

Charity Registration No. 1032154

Company Registration No. 02874642



TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2025

TREES FOR CITIES (A COMPANY LIMITED BY GUARANTEE)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	B Bardswell J Bramley J Capon (Chair) S Gray (to 11 December 2024) M Foster (from 1 August 2025) M Hayer (from 4 April 2024) A MacGillivray B Miller S Potter (from 1 August 2025) J Rose (from 1 December 2024) D Woodbine S Workman (to 11 December 2024)
Chief Executive	K Sheldon
Charity number	1032154 (England and Wales)
Company number	02874642 (United Kingdom)
Principal address and Registered office	Prince Consort Lodge Kennington Park Place London SE11 4AS
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor 110 Golden Lane London EC1Y 0TG
Bankers	The Co-operative Bank p.l.c. (main day to day bankers) P.O. Box 101 1 Balloon Street Manchester M60 4EP

**TREES FOR CITIES TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2025
CONTENTS**

	Page
Trustees' report	3
Independent auditor's report	16
Statement of financial activities	20
Balance sheet	21
Statement of cash flows	22
Notes to the accounts	23

TREES FOR CITIES

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2025

The Trustees are pleased to present their report and accounts for the year ended 31 March 2025.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Our Purpose, Vision and Mission

Trees for Cities empowers people to plant and care for trees in towns and cities, targeting places where they have the greatest impact for people and nature. Through trees, we connect people to nature, enrich lives and create leafy, liveable places for today and future generations.

Our vision for the world is **"Urban trees for all. Cities where everybody can live healthy lives among thriving trees, woods and nature"**. Our organisational vision is underpinned by our mission to **"Make Trees Matter"** so that they are consistently valued as an intrinsic fabric of our cities.

Objectives and Activities

Our objects, as set out in our governing document are:

"The Charity is established to advance the education of the public in the appreciation of trees and nature, particularly with regard to their social and environmental value by the planting, protection and promotion of trees and green spaces everywhere and in particular in towns and cities."

We achieve this by working closely with communities, landowners, partners and funders to deliver transformational change in towns and cities by greening neighbourhoods, sharing knowledge and enhancing skills, and running inclusive community tree planting events across the UK, particularly in areas of environmental and social deprivation. The public benefits that shape our activities continue to be environmental protection and improvement, education, and health.

In shaping our objectives for the year and planning our activities, the trustees have given consideration to the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

Achievements and Performance in 2024-25

- Planted 80,533 trees in 47 towns and cities across the UK comprising 76,795 saplings (whips), 3,654 standard trees and 84 fruit trees. Of these, 21,189 (26%) were planted in London with the next highest numbers in Cardiff, Stockton on Tees, Gateshead and Nottingham.
- Since our inception we have planted 1,954,044 trees.
- Maintained above sector average tree establishment rates, averaging 97% establishment for standard trees and 93% for woodland whips planted by TfC with volunteers in London. Establishment rates of trees planted by partners averaged 93% for standard trees and 83% for woodland whips.
- Launched flagship partnership project to improve Tree Equity in Hartlepool supported by the National Lottery Heritage Fund.
- Delivered playground projects in 67 schools (of which 35 were built in 2024/25 and completed this year) to create Healthy Playgrounds, Edible Playgrounds, Planting Healthy Air, Trees for Schools, and Sustainable Drainage System (SuDS) projects in England, Wales and Scotland.

TREES FOR CITIES

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2025

- Transitioned the Trees for Streets programme into Trees for Cities and sustained 20 Council partnerships.
- Directly engaged 47,863 people comprising 13,954 volunteers through our urban forests programme, 30,032 pupils and 2,845 school staff, 1,032 tree sponsors/adopters through our Trees for Streets programme, and one urban forest trainee through the Forestry Roots programme.
- 277,748 connected with us digitally through subscribing to Tree Times, visiting our website, following us on social media and donating to urban trees.
- Invested in our internal operations, transitioning our IT provision fully onto the Cloud and moving into a new office.

Please see our 2024-25 Impact Report and our 2022-25 Turn of the Trees Strategy Report.

Plans for future periods

Plans for 2025-26 include:

- Deliver 25 community tree planting projects in 12 UK towns and cities, estimated to plant and establish at least 50k trees in neighbourhoods, schools and streets in areas of low tree equity, including flagship projects in London and Hartlepool. This includes planting our 2 millionth tree.
- Support 3,000 volunteers to plant, establish and care for urban trees through site-based engagement activities.
- Manage Trees for Streets partnerships with 20 Councils to raise sponsorship for 2,000 street trees through Trees for Streets marketing and engagement.
- Launch new Organisational Strategy to set out the Charity's strategic direction from 2025-2030 including our new strategic goal to create a Movement for Urban Trees and Tree Equity. The transition to our new strategy will involve creating plans such as:
 - A Tree Equity plan for London to influence urban forestry across the capital, positioning London as our flagship city hub.
 - Develop the building blocks for a new annual Trees for Cities campaign for tree equity.
 - Engagement and Marketing plan to influence and mobilise people to take action for trees through giving their voice, time and money.
- After a challenging financial year, we are planning further activities to improve our operational policies and procedures including:
 - Review and relaunch our planting programmes to boost their financial and operational sustainability and impact.
 - Document and embed programme, finance and fundraising policies and procedures to ensure robust approval and communication processes.
 - Invest in IT infrastructure to integrate various systems and support fundraising.
 - Develop and launch funding packages for corporate, grant and individual supporters in line with priority locations and programmes.

Financial Review

Overview

The financial year 2024–2025 was one of significant challenge, but also of resilience, learning, and strategic repositioning. Despite a deficit of £773,485, including an unplanned use of £816,296 in unrestricted reserves, we took decisive steps to reset the organisation's cost base, improve operational resilience and focus on long-term sustainability.

Total income increased slightly to £5,381,036, up £154,120 from the previous year's income of £5,226,916, reflecting the enduring support of our funders and the relevance of our mission. Expenditure rose by £394,694 to £6,174,419, compared to £5,779,725 in 2023–2024, driven by planned investments to support organisational growth and deliver on our commitments as well as inflationary pressures.

Our initial income plan for the year of £6,800,000 was ambitious. Under new leadership, we had invested in a strengthened senior management team and expanded capacity across the organisation to support this growth. However, we encountered a range of external factors - including the change in government, temporary closure of key grant programmes and increased competition for funding - as well as internal factors relating to resourcing levels and historical corporate funder management issues, meant that our increased income targets could not be met.

We reforecast quarterly and through the year we took decisive steps to reduce expenditure, saving £640,000 against planned levels. This included:

- Postponing unfunded projects
- Reducing delivery roles (four redundancies in January 2025)
- Using unrestricted reserves to honour project commitments where postponement wasn't possible

Following the year-end, we implemented a further organisational restructure, resulting in 10 additional redundancies in April 2025. These changes have significantly reduced our fixed cost base while retaining a strong core team capable of delivering impact and supporting recovery.

Due to the losses experienced, our unrestricted free reserves fell significantly below our policy minimum. This created challenges to our liquidity, agility and resilience and approach to risk as an organisation. In response, we applied a range of strategic improvements to reduce the likelihood of unplanned losses and rebuild the charity to ensure financial sustainability.

Steps already taken include:

- More frequent and risk focused board meetings
- Creation of a lower risk financial plan focused on building unrestricted reserves
- Greater scrutiny by the Trustees of funding, especially unrestricted income
- Restructured leadership and management teams to improve efficiencies and communication
- Increased working capital monitoring and management
- Seeking additional support from external organisations with expertise in charity finance
- Strengthened project management and financial processes
- Improved corporate funding management process and team

Ongoing and future work:

- Building unrestricted reserves to be in line with the minimum per our policy in the next two to three years
- Prioritisation and growth of unrestricted income in our fundraising
- Ensuring that projects and programmes are fully funded
- Maximise overhead recovery
- Contain & reduce costs where possible, seeking economies and efficiencies across the organisation
- Continued working capital monitoring and management
- Effective management of risk to offset limited adaptive capacity caused by low reserves.

TREES FOR CITIES

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2025

We have also boosted our fundraising resources to ensure we meet income targets for 2025-26. The charity is well placed to benefit from environmental sector funding trends including a welcome shift by many funders towards contributing longer-term, unrestricted and core income.

We are already seeing the impact of these measures. Our income plan for 2025-26, is focused, achievable and based on realistic assumptions. It sets a target of £4,936,000 (£329,852 lower than 2024-2025) allowing for a more cautious minimum expenditure plan that supports recovery while continuing to deliver high-profile, impactful projects. This approach gives us scope to exceed income targets, rather than needing to reduce them mid-year.

The plan includes one-off restructuring costs of £154,000 and forecasts a modest unrestricted surplus of £44,000. Any additional surplus will be used to rebuild reserves and strengthen our working capital position to avoid the risk of a deficit.

By the end of September 2025, we had already secured £4,284,000 (85%) of our planned income for 2025-2026, ahead of previous years. Most income sources are expected to match last year's levels, with a planned reduction in landowner contributions due to fewer delivery projects. With the improvements made internally and grants beginning to reopen, our funding forecasts suggest we may exceed our targets. We are closely monitoring progress against income and expenditure targets and remain prepared to adapt our delivery plans to protect financial sustainability.

This has been a year of learning, adaptation and bold action. We end the year with a clear path forward, new funding partnerships in place, and renewed confidence in our ability to continue to deliver high impact work while building long-term financial resilience.

Income and Expenditure

Income by Source

Income by source	31-Mar-25	31-Mar-24
	(£)	(£)
Corporate Partners	1,415,317	2,095,201
Grants	2,620,629	1,832,299
Local Government, Landowners and Schools	991,883	1,078,287
Individuals	313,382	195,772
Other	39,825	25,357
Total income	5,381,036	5,226,916

This year marked a shift in our funding mix, with main movements in income relate to corporate partners and grants. Grants increased by £788,330 largely due to an additional round of Urban Tree Challenge Fund and a National Lottery Heritage Fund grant for our Tree Equity in Hartlepool project. Other grants stayed at similar levels to 2023-24, but new opportunities from Trusts & Foundations were limited. Corporates reduced by £679,884 due to internal corporate funder management issues. Income from individuals increased by £117,610 as a result in investment in our individual giving programme.

Donations

Donations rose by £72,736 to £1,619,944 (2023-24: £1,547,208). Growth was driven by:

- A 60% (£117,610) increase in individual donations to £313,382 (2023-24: £195,772),
- A 180% (£268,491) rise in core grants to £417,291 (2023-24: £148,800), thanks to a new unrestricted partnership with the People's Postcode Lottery through the Postcode Green Trust.

TREES FOR CITIES

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2025

While corporate donations declined by £313,954 to £803,859 (2023-24: £1,117,813), the proportion of unrestricted funding from donations grew from 43% to 51%, giving us greater flexibility to deliver impact — a shift in line with our longer-term strategic plan.

Charitable Activities

Income from charitable activities increased slightly by £65,074 to £3,710,164 (2023-24: £3,645,090), with mixed performance across programmes:

- Our Urban Forest programme in London saw strong income growth (£178,218), driven by increased local government support for tree maintenance. Expenditure remained stable, reflecting slightly fewer projects being delivered compared to 2023-24, but we had increased maintenance activities relating to increased planting of standard trees, which require a longer period of watering.
- Income for the Urban Forest programme across the rest of the UK increased by £152,035, with £115,000 relating to restricted funding received in advance for our Hartlepool project. The rest of the programme remained stable overall, with grant increases from the Urban Tree Challenge Fund offsetting corporate funding reductions. Costs increased by £128,015 to £2,095,577 (2023-24: £1,967,562), largely driven by an additional round of Urban Tree Challenge Fund grants being secured in the year, a high proportion of which is passed to partners to deliver against.
- Trees for Streets, the UK's only national street tree programme, was brought fully in-house in the year, having previously been run with social enterprise Start with Local. There was a drop in income due to the end of a grant and a rise in costs due to transition investment. Activity levels were similar compared to 2023-24.
- Our Trees for Schools programme experienced reduced income of £192,791 to £896,032 (2023-24: £1,088,823), and delivery was reduced as a result, with some projects deferred to 2025–26.

Fundraising

We invested in fundraising and marketing, increasing costs by £197,890 to £698,734 (2023-24: £500,844). The majority of this related to staff costs. The allocation of time to fundraising activities in the accounts for our fundraising team in was adjusted to enable them to be more focussed on unrestricted income generation as well as investing in capacity for our corporate partnerships team. As relationships with funders can take time to nurture, the effect of this investment will really make an impact in 2025-26. We also had a more stable individual giving team and used more paid advertising in order to increase individual giving income. This returned results with income from individual giving increasing by £117,610 in the year.

Other Expenditure

Support costs increased slightly by £25,003 to £441,755, which absorbed the cost of both an office move and a major systems upgrade to the Cloud. Savings of £70,000 were made against the plan for the year in order to mitigate the reduced income compared to plan.

TREES FOR CITIES

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2025

Reserves Policy

Trees for Cities holds unrestricted reserves in order to:

- mitigate against unexpected reductions in income
- provide working capital and assist with cashflow
- allow for operational deficits when future planning
- purchase capital items
- take advantage of possible opportunities or mitigate risks as they arise.

Our reserves policy is to hold no less than the cost of winding up the organisation in regard to meeting financial obligations such as redundancy, rent and contract payments.

The maximum level of unrestricted reserves that the organisation will hold will be the equivalent cost of six months of core operating expenditure (e.g. salaries, rent, contracts) plus the cost of winding up the organisation.

The ideal level of unrestricted reserves that the organisation will hold will be the equivalent to the cost of three months of core operating expenditure (e.g. salaries, rent, contracts) plus the cost of winding up the organisation.

If the unrestricted reserves exceed the maximum level, the management team will put in place a plan to spend down the additional amount unless such an amount has been ring-fenced for future investment or expansion.

The amounts for each level will be recalculated at the start of each financial year. Following the restructure, the reserve policy amounts for 2025-26 are:

- Minimum: £570,000
- Ideal: £1,200,000
- Maximum: £1,830,000

Therefore the trustees' policy, after assessing the above requirements and calculating the costs of winding up, is to hold general unrestricted reserves of between £570,000 and £1,830,000. As at the end of 2024-25 unrestricted free reserves held by the charity were £185,144.

At the end of 2024-25, total funds held by the charity were as follows:

	31-Mar-25	31-Mar-24
	(£)	(£)
Restricted	216,115	176,000
Designated	92,761	90,065
General Unrestricted	218,981	1,035,277
Total Reserves	<u>527,857</u>	<u>1,301,342</u>
Unrestricted Free Reserves	185,144	1,007,632

Details of designated and restricted funds can be found in note 22 of the financial statements. The difference between the unrestricted funds and the free reserves is due to our tangible assets, which total £33,837 (2023-24: £27,645). Unrestricted funds are reviewed by management and the Board on a monthly basis.

The Trustees are responsible for authorising the application of the charity's reserves. At all times they will have regard to restrictions placed on the application of these reserves and are responsible for ensuring that they are applied in accordance with the stated restrictions.

TREES FOR CITIES

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2025

Cash

Our cash balances reduced in the year by £623,677. This was driven by the deficit in the year of 773,485 and an increase in debtors of £583,834 but was offset by an increase in creditors of £628,317. The increase in debtors and creditors is largely due to the increase in funding from the Urban Tree Challenge Fund, for which the claim is submitted at the end of the financial year.

The low level of reserves has therefore placed pressure on our cashflow. To address this for 2025-26, we have:

- Structured funding agreements to receive funds in advance where possible
- Proactively chased outstanding debt
- Implemented monthly and 13-week cashflow forecasting for early warning of potential issues.

We're also exploring additional financing options to provide further security.

So far in 2025-26, our efforts have provided positive results, with significant amounts of funding received up front meaning that cash balances have been higher than anticipated at the start of the year.

Going Concern

The trustees have carefully considered the risks associated with the lower level of unrestricted reserves held at the end of 2024-25. In response, they have taken a more extensive and proactive approach than in previous years to assess and ensure the ongoing viability of the charity. Key steps taken include:

- Increased frequency of board meetings to improve oversight and ensure early visibility of risks and mitigations
- Greater scrutiny of the fundraising pipeline for the next 18 months and progress against income targets, especially unrestricted income
- Review of detailed, monthly cashflow forecasts, providing an 18-month outlook.

The plan for 2025–2026 is conservative and achievable, forecasting a modest surplus of £44,000. This is part of a longer-term recovery plan, with three-year forecasts projecting annual surpluses of around £200,000. This strategy will gradually rebuild unrestricted reserves to policy minimum levels by March 2028, restoring financial flexibility and strengthening the organisation's ability to manage risk and seize future opportunities. Whilst higher surpluses may be achievable, and other scenarios are being prepared to this effect, we are working conservatively to ensure the charity does not overstretch its cost base.

The swift and prudent actions taken after the 2024-25 losses, conservative planning for 2025-26 and beyond, and careful cashflow management as well as the successes in fundraising so far in 2025-26 all provide the trustees with a high level of confidence in the organisation's stability. Accordingly, the trustees consider that the Charity has adequate resources to continue in operational existence for the foreseeable future and confirm that the organisation remains a going concern.

TREES FOR CITIES

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2025

Investment Policy

Trees for Cities may invest funds at the discretion of the board (as per the Memorandum and Articles of Association). The trustees review the charity's cash levels and investment opportunities on an ongoing basis.

The investment objective for short-term investments (funds accessible within 12 months) is to allow funds to be readily available, and with the minimum risk.

In line with this objective, cash is held in bank accounts that allow instant access. During the year, funds were held with the Co-operative Bank and CAF Bank. Cash was also held with Triodos Bank and on the Flagstone platform (where money was invested in nine different banks during the year) across a mixture of fixed term (maximum 12 months) and notice period accounts.

Should the trustees consider that cash reserves sufficiently exceed the level required to finance the charity's forthcoming activities in a sustainable way, funds may be invested on a longer-term basis to generate further cash for the charity.

The investment objective for long-term investments (funds not accessible within 12 months) will be to generate a return in excess of inflation over the long-term, and to minimise risk by spreading investments across more than one asset class.

The trustees have set ethical criteria for long-term investments, primarily that Trees for Cities will not invest in companies whose actions run counter to the charity's own charitable objectives.

We hold a discretionary investment portfolio of 100% government backed bonds with Quilter Cheviot Limited Jersey, with a value of £158,576 at 31 March 2025. This investment is very low risk, and the cash can be withdrawn with a few days' notice, however we plan to draw these down as they mature. During the year, we drew down on our investment holdings with two medium risk funds - the first with Sarasin Investment Funds Limited, resulting in a net gain in the year of £6,331, and the second with M&G Investments resulting in a net gain in the year of £7,686. Alongside the gains in value in our Quilter Cheviot bonds, our investments gained £19,898 in value in the year (see Note 14).

Principal Risks and Uncertainties

The trustees and senior management team identify and agree the key risks facing the charity at the start of each financial year and enter them onto a risk register under categories of external, financial, operational and governance, each with low, medium, medium/high and high levels of risk. Each risk is assessed according to its likelihood and potential impact, and appropriate mitigating actions and implementation procedures are agreed. We discuss risk management annually in detail with our Finance & Risk sub-committee, and we review and share the risk register quarterly with trustees at each board meeting to discuss the effectiveness of our risk management and identify and new key risks. The principal net risks under each category are currently as follows:

Category	Description of Gross Risk	Mitigating Actions	Net Risk Level
Financial	Unrestricted reserves below minimum level in our policy, which puts strain on our cash position.	<ul style="list-style-type: none"> Heightened focus on financial risk management with a low-risk approach to planning e.g. through conservative weightings on funding outcomes, monthly cashflow management, negotiation of payment terms. 3-year planning to rebuild reserves. External advice sought from charity finance experts. Income prioritisation across the charity. 	High

TREES FOR CITIES

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2025

		<ul style="list-style-type: none"> Finance Policy and Procedures manual being developed and implemented across teams, particularly fundraising, to ensure full cost recovery. 	
Operational	High staff turnover, increasing risk of losing key staff and strain on workforce.	<ul style="list-style-type: none"> Employee Value Proposition in place to attract, recruit, develop and retain talent. Salary benchmarking to ensure competitiveness in the sector. Staff benefits package aligned to team including employee healthcare package and learning & development platform with free online training modules. Staff manual and HR policies and procedures to support organisational team health including line management support, staff Mental Health & Wellbeing committee. Documented systems and processes across projects to ensure robust decision-making. Annual team structure review in line with annual business plans. 	High
External	Climate changes affect availability of tree stock and tree establishment	<ul style="list-style-type: none"> Plan for uncertain seasonality including flexibility to increase watering and maintenance checks during hot periods. Tree establishment checks and health assessments in autumn. Informed tree species selection and robust establishment practices. 	Medium /High
Governance	Chair of Trustees reaching end of second term, which risks destabilising Board leadership	<ul style="list-style-type: none"> Recruitment plan for new Chair of Trustees in development. 	Medium

Fundraising

Trees for Cities aims to raise funds in a respectful way that is consistent with our values. The charity is registered with the Fundraising Regulator. In all our fundraising we work diligently to comply with the Code of Fundraising Practice and to uphold the standards it promotes. No complaints were received in the year.

Trees for Cities has a safeguarding policy which commits the charity to ensuring that all children and adults who use our services are not abused and that working practices minimise the risk of abuse. All Trees for Cities staff and volunteers have a duty to identify abuse and report it. All staff are given annual training on our safeguarding procedures by our designated safeguarding lead.

Trees for Cities rarely contracts out or outsources fundraising activities to third parties. Where a member of the public raises funds for the charity through a self-arranged event or where third parties undertake fundraising activities, Trees for Cities will ensure that any messaging and materials used are in line with charity standards.

Structure, Governance and Management

The charity was constituted as a company limited by guarantee, established on 24 November 1993, and is governed by its Memorandum and Articles of Association.

In December 2024, Trees for Cities brought all operations for the Trees for Streets programme in house. Trees for Streets was established in 2020 as a programme jointly delivered with Start with Local. As part of this change, a member of staff from Start with Local transferred to the Trees for Cities and a fee was agreed with Start with Local for the Charity to obtain sole ownership of the intellectual property of the programme. As the programme becomes increasingly well established, we believed that efficiencies could be gained from moving the programme fully in house.

The board of trustees administers the charity. The trustees are directors for the purpose of company law. All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 9 to the accounts.

The board of trustees may use sub committees to consider some areas in more detail. The board remains the decision maker and considers all areas as recommended by the Charities Commission. Trees for Cities operates a finance and audit sub-committee, chaired by the Treasurer, which reviews and makes recommendations to the board of trustees in relation to annual budgets, salaries, cash, investments, reserves, accounting policies and controls.

The Chief Executive is appointed by the trustees to manage the day to day running of the charity and delegates as necessary to the senior management team. The board of trustees is responsible for governance and assists with strategy and policy.

The Chair of the board of trustees is appointed by the trustees.

The charity's trustees are:

- I Bardswell
- J Bramley
- J Capon (Chair)
- M Foster (appointed 1 August 2025)
- M Hayer (appointed 4 April 2024)
- A MacGillivray
- B Miller
- J Rose (appointed 1 December 2024)
- S Potter (appointed 1 August 2025)
- D Woodbine (Treasurer)

S Workman and S Gray served during the year and resigned on 11 December 2024 at the end of their terms.

Trustee Recruitment, Induction and Training

Trees for Cities undertakes a Board Skills Audit approximately every three years in line with the development of the strategic plan. The audit is used to determine if any new skills and experience are required at Board level to deliver the new plan. A Board skills audit in June 2024 led to subsequent recruitment of two new trustees with skills related to HR and urban forestry. Since then, we have recruited two further new trustees with skills in fundraising, marketing and individual giving to replace an outgoing trustee.

Should any further gaps in skills or knowledge be identified and a new trustee position is required, a recruitment process will be undertaken. Recruitment is open to all sections of the community, and candidates are interviewed by existing trustees and appointed on merit based on a majority decision.

TREES FOR CITIES

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2025

New trustees are made aware of their legal obligations, the content of the Memorandum and Articles of Association, the Charity's history, culture and philosophical approach, the current year's business and financial plan. New trustees also receive a copy of the most recent Annual Report and statutory accounts, and an induction pack including information published by the Charity Commission with the opportunity to discuss them through induction meetings.

Remuneration Policy for Key Management Personnel

Trees for Cities is an equal opportunities employer and applies objective criteria to assess merit. The Board sets the terms and conditions for staff on an annual basis. A salary benchmarking process is undertaken every year to assess each role in the external market, to ensure that the charity is paying all employees, including senior management, fairly and competitively for similar roles within the sector.

Data Protection – General Data Protection Regulations

The General Data Protection Regulations (GDPR) became law in May 2018. The regulations set out the responsibilities of all organisations in relation to the personal data that they collect and hold and are designed to enhance the rights of individuals in controlling their own data.

Trees for Cities places great importance on the security of supporter data and personal information. The charity is registered with the Information Commissioners Office and has introduced a programme that will enable demonstration of compliance with the spirit and intention of GDPR, with the required management structures in place to manage data risks and integrate governance of these risks into daily management.

For information on how the charity uses and protects personal data, please see our Privacy Policy: <https://www.treesforcities.org/privacy-policy>.

Information Security

The confidentiality, integrity and availability of information, in all its forms, are critical to the charity's work. In 2018 the information security policy was updated to bring it in line with GDPR legislation.

Anti-Fraud, Anti-Bribery and Anti-Corruption Policy

Robust internal financial controls and financial management are essential to protect the charity against increasingly prevalent threats from external fraudulent activities and from any internal risk of funding misappropriation. Trees for Cities' system of internal controls is based on an ongoing process designed to identify the principal risks, to evaluate the nature and extent of those risks, and to manage them effectively. The controls have been undergoing a full review, due to be completed in 2025.

The charity's anti-fraud, bribery and corruption policy specifies the controls and procedures required to prevent and detect fraud and dishonesty, investigate any allegations that arise, and take appropriate action where necessary. It also stipulates procedures for due diligence and verifying the end use of charitable funds to minimise exposure to risk when passing charitable funds to external partners.

Sustainability

Trees for Cities is committed increasing its environmental sustainability. To help Trees for Cities achieve sustainability objectives, a comprehensive Environmental Management System is being developed to set operational standards across the organisation. We are establishing a Sustainability Committee that meets quarterly to review strategies, and further improve our operations to meet environmental targets, with the support of Sustainability Champions to drive company-wide improvement.

TREES FOR CITIES

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2025

To help create our sustainability targets and monitor progress, in 2023-24, we commissioned an independent Eco Audit, which highlighted that that we achieved zero Scope 2 emissions from our operational electricity use avoiding the emittance of 3 tons of CO₂ annually, and achieved a 70% recycling rate. The report also highlighted areas of improvement, including energy efficiency improvements which are being made at one of our premises. We'll continue to review our progress and implement improvement measures as we further develop our near-term sustainability targets along with long term sustainability goals, as part of creating the as part of the 2025-2030 Organisational strategy.

Statement of Responsibilities of the Trustees

The trustees (who are also directors of Trees for Cities 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).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2025 was 8 (2024: 9). The trustees are members of the charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

TREES FOR CITIES

TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2025

Auditor

Sayer Vincent LLP continued as the charitable company's auditor during the year, as approved by the board of trustees.

The trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on date and signed on their behalf by:

D Woodbine
Treasurer

Dated: 13 November 2025

TREES FOR CITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TREES FOR CITIES

Opinion

We have audited the financial statements of Trees for Cities (the 'charitable company') for the year ended 31 March 2025 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including 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 charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

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

Conclusions relating to going concern

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

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

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

Other Information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives

TREES FOR CITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TREES FOR CITIES

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual 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 financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

TREES FOR CITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TREES FOR CITIES

from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

TREES FOR CITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TREES FOR CITIES

Use of our report

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

Fleur Holden (Senior statutory auditor)

21 November 2025

for and on behalf of Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

TREES FOR CITIES

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2025

	Note	Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
Income from:							
Donations	2	824,234	795,710	1,619,944	669,746	877,462	1,547,208
Charitable activities	3						
Urban forests - London		440,997	443,861	884,858	308,480	398,160	706,640
Urban forests - Other UK cities		122,016	1,518,864	1,640,880	436,221	1,052,624	1,488,845
Trees for Streets		288,394	-	288,394	284,435	76,347	360,782
Trees for schools		431,768	464,264	896,032	822,618	266,205	1,088,823
Other trading activities	4	16,343	-	16,343	9,261	-	9,261
Investments	5	34,585	-	34,585	25,357	-	25,357
Total income		2,158,337	3,222,699	5,381,036	2,556,118	2,670,798	5,226,916
Expenditure on:							
Raising funds	6a	516,583	182,151	698,734	442,421	58,423	500,844
Charitable activities							
Urban forests - London		509,462	637,373	1,146,835	340,408	797,817	1,138,225
Urban forests - Other UK cities		367,281	1,728,296	2,095,577	630,116	1,337,446	1,967,562
Urban forests - International		41,286	-	41,286	29,664	-	29,664
Trees for Streets		608,449	-	608,449	364,352	112,084	476,436
Trees for Schools		948,774	634,764	1,583,538	991,104	675,890	1,666,994
Total expenditure		2,991,835	3,182,584	6,174,419	2,798,065	2,981,660	5,779,725
Net income / (expenditure) before net gains / (losses) on investments		(833,498)	40,115	(793,383)	(241,947)	(310,862)	(552,809)
Net gain /(losses) on investments		19,898	-	19,898	16,261	-	16,261
Net movement in funds (being net (expenditure) / income for the year)		(813,600)	40,115	(773,485)	(225,686)	(310,862)	(536,548)
Reconciliation of funds:							
Total funds brought forward		1,125,342	176,000	1,301,342	1,351,028	486,862	1,837,890
Total funds carried forward		311,742	216,115	527,857	1,125,342	176,000	1,301,342

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 22a to the financial statements.

BALANCE SHEET

AS AT 31 MARCH 2025

	Note	£	2025 £	Restated £	2024 £
Fixed assets:					
Tangible assets	13		33,837		27,645
Investments	14		161,935		388,723
			<u>195,772</u>		<u>416,368</u>
Current assets:					
Debtors	15	2,990,643		2,406,722	
Short term deposits		31		506,874	
Cash at bank and in hand		335,174		452,008	
		<u>3,325,848</u>		<u>3,365,604</u>	
Liabilities:					
Creditors: amounts falling due within one year	16	(2,993,763)		(2,480,630)	
			<u>332,085</u>		<u>884,974</u>
Net current assets			<u>332,085</u>		<u>884,974</u>
Total net assets			<u><u>527,857</u></u>		<u><u>1,301,342</u></u>
The funds of the charity:					
Restricted income funds	22a		216,115		176,000
Unrestricted income funds:					
Designated funds		92,761		90,065	
General funds		218,981		1,035,277	
		<u>311,742</u>		<u>1,125,342</u>	
Total charity funds			<u><u>527,857</u></u>		<u><u>1,301,342</u></u>

Approved by the trustees on 13 November 2025 and signed on their behalf by

D Woodbine
Treasurer

TREES FOR CITIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	2025		Restated	
	£	£	2024	£
Cash flows from operating activities				
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(773,485)		(536,548)	
Depreciation charges	22,808		13,992	
(Gains)/losses on investments	(19,898)		(16,261)	
Dividends and interest from investments	(34,585)		(25,357)	
Loss on the disposal of fixed assets				
Increase in debtors	(583,921)		(539,894)	
(Decrease)/increase in creditors	513,133		(269,427)	
Net cash used in operating activities	(875,948)		(1,373,495)	
Cash flows from investing activities:				
Dividends and interest from investments	34,585		25,357	
Proceeds from the sale of fixed assets	-		-	
Purchase of fixed assets	(29,000)		(26,490)	
Proceeds from sale of investments	246,686		192,000	
Purchase of investments	-		(225,000)	
Net cash provided by/(used in) investing activities	252,271		(34,133)	
Change in cash and cash equivalents in the year	(623,677)		(1,407,628)	
Cash and cash equivalents at the beginning of the year	958,882		2,366,510	
Cash and cash equivalents at the end of the year	335,205		958,882	
Analysis of cash and cash equivalents				
	At 1 April 2024	Cash flows	Other non-cash changes	At 31 March 2025
	£	£	£	£
Short term deposits	506,874	(506,843)	-	31
Cash at bank and in hand	452,008	(116,834)	-	335,174
Cash and cash equivalents	958,882	(623,677)	-	335,205

TREES FOR CITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

a) Statutory information

Trees for Cities is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address and principal place of business is Prince Consort Lodge, Kennington Park Place, London, SE11 4AS.

b) Basis of preparation

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

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. Please refer to the trustees' annual report, specifically the financial review and the reserves policy where it sets out how the charity is operating within its reserves policy target levels of reserves.

e) Income

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

When donors specify that incoming resources given to the charity must be used in future accounting periods, the income is deferred to those periods.

When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that incoming resources are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

TREES FOR CITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies (continued)

f) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Costs of raising funds are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support the activities of the charity.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Raising Funds	18.80%
Urban forests - London	25.67%
Urban forests - Other UK cities	18.21%
Urban forests - International	1.16%
Trees for Streets	9.22%
Trees for schools	26.94%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

TREES FOR CITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies (continued)

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

plant and machinery	3 years
fixtures, fittings and equipment	3-5 years
motor vehicles	3 years

l) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

m) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

n) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

o) 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.

p) 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.

q) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

r) Pensions

The charity operates a defined contribution pension scheme. Contributions payable for the year are charged in the Statement of Financial Activities as they fall due.

s) Employee benefits

Termination benefits are recognised as an expense when the charity is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the charity has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

TREES FOR CITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

2 Income from donations

			2025			2024
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Donations - individuals	283,382	30,000	313,382	195,772	-	195,772
Donations - trusts & foundations	73,912	11,500	85,412	76,403	8,420	84,823
Donations - corporate partners	154,440	649,419	803,859	275,571	842,242	1,117,813
Grants - other	312,500	104,791	417,291	122,000	26,800	148,800
	824,234	795,710	1,619,944	669,746	877,462	1,547,208

3 Income from charitable activities

			2025			2024
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Corporate partners	165,929	50,751	216,680	108,008	72,488	180,496
Grants	22,833	217,658	240,491	4,073	224,968	229,041
Local government	252,235	175,452	427,687	196,399	100,704	297,103
Urban forests - London	440,997	443,861	884,858	308,480	398,160	706,640
Corporate partners	122,016	34,606	156,622	435,777	-	435,777
Grants	-	1,484,258	1,484,258	-	1,052,624	1,052,624
Local government	-	-	-	444	-	444
Urban forests - Other UK cities	122,016	1,518,864	1,640,880	436,221	1,052,624	1,488,845
Corporate partners	29,750	-	29,750	50,321	-	50,321
Grants	-	-	-	-	76,347	76,347
Local government	258,644	-	258,644	234,114	-	234,114
Trees for Streets	288,394	-	288,394	284,435	76,347	360,782
Corporate Partners	190,500	6,803	197,303	276,533	25,000	301,533
Grants	-	393,177	393,177	-	240,664	240,664
Schools	54,464	-	54,464	124,975	-	124,975
Local government	186,804	64,284	251,088	421,110	541	421,651
Trees for Schools	431,768	464,264	896,032	822,618	266,205	1,088,823
Total income from charitable activities	1,283,175	2,426,989	3,710,164	1,851,754	1,793,336	3,645,090

Five (2024: Four) government grants were claimed for from the Forestry Commission for four Urban Tree Challenge Funds for the planting and maintenance of trees in the UK. These were allocated to our London and UK Urban Forests programmes, and totalled £1,338,857 (2024: £913,573).

TREES FOR CITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

4 Income from other trading activities

	Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
Sponsorship of projects	11,103	-	11,103	9,261	-	9,261
Rent recharges	5,240	-	5,240	-	-	-
	16,343	-	16,343	9,261	-	9,261

5 Income from investments

	Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
Fixed interest securities	1,614	-	1,614	3,215	-	3,215
Bank interest	32,971	-	32,971	22,142	-	22,142
	34,585	-	34,585	25,357	-	25,357

TREES FOR CITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

6a Analysis of expenditure (current year)

	Charitable activities								2025 Total £	2024 Total £
	Raising funds £	Urban forests - London £	Urban forests - other cities £	Urban forests - international £	Trees for Streets £	Trees for Schools £	Governance costs £	Support costs £		
Staff costs (Note 9)	497,744	679,632	482,123	30,712	244,106	713,256	70,674	-	2,718,247	2,420,560
Depreciation	-	7,748	-	-	-	7,748	-	7,312	22,808	13,992
Fundraising costs	99,736	-	-	-	-	-	-	-	99,736	59,700
Direct activity costs - grants	-	85,085	1,209,281	-	7,000	-	-	-	1,301,366	859,472
Direct activity costs - internal delivery of projects	-	230,475	144,707	3,106	40,327	190,431	-	-	609,046	645,368
Direct activity costs - external delivery of projects	-	6,297	161,855	1,250	267,594	527,697	-	-	964,693	1,339,700
Audit	-	-	-	-	-	-	18,500	-	18,500	14,950
Facilities	-	-	-	-	-	-	-	151,493	151,493	159,543
HR	-	-	-	-	-	-	-	128,842	128,842	124,859
Rent	-	-	-	-	-	-	-	60,334	60,334	59,234
Other costs	481	-	-	-	-	-	5,099	93,774	99,354	82,347
	597,961	1,009,237	1,997,966	35,068	559,027	1,439,132	94,273	441,755	6,174,419	5,779,725
Support costs	83,050	113,398	80,444	5,124	40,730	119,009	-	(441,755)	-	-
Governance costs	17,723	24,200	17,167	1,094	8,692	25,397	(94,273)	-	-	-
Total expenditure 2025	698,734	1,146,835	2,095,577	41,286	608,449	1,583,538	-	-	6,174,419	
Total expenditure 2024	500,844	1,138,225	1,967,562	29,664	476,436	1,666,994	-	-		5,779,725

TREES FOR CITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

6b Analysis of expenditure (prior year)

	Charitable activities								2024 Total £
	Raising funds £	Urban forests - London £	Urban forests - other cities £	Urban forests - international £	Trees for Streets £	Schools £	Governance costs £	Support costs £	
Staff costs (Note 9)	365,881	648,078	497,589	25,676	135,987	704,184	43,165	-	2,420,560
Depreciation	-	6,644	-	-	-	6,645	-	703	13,992
Fundraising costs	59,700	-	-	-	-	-	-	-	59,700
Direct activity costs - grants	-	26,100	790,296	-	43,076	-	-	-	859,472
Direct activity costs - internal delivery of projects	-	278,943	108,344	-	62,499	195,582	-	-	645,368
Direct activity costs - external delivery of projects	-	46,513	470,026	(1,240)	207,188	617,213	-	-	1,339,700
Audit	-	-	-	-	-	-	14,950	-	14,950
Facilities	-	-	-	-	-	-	-	159,543	159,543
HR	-	-	-	-	-	-	-	124,859	124,859
Rent	-	-	-	-	-	-	-	59,234	59,234
Other costs	771	-	-	-	-	-	9,163	72,413	82,347
	426,352	1,006,278	1,866,255	24,436	448,750	1,523,624	67,278	416,752	5,779,725
Support costs	64,138	113,607	87,226	4,501	23,838	123,442	-	(416,752)	-
Governance costs	10,354	18,340	14,081	727	3,848	19,928	(67,278)	-	-
Total expenditure 2024	500,844	1,138,225	1,967,562	29,664	476,436	1,666,994	-	-	5,779,725

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

7 Grant making

Cost	2025	2024
	£	£
Urban Tree Challenge Fund - Round 1	24,187	11,636
Urban Tree Challenge Fund - Round 3	175,713	179,402
Urban Tree Challenge Fund - Round 4	201,609	192,575
Urban Tree Challenge Fund - Round 5	528,032	338,494
Urban Tree Challenge Fund - Round 6	217,905	-
Mayor's Tree programme	7,000	43,076
Trees for Climate Action	61,835	68,189
GLA - Urban Tree Challenge Fund match	85,085	26,100
	1,301,366	859,472
At the end of the year		

The Urban Tree Challenge Fund is a multi year grant from the Forestry Commission and round one funding was passed to 3 partners (2024: 5), round three to 6 partners (2024: 8), round four to 9 partners (2024: 10) and round five to 10 partners (2024: 7) for planting and/or maintenance. Round six was passed to 6 partners for planting in 2024-25 (2024: nil). The Greater London Authority also granted Urban Trees Challenge Fund money to pass to 0 London partners (2024: 2). The Mayor's Tree programme is a Greater London Authority multi year grant and funds were passed to 2 councils (2024: 4) in order to boost street tree planting activity. Trees for Climate Action is a multi year grant from the National Lottery Community Fund, funding engagement only projects. Funding was passed to 1 partners in 2024-25 (2024: 1). The grants are part of our UK and Trees for Streets activities and support costs are allocated in note 6a and 6b. There was some overlap of partners between grants, with a total of 27 different council partners (2024: 22), and 2 other institutional partners being passed grants (2024: 4).

The grants were split as follows between council partners and other institutional partners:

	Number of council partners No.	Number of other institutional partners No.	Paid to council partners £	Paid to other institutional partners £
Urban Tree Challenge Fund - Round 1	3	-	24,187	-
Urban Tree Challenge Fund - Round 3	6	2	154,365	21,348
Urban Tree Challenge Fund - Round 4	9	-	201,609	-
Urban Tree Challenge Fund - Round 5	10	-	528,032	-
Urban Tree Challenge Fund - Round 6	6	-	213,270	4,635
Mayor's Tree programme	1	-	7,000	-
Trees for Climate Action	-	1	-	61,835
GLA - Urban Tree Challenge Fund match	2	-	85,085	-
Total	37	3	1,213,548	87,818

8 Net expenditure/(income) for the year

This is stated after charging / (crediting):

	2025	2024
	£	£
Depreciation	22,808	13,992
Operating lease rentals payable:		
Property	32,314	41,775
Other	-	-
Auditor's remuneration (excluding VAT):		
Audit	18,500	14,950
Other services	2,449	1,697
	1,301,366	859,472

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

9 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2025	2024
	£	£
Salaries and wages	2,377,493	2,102,917
Social security costs	217,542	207,534
Employer's contribution to defined contribution pension schemes	123,212	110,109
	2,718,247	2,420,560

Redundancy payments made or committed during the year amounted to £15,059 (2024: £0).

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2025	2024
	No.	No.
£60,000 - £69,999	3	1
£80,000 - £89,999	1	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £495,824 (2024: £431,554).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2024: £nil). No charity trustee received payment for professional or other services supplied to the charity (2024: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £381 (2024: £1,012) incurred by members relating to attendance at meetings of the trustees, and costs relating to board meetings and trustee gifts, totalling £2,269 (2024: £6,418)

10 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 60 (2024: 62).

Staff are split across the activities of the charity as follows (full time equivalent basis):

	2025	2024
	No.	No.
Fundraising and public relations	9.6	7.9
Urban forests - London	15.7	15.8
Urban forests - UK Cities	10.0	11.4
Urban forests - International	0.4	0.5
Trees for Streets	4.3	3.3
Trees for Schools	15.9	16.9
	55.9	55.8

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

11 Related party transactions

There are no related party transactions to disclose for this financial year (2024: none).

12 Taxation

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

13 Tangible fixed assets

	Motor vehicles £	Plant & machinery £	Fixtures, fittings & equipment £	Total 2024 £
Cost				
At the start of the year	81,891	18,022	6,348	106,261
Additions in year	-	-	29,000	29,000
Disposals in year	-	(14,721)	-	(14,721)
At the end of the year	81,891	3,301	35,348	120,540
Depreciation				
At the start of the year	54,246	18,022	6,348	78,616
Charge for the year	15,497	-	7,311	22,808
Eliminated on disposal	-	(14,721)	-	(14,721)
At the end of the year	69,743	3,301	13,659	86,703
Net book value At the end of the year	12,148	-	21,689	33,837
At the start of the year	27,645	-	-	27,645

All of the above assets are used for charitable purposes.

14 Listed investments

	2025 £	2024 £
Fair value at the start of the year	388,723	339,462
Additions at cost	-	225,000
Disposal proceeds	(246,686)	(192,000)
Revaluation during the year	19,898	16,261
	161,935	388,723
Cash held by investment broker pending reinvestment	7,063	5,940
Fair value at the end of the year	168,998	394,663
Investments comprise:		
	2025 £	2024 £
UK fixed interest bonds	158,095	152,211
Investment funds	3,840	236,512
Cash	7,063	5,940
	168,998	394,663

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

15 Debtors

	2025	2024
	£	£
Trade debtors	2,302,068	2,086,187
Prepayments and accrued income	688,575	320,535
	<u>2,990,643</u>	<u>2,406,722</u>

16 Creditors: amounts falling due within one year

	2025	Restated 2024
	£	£
Trade creditors	171,028	178,751
Taxation and social security	138,837	110,682
Grant accruals	1,826,412	952,018
Other accruals	526,647	926,151
Deferred income (note 17)	217,454	281,783
Provision for liabilities	88,995	18,275
Other creditors	24,391	12,970
	<u>2,993,763</u>	<u>2,480,630</u>

17 Deferred income

Deferred income comprises funding for projects being delivered in 2025-26, including urban forest projects £30,483 (2024: £79,551), schools £132,500 (2024: £194,232), and other income £54,471 (2024: nil).

	2025	2024
	£	£
Balance at the beginning of the year	281,783	649,244
Amount released to income in the year	(267,688)	(582,856)
Amount deferred in the year	203,359	215,395
	<u>217,454</u>	<u>281,783</u>

18 Cash held under agent agreement

Under the Trees for Streets programme council sponsorship holdings are received from sponsors. These will be passed to councils, less an administration fee once the trees have been planted. The cash is held under an agency agreement. In previous years the cash was instead held under creditors. The prior year cash and creditors figures have been restated in this set of accounts. There is no impact on other balances, income, expenditure, or the result for the year.

	2025	Restated 2024
	£	£
	<u>766,291</u>	<u>375,865</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

19 Contingent liability

The charity has recognised the replanting of trees due to unforeseen events, such as extreme weather or vandalism, as a contingent liability. It is taken into account when planning our unrestricted reserves levels. As the amount cannot be estimated reliably and as the charity may not be liable for the costs, depending on the original planting delivery method, we have not included it as a provision.

20 Pension scheme

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund as detailed below. Contributions of £17,656 (2024: £17,320) were outstanding at 31 March 2025.

	2025	2024
	£	£
Contributions payable by the charity for the year	123,212	110,109

21a Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	33,837	-	-	33,837
Investments	161,935	-	-	161,935
Net current assets	3,016,972	92,761	216,115	3,325,848
Creditors: amounts falling due within one year	(2,993,763)	-	-	(2,993,763)
Net assets at 31 March 2025	218,981	92,761	216,115	527,857

21b Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	27,645	-	-	27,645
Investments	388,723	-	-	388,723
Net current assets	3,475,404	90,065	176,000	3,741,469
Creditors: amounts falling due within one year	(2,856,495)	-	-	(2,856,495)
Net assets at 31 March 2024	1,035,277	90,065	176,000	1,301,342

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

22a Movements in funds (current year)

	At 1 April 2024 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2025 £
Restricted funds:					
Urban forests - London	86,094	443,861	(436,477)	-	93,478
Urban forests - UK Cities	-	1,518,864	(1,403,680)	-	115,184
Trees for Streets	-	-	-	-	-
Trees for Schools	50,000	464,264	(514,264)	-	-
Donations and legacies	39,906	795,710	(828,163)	-	7,453
Total restricted funds	176,000	3,222,699	(3,182,584)	-	216,115
Unrestricted funds:					
Designated funds:					
Pilot projects	-	-	-	29,032	29,032
Environmental offsetting	90,065	-	(26,336)	-	63,729
Total designated funds	90,065	-	(26,336)	29,032	92,761
General funds	1,035,277	2,158,337	(2,945,601)	(29,032)	218,981
Total unrestricted funds	1,125,342	2,158,337	(2,971,937)	-	311,742
Total funds	1,301,342	5,381,036	(6,154,521)	-	527,857

The narrative to explain the purpose of each fund is given at the foot of the note below.

22b Movements in funds (prior year)

	At 1 April 2023 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2024 £
Restricted funds:					
Urban forests - London	194,787	398,160	(506,853)	-	86,094
Urban forests - UK Cities	4,343	1,052,624	(1,056,967)	-	-
Trees for Streets	10,000	76,347	(86,347)	-	-
Trees for Schools	206,204	266,205	(422,409)	-	50,000
Donations and legacies	71,528	877,462	(909,084)	-	39,906
Total restricted funds	486,862	2,670,798	(2,981,660)	-	176,000
Unrestricted funds:					
Designated funds:					
Environmental offsetting	128,511	-	(38,446)	-	90,065
Total designated funds	128,511	-	(38,446)	-	90,065
General funds	1,222,517	2,556,118	(2,743,358)	-	1,035,277
Total unrestricted funds	1,351,028	2,556,118	(2,781,804)	-	1,125,342
Total funds	1,837,890	5,226,916	(5,763,464)	-	1,301,342

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

22 Movements in funds (continued)

Purposes of restricted funds

Restricted funds for Urban Forests programmes primarily relate to funding that has been received in advance for projects planted in 2024-25 but with maintenance activities planned in future years, projects that have been planned for 2025-26, or been delayed from 2024-25 and will be delivered in 2025-26. Within this balance is funding received in advance from the National Lottery Heritage Fund for the Tree Equity for Hartlepool project which started in March 2025.

Restricted funds for Trees for Schools relate to funding that has been received in advance for projects that have either been planned for 2025-26, or been delayed from 2024-25 and will be delivered in 2025-26.

Donations and legacy restricted funds comprise a donation in 2021-22 from UPS (£7,453). This is restricted to an electric vehicle purchase, which was purchased in 2023-24. The remaining balance is to cover depreciation costs in future years.

Purposes of designated funds

The designated fund relates to our offsetting work, setting aside money for future costs over five years relating to verification and monitoring for trees planted in 2021-22 and 2022-23.

We have also designated funds for UK projects planted in 2024-25 where we will be funding maintenance activities in future years.

23 Operating lease commitments payable as a lessee

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Land and buildings	
	2025	2024
	£	£
Less than one year	5,000	29,517
One to five years	5,000	15,000
	10,000	44,517

24 Legal status of the charity

The charity is a company limited by guarantee and is under the control of the board of Trustees. The liability of each member in the event of winding up is limited to £1.