

International Tree Foundation

Registered charity
Company limited by guarantee

Annual Report and Financial Statements

Year Ended 30 September 2015

Charity number: 1106269
Company number: 5219549



**International Tree Foundation
Report and Financial Statements
For the Year Ended 30 September 2015**

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**International Tree Foundation
Report and Financial Statements
For the Year Ended 30 September 2015**

Reference and Administrative Information

Governing documents:	Memorandum and Articles of Association
Charity number:	1106269
Company number:	5219549
Patron:	HRH The Prince of Wales KG, KT, PC, GCB
Board of trustees:	Mr T Hornsby CBE Mr D Gore Ms M Grecna Mr J Holloway Professor R Leakey Ms M McBrien Mr K Rogers (Until 24 June 2015) Mr P Tamuno Mr C B Tomkinson
Registered office:	Mayfield House 256 Banbury Road Oxford OX2 0JA
Independent Examiner:	Scott Lawrence Hazlewoods LLP Windsor House Barnett Way Barnwood Gloucester GL4 3RT
Bankers:	CAF Bank Limited 25 Kings Hill Avenue West Malling Kent ME19 4JQ
Solicitors:	Morrison and Foerster City Point One Ropemaker Street London EC2Y 9AW

International Tree Foundation

Report of the Trustees

For the Year Ended 30 September 2015

The Trustees of the International Tree Foundation (ITF) are pleased to present their annual report together with the financial statements for the year ended 30 September 2015.

The reference and administrative information set out on page 1 forms part of this report.

The financial statements comply with current statutory requirements and the Statement of Recommended Practice – “Accounting and Reporting by Charities” (Revised 2005).

1. Structure, governance and management

Governing document

The International Tree Foundation (ITF) is a company limited by guarantee and a registered charity. The company is governed by its Articles of Association that established the objects and powers of the charitable company.

Appointment and recruitment of Trustees

The members of the Board are its Trustees for the purpose of charity law and the Directors of the charitable company for the purpose of company law. The term ‘Trustee’ is used in this report. The names of those who served during the year and up to the date of this report are set out on page one. Appointment of Trustees is governed by the Articles of Association of the charitable company. The Trustees are authorised to co-opt new Trustees to fill casual vacancies arising during the year. The number of Trustees appointed should not be less than three but shall be subject to a maximum of twelve. An induction pack is issued to all new Trustees setting out their responsibilities on appointment to the Board.

Organisational structure

The Trustees meet at regular Board meetings (four meetings in this financial year) and are responsible for the strategic direction and policy of ITF.

Senior staff

The Chief Executive is responsible for the day to day running of the charitable company within the framework of clearly delegated powers and responsibilities agreed by the Trustees.

Risk assessment and management

The Trustees are constantly aware of the major strategic, business and operational risks that ITF faces and are of the opinion that there are systems in place to minimize any perceived risks. Reports are regularly submitted to the Board on all issues that might affect the running of the organisation and a risk register is maintained and reviewed annually.

Public benefit

In deciding on which activities to undertake we have taken into consideration Charity Commission guidance on public benefit. The Trustees are satisfied that the charity meets the Charity Commission’s guidelines with regard to delivering public benefit.

Members and Supporters

ITF currently has two categories of membership: Life Members and Supporters. At the end of the year we had a total of 200 Life Members and 390 Supporters. This is a drop of just under 10% from the 2014 figures.

Offices

In August 2015 we relocated our office from Three Bridges, West Sussex to Oxford. Our new offices at Mayfield House, 256 Banbury Road, Oxford OX2 7DE are sub-let from Earthwatch Europe. The Trustees believe that this is a better strategic location for the organisation and provides more opportunities for collaboration with other Oxford based environmental and research institutions.

Staffing

We conducted a thorough review of salaries and terms and conditions for staff employed by ITF benchmarked against similar charities in the sector. As a result Trustees have introduced a new banded salary structure and pay scales. A contributory pension scheme has also been introduced from April 2015. Due to increased programme funding we are able to establish a new post of Programmes Manager from August 2015.

International Tree Foundation

Report of the Trustees

For the Year Ended 30 September 2015

Volunteers

We are grateful for the contribution that volunteers continue to make to the work of ITF. We also provided a work placement for a student from Aix Marseille University.

2. Objectives and activities

Objectives

ITF has promoted and funded sustainable community forestry projects in the UK and worldwide for more than 90 years and has been responsible for the establishment of hundreds of millions of trees.

Our strategic objectives are:

- Environment - Increase tree cover, promote reforestation and appropriate tree cultivation
- Education - Foster an understanding of the amenity, ecological and economic value of trees
- Livelihoods - Enable communities to develop and restore sustainable and productive landscapes through tree cultivation
- Capacity Building - Build capacity in community organisations to advocate, share knowledge and implement community based forestry and agroforestry

Activities

As a foundation we operate three grant making programmes. All of these programmes enable us to provide resources to local community based organisations (CBOs) and non-governmental organisations (NGOs) to implement community-led forestry and agroforestry projects. We specialise in providing seed funding to newly emerging grass roots community groups who are both informed and passionate and protecting the natural environment.

We choose this model for three reasons. Firstly it is central to our ethos to support community-led forestry and environmental stewardship. Secondly this model has demonstrated that it is an effective way to ensure the sustained benefits of reforestation initiatives as it is local communities that will be care and protect the trees. And thirdly it highly cost effective.

We fund projects that are designed around local needs and aspirations, and carried out in partnership with local community-based organisations. Addressing issues of gender inequality and promoting social cohesion are integral to our approach. In choosing projects to support, we prioritise those that are most capable of providing replicable models, with scalable potential, for sustainable rural development.

We have a robust and rigorous financial and project management system which incorporates measures to guard against fraud and corruption. We do recognise and accept that there is a level of risk involved in supporting young community based organisations with limited or no prior experience of grant management.

Sustainable Community Forestry (SCF) Programme

The SCF Programme supports community scale projects that:

- conserve, restore and protect indigenous forest resources, habitats and associated biodiversity
- support community-led natural resource management to promote reforestation
- improve nutrition, food security and local livelihoods through sustainable use of trees and related income generation

Through the SCF programme we provided grants to 11 new partners as follows:

- Alpha Women's Empowerment Initiative, Uganda £2,000
- Bakamoyo Youth Bunge, Kenya £2,950
- COMAID, Cameroon £2,100
- Community Empowerment Initiative Network, Kenya £3,000
- Community Energy Efficiency Initiative Youth Group, Kenya £3,000
- Kangema Youth Group, Kenya £3,000
- Pro Biodiversity Conservationists, Uganda £2,000
- SMART Initiative, Kenya £3,000
- Sungmaale Integrated Herbalists Association, Ghana £2,000
- Village Enterprises Foundation Organisation, Uganda £1,988
- Wera Youth Foundation, Uganda £2,000

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Report of the Trustees

For the Year Ended 30 September 2015

We also provided a new grant to one existing partner:

- Friends of Environment for Development £2,000

Africa Drylands Programme

The Africa Drylands Programme supports community scale projects in the Sahara and Sahel region that:

- Conserve, restore and protect indigenous forest resources, habitats and associated biodiversity
- Support community-led natural resource management and regeneration to combat desertification and promote reforestation
- Improve nutrition, food security and local livelihoods through sustainable use of trees and related income generation

We issued new guidelines and launched a new call for applications to this programme. We received a record number of 68 eligible applications from 8 countries in the Sahara and Sahel regions.

UK Community Tree Planting Programme

We were able to relaunch our UK programme with support from Worktop Express. This programme offers small grants to community groups and voluntary organisations to support projects that engage communities in planting and caring for native species of trees.

We provided grants to 5 new partners as follows:

- Acresfield Community Primary School £988
- Blaes Bran Community Woodland £1,000
- Conservation Foundation £901
- Greenslate Community Farm £405
- Friends of Ham Hill £1,000

We also design and run our own programmes.

Tree Power

Our education programme for schools aims to support teachers and schools to inspire new generations about the local and global importance of trees and forests. Tree Power creates powerful learning experiences for children through practical immersion in woodlands and forests. We have produced a Key Stage 2 teaching resource for schools in England.

Our school-based project, Tree Power, was delivered in five primary schools in Devon through a partnership with Devon Development Education, and four schools in Yorkshire in partnership with the Development Education Centre South Yorkshire. A total of 180 children participated in the programme. A further 4 schools in Yorkshire will be running the programme in 2016 and we are seeking additional funds to roll out the programme across the UK. We also want to enable the sharing of learning between schools in Africa and the UK.

African Community Forestry Network

On 21 March 2015, the International Day of Forests, we launched a new initiative in conjunction with our African partners. The aims of the network are:

The network has been initially established a group on Facebook while we seek funding to establish national hubs on the ground in selected countries in East and West Africa. We have a total of 32 members.

We have developed and secured funding for larger scale programmes with partners in Malawi and Mali.

Trees 4 Livelihoods

This a four year programme in the Mopti District of Mali with our partner, Sahel Eco. Trees 4 Livelihoods aims to increase food security, reduce poverty and build resilience to climatic shocks and long term climate change by strengthening local skills and capacity to manage agricultural land and forest resources more sustainably and productively. The programme has received a grant of £475,002 from the Big Lottery Fund International Communities programme and a grant of £50,000 from our Africa Drylands Programme.

Trees 4 Livelihoods started in July 2013 and aims to benefit almost 28,000 people living in 29 villages in the four communes of Konna, Borondougou, Koubaye and Ouro Modi.

In Outcome 1 (sustainable land management practices), animation sessions on Farmer Managed Natural Regeneration (FMNR) reached 4,552 farmers (2,865 men and 1,687 women) in 15 villages in Konna and Borondougou (in addition to the 2,110 farmers reached in year 1). Farmers are protecting 16,792 young trees on 2,955 hectares of land.

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Report of the Trustees

For the Year Ended 30 September 2015

In Outcome 2 (restoration of 55 hectares of highly degraded land), two local conventions for the management of field trees and non-timber forest products were elaborated. 30 volunteers were trained in zai and contour line techniques for restoration of degraded soils, and 14 learned about mechanised zai construction. 35 hectares of degraded land were restored.

In Outcome 3 (sustainable management of the Koubaye forest), it was agreed that a new management plan for the Koubaye forest was required, but this could not be completed because of security issues.

In Outcome 4 (women's group organisation, skills and access to markets for NTFPs), 20 women's Saving for Change groups were established in Konna and Borondougou. 695 women in 33 groups are processing Tamarind, Balanites, Jujube and henna soap.

The programme has faced serious challenges due to the difficult security situation in this part of Mali. During the year to September this mainly affected the Koubaye area, preventing progress on the Koubaye Forest Management Plan and limiting progress on other activities in the communes of Koubaye and Ouro Modi.

The Nkhata Bay Natural Way

We have secured a new grant of £370,202 from the Big Lottery Fund International Communities programme to support the implementation of a new four year programme, the Nkhata Bay Natural Way, in northern Malawi. The programme is a partnership with Temwa, a community development NGO and Deki Ltd., who are providing additional funds of £140,000 in the form of microfinance loans. Funding has also been provided by the J Charitable Trust.

The programme will reach 110 villages across 4 Traditional Authorities - Mbwana, Nyaluwanga, Mkondowe and Boghoyo – with a total population of 39,000 and aims to achieve these outcomes:

1. Improved food security and nutrition for disadvantaged households through the adoption of environmentally sustainable farming.
2. Improved community stewardship of forest conservation and management, to promote tree planting, reforestation and fair and sustainable access to forest resources.
3. Increased income for disadvantaged households through the establishment of forest-friendly businesses and micro-enterprises, supported by loans and skills training
4. Strengthened and receptive local governance structures with increased ability to advocate for sustainable natural resource management and livelihood choices at a district and national level.

The programme started in June 2015 and was officially launched on 26 September.

3. Achievements and performance

During the year, we funded and supported a total of 22 projects in six African countries and the UK through our foundation programmes. We awarded 17 new grants with a total value of £34,632.

Across all our work we supported a total of 24 projects with 23 different partners in 8 countries.

Our partners completed eight projects in England, Kenya, Malawi and Uganda.

- Friends of Environment for Development, Uganda
- Lilongwe Wildlife Trust, Malawi
- Masaka and District Landcare Chapter, Uganda
- Save Mount Kenya Forest from Extinction Group, Kenya
- Temwa, Malawi
- Friends of Ham Hill, England
- Tree Power Devon, England
- Tree Power Yorkshire, England

The 8 projects that were completed in the year to 30 September 2015 reached more than 8,000 direct beneficiaries. A total of 146,352 trees were planted, and the Trees 4 Livelihoods programme regenerated another 59,842, making a total of 206,194 trees grown. The projects restored 45 hectares of degraded land. Another 2,955 hectares benefited from farmer managed natural regeneration in the Trees 4 Livelihoods programme.

We also continued to invest in the awareness raising side of our work through our website, e-bulletins and social media. The eNewsletter was published on a bi-monthly basis (six in the year) with 1,833 subscribers (2014: 1,520). We have increased our following on Facebook to 1,074 Likes (2014: 859) and Twitter followers to 724 (2014: 540).

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Report of the Trustees

For the Year Ended 30 September 2015

We published our 2014 Annual Impact Report in May and the "Trees" journal, which was distributed to over 1,500 subscribers and stakeholders. Both were also published online on the ITF website.

4. Financial review

Performance

This year saw a significant positive turnaround in the organisation's financial position. Total income increased to £365,450 (2014: £267,490), an annual increase of 37%. Total reserves at the year end were £203,266 (2014: £153,103) of which unrestricted reserves increased to 103,548 (2014: £45,280).

The charity continues to benefit from legacies and we are extremely grateful to all supporters who kindly remember the International Tree Foundation in their wills.

We continually seek to improve our operational efficiency and despite a substantial increase in activities we further reduced our support costs from £52,144 in 2014 to £31,820 this year and kept our expenditure on governance to the same level as the previous year. The proportion of our income that was spent on direct charitable activity was 83%.

Reserves policy

The Trustees review the reserves of the charity annually. This review covers the nature of the income and expenditure streams of the charity, and the need to match variable income with fixed costs. Trustees recognise that the charity needs to have sufficient cash and reserves to absorb short term fluctuations in income. The level of unrestricted reserves needs to consider both the plans of the charity and the wider economic climate.

At the end of the last financial year the Trustees resolved that the charity should aim to build up unrestricted reserves equal to twelve months of total operating and project costs resourced from unrestricted funds. While achieving this goal may take more than one financial year, the Board approved an interim target for general unrestricted reserves of £75,000 for the 2014-15 financial year.

This target has been exceeded within just one year, with general unrestricted reserves now standing at £89,339 (2014: £38,580).

Given that the Board have agreed to invest in the start-up of the Centenary Campaign the current target of general unrestricted reserves of £75,000 will remain in place for the coming year.

Fixed assets

Acquisitions and disposals of fixed assets during the period are recorded in the notes forming part of the financial statements.

Statement of Director's responsibilities

Company Law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the directors should follow best practice and;

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 charitable company will continue on that basis.

The Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. The Directors 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.

Independent Examiner

A resolution will be proposed at the Annual General Meeting that Scott Lawrence of Hazlewoods LLP be re-appointed as independent examiner for the ensuing year.

**International Tree Foundation
Report of the Trustees
For the Year Ended 30 September 2015**

5. Plans for the future and key objectives for 2015 - 2016

Trustees have commenced the process of developing a long term strategic plan for the organisation. This process includes a detailed review of our strategic objectives and the development of a theory of change to inform and validate our approach.

The Trustees have agreed a number of key strategic goals for 2016 to increase our capacity and improve our effectiveness:

- Agree ITF Strategic Plan for 2016 – 2020
- Launch and ensure effective implementation of ITF Centenary Campaign: 20 Million Trees for Kenya's Forests:
 - o Agree strategic partnerships with Kenya Forest Service (KFS) , Kenya Forest Research Institute (KEFRI) and Botanic Gardens Conservation International (BGCI)
 - o Agree delivery partnership with Mount Kenya Environmental Conservation (MKEC)
 - o Recruit companies to corporate membership scheme
 - o Launch individual membership scheme
- Review and improve monitoring procedures for ITF grant funded projects
- Ensure effective implementation and monitoring of Trees 4 Livelihoods and The Nkhata Bay Natural Way programmes
- Ensure effective inception and implementation and monitoring of the Fruit-full Communities programme
- Roll out Tree Power schools programme across the UK and publish teaching pack
- Develop and secure funding for the African Community Forestry Network
- Explore and develop collaborative funding strategies with other trusts and foundations
- Identify ways in which ITF can contribute to implementation of relevant Sustainable Development Goals and source funding for this work
- Increase web site visits, Facebook likes, Twitter followers and eNewsletter subscribers
- Recruit new Trustees to fill gaps identified via a Trustee skills audit
- Review ITF governance arrangements, consult with members and Supporters and produce recommendation for a unified membership structure for consideration at Supporter and Member AGMs in June and July 2016

By order of the Board of Directors

Timothy Hornsby CBE
Chair

2016

Independent Examiners' Report to the Trustees of the International Tree Foundation For the Year Ended 30 September 2015

I report on the accounts of the charitable company for the year ended 30 September 2015, which are set out on pages 9 to 18.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purpose of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 and that an independent examination is needed.

Having been satisfied that the charity is not subject to audit under company law and is eligible for independent examination it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiners' report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and the seeking of explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities (revised 2005) have not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Scott Lawrence
Chartered Accountant

Hazlewoods LLP
Cheltenham, Gloucestershire

2016

International Tree Foundation
Statement of Financial Activities (Incorporating an Income and Expenditure Account)
For the Year Ended 30 September 2015

	Note	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income:					
Grants, donations, appeals and legacies	2	171,210	185,278	356,488	259,048
Membership subscriptions		8,406	-	8,406	7,915
Investment income and interest	3	556	-	556	527
Total incoming resources		180,172	185,278	365,450	267,490
Resources expended					
Costs of generating funds:					
Promotion, publicity and fundraising		39,292	-	39,292	36,665
Charitable activities:					
Planting, protection and preservation of trees	4	49,994	190,668	240,662	211,941
Promotion of tree awareness	5	19,311	2,715	22,026	24,629
Governance costs		13,307	-	13,307	13,472
Total resources expended	6	121,904	193,383	315,287	286,707
Net incoming / (outgoing) resources before transfers		58,268	(8,105)	50,163	(19,217)
Gross transfers between funds	14	-	-	-	-
Net movement in funds for the year	7	58,268	(8,105)	50,163	(19,217)
Reconciliation of funds					
Total funds brought forward		45,280	107,823	153,103	172,320
Total funds carried forward		103,548	99,718	203,266	153,103

The statement of financial activities includes all gains and losses recognised in the year. All incoming resources and resources expended derive from continuing operations. The surplus for the year for Companies Act purposes comprises the net movement in funds for the year which was £50,163 (2014: Deficit £19,217).

The accompanying notes are an integral part of this statement of financial activities.

International Tree Foundation
Balance Sheet
As at 30 September 2015

	Note	2015		2014	
		£	£	£	£
Fixed assets					
Tangible assets	10		400		800
Current assets					
Debtors	11	14,924		14,399	
Cash at bank and in hand		224,672		157,297	
		<u>239,596</u>		<u>171,696</u>	
Creditors: amounts falling due within one year	12	(36,730)		(19,393)	
Net current assets			202,866		152,303
Net assets			<u>203,266</u>		<u>153,103</u>
Funds					
Restricted funds	14		99,718		107,823
Unrestricted funds					
General fund	14		89,339		38,580
Designated funds	14		14,209		6,700
Total funds			<u>203,266</u>		<u>153,103</u>

For the year ending 30 September 2015 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board on

2016 and signed on its behalf by:

Timothy Hornsby CBE

Chair

Registered company number: 5219549

The accompanying notes are an integral part of this balance sheet.

International Tree Foundation
Notes Forming Part of the Financial Statements
For the Year Ended 30 September 2015

1 Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently in dealing with items considered material in relation to the financial statements.

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments at market value, in accordance with the Companies Act 2006 and applicable accounting standards, and follow the recommendations in the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005), published in March 2005.

The financial statements have been prepared on the going concern basis. The directors are confident that current and future sources of funding and support will be more than adequate for the charitable company's needs.

Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Board of Directors in furtherance of the charitable objectives of the charitable company.

Designated funds comprise funds set aside by the Board of Directors out of unrestricted funds for specific future purposes or projects.

Restricted funds comprise monies raised for, and their use restricted to, a specific purpose, or donations subject to conditions imposed by the donor or through the terms of an appeal.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charitable company is legally entitled to the income, it is certain that the income will be received and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations, legacies and membership subscriptions and is included in full in the Statement of Financial Activities.

Investment income and bank interest receivable is fully accrued at the balance sheet date.

Resources expended

Resources expended are recognised on an accruals basis when a liability is incurred, as soon as there is a legal or constructive obligation committing the charitable company to the expenditure. Expenditure includes any VAT, which cannot be recovered, and is reported as part of the expenditure to which it relates.

Charitable expenditure comprises those costs incurred by the charitable company 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 them.

Grants payable for tree planting are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such awards being recognised as expenditure when the conditions attaching to the grants are fulfilled. Grants offered subject to conditions that have not been met at the year end are noted as a commitment, but not accrued as expenditure.

The costs of generating funds consist of investment management fees and merchandising costs.

Governance costs include those costs primarily associated with meeting the constitutional and statutory requirements of the charitable company and include the reporting accountants' remuneration and legal fees and costs linked to the charitable company's compliance with regulation and good practice.

International Tree Foundation
Notes Forming Part of the Financial Statements
For the Year Ended 30 September 2015

1 Accounting policies (continued)

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on the basis of estimates of the proportion of time spent by staff on those activities.

Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Tangible fixed assets are depreciated at rates calculated to write off the cost of each asset over its estimated useful life as follows:

Office equipment, furniture and fittings	25%	Straight line basis
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Fixed asset investments

Investments are included on the balance sheet at mid market value at the balance sheet date. Realised and unrealised gains and losses on investments are included in the Statement of Financial Activities in the year in which they arise.

Cash flow

The financial statements do not include a cash flow statement because the charitable company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash Flow Statements'.

International Tree Foundation
Notes Forming Part of the Financial Statements
For the Year Ended 30 September 2015

	2015	2014
	£	£
2 Grants, donations and legacies		
Donations including related Gift aid	59,762	24,616
Appeals	6,589	12,823
Legacies	99,752	94,951
Grants	190,385	126,658
	<u>356,488</u>	<u>259,048</u>

3 Investment income and interest

Bank interest receivable	<u>556</u>	<u>527</u>
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4 Planting, protection and preservation of trees

Tree planting - UK	6,562	7,225
Tree planting - International	149,997	128,532
Other direct costs	20,122	11,837
Staff costs	51,554	43,489
Office support costs	12,427	20,858
	<u>240,662</u>	<u>211,941</u>

A full list of the individual grants and the projects that are funded is available from the Registered Office.

5 Promotion of tree awareness

Newsletters, Journal publication costs and website	2,901	4,628
Staff costs	12,661	9,572
Office support costs	6,464	10,429
	<u>22,026</u>	<u>24,629</u>

International Tree Foundation
Notes Forming Part of the Financial Statements
For the Year Ended 30 September 2015

6 Total resources expended	Tree planting and grants payable	Other direct costs	Support costs		Total 2015
	£	£	Staff costs £	Office costs £	£
Costs of generating funds	-	10,604	18,991	9,697	39,292
Planting, protection and preservation of trees	156,559	20,122	51,554	12,427	240,662
Promotion of tree awareness	-	2,901	12,661	6,464	22,026
Governance costs	-	3,745	6,330	3,232	13,307
	<u>156,559</u>	<u>37,372</u>	<u>89,536</u>	<u>31,820</u>	<u>315,287</u>

Support costs comprise:	2015 £	2014 £
Accountancy and payroll	3,837	6,410
Bank charges	973	472
Computer maintenance and services	1,923	689
Depreciation of fixed assets	249	714
Director meetings, travel expenses and insurance	2,436	3,292
Miscellaneous expenses	874	261
Professional fees	730	19,640
Office insurance, light, heat and cleaning	53	280
Office rent and rates	9,842	8,910
Staff recruitment, training & travel	4,782	2,445
Telephone, printing, postage and stationery	3,075	5,095
Temporary staff	1,971	3,936
Volunteer expenses	1,075	-
	<u>31,820</u>	<u>52,144</u>

Support costs are allocated on the basis of estimates of the proportion of time spent by staff on those activities.

Cost allocation includes an element of judgement and the charity has had to consider the cost benefit of detailed calculations and record keeping. Therefore the support costs shown above are a best estimate of the costs that have been so allocated.

7 Net movement in funds for the year	2015 £	2014 £
This is stated after charging:		
Independent Examiners remuneration	600	600
Depreciation of fixed assets	400	714
	<u>600</u>	<u>714</u>

International Tree Foundation
Notes Forming Part of the Financial Statements
For the Year Ended 30 September 2015

8 Remuneration and reimbursement of expenses to Directors	2015	2014
	£	£

No Directors received or waived any emoluments for their services during the year (2014: £nil).

Five directors were reimbursed for directly incurred out of pocket expenses during the year totalling £3,732 (2014: Five directors - £2,577).

9 Staff costs

Salaries and wages	81,948	67,885
Social security costs	7,588	4,320
	89,536	72,205

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the period was nil (2014: nil).

The average number of employees calculated on a full-time equivalent basis, analysed by function was:

	Number	Number
Planting, protection, preservation and promotion of trees	2	1
Fundraising and income generation	1	1
	3	2

10 Tangible fixed assets - Office equipment, furniture and fittings

£

Cost

At 1 October 2014	5,172
Additions	-
Disposals	(3,242)

At 30 September 2015	1,930
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Depreciation

At 1 October 2014	4,372
Charge for the period	400
Disposals	(3,242)

At 30 September 2015	1,530
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Net book value

At 30 September 2015	400
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At 30 September 2014	800
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International Tree Foundation
Notes Forming Part of the Financial Statements
For the Year Ended 30 September 2015

11 Debtors	2015	2014
	£	£
Trade debtors	10,450	11,600
Accrued income	435	1,154
Lease rent deposit	1,520	1,520
Prepaid expenditure	2,519	125
	<u>14,924</u>	<u>14,399</u>

12 Creditors: amounts falling due within one year	2015	2014
	£	£
Grants payable	17,567	5,420
Trade Creditors	7,488	-
Accrued expenditure	4,490	12,000
Employers pension contributions	1,403	-
Other tax and social security	5,782	1,973
	<u>36,730</u>	<u>19,393</u>

13 Analysis of net assets between total funds	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 30 September 2015 are represented by:			
Tangible fixed assets	400	-	400
Cash at bank and in hand	117,897	106,775	224,672
Other net current assets / (liabilities)	(14,749)	(7,057)	(21,806)
	<u>103,548</u>	<u>99,718</u>	<u>203,266</u>

International Tree Foundation
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14 Statement of funds	2014 £	Incoming Resources £	Resources Expended £	Transfers £	2015 £
Restricted funds					
International Programmes:					
Africa Drylands	38,313	-	(4,609)	-	33,704
Sustainable Community Forestry	14,831	26,668	(21,038)	-	20,461
Trees for Livelihoods	41,845	117,385	(116,559)	(3,000)	39,671
The Nkhata Bay Natural Way	2,500	38,000	(42,700)	-	(2,200)
Tsunami Appeal	1,901			-	1,901
UK Programmes:					
Community Tree Planting	4,514	25	(4,297)	-	242
Tree Power	1,111	3,200	(1,465)	-	2,846
Trees Journal	2,808	-	(2,715)	3,000	3,093
	<u>107,823</u>	<u>185,278</u>	<u>(193,383)</u>	<u>-</u>	<u>99,718</u>
Unrestricted funds					
General fund	38,580	160,417	(109,658)	-	89,339
Designated Funds:					
Centenary Appeal	-	12,505	(2,846)	-	9,659
Sustainable Community Forestry	-	7,250	(7,000)	-	250
Tree Power	6,700	-	(2,400)	-	4,300
	<u>45,280</u>	<u>180,172</u>	<u>(121,904)</u>	<u>-</u>	<u>103,548</u>
Total funds	<u><u>153,103</u></u>	<u><u>365,450</u></u>	<u><u>(315,287)</u></u>	<u><u>-</u></u>	<u><u>203,266</u></u>

Africa Drylands

This represents a bequest from the Estate of the late Mrs M M Gare in 1999. These funds are to be utilised in the environmental regeneration of the Sahara region through the establishment of community tree planting projects.

International and UK Programmes

These funds represent funding received from supporters to plant new trees in sites across the UK and for specific tree planting projects overseas.

Big Lottery Fund Grant Funding

The Trees for Livelihoods and The Nkhata Bay Natural Way programmes are supported with grant funding from the Big Lottery Fund.

International Tree Foundation
Notes Forming Part of the Financial Statements
For the Year Ended 30 September 2015

15 Financial commitments

At 30 September 2015 the charity had annual commitments under non-cancellable leases as follows:

	Land and buildings	
	2015	2014
	£	£
Expiry date:		
Within one year	<u>17,760</u>	<u>10,944</u>

16 Taxation

The International Tree Foundation is a registered charity and therefore is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

17 Liability of members

The International Tree Foundation is constituted as a company limited by guarantee and has no share capital. The liability of the members in the event of the company being wound up is limited to a sum not exceeding £10 each.