE FOREST

The planet is changing rapidly, and climate adaptation is more important than ever. We are creating a climate change resilient woodland, not just for the planet we have now, but the planet of the future.

Above: Tree sapling planted without protective guard at Sernal Hall Farm

PROUDEST ACHIEVEMENTS

1 Plastic-free tree planting

The winter of 2022-23 saw us make a significant investment in going plastic-free with our tree protection for all the trees planted this season, and we trialled planting with no protection across one site.

2 The expansion of our permitted walking routes network

Working with Luddington Parish Council and a neighbouring landowner, we were able to link existing Public Rights of Way to create a new permissive route in the Forest with a circular walking route from Luddington village, which takes in the new woodland creation in this area of the Forest.

3 Actively managing hazel coppice across the Forest

The acquisition of Roundhill Wood, an old hazel coppice woodland, gives the forestry team and biodiversity team the opportunity to work together to manage this woodland to both produce coppice products and build on the biodiverse nature there already.

YEAR IN REVIEW

In the planting season of 2022/23, we planted 127,748 native trees and shrubs across 233 acres in six areas of the Forest - Dorsington, Dodwell, Netherstead, Perry Mill, Sernal and Arrow Mill. This is thanks to our forestry team and volunteers who worked incredibly hard through some challenging weather and ground conditions from the beginning of November to mid-March.

At Dorsington we planted 78 acres mainly at two sites; one next to Giddings Wood and the other between Giddings Wood and Coxmere Wood to the north of the Noleham Brook. Dodwell was 40 acres which included a network of permissive walking routes some of which formed part of the Luddington 'loop'. At Sernal, 42 acres of woodland creation at Sernal Hall Farm again included more permissive access, this time to link

public footpaths. A further 23 acres was planted at Netherstead. At Sernal, our Perry Mill planting lies between Sambourne and Middletown and covers 20 acres across two fields. Finally, the tree planting at Arrow Mill saw us plant at a much reduced density with only 198 trees across the 20-acre field, as our aim here is for a parkland effect to mirror the Ragley Hall parkland on the neighbouring land.



The winter of 2022-23 saw us make a significant investment in going 'plastic-free' with our tree protection. For the last few years, we have trialled relatively small quantities of the environmentally friendly tree protection products available on the market. This year was significant as due to more choice and higher manufacturing volumes, we were able to use three types of new tree shelter and be plastic-free with our planting. We also trialled using no protection at the Sernal Hall Farm site. Here we planted at a higher density and will accept losses from deer or hare browsing, and of course have the option to protect if the losses are too high. This trial will help us explore alternatives to plastic in our landscape scale creation work, which is not only of value to us and our long term sustainability plans, but potentially to the wider reforestation industry.

The purchase of Roundhill Wood built fantastically onto our plans to actively manage hazel coppice across the Forest. As well as being an important Local Wildlife Site (LWS), Roundhill Wood is an old hazel coppice woodland that has been managed

as such for many years. In forestry terms this is something unique in our Forest holding, where we either have new young establishing coppice or Ancient Semi-Natural Woodland hazel that is overstood by many decades. This new opportunity will need careful planning to be able to produce both coppice products and build on the biodiverse nature there already, and the forestry and biodiversity teams are relishing the opportunity to work together on this.

The first year of the Supported Internship programme ended with three of the interns being successful in gaining permanent roles with the forestry team; Stefan in the team at Sernal, and Rhiannon and Matt in our tree nursery.

We also expanded the forestry team on the ground to enable five teams, each with four staff members, to care for a designated area of the Forest. This has enabled the 'local' teams to gain expert knowledge and understanding of their patch and brought familiar faces to our neighbours there.

At the tree nursery we were successful in achieving grant funding through the Tree Production Capital Grant. This enabled us to purchase more machinery to use in the fields, and a major investment in a large cold store to ensure adequate storage of our bare root trees prior to dispatch.

TEAM HIGHLIGHTS

Ian and James, two of our Forest Rangers, were promoted to newly created Senior Forest Ranger roles this year.

“I see the Senior Forest Ranger role as being a vital part of an effective team. It falls to James and me to not only implement the work programme, but to plan it, make sure we are doing it safely, and that we have the right equipment to do the job. On top of this we are line managing the team and keeping morale up during those long wet wintry days. It has been a steep learning curve but we

have managed to achieve a lot together over the last year, and I'm enjoying the balance between working with the team in the field, sharing my experience with those new to the sector, and the work planning side, making sure we are tackling the long list of jobs in the right order.”

Ian Hayward,
Senior Forest Ranger



CHALLENGES FACED

The unpredictability of the weather is becoming increasingly challenging. The summer of 2022 brought drought and some extreme temperatures. Not only can this increase losses in our newly planted trees, but the extreme temperatures can cause issues for our staff and volunteers working in the heat. By way of contrast the spring of 2023 was extremely wet and cold. Although not as dangerous as the extreme heat, this did delay the start of any work that needed machines to be on the land, including footpath and access maintenance.

Supply chain issues have not eased since the COVID-19 pandemic, and for some machinery and parts the delay in receiving the goods has extended. For some new machinery, what would have been a one-month lead time is now one year.

The shortage of land coming to the market is becoming increasingly challenging, and the competition for the land when it does become available is growing. The availability of small blocks is there but competition is high, and larger blocks of land being available to purchase are few and far between as landowners await the outcome of the changing agricultural policy.

The damage caused to our growing trees by deer and squirrels has increased significantly over the last decade. While deer cause problems for us in the early stages of establishment and can prevent natural regeneration in our ancient



Above: Woodland creation at Dodwell

woodland sites, squirrels seriously impact our established trees over 15 years old. This challenge is a recognised national problem, and the Forestry Commission, along with other organisations including ourselves, are working together to undertake landscape scale control.

THE YEAR AHEAD

Our main planting site this coming winter season will be Naunton Beauchamp. This will see us integrate the management of the important Site of Special Scientific Interest (SSSI) grassland at the heart of the land there and our woodland creation ambitions. We will manage the site in such a way that we both expand the grassland, create native

broadleaf woodland, complement local orchards, and utilise arable practices to provide winter food for birds.

We are looking forward to getting to know Roundhill Wood through a full year of ownership to record what we have there to guide our management of the wood, which will include planning the coppicing cycle.

We are proud of the permissive and public footpath network we manage throughout the Forest, and we will be maintaining the current high standard whilst looking to improve the existing network and extend into new parts of the Forest.



2 OPTIMISING BIODIVERSITY

The Forest is more than just trees; it is home to an incredible array of habitats, including new tree planting, mature and ancient woodland, grassland, heathland, farmland, and wetland, that enable animals, plants, and people to thrive.

Above: Wetland and pond creation at Netherstead

PROUDEST ACHIEVEMENTS

1 Growing Future Forest Guardians project

The successful completion of biodiversity enhancement elements of the project at Gorcott Hill, funded by the Green Recovery Challenge Fund (GRCF). The work here has significantly restored and enhanced the 21.4 hectare site that contains woodland, hedgerows, grassland, and ponds, which are all priority Biodiversity Action Plan habitats.

2 New Local Wildlife Site in the Forest

Gorcott Hill Wood was granted Local Wildlife Site (LWS) status due to its scientific and cultural importance. Ancient semi-natural woodlands are irreplaceable natural assets that support many rare plants and animals and make a vital contribution to conserving biodiversity. Now, under the Heart of England Forest's care, and as an official LWS, the woodland at Gorcott Hill will be conserved and protected for future generations.

3 Wetland and pond creation at Netherstead

Four ponds and four scrapes were created, three existing ponds relandscaped, and planting and seeding to assist with plant colonisation, as part of the creation and reinvigoration of wetland habitats in the Sernal area of the Forest.

of new hedgerow. This work will improve conditions for wildlife and maximise the site's potential for carbon sequestration through good management of woodland and grassland.

The creation and enhancement of wetland habitats at Netherstead in the Sernal area of the Forest was a highlight for 2022. Four ponds and four scrapes were created as well as relandscaping three existing ponds to increase the area of marginal wetland habitat. To assist with plant colonisation, 360 native marginal plug plants were planted by volunteers, and the relandscaped spoil areas were seeded with 19.5kg of wet grassland mix.

A wide range of species surveys were also undertaken with more than 800 species recorded.

YEAR IN REVIEW

Delivery of our Pollinator Pathway project continued, funded in part by Severn Trent Water. Now in its third year, a further four hectares of woodland rides in the Sernal area were seeded with wildflower seed, with grassland management across the wider 68 hectares of wildlife corridors which make up this project.

Biodiversity elements of our Growing Future Forest Guardians project at Gorcott Hill were completed. This included removal of 2.5 acres of rhododendron and 0.25 acres of laurel, creation of two new woodland ride scallops, reprofiling two ponds, grassland enhancement by green-hay strewing across 20 acres, installing 1650 metres of new stock-fencing, and creating 280 metres



7 bat species



14 bee species



61 birds (9 Red List species, including marsh tit and mistle thrush breeding on site)



23 butterflies



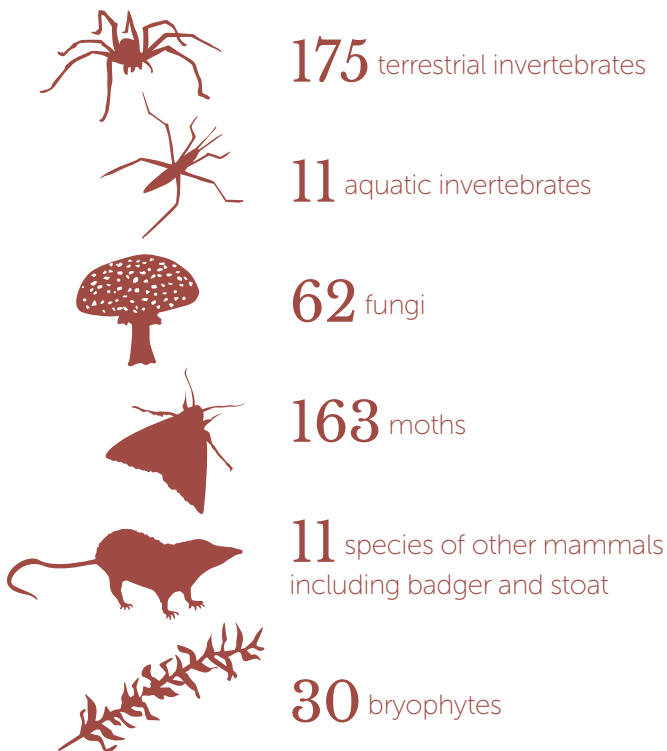
17 odonata – Gorcott Hill has the best population of emerald damselfly in the Forest



4 amphibians and reptiles including grass snake and great crested newt



88 plant species in the grassland



Our biodiversity planning also focused on grasslands, undertaking baseline condition assessments of 18 key grassland areas such as Naunton Court Meadows SSSI (Site of Special Scientific Interest) and potential Local Wildlife Sites at Gorcott Hill and Binton.

Large swathes of common knapweed and crested dog’s-tail were recorded in Naunton Court Meadows, as well as dropwort and pepper-saxifrage, the latter two being rare plants in the Forest and indicators of ancient grassland.

The survey results have enabled us to apply specific management to different grasslands to improve their biodiversity, from green-hay strewing, to changing the timing and intensity of livestock grazing.

Conservation grazing is important to the management of grassland in the Forest. This year we have reviewed and updated all the grazing licences to include conservation objectives. The local graziers we work with are now aware of how we want to improve the grassland sward of these areas, with the aim of improving floristic diversity.

Our wildlife surveys have also expanded to include new areas of the Forest, with new butterfly and bird transects added to our long-term wildlife monitoring programme.

TEAM HIGHLIGHTS

Working with **Chris Talbot**, the previous Biodiversity Manager at Warwickshire’s Habitat Biodiversity Audit, and now **Senior Ecologist** for AiDASH.



Chris’s expertise, and willingness to share this knowledge, has helped build the biodiversity team’s skill base and their ability to deliver our Optimising Biodiversity strategy. Chris has run training sessions for us over the last few years on botanical identification, the new UK Habitat classification of habitats, as well as the use of digital geographical information systems (GIS). Chris’s work for AiDASH is also enabling the development of new technologies, using the Forest as a pilot area, testing different AI approaches to monitoring long-term habitat change at a landscape-scale.

CHALLENGES FACED

The challenges that Optimising Biodiversity has faced during the reporting period were primarily linked to weather conditions which delayed the completion of some projects. If the ground is too wet, then it would be more damaging to continue than to delay starting work such as installing new stock-proof fencing or re-profiling ponds.



Above: Volunteers spreading green hay at Gorcott Hill

THE YEAR AHEAD

During 2023/24 Optimising Biodiversity will continue to expand in all habitat areas, but we will also have a closer focus on woodlands as part of our strategy.

Woodlands

Working across the charity, and with the forestry team particularly, we plan to develop new woodland management plans for both newly planted woodland and mature woodlands, to incorporate the needs of biodiversity target species and initiate suitable conservation management. With such an expanse of wooded habitat, ancient semi-natural woodlands like Bannam's Wood Site of Special Scientific Interest (SSSI), Roundhill Wood Local Wildlife Site, and Alne Wood will be our initial focus.

Habitat opportunities at Naunton Beauchamp

New native broadleaved woodland planting is planned here for the winter of 23/24. Additional habitat opportunities for this part of the Forest will be further developed to safeguard the SSSI.

These plans, which will take several years to complete, include the creation of new grassland to buffer the existing grassland, new hedgerow planting, orchard creation and a rare arable weed corridor with wild bird seed cultivation. The latter two are a special feature on both our land and on neighbouring land. Habitat connectivity is important to wildlife, and so our plans are designed to take a landscape-scale approach.

Wildlife surveys as part of long-term monitoring

Volunteers continue to play a huge role in the work we can achieve, helping to complete a range of wildlife surveys including the 30 butterfly transect surveys we now have in place across the Forest. Five years ago, we started with only transects. These wildlife surveys are very important to the long-term monitoring of habitat quality within the Forest. In 2023/24 we plan to include additional species surveys for rare and vulnerable species, such as wood white, white admiral, and white letter-hairstreak butterflies, as well as a nightingale survey.



3 ATTRACTING PEOPLE

We are passionate about connecting people to the countryside and all the benefits that brings to health, happiness, and wellbeing. An expanding events programme, options to extend stays in the Forest, and opening further permissive access, provides more opportunities for visitors to connect with nature.

Above: A guided walk in the Forest

PROUDEST ACHIEVEMENTS

1 Hosting the most Forest events to date

In total, 27 events were held across the year with 2,300 attendees who gave an average event feedback score of 9.4 out of 10, giving us confidence in our range and quality of events supported by volunteers and staff from across the charity.

94% average event
feedback score



2 Results of the first Friends of the Forest survey

Feedback from our regularly donating Friends of the Forest showed not only high levels of engagement with the Forest, but also over 85% of respondents said that they feel their support of the charity is valued.

3 Holiday Cottage Customer Choice Award

We received a 2023 Customer Choice Award from cottages.com for both of our eco-friendly holiday cottages for achieving an overall score of 9.5/10 and above in customer reviews over the last 12 months. The cottages enable people to extend their stay in the Forest and benefit from being in nature.

YEAR IN REVIEW

Fundraising through individual giving, both from our regularly donating Friends of the Forest and supporters making single donations including for tree dedications, has been impacted by the cost-of-living crisis, but perhaps by not as much as we initially expected. While we have seen a slowing in the number of new Friends of the Forest joining us this year compared with previous years, those already donating and seeing the impact of their support have continued at a good retention level.

The Friendship satisfaction survey held throughout October allowed us to understand better why Friends support us, whether they visit the Forest, how they feel about being a Friend, and provided

“The benefit is in watching the fruits of your labour grow and benefit everyone and everything in the community. It's a lovely feeling being a (very) small part of something so special.”

Friend of the Forest survey respondent (anonymous)

suggestions about what we might want to consider in the future of the Forest. The results were really encouraging and will help us move forward as we grow support in this area.

The support of the growing charity team enabled us to host the busiest events programme to date, offering visitor and supporters a wide range of new opportunities to enjoy and find out more about the Forest from members of the team. Feedback from all events was particularly encouraging and shows the time and effort that each host puts into planning and presenting their walks and talks.

Woodland creation this year has opened further permissive access in the Forest at Dodwell, where we worked with the local Parish Council to offer footpath links between Public Rights of Way to create a circular walking trail from Luddington village. We also extended permissive access alongside both Giddings Wood and Coxmere Wood near Long Marston, linking established routes. In addition, we have also been able to replace a bridge that was at risk of closing, potentially losing a popular link into the Forest from a Public Right of Way alongside Noleham Wood.

TEAM HIGHLIGHTS

“I love the fact that there is such a wide variety of events on offer - walks on which we learn more about the Forest, watching specialist tasks like bird ringing being done by experts, and events in which we get the opportunity to make a real contribution to data gathering exercises, such as the annual Bioblitz. It's great to share these activities with like-minded people. The charity's

staff and other experts are always so generous in sharing their knowledge and I enjoy chatting to the other attendees. For me, the most satisfying thing is to learn more about the environment in which I live, and about the huge contribution that the Heart of England Forest is making to improving that environment for the benefit of future generations.”

Ann, event attendee and Friend of the Forest

CHALLENGES FACED

While the flora and fauna has carried on regardless, the effects of the rise in living costs have been felt in different ways through our fundraising efforts. Costs associated with our various tree dedication offerings have impacted on the charity as we have resisted a change in pricing levels throughout the year. Similarly, the expenses related to management of access for visitors, including the public and permissive footpaths, the Forest car parks, and the emptying of litter and dog bins has increased beyond expectation. Supporters and visitors having less disposable income each month has affected some people's ability to donate at their usual level, or even at all.

With the decline of cash in favour of paying by card or phone, the very nature of our donation points in car parks and at in-person events in the Forest presents a problem. The lack of wi-fi networks (or even electricity) to allow reliable tap-to-donate or card payments is impacting visitors' ability to donate easily.

As the Forest grows both in size and reputation, we continue to see an increase in the number of enquiries we receive on a weekly basis. These cover a diverse range of questions and queries, or provide us with useful information, each email taking time to respond to and in many cases time to research before responding. This means we need to prioritise our resources and response times and manage these expectations.

THE YEAR AHEAD

Growing our supporter base remains a priority, despite the economic challenges we are all facing. Assisted by some team recruitment, we will use new and different approaches to make people, both local to the Forest and nationally, aware of the Heart of England Forest and the many different benefits it brings for the environment, wildlife and people, promoting to a more diverse population the ways they can support us. We will also be using the ideas gathered from our Friends of the Forest survey to update some aspects of the Friendship programme.

Tree dedications have proven a popular fundraiser over the last eight years and have also been a welcome introduction to the Forest for many people. This year we will be making some necessary changes to continue to make these viable, whilst remaining a popular way to support us.

New noticeboards to be installed in all of the Forest car parks will enable improved promotion to our visitors of the wider work of the charity and the various ways people can benefit from spending time in the woodlands.

Guided walks and other events will continue to offer both new opportunities for people to discover the Forest and for regular visitors to learn more and find their new favourite places. We intend to offer more involvement in events to our volunteers who love to engage with visitors and talk about the work of the charity.

Keeping our growing permissive footpath network usable is important to our visitors, and we hope to secure assistance to rectify some long-standing issues on two of our waymarked routes where surface water makes access problematic for even the best forest footwear.



4 LEARNING AND SKILLS

Today's children are tomorrow's Forest guardians. We continue to develop lasting relationships with families and young people, schools, and our communities, inspiring them to love the Forest and want to take care of it now and long into the future.

Above: Outdoor Learning Officer Andrea with a school pupil

PROUDEST ACHIEVEMENTS

1 Over 1,000 young people visited the Forest for the first time

1,115 young people visited the Heart of England Forest for the first time as part of the Growing Future Forest Guardians project at Gorcott Hill, funded by the Green Recovery Challenge Fund (GRCF). The key aims of the project were to provide opportunities for more people to increase their connection with nature and improve their skills.

2 Exceeding our annual delivery statistics for the second year in a row

In total we delivered 5,708 learning days for children and adults this financial year, an increase on our previous record of 5,502 in 2021/22. We continue to increase the diversity of the groups we work with, targeting disadvantaged young people. Of our 14 school partners, three are SEND specialist schools and seven have a higher percentage of children on free school meals compared with the national average.



3 Delivering weekly 'Cook in the Woods' sessions

These sessions for disadvantaged children from Redditch took place over the summer holidays, funded by the Holiday Activity and Food (HAF) Funding which footballer Marcus Rashford lobbied the government to secure. 59 children accessed

the sessions, learning how to cook a healthy outdoor meal on a Trangia Stove whilst getting the opportunity to play and learn about nature. 20 more disadvantaged children visited Gorcott in partnership with the Redditch YMCA, further raising our profile in Redditch.

YEAR IN REVIEW

Our focus on working with disadvantaged communities in Redditch and South Birmingham, along with the development of our new flagship site for young people at Gorcott Hill, has meant we have worked with more young people from disadvantaged and underrepresented communities than ever before.

We have three new school partners from Redditch, including Kingfisher School, a Special Educational Needs and Disabilities (SEND) specialist school for pupils who have previously been excluded from school. 67% of pupils are in receipt of free school meals and 100% of pupils have an Education, Health and Care Plan (EHCP) due to SEND need. They attended the Forest for weekly sessions to develop their curriculum learning, communication, collaboration, resilience, and practical skills.

We expanded our informal learning provision, launching a new Young Foresters group targeting teenagers in Redditch in addition to our existing group, and have also extended our WildTribe holiday club to run sessions at Gorcott Hill so more young people from Redditch can attend more easily. Conversations with partners like the Hindu Council of the West Midlands, Redditch Borough and Bromsgrove District Councils, Redditch YMCA and other members of the Redditch Youth Providers Association have also added to our understanding of how to attract a more diverse audience to the Forest.

Our new minibus, purchased with funding from the GRCF as part of the Growing Future Forest Guardians project, enabled us to improve access to the Forest for people without transport. This included transporting 45 children in receipt

of free school meals to Gorcott Hill for the HAF Funded Cook in the Woods sessions.

We continued to develop supported employment opportunities for people with barriers to paid employment due to a disability, a form of neurodiversity, or a learning disability. Five young people completed their Supported Internship in the Forest in June 2022, and four are now employed in permanent paid roles in the charity, supported by our in-house job coach. Finally, we delivered a Neurodiversity in the Workplace session for staff to celebrate the talents and contribution of neurodiverse people within the Heart of England Forest, as well as raising awareness of some of the challenges neurodiverse people might face in the workplace.

TEAM HIGHLIGHTS

We have worked with a 16-year-old who is not in education, employment, or training, who has been visiting the Forest every week for 2 hour 1-to-1 supported volunteering sessions. The young person has a deep love of nature and enjoys walking in the Forest with her family. The Forest has been a haven for the family and through the sessions she has found a safe space where she can rebuild her confidence and independence having been out of the school system since the pandemic.

“It has been lovely to see the growth in her, particularly as she has started to overcome her extreme anxiety and low self-esteem. She has started to build successful relationships with members of the wider Forest team and take on projects such as using her photography skills to make spotter sheets specific to the Heart of England Forest. She has told me that she feels like the Forest is a safe place where she can freely express herself and not have to worry about what others think.”

Ellie Jones, Outdoor Learning Officer



CHALLENGES FACED

Challenging weather conditions, both extreme heat in the summer and freezing conditions in winter, led to some visits being cancelled by our school partners..

Our work with SEND specialist schools requires us to be especially flexible and reactive to the needs of pupils. The anxiety levels of pupils on a particular day can mean that school staff need to make the decision to postpone a visit at short notice to ensure a positive experience and to keep the young people safe. Learning and skills staff also ensure that they always have alternative plans ready to react to a situation in the moment to ensure that a visit is successful.

THE YEAR AHEAD

Increasing diversity and improving access to the Forest for disadvantaged and underrepresented audiences will continue to be a strategic priority for the learning and skills team in 2022/23.

We will build on the links we have made with schools and partner organisations in Redditch as our new purpose-built outdoor classroom at Gorcott Hill opens. This facility will increase the number of young people and adults we can work with, and we will be developing new partnerships to ensure more people can connect with nature and improve their quality of life through regular visits.

We will further expand the informal learning programme, launching Skills Workshops for adults and developing supported volunteering opportunities for those who need additional support.

We will deliver our second supported employment programme, champion the strengths of neurodiverse people in the workplace, and work to address and overcome barriers to ensure all our employees are supported and reach their full potential.



5 STRONG GOVERNANCE

As the charity grows, so too does its investment in and commitment to high standards of governance, to ensure the charity goes from strength to strength.

Above: The setting sun shining through trees in the Forest

PROUDEST ACHIEVEMENTS

1 The organisation recruited its first Chief Operating Officer (COO)

The COO oversees the effective and compliant running of the organisation as it continues to grow and leads support functions such as finance, IT and HR. The COO also works with the Board of Trustees and will help to coordinate the Investment Committee and the Finance and Audit Committee.

2 Disability Confident Employer

In Summer 2022, the charity received Level 2 certification as a Disability Confident Employer, and signed up to the RACE Report, further demonstrating full commitment to Equity, Diversity and Inclusion (EDI) principles in everything the charity does.



3 New Responsible Investment Policy

The Board of Trustees was pleased to implement a new Responsible Investment Policy during the year. This policy ensures that investments are more targeted towards a positive impact (by considering the United Nation's Sustainable Development Goals).

YEAR IN REVIEW

Throughout the year the Board continued to build on the priority themes it had identified in the Charity Governance Code in October 2022. This included an independent review of the progress made on EDI practices and concluded that the Heart of England Forest has already made great progress in ensuring that EDI is considered across all areas of its work. This includes work across our communications to ensure images are representative of the wide range of visitors to the Forest and including photo descriptions for those people accessing online content using a screen reader.

The senior management team, supported by the COO, also identified areas of focus throughout the year. This has led to the recruitment of several new roles which will help to improve many areas of governance, including financial analysis, health and safety, facilities management, and financial controls.

Within the Human Resources department, a new system was introduced which allows staff to undertake many of their core administrative tasks through a self-service portal. This efficiency gives the whole team more time to focus on the forest and its habitats, and the people and wildlife it benefits.

CHALLENGES FACED

Stock market volatility was particularly high during the last year. The Investment Committee reviewed investment performance regularly and ensured that investments were diversified to provide as much protection as possible against unexpected events.

Inflation was high throughout the year, and this had an inevitable impact on our supply costs. The charity is always aware of the impact increased costs can have on its financial sustainability and takes a responsible approach to its supply chain, working with local suppliers wherever possible and always keeping in mind value for money.

The cost-of-living crisis also affected our staff. As a living wage accredited employer, the charity implemented the cost-of-living rate rise as soon as it was announced by the Living Wage Foundation in September 2022, rather than waiting until the required deadline of April 2023, to support staff as soon as possible. Trustees also awarded all staff a one-off cost of living payment, recognising the difficulties rising costs have had and supporting staff in a time of financial uncertainty.



Above: Members of our forestry team

As with any organisation undergoing growth, our governance activities must keep pace. Despite a low rate of turnover in staff, our teams helped the charity through this change by documenting their processes and ensuring that they can be adopted by new team members seamlessly.

The Board of Trustees had a very high workload spread between a relatively small membership. They identified that increasing their number and diversity would make the Board and its Committees even more effective and worked in partnership with Trustees Unlimited on a robust recruitment process, culminating in the approval of three new trustees.

THE YEAR AHEAD

With three new Board members being appointed in April 2023, the Board will update and strengthen its governance handbook and committee structure.

Senior management and the Board of Trustees will work together to review the strategy with a focus on the next ten years.

The Board of Trustees will continue to identify core policies and procedures and refresh them as appropriate. A new risk management policy will come into effect and the trustees will combine a review of the implementation of this policy with risk management training in their October 2023 meeting.

A range of policies and controls will be improved by the implementation of a new finance system in the year ahead. Not only will this system allow many aspects of the charity's financial work to be automated and made more efficient, but it will also generate quality management information to support the decisions we need to take to continue growing the Forest and the organisation that supports it.



6 VOLUNTEERING

Our amazing community of volunteers helps us with all aspects of creating and managing the Forest all year round, including tree planting, wildlife and habitat surveying, managing footpaths, and assisting with our education programmes.

Above: Volunteers taking a tea break whilst tree planting

PROUDEST ACHIEVEMENTS

1 Awarded the Queens Award for Voluntary Service

We were immensely proud that Heart of England Forest was awarded The Queen's Award for Voluntary Service. This prestigious award, which recognises outstanding work by volunteers to benefit their communities, is the highest award a local organisation can receive in the UK and is equivalent to an MBE.

2 New Volunteer Assistant recruited

Kelsey joined as our Volunteer Assistant and has been an incredible addition to the team. Having an additional, full-time, permanent member of staff has enabled us to support more volunteers and increase the number of sessions, covering a greater variety of activities, in more areas of the Forest.



Above: Volunteer Assistant Kelsey

3 Most hours given to date

Volunteers gave a record-breaking 11,144 hours to help grow the Forest, the equivalent of more than 5 full-time members of staff.

YEAR IN REVIEW

Not only did volunteers give the most hours this year, but the number of individual active volunteers also hit an all-time high at 312. This is especially encouraging in the current climate, with the cost-of-living crisis impacting people's ability

to find the time and to fund travelling to sessions in the Forest.

This winter season was another busy one, with volunteers planting an amazing 46,467 trees. Much of the volunteer tree planting concentrated on one area this year, Sernal Hall Farm, and it was hugely rewarding for our volunteers to be



46,467 trees planted

able to transform this entire site, creating a woodland of the future which covers 59 acres.

We made progress with our vision to grow a more diverse and inclusive volunteering community, supporting a number of volunteers with Special Educational Needs and Disabilities (SEND). These volunteers have joined in with our existing volunteers, and we have also worked with the learning and skills team to support group visits for young people with SEND, including pupils from Welcombe Hills School based in Stratford-upon-Avon.

We were delighted to take part in Great Big Green Week providing a number of opportunities across the charity to reach and engage new audiences with volunteering and events. Our volunteering sessions had an emphasis on improving accessibility, so we provided transport as well as outdoor clothing and footwear for participants.

Our Volunteer Leaders continued to support groups of volunteers, enabling us to carry out a larger breadth of activities to support work across the whole charity. The addition of Kelsey, our Volunteer Assistant, meant that we were also able to increase the number of days we could offer group volunteering opportunities, most notably more Saturday sessions, enabling people who work full-time to be able to volunteer in the Forest.

TEAM HIGHLIGHTS

Clive and Sue, regular volunteers:

“We have immensely enjoyed our time volunteering at Gorcott Hill from the beginning of the project, as it is such a special site. Tasha’s knowledge is considerable, and supported by Becky, their huge enthusiasm is infectious, so it has been a real pleasure to work with them and to witness the results of the work of all the volunteers there.

The tasks are very varied and the friendliness of everyone makes for a great environment in which to contribute, to learn, and to make friends. It has been a real privilege to have played a small part in the success of the project in this area of the Forest.”

CHALLENGES FACED

It has been a very intense planting year for volunteering, with a large number of trees to plant in a limited period. Challenges included the persistent rainy weather and the resulting muddy conditions at our planting sites, which had a knock-on impact on group numbers and resulted in some corporate volunteer sessions being cancelled at late notice. By the last few weeks of the planting season, this meant we were behind target and the forestry team had to step in and share the remaining numbers to help ensure all the trees were planted within the planting window. Despite the challenges of the weather, which is of course out of our control, our volunteers exhibited remarkable resilience and determination. We extend our sincerest thanks to our exceptional volunteers for their commitment, which made all the difference in achieving the impressive planting total.

One of the biggest challenges for our volunteer programme is accessibility. As with any landscape scale natural environment, the Forest includes vast areas with no facilities, or easy access, which limits how easy it is to take groups of volunteers out to these locations to carry out much needed

work. Improving accessibility and logistics that work with our existing environment, while supporting better volunteer access and opportunities, is a key development area for the year ahead.

YEAR AHEAD

We have three key focuses for the year ahead. Firstly, we will start work to increase our volunteer numbers further, which not only engages local and wider communities in our work but improves our capacity to support the charity’s activities. To achieve this, we will launch targeted recruitment campaigns to reach a wider audience of potential volunteers. We look forward to growing our incredible community of volunteers, attracting individuals and community groups who share our passion for environmental conservation and want to contribute to our cause.

Secondly, we want to continue our work improving inclusivity and accessibility within our volunteer programme. We will actively engage with local communities and work closely with community organisations to reach underrepresented groups. By building strong relationships, working to understand and address barriers, and adapting our practices where appropriate, we aim to ensure that our volunteer programme is accessible and welcoming to people from all backgrounds.

Thirdly, we understand the need to future-proof our volunteer program as we prepare for our next stage of growth. To achieve this, we will use digital solutions to streamline our processes, increase efficiency, and improve and enhance communication with volunteers. We aim to create a more efficient and sustainable volunteer programme that can support our anticipated growth and maximise our impact in the long term.



7 FARMING AND AGROFORESTRY

Conservation grazing is becoming more widespread in our woodlands, helping to manage the array of habitats in the Forest, demonstrating that forestry and farming can flourish together.

Above: A rainbow over grazing sheep at Gorcott Hill

PROUDEST ACHIEVEMENTS

1 Agroforestry at Sheriffs Lench

Working in collaboration with local charity Vale Landscape Heritage Trust, we planted another line of 36 heritage fruit trees within our agroforestry area at Sheriffs Lench.

2 Farming to the highest standards

We were very proud to pass our accreditation inspections for another year, with our Red Tractor certification and Organic Farmers and Growers (OF&G) organic certification renewed for 2022-23.

3 Volunteer livestock checkers

We recruited, inducted, and trained a brand-new team of volunteer livestock checkers during the year, who are now part of the team monitoring our livestock daily to ensure high standards of animal welfare.

YEAR IN REVIEW

Visitors are seeing more livestock during their walks as conservation grazing is becoming more widespread in the Forest. Emma, our Biodiversity Officer (grassland), looks after both our own sheep team and also works in partnership with local farmers and graziers who graze their livestock in different areas of the Forest, undertaking a wide range of grazing regimes to achieve different grassland management objectives across our sites. Conservation grazing encourages biodiversity in many ways, and we look forward to seeing the positive biodiversity changes across our sites over the coming years.

During January and February 2023, we worked in collaboration with local charity Vale Landscape Heritage Trust to plant another line of 36 fruit trees within our agroforestry area at Sheriffs Lench. We benefitted from their expertise in orchards and fruit trees within the famous Evesham Vale, and selected heritage species for our agroforestry trial. Our silvoarable field is a plot of land within the Forest where we are planting arable crops and fruit trees together. Our forestry team will manage the site on a rotation basis in a way that

will not only provide crops for juicing and delicious cider, but to benefit wildlife and particularly our pollinators.

2022-23 saw us expand the ways in which volunteers contribute to all elements of the charity's operations, and the area of farming and agroforestry was no exception. Our dedicated team of volunteer livestock checkers work with the Forest team to ensure that our livestock are checked daily, seven days a week, 365 days of the year. As well as monitoring livestock health, the volunteers check the perimeters of the field to ensure all the fences are safe and secure and that the water troughs have a steady supply of clean water. Over the sudden snowy period before Christmas, our volunteers supported the team to ensure that our sheep had access to hay to supplement their diet when grass was not easily available.



Above: Forestry team member planting an apple tree sapling at Sheriffs Lench

Our external farm accreditations are an important way of demonstrating our commitment to high standards of farming and animal welfare. Following another successful inspection visit in 2022-23, the Red Tractor logo is only found on British food and drink products that have been certified to rigorous standards from farm to pack. The logo indicates that the food the consumer buys has been responsibly sourced, safely produced and comes from animals (and crops) that have been well cared for. Organic Farmers and Growers (OF&G) certifies over 50% of all organic land in the UK. Farming organically aligns with the charity's conservation objectives and has a positive effect on soil health and the wider ecosystem.

TEAM HIGHLIGHTS

Emma, Biodiversity Officer (Grassland)



“My favourite part of checking the livestock is simply observing them. We spend time watching both the flock as a whole and the individuals within it, keeping an eye out for any signs of ill health or injury. There are many reasons why I enjoy this, one of them being that you can really observe their behaviour, learn their habits, and how they interact as a flock together.”

Above: Biodiversity Officer (Grassland)

Emma with one of the flying flock

CHALLENGES FACED

As with many areas of the charity, the weather has a big impact on farming and agroforestry. The sudden and heavy snowfall which had not been predicted in December fell at a weekend, meaning emergency plans had to be enacted quickly to ensure all livestock had access to hay and/or other feed as grass was buried underneath a blanket of snow. The drop in temperatures also saw our pipes freeze, and additional time was spent each day thawing the water supply and cutting through the ice to ensure livestock had access to fresh water.

As the Forest grows, there are opportunities to work with a wider range of local farmers to manage our grassland areas to specific prescriptions to get the best outcome for each site. One of the challenges is that conservation grazing is often more time consuming than conventional grazing, and not all farmers are able to graze our sites at the times of year, or at the low intensity, that we need to see the biodiversity benefits. Having access to our own flexible flying flock is vital to fill in the gaps between these important relationships with our graziers.

THE YEAR AHEAD

Plans are already in place for further recruitment to increase the size of the volunteer livestock checking team, to enable us to expand the range of conservation grazing across the Forest.

We also look forward to working in partnership with a wider range of external graziers, and using more cattle grazing, which results in a very different grazing pattern and results in a wider range of biodiversity enhancements across the Forest



8 FUNDRAISING

With the benefits of the growing Forest to the environment, wildlife, and people becoming ever-more apparent, we are working hard to grow support for the charity from a more diverse population, both local to the woodlands and nationally.

Above: Parish Councillor Open Evening at Middle Spenal



Guests at the Midsummer Reception listening to Chief Executive Beth Brook

PROUDEST ACHIEVEMENTS

1 Six-year partnership secured with National Grid Electricity Distribution

This is an exciting opportunity for the charity that will fund significant projects and help us achieve our charitable objectives. The partnership offers us flexibility to propose and agree projects or funding focuses on an annual basis, meaning we can respond to 'need' and develop opportunities based on our current work and priorities. National Grid Electricity Distribution is committed to playing its part in restoring the natural environment and have pledged to do this both on its own land and working with partners. Our first project with them during the 2022/23 reporting year supported the 59 acres of Spernal Hall Farm plastic-free tree planting together with funding the staff resource that supported the volunteers across the planting season. We are looking forward to working with them in 2023/24 and developing the partnership further.

2 Engagement and cultivation events

The first major engagement event that the charity has held provided a vital opportunity to thank and connect with supporters and key stakeholders. We were delighted to welcome so many supporters from across the charity to the Dorsington Arboretum and grateful to have the chance to update them on the impact of their support or help. We also held our first 'CEO lunch', a more intimate event that brought together key

stakeholders for a working lunch to discuss and share knowledge that focused on a particular part of our work; and a Parish Council open evening that gave us the opportunity to host parish councils in and around the Forest to update them on our work and plans. We will be introducing further events to help connect and cultivate relationships that are so important to the charity's success and development.

3 Funding from the Trees Call to Action Fund (TCAF)

We were delighted to not only be awarded the £499,446 grant to get more trees planted across our local landscape and community spaces, but to have developed a partnership with three district councils: Stratford-upon-Avon, Warwick, and Wychavon – a first-time collaboration of this type. The grant will support the three-year project that includes funding to establish a dedicated team, based at the Heart of England Forest, to encourage and support local people, landowners, and communities, to access the information and grants available to plant and maintain trees and hedgerows. Working together we can drive and amplify action in a cohesive and supportive way to deliver bigger, better, and more connected results for the region.

YEAR IN REVIEW

Despite some resource constraints, our fundraising



team has made encouraging progress in increasing corporate support over the past year. We are pleased to report the establishment of several exciting and meaningful new partnerships as well as renewing existing partnerships for another year. These partnerships have provided financial support and contributed to raising awareness and engagement regionally and nationally.

In line with our commitment to fostering strong and sustainable relationships with our supporters, we have made positive progress in providing more opportunities for engagement throughout the previous year. We introduced new cultivation and engagement events to provide opportunities to engage supporters in our cause and build lasting connections. The positive feedback received from attendees highlights the success of these initiatives. We have also worked closely with our Marcomms team increasing the quality and quantity of video and imagery, to harness the power of visual storytelling, helping us share with supporters both the need and urgency of our mission as well as the impact of our work.

The fundraising team has continued to deliver some fantastic results through grants and trusts that help to drive our mission forward. We are pleased to report a range of achievements including:

- Our successful collaboration with three district councils on the Trees Call to Action Fund project

recognises that the climate and biodiversity crises require a joined up collaborative approach. Working together we can share knowledge and amplify action across the region. The funded project delivery officers will support people and communities across the region helping them access information, funding, events, and support to plant more trees and create and protect woodlands.

- We successfully secured match funding for the Green Recovery Challenge Fund (GRCF) Growing Future Forest Guardians' project. This initiative successfully concluded in March 2023 and created lasting connections between young people, disadvantaged adults, and nature. Through the project, we restored and improved over 21 hectares of ancient semi-natural woodland, grassland, and wetland. Additionally, we provided valuable learning programs, skill development opportunities, and strengthened individuals' relationships with the natural world. We were fortunate to receive grants from various organisations, including the Ian Addison Charitable Foundation, The Banister Charitable Trust, Eveson Charitable Trust, and the Co-op Community Fund.

Despite limited staff resources, we have successfully increased corporate support, provided engaging opportunities for supporters to connect with the charity, and continued to grow income and create possibilities to progress

our mission. We extend our gratitude to all our supporters, partners, and stakeholders, for their invaluable contributions, and we look forward to continuing our impactful work in the year ahead.

CHALLENGES FACED

During the past reporting year, our fundraising team has continued to face staff resource challenges. With one role vacant for most of the year, other team members shared the role between them, which understandably had a knock-on effect on workload and capacity to deliver everything we wanted.

Despite the challenges faced, we are delighted to announce that we are beginning the new reporting year with a complete team. Our Corporate Partnerships Manager started in post at the beginning of March 2023, and we have approval for an additional role in the team, a Fundraising Assistant, who we hope will join in the summer of 2023. These developments fill us with great enthusiasm and optimism for a productive year ahead.

THE YEAR AHEAD

During the year ahead, we are focused on two key objectives - expanding our donor base and growing income to further our long-term mission.

1) Growing income

We will work to increase our income through building on our existing income streams, including corporate partnerships, securing grants from trusts and foundations, and garnering support from individuals.

Corporate Partnerships: We will work to forge partnerships with organisations that share our vision and values and who are dedicated to making a positive social impact. Where possible we will work to secure multi-year partnerships to help build a sustainable income stream and help with planning.

Grants & Trusts: We will continue to work with

our colleagues across the charity to understand need and opportunity. We will research and find funding opportunities that help the charity deliver its objectives, and craft and develop compelling proposals that fund both specific projects and core costs that help us deliver our charitable objectives.

Individual support: Recognising the power of individual contributions, we will actively engage with our existing donor base and cultivate relationships with potential new supporters. Through targeted campaigns, personalised communications, and fundraising events, we will emphasise the importance of individual giving and the transformative difference it can make. Our team will provide various convenient and transparent ways for individuals to contribute, ensuring that every donation, no matter the size, is valued and recognised.

Community fundraising: Cultivating relationships with individuals and communities across the region is vital to expand awareness and support for the charity on a grassroots basis. We will continue to promote the charity, support fundraisers, and work to empower local action and advocacy.

2) Growing our Supporter Base

Expanding our supporter base is pivotal to achieving our long-term mission. A broader network of passionate advocates increases our reach, influence, and ability to create sustainable change.

The fundraising team will work closely with our wider Cross Cutting Support colleagues to increase awareness and outreach. We will continue and grow our efforts to raise awareness about our organisation and its impact through targeted marketing campaigns, social media engagement, and public relations activities. By showcasing the stories of those impacted by our work and highlighting urgency and need, we will connect with individuals who share our values and inspire them to join our cause.



9 COMMUNICATIONS

Our work growing and caring for the Forest, and the need to raise awareness and understanding of our work to drive further support, are interdependent. By promoting the charity's activities, mission, and impact across local and national audiences, we will attract support and grow the influence of the charity.

Above: Cherry blossom in Dorothy's Wood

PROUDEST ACHIEVEMENTS

1 Marketing and Communications Officer recruited

In May 2022, Julie joined as our Marketing and Communications Officer. This new full-time, permanent role within the marketing and communications team has enabled us to move from firefighting towards being more proactive and strategic in all areas of our work.

2 Social media review

One of the Marketing and Communications Officer's first tasks was to carry out a social media audit to identify how we could use the various channels more strategically and efficiently. This piece of work has led to an increase in engagement across all channels this year, and a revamp of our YouTube account which will be a key channel for us to attract new audiences in the future.

3 Cross-team collaboration

We are proud that as the charity team has grown, so too has the support from colleagues willing to write articles, feature in videos, provide images and information for our social media posts and visitor information, and take part in communications training. This is invaluable in bringing the work of the Forest to life, and showing the broad-ranging impact of our work, enabling us to engage with a wider variety of audiences.

YEAR IN REVIEW

One of the key reasons we have been able to be proactive and less reactive with our communications work this year is the recruitment of our Marketing and Communications Officer. Investing in the team and having this full-time, permanent position in-house has enabled us to make a step change in our strategic approach to marketing and communications, which is already yielding results.

Although we still have a small marketing and communications Team, communications is not confined to the marketing and communications team, all members of the charity are ambassadors

for our work. We are proud of the passion and enthusiasm conveyed by the wider charity team when talking about our work and its impact. We have seen an increase in the number of staff keen to be more involved with communications by writing articles for both the website and our supporter magazine, featuring in videos for our YouTube channel, co-presenting talks to community groups, and providing a steady stream of amazing images and behind the scenes insights in our 'From the Forest' WhatsApp group. To support staff, we carried out media training and smartphone filming and editing training this year, along with providing presentation templates.

In addition to our social media audit, we furthered our digital communications work by working with Up-rated to better use our Google Ads Grant, with campaigns generating 36% more clicks, 27% more impressions, and a click through rate up 7.5% compared to the last financial year. We also set up a paid Google Ad account which enables us to do more than the restricted Google Ad Grant account. This is already performing well, with campaigns achieving over 14,500 clicks and 1.4 million impressions. We launched the paid for Google Ads account in September to coincide with our first digital campaign which had the call to action to sign up to our monthly e-newsletter. This resulted in 800 new subscribers. This campaign work is enabling us to better understand who is engaging with us, which will help us to create and target future advertising to get the best results.

Raising awareness is the key driver for all our marketing and communications work, and we continued to work with PR and communications agency Forster to raise the charity's profile in both local and national media. This takes time and we are still in the early stages of this work, but this year we achieved coverage in a variety of titles including The New Statesman, The Independent, The Mirror, The Sun, You Magazine online, Education Today, Stratford Observer and Redditch Standard, with a mix of features, case studies, comment, and opinion pieces.

Building a high-quality image and video library is an ongoing priority for the team. This year we further increased the quantity of images with quarterly photo shoots and the great images from our teams out in the Forest. We have started to work with our videographer on a two day per week retainer to increase the number of videos produced and to ensure a regular supply of video content capturing our work throughout the seasons.

Our agency partners are an extension of our team, and excitingly we started to work collaboratively with both Forster and Uprated on our first joint press and digital campaign which will launch in April. Testing content and messaging and identifying audiences will be a key part of this campaign, as we will use this learning to inform future campaigns.

CHALLENGES FACED

Despite benefiting from the recruitment of a Marketing and Communications Officer, resource continues to be a challenge as we are still a small team to deal with the breadth and quantity of work required. The recruitment of a Communications Assistant next year will help to address this, as will continued collaborative working with our trusted agency partners.

The environmental market is a crowded one, so getting cut through with our messages is difficult. Forster's continuing work on case studies collation, live pitching, and building relationships with journalists will help with this.

THE YEAR AHEAD

A key focus for the coming year is the implementation of a new communications process. Top level strategic communications requirements will be mapped out with senior managers, then the communications team will work with a newly formed content production team consisting of representatives from all areas of the charity to produce timely and topical content for all channels.

We want to further support staff to ensure they are confident speaking about all aspects of our work, and to ensure that people get consistent information whether they speak to a member of staff when walking in the Forest, email the charity, or ask on our social media channels, so we will be rolling out communications training for all staff.

The recruitment of a Communications Assistant will add further capacity to the team. This, along with continuing our collaborative working with our trusted partners and increasing the number of communications volunteers, will enable us to achieve more.

Much of our work drives visitors to our website. We saw a 62% increase in website users, a 60% increase in new users, and a 56% increase in sessions this year compared to the last financial year. This is encouraging as we are attracting more visitors overall, as well as more new visitors, who are actively engaging with our site and viewing more pages when they do visit. This gives us a good basis for our work this year to encourage more visitors to take an action when they are on our website. Having extra resource in the team will enable us to develop the website further and look at user journeys which will give us valuable insight into how visitors are interacting with our website currently, and how we can convert more of these visits into donations, volunteer sign ups, Forest fundraisers, event attendees and Friends of the Forest.

We ended the year with the news that our application for the Weston Communicating Climate Change Programme had been successful. The sponsored six month programme is run by the Media Trust for UK charities to help them enhance the reach, power and impact of their environmental communications. The expert-led training, networking opportunities, resources, and one-to-one sessions with media industry professionals will greatly enhance our communications work.



THANK YOU

We would like to extend our sincere appreciation and recognition to our remarkable supporters.

Our volunteers

Donors and Friends of the Forest

Corporate supporters:

- Amtico
- Flush Heating & Plumbing
- Incorporatewear
- Jaguar Land Rover
- Mercedes-Benz World
- National Grid Electricity Distribution
- NFU Mutual
- Nuco International
- Pell Frischmann
- Socitm
- Stratford Shutters
- The Independent
- Vectric
- Walls and Ceilings International
- Wound Care People

Trusts & Foundations:

- The Banister Charitable Trust
- CB & HH Taylor 1984 Trust
- Co-op Local Community Fund
- D'oyly Carte Charitable Trust
- Green Recovery Challenge Fund programme funded by Defra, Environment Agency, Natural England, administered by the National Lottery Heritage Fund
- Little Lives UK
- Stratford Town Trust
- Trees Call to Action Fund distributed by the Heritage Fund, in partnership with the Forestry Commission, on behalf of the Department for Environment, Food & Rural Affairs (Defra)
- Warwickshire County Councillors' Fund
- Worcester Community Foundation

FINANCIAL REVIEW

Financial Review

The results of the group for the year are set out in the consolidated Statement of Financial Activities on page 52 of these accounts.

The group's total income for the period increased from £5,138k to £6,947k. Expenditure also increased in the year to £5,631k (2022: £4,037k) giving rise to a surplus, before movements on investments, of £1,316k (2022: £1,101k).

Volatility in global stock markets, however, led to a decrease in the value of investments held by £8,447k, as a result of which the overall net assets of the charity declined from £217,910k at 31st March 2022 to £210,779k at 31 March 2023.

Other than movements in stock markets, which cannot be anticipated accurately, these results were broadly in line with the expectations of the Board of Trustees.

Reserves

The main reason that The Heart of England Forest holds reserves is to continue to grow the Forest towards our target of 30,000 acres. We might also hold reserves to ensure that the management and protection of the existing Forest is not disrupted, or to deliver specific projects. Some of the reserves set aside for projects may have been restricted by donors and we will hold those reserves in line with the restrictions; they may only be utilised against deliverables identified within such projects.

At the start of each year during the annual planning and budgeting cycle, the Trustees identify an appropriate level of reserves, taking into account the medium-term plans of the organisation and the expected return on investments. They will then ensure reserves are available to cover the running of the charity in the short-term, typically at levels equating to either the planned net operating deficit of the charity in the next financial year or six months of the current year's expected operating expenditure, whichever is greater. All remaining reserves are either designated for the future acquisition of land or represent the amount of fixed assets held at the balance sheet date (this is where the purchase value of the existing Forest is captured).

As of 31 March 2023, reserves had decreased to £210,779k primarily as a result of the losses on the investment fund. Within this figure, restricted reserves stood at £863k and designated funds were £206,296k, of which £52,238k represented land and other assets already acquired; the remaining £154,059k has been designated for future land purchases. General reserves were £3,619k; these have been designated to cover the planned operating deficit in the year to 31 March 2024.

Going concern

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

Investment policy

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

The Trustees updated and approved a Responsible Investment Policy in April 2022, which is to maintain the underlying investment wealth value of the charity, so that it can meet its objectives in the long term. The charity is sensitive to known environmental, ethical, and social risk considerations, and investment assets are reasonably invested to complement the charity's aims and objects.

The charity's main investment objective is to optimise returns to enable the charity to deliver its objectives, particularly to ensure appropriate liquid funds are available to acquire land.

An Investment Committee regularly meets and is advised by Holbein Partners LLP. The benchmark against which the investments are measured is CPI plus 3.5%. Under the current high-inflation environment, the Investment Committee also monitors a range of alternative and appropriate benchmarks when considering investment performance.

Risk Management

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

The principal risks and uncertainties facing the charity and its subsidiary undertakings, as identified by the charity Trustees and particularly as they relate to financial performance, include:

- **Investment performance**

As a consequence of the large legacy the charity has significant funds invested in stocks, shares and other assets. The recent volatility of the worldwide markets is a risk to the performance of the investment portfolio in the short term. The Investment Committee meets regularly with the charity's investment advisors and the portfolio Investment Fund managers to review performance, and structure of the portfolio to minimise this risk where possible, ensuring the charity holds a diverse set of assets.

- **Inflation and the cost-of-living crisis**

These factors could have wide-ranging impacts on the charity, ranging from pressure on our fundraising projects through to increased costs of goods and services. To mitigate the effects to the extent possible, the organisation continues to operate a diversified set of income streams, and monitor costs through the monthly accounts cycle, identifying areas for possible savings wherever possible.

- **Land availability and competition**

The charity needs to buy substantial amounts of land in order to realise the ultimate goal of creating a 30,000-acre forest, and the availability of land can vary each year as a result of many external factors. The charity has a proactive land strategy which is used to identify land that fits our criteria and maintains adequate liquid resources so that any opportunities that do arise can be acted on.

- **Government policy**

The UK's forestry and farming communities, including the Heart of England Forest, maintain a watchful eye on likely government policy related to farming and forestry grants, particularly the application of the Environmental Land Management Scheme (ELMS), which has the potential to affect the charity and its subsidiaries' income streams.

To protect against the uncertainty, the charity maintains sufficient financial reserves to mitigate short term impact and enable other income streams to be identified.

Fundraising

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

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

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

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

Structure, Governance and Management

Structure

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

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

The charity has four wholly owned trading subsidiaries:

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

A summary of the trading subsidiary results appears in note 21.

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

Professional advisers

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

Public benefit

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

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

Structure of the Board

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

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

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

The Board aspires to the Charity Governance Code and has further work planned in 2023-24 to move towards this standard.

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

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

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

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

Trustees' emoluments

The Trustees of the charity, who comprise its Board, did not receive any remuneration during the period. The charity purchases indemnity insurance (cover of £2m) to protect it and its Trustees and officers from losses arising from any wrongful act by its Trustees or officers and to indemnify them against their legal liability arising from any claim against them. The premium for the policy was £1,665 (2022: £1,358).

Trustees claimed out of pocket expenses of £Nil (2022: Nil) during the year.

Related Party transactions

Note 23 to the accounts contains details of transactions between Trustees and the charity. As the charity continues to extricate itself from the Felix Dennis Estate, these transactions will reduce.

Responsibilities of the Trustees

The Trustees (who are also the Directors of the Heart of England Forest for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

These give a true and fair view of the state of affairs of the charity and the group as at the end of the financial year, and of the surplus or deficit of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, applicable Charities (Accounts and Reports) Regulations, the provisions of the Trust Deed, and the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

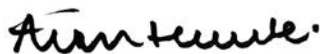
The Trustees and Directors are responsible for the maintenance and integrity of the corporate and financial information including the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

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

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

This report was approved by the Board of Directors on 6 October 2023 and signed on behalf of the board by:



Alison Hunter

Vice-Chair

13 October 2023

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

Opinion

We have audited the financial statements of The Heart of England Forest (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 March 2023 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on pages 46 and 47, the Trustees (who are also the Directors of the parent charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Based on our understanding of the Group and parent charity and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, and anti-money laundering regulation

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

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

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

In addition, we evaluated the Directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls, and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, inappropriately shifting the timing and basis of revenue recognition, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to fund accounting, and significant one-off or unusual transactions.

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

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

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

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

Use of the audit report

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



David Hoose (Dec 14, 2023 10:33 GMT)

David Hoose (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

First Floor

Two Chamberlain Square

Birmingham

B3 3AX

Consolidated Statement of Financial Activities (incorporating the income and expenditure account) for the year ended 31 March 2023

	<i>Notes</i>	Unrestricted			Total Funds	Total Funds
		General Funds	Designated Funds	Restricted Funds		
		2023 £000	2023 £000	2023 £000	2023 £000	2022 £000
Income						
<i>Income from generated funds</i>						
Donations and legacies	<i>2</i>	302	-	1,326	1,628	1,113
Other trading activities	<i>3</i>	926	-	-	926	700
Investment income	<i>4</i>	69	3,264	-	3,333	2,922
Other		56	-	-	56	48
<i>Income from charitable activities</i>	<i>5</i>	1,004	-	-	1,004	355
Total Income		2,357	3,264	1,326	6,947	5,138
Expenditure						
Raising funds	<i>6</i>	652	-	-	652	566
Subsidiary trading expenses	<i>6</i>	722	-	-	722	508
Investment management fees	<i>6</i>	-	765	-	765	820
Charitable activities	<i>6</i>	3,095	-	397	3,492	2,143
Total Expenditure		4,469	765	397	5,631	4,037
Net income/(expenditure)before movements on investments		(2,112)	2,499	929	1,316	1,101
Gains/(losses) on investment assets						
Realised	<i>12</i>	-	4,064	-	4,064	1,567
Unrealised	<i>12</i>	-	(12,510)	-	(12,511)	8,931
Exceptional Items		-	-	-	-	-
Net income/(expenditure)		(2,112)	(5,948)	929	(7,131)	11,599
Transfers between funds	<i>18</i>	3,731	(3,731)	-	-	-
Net movement in funds		1,619	(9,679)	929	(7,131)	11,599
Fund Balance brought forward 1 April 2022		2,000	215,976	(66)	217,910	206,311
Fund Balance carried forward 31 March 2023		3,619	206,297	863	210,779	217,910

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

All income and expenditure derived from continuing activities.

Note 22 illustrates prior year figures for the various funds.

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

Consolidated and Charity Balance Sheets as at 31 March 2023

	Notes	Group		Company	
		2023 £000	2022 £000	2023 £000	2022 £000
Fixed Assets					
Intangible Assets	10	10	294	10	19
Tangible Assets	11	53,029	50,031	51,152	42,955
Investments	12	147,891	161,882	152,433	164,632
Total fixed assets		200,930	212,207	203,595	207,606
Current Assets					
Stock	13	180	177	3	22
Debtors	14	6,561	5,821	5,532	7,829
Cash at bank and in hand		4,069	3,331	2,449	2,823
Total current assets		10,810	9,329	7,984	10,674
Creditors					
Amounts falling due within one ye	15	(879)	(790)	(401)	(385)
Net Current Assets		9,931	8,539	7,583	10,289
Creditors					
Amounts falling due after one year	16	-	(2,721)	-	-
Provisions	17	(83)	(114)	(83)	(40)
Net Assets		210,778	217,910	211,095	217,855
Funds					
Unrestricted funds					
General funds		3,619	2,000	4,273	2,283
Designated funds	18	206,296	215,976	205,958	215,638
Restricted funds	19	863	(66)	863	(66)
		210,778	217,910	211,095	217,855

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

The (deficit)/surplus of the parent charity after gains/losses on investment assets was (£6,750k) in the year (2022: £11,472k).

These financial statements were approved by the Board of Directors/Trustees and authorised for issue and are signed on its behalf by:



Alison Hunter
Vice-Chair
13 October 2023

Consolidated Statement of Cash Flows for the year ended 31 March 2023

		2023	2022
		£000	£000
Reconciliation of net movement in funds to Cash flows from operating activities:			
Net incoming resources		(7,131)	11,599
	<i>Notes</i>		
Depreciation	<i>11</i>	329	233
Amortisation	<i>10</i>	9	7
Investment income	<i>4</i>	(3,333)	(2,922)
(Gains)/Losses on investments	<i>12</i>	8,447	(10,498)
Investment fees	<i>12</i>	765	736
Movement in debtors	<i>14</i>	(741)	288
Movement in stock	<i>13</i>	(3)	20
Movement in creditors	<i>15 & 16</i>	(2,632)	(230)
Movement in provisions	<i>17</i>	(31)	(53)
Cash generated from operations		(4,322)	(820)
Cash Flow Statement			
Cash generated from operations		(4,322)	(820)
Cash flows from investing activities			
Purchase of land	<i>11</i>	(4,770)	(4,403)
Purchase of property, plant and equipment	<i>11</i>	(645)	(529)
Purchase of intangible fixed assets	<i>10</i>	-	(10)
Revaluation of intangible fixed assets	<i>10</i>	275	(15)
Net Sale of fixed asset investments	<i>12</i>	10,106	10
Sale of fixed assets	<i>11</i>	25	71
Interest received	<i>4</i>	4	16
Rental income received	<i>4</i>	65	104
Net cash generated by/used in investing activities		5,061	(4,756)
Net increase/(decrease) in cash in the year		739	(5,576)
Change in net funds arising from cashflows		739	(5,576)
Cash at 1 April 2022		3,331	8,907
Increase/(decrease) in cash		739	(5,576)
Cash at 31 March 2023		4,070	3,331

Notes to the accounts

1 Accounting Policies

a) Basis of accounting

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

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

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

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

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

b) Preparation of the accounts on a going concern basis

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

c) Estimates and Judgements

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

d) Basis of consolidation

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

The outgoing resources of the parent charity for the year were £3,365k (2022: £3,130k). The income of the parent charity for the year was £5,062k (2022: £4,105k). The investment losses for the parent charity in the year were £8,447k (2022: £10,497k gain). The deficit of the parent charity was £6,750k (2022: £11,472k surplus).

e) Fund accounting

General Funds

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

Designated funds

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

Both designated funds and general funds are unrestricted funds.

Restricted funds

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

f) Income

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

- **Friends of the Forest**

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

- **Donations**

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised and the Trustees' Annual Report gives more information about their contribution.

- **Legacies**

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

- **Grants**

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

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

- **Trading & other income**

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

- **Investment income**

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

g) Expenditure

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

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

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

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

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

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

h) Intangible assets

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

- **Amortisation**

Grant entitlements – No amortisation

i) Tangible fixed assets

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

An increase in the carrying amount of an asset as a result of a revaluation, is recognised

in other recognised gains or losses.

- **Depreciation**

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

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

j) **Investments**

- **Investment property**

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

- **Other investments**

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

- **Subsidiary companies**

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

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

- **Impairment of fixed assets and investments**

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

k) **Stock**

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

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

l) **Employee benefits**

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

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

m) Financial Instruments

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

- **Debtors**

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

- **Cash at bank and in hand**

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

- **Creditors and provisions**

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

n) Significant areas of estimation and judgement

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

Management has applied judgement in the following material areas:

- Land valuations
- Sculptures
- Legacies

2 Donations and Legacies

	Unrestricted			Total Funds 2023 £000	Total Funds 2022 £000
	General	Designated	Restricted		
	Funds	Funds	Funds		
	2023	2023	2023		
	£000	£000	£000		
Donations					
Individual	125	-	-	125	148
Corporates & trusts	165	-	1,326	1,491	958
Community	11	-	-	11	7
Legacies					
Other	1	-	-	1	-
	302	-	1,326	1,628	1,113

3 Income from Other Trading Activities

	Unrestricted			Total Funds 2023 £000	Total Funds 2022 £000
	General	Designated	Restricted		
	Funds	Funds	Funds		
	2023	2023	2023		
	£000	£000	£000		
Farming	671	-	-	671	484
Leisure and other	255	-	-	255	216
	926	-	-	926	700

See Note 22 for further details of trading activities.

4 Investment Income

	Unrestricted			Total Funds 2023 £000	Total Funds 2022 £000
	General	Designated	Restricted		
	Funds	Funds	Funds		
	2023	2023	2023		
	£000	£000	£000		
Rental income received	65	-	-	65	104
Dividends received	-	3,264	-	3,264	2,802
Other income	4	-	-	4	16
	69	3,264	-	3,333	2,922

5 Income from Charitable Activities

	Unrestricted			Total Funds 2023 £000	Total Funds 2022 £000
	General	Designated	Restricted		
	Funds	Funds	Funds		
	2023	2023	2023		
	£000	£000	£000	£000	£000
Woodland Creation	575	-	-	575	-
Woodland Maintenance	294	-	-	294	333
Forestry Commission Capital Grant	107	-	-	107	-
Education	28	-	-	28	22
Other	-	-	-	-	-
	1,004	-	-	1,004	355

The charity's primary purpose is the planting and maintenance of broadleaf woodlands.

6 Expenditure

	Direct	Support	Total 2023 £000	Total 2022 £000
	Costs	Costs		
	2023	2023		
	£000	£000	£000	£000
Cost of raising funds				
Fundraising	576	-	576	428
Investment property costs	-	76	76	138
	576	76	652	566
Subsidiary trading expenses				
Farming	520	-	520	368
Leisure and other	202	-	202	140
	722	-	722	508
Investment management fees				
Investment fees	-	681	681	736
Monitoring management fees	-	84	84	84
	-	765	765	820
Charitable activities				
Forestry and biodiversity	1,687	-	1,687	431
Education and communications	192	-	192	101
Strong Governance	536	471	1,007	576
Finance Costs	-	209	209	125
Restricted	396	-	396	910
	2,811	680	3,492	2,143

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

7 Net (Income)/Expenditure for the year

This is stated after charging:	2023 £000	2022 £000
Depreciation of fixed assets	329	233
Amortisation of intangible fixed assets	9	7
Auditors remuneration - audit services	28	21
Auditors remuneration - non-audit services	9	18

8 Employees

	2023 No.	2022 No.
<i>The average number of employees during the year was:</i>		
Growing the Forest	29	19
Optimising Biodiversity	7	6
Attracting People	4	2
Learning & Skills	7	4
Strong Governance	9	9
Communications	2	2
Fundraising	4	4
Volunteering	2	2
Farming and Agroforestry	2	2
	66	50

The average number of full time equivalent employees during the year was:

Growing the Forest	28	19
Optimising Biodiversity	6	5
Attracting People	4	2
Learning & Skills	6	4
Strong Governance	9	9
Communications	2	2
Fundraising	4	3
Volunteering	2	2
Farming and Agroforestry	2	2
	63	48

8 Employees (continued)

	2023	2022
	£000	£000
Total staff costs were as follows:		
Wages and salaries	2,040	1,590
Employer's National Insurance	173	116
Pension Contributions	74	68
	2,287	1,774

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

	2023	2022
£60,001 to £70,000	2	1
£100,001 to £110,000	-	1
£120,001 to £130,000	1	-
	3	2

The employees referred to above are members of a defined contribution pensions scheme. Contributions paid in respect of these employees were £12,770 (2022: £8,618).

The key management personnel of the charity comprise the Trustees, Chief Executive Officer, Chief Operating Officer, Partnerships Director, Commercial Director, Head Forester, Biodiversity Manager, Community Engagement Manager and Head of Learning & Skills. The total emoluments of these were £563k (2022: £518k).

9 Trustees' and Directors' Remuneration

None of the charity Trustees received any remuneration from the charity during the year except as disclosed in note 23, and no expenses (2022: Nil) were reimbursed to Board members for travel and subsistence.

The charity purchases indemnity insurance (cover of £2m) to protect it and its Trustees and officers from losses arising from any wrongful act by its Trustees or officers and to indemnify them against their legal liability arising from any claim against them. The premium for the policy was £1,665 (2022: £1,358).

10 Intangible Fixed Assets

Group	Grant	Software	Total
	Entitlements		
	£000	£000	£000
Fair Value			
At 1 April 2022	275	26	301
Fair value adjustments	(275)	-	(275)
At 31 March 2023	-	26	26
Amortisation			
At 1 April 2022	-	7	7
Charge for the period	-	9	9
At 31 March 2023	-	16	16
Net Book Value			
At 31 March 2023	-	10	10
At 31 March 2022	275	19	294

The value of the Grant entitlements was written down to £nil during the year.

11 Tangible Fixed Assets

Group	Land and Buildings £000	Fixtures and fittings £000	Tools and equipment £000	Motor Vehicles £000	Total £000
Cost					
At 1 April 2022	49,621	195	689	469	50,974
Additions	4,770	32	443	170	5,415
Disposals	-	-	(17)	(35)	(52)
Transfers	(2,063)	-	-	-	(2,063)
At 31 March 2023	52,328	227	1,115	604	54,274
Depreciation or impairment					
At 1 April 2022	378	95	157	313	943
Depreciation charge for the period	114	32	112	71	329
Disposals	-	-	(10)	(17)	(27)
At 31 March 2023	492	127	259	367	1,245
Net Book Value					
At 31 March 2023	51,836	100	856	237	53,029
At 31 March 2022	49,243	100	532	156	50,031
Company					
	Land and Buildings £000	Fixtures and fittings £000	Tools and equipment £000	Motor Vehicles £000	Total £000
Cost					
At 1 April 2022	42,657	139	279	142	43,217
Additions	10,172	28	187	66	10,453
Disposals	-	-	-	-	-
Transfers	(2,063)	-	-	-	(2,063)
At 31 March 2023	50,766	167	466	208	51,607
Depreciation or impairment					
At 1 April 2022	165	40	46	11	262
Depreciation charge for the period	65	32	62	35	193
At 31 March 2023	230	72	108	46	455
Net Book Value					
At 31 March 2023	50,536	95	358	162	51,152
At 31 March 2022	42,492	99	233	131	42,955

During the year Dorsington Farms Ltd sold Land and Buildings to the Charity totalling £5.402m.

12 Investments

Group		Investment Fund	Investment Property	Other Investments	Total
		£000	£000	£000	£000
Cost					
At 1 April 2022		155,051	4,282	2,549	161,882
Additions		83	11	-	94
Disposals		(10,200)	-	-	(10,200)
Transfer		-	2,063	-	2,063
Realised gains		4,064	-	-	4,064
Unrealised gains/(losses)		(12,511)	-	-	(12,511)
Dividend income		3,264	-	-	3,264
Management fees		(765)	-	-	(765)
At 31 March 2023		138,986	6,356	2,549	147,891
Net Book Value					
At 31 March 2023		138,986	6,356	2,549	147,891
At 31 March 2022		155,051	4,282	2,549	161,882
Historical Cost		116,000	3,432	2,557	121,989
Company					
	Subsidiaries	Investment Fund	Investment Property	Other Investments	Total
	£000	£000	£000	£000	£000
Cost					
At 1 April 2022	3,792	155,051	3,240	2,549	164,632
Additions	-	83	1,803	-	1,886
Disposals	-	(10,200)	-	-	(10,200)
Transfer	-	-	2,063	-	2,063
Realised gains	-	4,064	-	-	4,064
Unrealised gains/(losses)	-	(12,511)	-	-	(12,511)
Dividend income	-	3,264	-	-	3,264
Management fees	-	(765)	-	-	(765)
At 31 March 2023	3,792	138,986	7,106	2,549	152,433
Net Book Value					
At 31 March 2023	3,792	138,986	7,106	2,549	152,433
At 31 March 2022	3,792	155,051	3,240	2,549	164,632

During the year Dorsington Farms Ltd sold Investment Properties to the Charity totalling £1,790m.

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

The summary financial performances can be found in Note 21.

12 Investments (continued)

The allocation of the investment fund at 31 March 2023 was as follows:

	2023	2022
Equities		
US	28%	34%
UK	17%	20%
Europe ex UK	16%	17%
Japan	2%	2%
Asia ex Japan	2%	2%
EM	2%	3%
Other	2%	0%
Total Equities	69%	78%
Credit		
Investment Grade	4%	3%
High Yield	0%	0%
Sovereign Debt		
Developed Markets	5%	3%
Emerging Markets	2%	1%
Other Fixed Income	0%	1%
Total Fixed Income	11%	8%
Gold	1%	1%
Property	4%	4%
Other	5%	6%
Cash	10%	3%
Total	100%	100%

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

13 Stock

	Group		Company	
	2023	2022	2023	2022
	£000	£000	£000	£000
Farming stocks	176	153	-	-
Other	4	24	3	22
	180	177	3	22

14 Debtors

	Group		Company	
	2023	2022	2023	2022
	£000	£000	£000	£000
Trade debtors	66	114	19	37
Amounts due from subsidiary undertakings	-	-	45	2,379
Prepayments and accrued income	6,340	5,644	5,420	5,379
Other debtors	155	63	48	34
	6,561	5,821	5,532	7,829

15 Creditors

	Group		Company	
	2023	2022	2023	2022
	£000	£000	£000	£000
Bank loan	-	158	-	-
Trade creditors	521	232	246	173
Amounts owed to subsidiary undertakings	-	-	-	51
Accruals and deferred income	234	315	88	146
Taxation and Social Security	94	59	56	14
Other creditors	30	26	11	1
	879	790	401	385

Deferred Income

Brought forward 1 April 2022	140
Deferred during the year	122
Released during the year	(140)
Carried forward 31 March 2023	122

16 Creditors: amounts falling due after more than one year

	Group		Company	
	2023	2022	2023	2022
	£000	£000	£000	£000
Bank loans and overdrafts	-	2,721	-	-

Included in the above is an amount of £2,056k (2022: £2,019k) in respect of liabilities payable or repayable by instalments which fall due for payment after more than 5 years from the reporting date.

The loan was repaid in March 2023 and all charges over Group assets by AMC plc were cancelled.

17 Provisions

Provisions at the Balance sheet date amount to £83k (2022: £114k). These provisions relate to environmental costs on some of the properties, and to tree surgery.

Brought forward 1 April 2022	114
Provided for during the year	-
Utilised during the year	(31)
Carried forward 31 March 2023	83

18 Designated Funds

The Designated fund of £206.0m (2022: £215.0m) represents the balance of the Land Reserve and land and other assets acquired. During the year the balance on the Strategic Investment Fund was transferred to the General Fund.

	Funds at 1					Funds at
	April 2022	Income	Expenditure	Gains	Transfers	31 March
	£000	£000	£000	£000	£000	2023
						£000
Land Reserve	171,956	3,264	(765)	(8,447)	(12,741)	153,267
Land and assets held	-	-	-	-	53,029	53,029
Valuation Reserve	42,718	-	-	-	(42,718)	-
Strategic Investment Fund	1,302	-	-	-	(1,302)	-
	<u>215,976</u>	<u>3,264</u>	<u>(765)</u>	<u>(8,447)</u>	<u>(3,732)</u>	<u>206,296</u>

19 Restricted Funds

	Funds at 2022 £000	Income £000	Expenditure £000	Funds at 2023 £000
Volunteer Hub	8	-	(8)	-
Heritage Fund (GRCF) Growing Future Forest Guardians	75	151	(162)	64
RDPE - Growing Tourism in HoEF	18	5	-	23
Millie's Watch - Education Facilities	6	-	(6)	-
Severn Trent - Pollinator Pathways project	26	3	-	29
William A Cadbury Charitable Trust	8	-	-	8
EU Undertrees	22	-	(22)	-
Heritage Fund (GRCF) Green Recovery in the Heart of England	(239)	1,030	(96)	696
D'Oyly Carte Charitable Trust	2	1	-	3
The Environment Agency - Noleham Brook	3	-	(3)	-
The Addison Charitable Trust	4	-	(3)	1
Trees Call to Action Fund	-	128	(96)	32
iWill Youth Social Action Programme	-	6	-	6
Little Lives UK	-	2	-	2
The Queen's Green Canopy	1	-	(1)	-
	<u>(66)</u>	<u>1,326</u>	<u>(396)</u>	<u>863</u>

- a) *Volunteer Hub* – This is to facilitate improved facilities at the volunteer hub and was spent during 2022/23.
- b) *Heritage Fund (GRCF) Growing Future Forest Guardians* - Working with children, young people and adults from disadvantaged areas, including, those out of work, with learning disabilities, or disproportionately affected by Covid-19 through job loss or interrupted education, to restore and enhance 21.4ha of ancient semi-natural woodland, grassland and wetland at Gorcott Hill in the Heart of England Forest. The project was completed during 2022/23 and the balance is the remaining depreciation to be charged.
- c) *RDPE* – this is a grant received to help grow and promote tourism in The Heart of England Forest. The balance is the remaining depreciation to be charged.
- d) *Millie's Watch* – this is for equipment for education facilities, and the balance was spent during 2022/23.
- e) *Severn Trent (Pollinator Pathways)* – this project will increase biodiversity through creation or enhancement of habitats, by creating pollinator pathways across 68 ha of the Heart of England Forest. It is an ongoing project, expected to last 5 years until 2025.
- f) *William A Cadbury Charitable Trust* – A grant towards “One Year in the Forest” and is expected to be spent during 2023/24.
- g) *EU Undertrees* – a project to understand ecosystem services of agroforestry systems. This was completed during 2022/23.
- h) *Heritage Fund (GRCF) Green Recovery in the Heart of England* – a project to create a tree nursery as a sustainable social enterprise; to help create a native woodland of 125ha, with enhancements to hedgerows and grassland resulting in large scale nature recovery networks; and a community woodland of 28ha planting over 115,000 trees.

19 Restricted Funds (continued)

- h) *Heritage Fund (GRCF) Green Recovery in the Heart of England (continued)* - The project was completed during 2022/23 and the balance is the remaining depreciation to be charged.
- i) *D'Oyly Carte Charitable Trust* - contributed towards the delivery of a supported volunteering group for young adults with special educational needs. This is expected to be spent during 2023/24.
- j) *The Environment Agency* – this is for work at Noleham Brook and was spent during 2022/23.
- k) *The Addison Charitable Trust* – this is for carrying out a pond survey and is expected to be spent in 2021/22.
- l) *Trees Call to Action Fund* – A Heritage Fund grant to build capacity in the Charity to deliver regional projects to help deliver the England Trees Action Plan, part of the Nature for Climate Fund, which the government have created to treble tree planting rates in England by 2025.
- m) *iWill Youth Social Action Programme* – Funding from Worcestershire Community Foundation to support youth led action programme training and volunteering within the Charity. This is expected to be spent during 2023/24.
- n) *Little Lives UK* – a grant for delivery of outdoor learning sessions to disabled and disadvantaged local children during 23/24.
- o) *The Queen's Green Canopy* – funding to plant trees to mark the late Queen Elizabeth's Platinum Jubilee in 2022.

20 Analysis of Net Assets by Fund

	Unrestricted			
	General Funds	Designated Funds	Restricted Funds	Total
	£000	£000	£000	£000
Intangible Fixed Assets	10	-	-	10
Tangible Fixed Assets	-	52,237	792	53,029
Fixed Asset Investments	(6,168)	154,059	-	147,891
Current Assets	10,738	-	72	10,810
Current Liabilities	(879)	-	-	(879)
Non-current Liabilities	-	-	-	-
Provisions	(83)	-	-	(83)
	3,619	206,296	863	210,778

21 Trading Activities of Subsidiary Undertakings

A summary of Dorsington Farms Ltd (Registered number 3137843 in England and Wales) trading results are shown below. Audited accounts are filed with the Registrar of Companies.

	2023	2022
	£000	£000
Profit and Loss Account		
Turnover	2,737	817
Cost of Sales	(1,681)	(564)
Gross Profit	1,056	253
Administration	(176)	(73)
Interest payable	(209)	(125)
Taxation	-	-
Gift Aid	(15)	(5)
Revaluation	-	15
Operating Profit	656	65
Balance Sheet		
Fixed Assets		
Intangible Assets	-	274
Tangible Assets	558	5,409
Investments	-	1,041
	558	6,724
Stock	176	153
Debtors	981	340
Cash at bank	1,333	234
	2,490	727
Creditors: amounts falling due within one year	(377)	(2,626)
Creditors: amounts falling due after more than one year	-	(2,721)
Provisions	-	(74)
Net Assets	2,671	2,030
Capital and reserves		
Share capital	1,080	1,080
Retained earnings at the end of the year	1,591	950
Shareholders funds	2,671	2,030

21 Trading Activities of Subsidiary Undertakings (continued)

A summary of Silva Green Ltd (Registered number 4274100 in England and Wales) trading results are shown below. Audited accounts are filed with the Registrar of Companies.

	2023	2022
	£000	£000
Profit and Loss Account		
Turnover	248	211
Cost of Sales	(152)	(109)
Gross Profit	96	102
Administration	(41)	(21)
Taxation	-	-
Gift Aid	-	(9)
Operating Profit	55	72
Balance Sheet		
Fixed Assets		
Tangible Assets	1,337	1,344
	1,337	1,344
Stock	2	2
Debtors	46	69
Cash at bank	243	231
	291	302
Creditors: amounts falling due within one year	(143)	(217)
Net Assets	1,484	1,429
Capital and reserves		
Share capital	1,253	1,253
Retained earnings at the end of the year	231	176
Shareholders funds	1,484	1,429

21 Trading Activities of Subsidiary Undertakings (continued)

A summary of Alne Wood Park Ltd (Registered number 7646010 in England and Wales) trading results are shown below. Audited accounts are filed with the Registrar of Companies.

	2023 £000	2022 £000
Profit and Loss Account		
Turnover	7	5
Administration	(9)	(1)
Gift Aid	(2)	-
Operating Profit	(4)	4
Balance Sheet		
Fixed Assets		
Tangible Assets	346	346
	346	346
Stock	-	-
Debtors	6	4
Cash at bank	44	43
	50	47
Creditors: amounts falling due within one year	(13)	(4)
Net Assets	383	389
Capital and reserves		
Share capital	386	386
Retained earnings at the end of the year	(3)	3
Shareholders funds	383	389

22 Consolidated Statement of Financial Activities for the year ended 31 March 2022

	Notes	Unrestricted			Total Funds
		General Funds	Designated Funds	Restricted Funds	
		2022 £000	2022 £000	2022 £000	2022 £000
Income					
<i>Income from generated funds</i>					
Donations and legacies	2	576	-	537	1,113
Other trading activities	3	700	-	-	700
Investment income	4	120	2,802	-	2,922
Other		48	-	-	48
<i>Income from charitable activities</i>	5	355	-	-	355
Total Income		1,799	2,802	537	5,138
Expenditure					
Raising funds	6	1,074	820	-	1,894
Charitable activities	6	1,233	-	910	2,143
Total Expenditure		2,307	820	910	4,037
Gains/(losses) on investment assets					
Realised	13	-	1,567	-	1,567
Unrealised	13	-	8,931	-	8,931
Exceptional items	8	-	-	-	-
Net income/(expenditure)		(508)	12,480	(373)	11,599
Transfers between funds	19	508	(508)	-	-
Net movement in funds		-	11,972	(373)	11,599
Fund Balance brought forward 1 April 2021		2,000	204,004	307	206,311
Fund Balance carried forward 31 March 2022		2,000	215,976	(66)	217,910

23 Related Party Transactions

During the year Dorsington Farms Ltd, a wholly owned subsidiary, sold land, buildings, assets under construction and investment properties to the Charity for £7.192m (2022: £nil).

Simons Muirhead and Burton is a firm of solicitors in which Anthony Burton is a partner. During the period, the charity paid professional fees of £21,139 (2022: £19,624) to the firm. There was Nil balance at year end (2022: Nil).

24 Company Limited by Guarantee

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

25 Control

The charity is controlled by the Trustees.

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