

Company no. 07369954
Charity no. 1149961



TreeSisters

Report and Audited Financial Statements

31 March 2022



Tree Sisters

Reference and administrative details

For the year ended 31 March 2022

Company number 07369954

Charity number 1149961

Registered office 5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

J Comeau appointed 20 September 2021

J Gomez-Paratcha

A Jenkins

J Leaman-Grey resigned 18 March 2022

V Linforth appointed 4 April 2022, resigned 22 July 2022

M Ling appointed 4 April 2022, resigned 31 October 2022

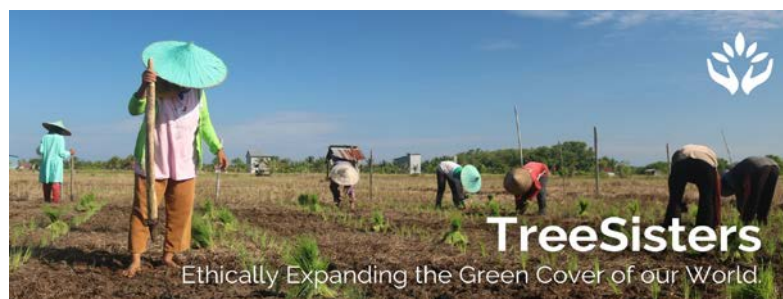
S Punja appointed 4 April 2022

M Salas appointed 4 April 2022

Chief executive W Stephenson to 31 December 2021
D McNicol-Jones from 1 January 2022 to 18 May 2022

Bankers The Co-operative Bank p.l.c.
PO Box 101
1 Balloon Street
Manchester
M60 4EP

Auditors Godfrey Wilson Limited
Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD



Tree Sisters

Chair's report

For the year ended 31 March 2022

The period from 1 April 2021 to 31 March 2022 saw the COVID pandemic diminishing in its oppressive influence, a surge in the global economy, a hot jobs market, and unfortunately, new records set in global greenhouse gas emissions. Leaders around the world gathered at COP26 in Glasgow, Scotland in November 2021 and came away with nothing substantive in terms of new restoration and carbon reduction agreements.

Against this global backdrop, TreeSisters continued its efforts to differentiate from other reforestation organisations by furthering our Green Cover Strategy, ending the year just shy of the 25 million tree mark. In addition, we crafted an innovative Carbon Position Paper that rejects mainstream efforts to put a price on nature. Finally, our Ethical Tree Growing Framework (ETGF) took further shape toward a goal of publication and integration both inside and outside the Charity.

From a people perspective, we had turnovers in key positions, in particular in the departure of CEO, Wendy Stephenson, and the subsequent loss of her replacement CEO after 4.5 months. Additionally, our founder, Clare Dubois departed for a well-deserved sabbatical in early 2022, followed by her decision to resign later in 2022. Despite these challenges, we have made some strong new recruitments, namely, a new Head of People, Deputy Director/Head of Operations, Fundraising Manager, and Head of Business Partnerships. Our team of fifteen staff members, most of whom are not full time equivalent employees, continue to find innovative ways to deliver on our charitable objects.

In the accompanying trustees' report, TreeSisters' exciting programs and consciousness shifting efforts are further delineated.



Sital Punja, Chair of Trustees

Tree Sisters

Report of the trustees

For the year ended 31 March 2022

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 and the Statement of Recommended Practice – Accounting and Reporting by Charities (effective from January 2019).

Purpose and principal activities

The charity's objects are:

- **Increasing Green Cover:** To promote for the benefit of the public the conservation, protection and improvement of the physical and natural environment by promoting biological diversity through increased green cover.
- **Education and Women's Leadership:** To advance the education of the public in the conservation, protection and improvement of the physical and natural environment, in particular but not exclusively by the provision of training and support to encourage leadership and participation in the work of the charity and environmental protection in general, with a particular focus on women.

As part of its Five-Year Strategic Plan, our strategic objectives are employed to achieve the charity's aims. From 2017 to 2022, these have been to:

- Build a global network of treesisters who catalyse a movement of ecological restoration;
- Inspire and support feminine leadership towards shifting consciousness;
- Raise and channel funding into tropical reforestation and protection;
- Develop partnerships to accelerate reforestation and deliver on our mission; and
- Become sector leaders in global reforestation and feminine leadership.

We note that the new strategic planning process that had gotten underway during this period had to be delayed because of CEO departures. Already in the next audit period, substantial progress has been made toward a new strategy.

Public benefit

Part of how TreeSisters delivers against its purpose is to support and encourage a journey towards becoming a restorer species and living in reciprocity with our natural world. We believe this focus dissolves many of the root causes of the destruction of our planet and our relationship to nature and each other.

With regard to the Charity Commission's general guidance on public benefit, the trustees have complied with their duty in section 4 of the Charities Act 2006. The trustees ensure that plans are in line with the charitable objects and aims.

Financial review

Overall income for the year decreased by £252,800 to £1,885,295 (2021: £2,138,095) and the organisation's net movement in funds was a surplus of £177,674 (2021: £628,394). The prior year surplus was unusually high due to the timing of donations being so late in the financial year meaning we were unable to distribute the funds prior to the year end. This was less the case during the current year and therefore the surplus is at a more reasonable level.

Tree Sisters

Report of the trustees

For the year ended 31 March 2022

Reserves policy

The trustees have reviewed the financial statements and consider that adequate resources continue to be available to fund the activities of the organisation for the foreseeable future. In considering adequate reserves the trustees take into account the growth of the organisation and have agreed to a policy of three months of core costs as the reserves required, estimated at £164,757. Core costs include all non-tree program staff and all ongoing contracted expenses to support the running of the organisation.

Total reserves were £1,075,552 (2021: £897,878), which includes restricted funds of £755,051 (2021: £220,970). Unrestricted general reserves were £320,501, lower than the prior year (£540,601) but still more than meeting the reserves policy. Whilst total reserves are increasing, we have been without some key members of staff and the reserves now show our financial soundness to support their recruitment.

We are reviewing our reserves policy in line with our review of Strategy in 2022 and adoption of Methodology of Risk to ensure a suitable level of reserves to manage the organisation and ensure its ongoing sustainability.

Managing risk

The trustees have overall responsibility for managing the risks of the organisation and they ensure that the employees and volunteers are aware of the importance of risk management within the organisation by having in place a risk policy and reviewing this on a regular basis.

Risks are identified through reviewing and understanding the organisation systems and processes and the potential risks that may arise. Where possible, risks are managed in a way as to eliminate the risk. Where this is not possible then the risk is managed through having control systems within the organisation to manage the risk.

During the period, internal control weaknesses allowed a potentially fraudulent transaction to be processed which was notified to the Charity Commission. An internal investigation took place to determine the response and prevention mechanisms required resulting in improved internal controls. In addition, the funds have subsequently been recovered and so no loss was incurred.

Also during this period, it emerged that there was an error in how we obtained Gift Aid declarations, which was quickly rectified in March 2022. This is an area that still remains to be fully resolved due to historical declarations and thus, it may be a liability to the organisation up to a projected £40,000. The management team are currently working to issue repair letters to affected donors which will significantly reduce the potential liability. This work is hoped to be completed by March 2023.

As a result of these two issues, post year end the organisation has recruited an experienced Head of Finance to address the gaps in capacity. In addition, during a summer 2022 "Pause4Policies" internal process, a rigorous Financial Control Policy was created to clarify signatories and financial control processes.

Tree Sisters

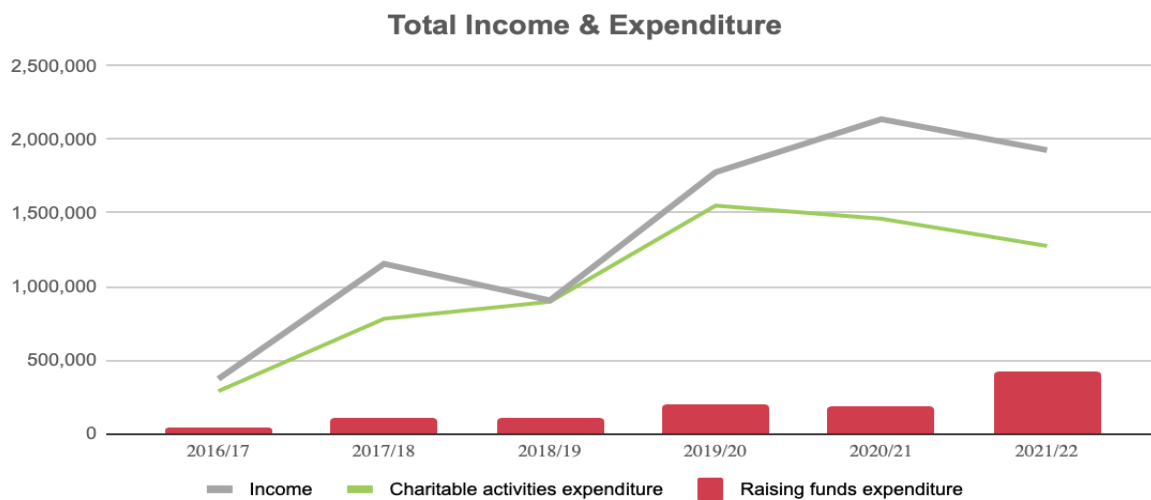
Report of the trustees

For the year ended 31 March 2022

Achievements and performance

Overall expenditure on charitable activities in the year was £1,270,169 (2021: 1,460,878). Income from donations and from charitable income declined by £154,985 to £1,875,857 when compared to the previous year (2021: £2,030,842).

Our course income was reduced to £9,485 in the year (2021: £59,463), because the Diversity, Equity and Inclusion work from the previous year showed a need for language and exercise shifts in keeping with the organisation's new DE&I strategy. Thus, all courses but one were paused so as to enable the organisation to complete these course reviews.



Reforestation - Increasing Green Cover

Funds to reforestation were £812,946 (2021: £987,954).

Our project portfolio supports planting across 10 different locations across Brazil, India, Nepal, Mozambique, West Papua, Borneo, Madagascar & Kenya.

We work with planting partners who recreate and restore natural forest ecosystems using indigenous species, fostering local knowledge and skills, and promoting women's participation. We strive to ensure our partners plant intelligently, appropriately, respectfully and successfully.

As an example, since 2019, through our partnership with Aquaverde, TreeSisters has been supporting a project led by the Ashaninka indigenous people in Acre, Brazil. This agroforestry project is growing a forest garden deep in the intact Amazon rainforest, to provide sustainable and nutritious food for over 1000 indigenous people and non-indigenous people in the local town. It aims to set an example for rehabilitating the Amazon based on their traditional wisdom, knowledge and practices, and to inspire other indigenous people to reclaim their values and cultural heritage.

Tree Sisters

Report of the trustees

For the year ended 31 March 2022

Education, Engagement and Nature Based Leadership

Expenditure on our programmes to engage and encourage Nature Based Leadership was £194,507 (2021: £434,468).

As the reforestation sector grows faster than ever, a shared understanding of what it means to regenerate landscapes and reforest ethically is crucial. For the past few years, TreeSisters has been in a collaborative process with allied reforestation and conservation NGOs to explore a definition of growing trees ethically with working practices and examples. The Ethical Tree Growing Framework (ETGF) is a set of values, ethical principles and working practices. These have evolved collaboratively between conservation and reforestation NGOs, representatives of Original Peoples and Nations, communities, scientists, academics and economists.

We see the ETGF as a living document designed to enhance existing standards. It is intended to bridge the ancestral knowledge of Original Peoples and Nations with Western science-informed approaches to landscape restoration. The document is currently being reviewed and approved by all contributors with the hope of publication in the near future.

- Indigenous wisdom for the Earth

TreeSisters have hosted many guests on the series, including the women of ASOMI in Columbia, Shaman Benki Piyāko, a spiritual leader for the Asháninka, and Robert Arangorin, the Lead of Operations for the Centre for Sustainability Philippines, among others. The series aims to amplify and share the voices of original peoples who honour our planet, providing insights that any can use to deepen our connection with nature and each other.

From 1 March 2022, TreeSisters increased its price from 40 to 45 pence per tree. This increase allows us to ensure donations continue to fund the most ethical, sustainable, and ecologically beneficial global solutions to climate and social change.

We continue to support projects that plant trees and restore ecosystems whilst assisting the communities that plant for them. Focusing on the local communities restores livelihoods and the capacity to access education and health care whilst deepening their relationships with the forest.

- Events and courses

Events and courses are part of the work that TreeSisters does to educate and inspire everyone to connect and rebalance with nature. For so many, this relationship with the natural world is broken. We are nature, and by understanding the importance of this connection and living in alignment with our natural environment, we can start to move from consumer to restorer, protecting our planet and making the necessary shifts toward restoration.

As previously noted, the organisational DE&I assessment revealed a need to examine the language used throughout most courses to ensure they are aligned with the training and education received by all staff in across this audit period and the previous one. Therefore, only one course, Liberating Our Creative Voice for Earth, was offered during this time period. However, education is an important component of shifting consciousness from consumers to restorers, so the organisation is focused on bringing the Ethical Tree Growing Framework principles into courses.

Tree Sisters

Report of the trustees

For the year ended 31 March 2022

Liberating Our Creative Voice for Earth is a three-month course that explores creativity as an essential tool to envision and reimagine a new world, listen deeply to nature, and liberate your creative voice. Hundreds of participants have experienced this course, which repeats with the cycles of the seasons Winter, Solstice, Spring Equinox, etc.

Full Moon Calls are event series that continue to gain in attendees and subsequent donors. Starting in January, the Embodied Forest Meditation series began. This is a live, monthly guided meditation coinciding with each full moon. The series takes you on a journey through the forest, inhabiting the diversity of life, learning from it as it constantly shifts and changes, creating a natural balance of harmony.

- 7 Days of Rest

In January 2022, TreeSisters partnered with 7 Days of Rest. Over the first seven days of the New Year, TreeSisters offered daily meditations on specific themes for each day, inviting participants to sit in stillness and deepen their connection with nature and our extended tree family. This series of meditations have been listened to thousands of times.

- Women's Day

In March of 2022, we celebrated International Women's Day 2022 and the global theme of #BreaktheBias. At TreeSisters, we applied this by imagining a world free of bias, stereotypes, and discrimination, one that is diverse, sustainable, and equitable. We strive for a world where listening to nature and collective restoration is championed.

Although our charitable purpose has a particular focus on empowering women to help restore balance, we are by no means exclusive and our invitation is open to every being.

Fundraising

We are in an exciting period of consolidation with our business partnerships, ensuring values are aligned and forming meaningful, mutually beneficial relationships with our current partners. Our business partnership community has crossed the 500 mark, and this growing network of conscious businesses are committed to the journey of Earth restoration. As a result, the number of business organisations engaged raised £349,473 in restricted donations (2021: £174,415).

In September 2021, The Shift Network kicked off a year-long impact initiative to plant ONE MILLION trees with TreeSisters at their annual Music Festival and Visionaries Summit.

We deeply appreciate the generosity of our community of business partners who advocate for a shift from consumer to restorer. For example, Haws Watering Cans demonstrated sector leadership in supporting TreeSisters to accelerate tropical reforestation. They are partnered with 1% for the Planet and plant a tree for every purchase made. In December 2021, Haws Watering Cans pledged a generous £15K for The Big Give's Christmas Challenge as a match donor, allowing us to reach our goal of funding 112,500 trees within a week!

Many of our partners have contributed to planting thousands of trees and are raising awareness of our mission by engaging their whole ecosystem. Among them, Pukka, Weleda, Canopy & Stars, Formula Botanica, Puresentiel, Sooner Safer Happier and Faith in Nature.

Tree Sisters

Report of the trustees

For the year ended 31 March 2022

Plans for future periods

As 2022 began, the organisation commenced a process to analyse and select a partner to upgrade our infrastructure with the implementation of a CRM (Customer Relationship Management) system. This will enable the organisation to refine and target their fundraising outreach efforts, as well as enable more detailed impact reports with partner planting projects. Although the project commenced just after this audit period, it is well underway as of the time of this writing (December 2022), with completion expected in the next audit period.

Early 2022 also commenced a TreeSisters brand review and refresh effort, which will be fully implemented by year end 2023.

Structure, governance and management

The company was established under a Memorandum of Association which established the objectives and powers of the company and is governed under its Articles of Association. The Board of Trustees is responsible for the overall governance of the charity. Trustees are appointed by resolution of the existing trustees and there must be at least three trustees. Each trustee shall be appointed for a term of three years and then shall be re-appointed or retire. The management meet monthly to review strategy, operational and financial performance, to set operating plans and targets and measure performance against our annual budget. The management facilitate a financial review every month at the Board meeting.

How the charity makes decisions

As with good practice senior staff make all decisions regarding the day-to-day operation and running of the organisation. Any strategic risks that exceed the authority of the management team are taken to the trustees. We are currently reviewing the methodology of this in line with our organisational change and development programme in 2022, when we will also review all policies.

Setting pay and remuneration

Our rates of pay are set out in a policy which notes we benchmark rates of pay against industry average and when a new role is created the pay offered is within 10% of the average to ensure fairness. Finances permitting, an annual review is undertaken to consider inflation and any cost of living pay rise that should be reflected, which will be reviewed by trustees. Any other pay rises are related to performance reviews.

Recruitment and induction of trustees

The directors of the company are also charity trustees for the purpose of charity law. Subject to the approval of the members, the trustees may appoint a person who will be a trustee. Recruitment is based on the level of skills and experience in non-profit leadership as well as in at least one of the identified areas of expertise required to achieve our objectives (specifically reforestation, women's leadership, and climate change) and overall board make-up should reflect gender and international diversity. Recruitment of trustees is undertaken by the trustees and CEO.

The board implements the following process: Potential trustees meet with and are interviewed by the Chair, one other trustee, and the CEO prior to putting the proposal to the entire board.

Tree Sisters

Report of the trustees

For the year ended 31 March 2022

Fundraising policy

Our fundraising activities are constantly monitored through our weekly team discussions. In January 2022, we increased the team to include a Fundraising Manager.

Our fundraising strategy is in development, and we have recently updated our policy in line with the Fundraising regulations, which we are now looking to formalise and train staff on.

We are also working on our registration with the Fundraising Regulator's Code of Fundraising Practice as we wish to formalise our commitment to following this best practice as soon as possible.

We follow all of the relevant regulations and best practice guidance, inclusive of (but not limited to) the fundraising regulator and GDPR, in how we raise funds and how we promote and market ourselves to ensure an individual's privacy is protected according to their wishes, no methods are persistent or pressurised and that particular care is given to those who might be more vulnerable.

In working with any fundraisers, we carry out due diligence to make sure they adhere and align to these standards as well.

We also consider in our marketing and promotional activities, and those undertaken by fundraisers on our behalf, that these do not contain anything that may cause offense or harm. All of these policies are currently being reviewed and updated in 2022.

Statement of responsibilities of the trustees

The trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 charity and of the income and expenditure of the charity for that period. In preparing those financial statements the trustees are required to:

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Tree Sisters

Report of the trustees

For the year ended 31 March 2022

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are 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 £10 to the assets of the charity in the event of winding up. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditors

Godfrey Wilson Limited were re-appointed as auditors to the charitable company during the year and have expressed their willingness to continue in that capacity.

The above report has been prepared in accordance with the special provisions relating to the small companies regime as set out in Part 15 of the Companies Act 2006.

Approved by the trustees on 17 January 2023 and signed on their behalf by



Sital Punja - Chair

Independent auditors' report

To the members of

Tree Sisters

Opinion

We have audited the financial statements of Tree Sisters (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, balance sheet, statement of cashflows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the 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 charity's affairs as at 31 March 2022 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Independent auditors' report

To the members of

Tree Sisters

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees 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 they 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report

To the members of

Tree Sisters

Our responsibilities for the audit of the financial statements

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

(1) We obtained an understanding of the legal and regulatory framework that the charity operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.

(2) We reviewed the charity's policies and procedures in relation 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 risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
- Designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.

(3) We inspected the minutes of trustee meetings.

(4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.

(5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.

(6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.

(7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:

- Testing the appropriateness of journal entries;
- Assessing judgements and accounting estimates for potential bias;
- Reviewing related party transactions; and
- Testing transactions that are unusual or outside the normal course of business.

Independent auditors' report

To the members of

Tree Sisters

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. Irregularities that arise due to fraud can be even harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

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

Alison Godfrey

Date: 26 January 2023

Alison Godfrey FCA
(Senior Statutory Auditor)

For and on behalf of:

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

Tree Sisters

Statement of financial activities *(incorporating an income and expenditure account)*

For the year ended 31 March 2022

	Note	Restricted £	Unrestricted £	2022 Total £	2021 Total £
Income from:					
Donations		1,432,759	433,613	1,866,372	1,971,379
Charitable activities		1,902	7,583	9,485	59,463
Other trading activities		-	9,257	9,257	15,809
Investments		-	181	181	263
Other	3	-	-	-	91,181
Total income		1,434,661	450,634	1,885,295	2,138,095
Expenditure on:					
Raising funds		-	385,133	385,133	186,107
Charitable activities		900,580	369,589	1,270,169	1,460,878
Other costs		-	52,319	52,319	-
Total expenditure	5	900,580	807,041	1,707,621	1,646,985
Net income / (expenditure)		534,081	(356,407)	177,674	491,110
Other recognised gains					
Gain on revaluation of intangible fixed assets		-	-	-	137,284
Net movement in funds	6	534,081	(356,407)	177,674	628,394
Reconciliation of funds:					
Total funds brought forward		220,970	676,908	897,878	269,484
Total funds carried forward		755,051	320,501	1,075,552	897,878

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 18 to the accounts.

Tree Sisters

Balance sheet

As at 31 March 2022

	Note	£	2022 £	2021 £
Fixed assets				
Tangible assets	11		11,950	21,092
Intangible assets	12		-	155,951
			11,950	177,043
Current assets				
Stock	13	1,500		-
Debtors	14	137,564		160,661
Cash at bank and in hand		938,726		757,979
		1,077,790		918,640
Liabilities				
Creditors: amounts falling due within 1 year	15	(14,188)		(197,805)
Net current assets				
			1,063,602	720,835
Net assets				
	17		1,075,552	897,878
Funds				
Restricted funds	18		755,051	220,970
Unrestricted funds				
<i>General funds</i>			320,501	540,601
<i>Revaluation reserve</i>			-	136,307
Total charity funds				
			1,075,552	897,878

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

Approved by the trustees on 17 January 2023 and signed on their behalf by



Sital Punja - Chair

Tree Sisters

Statement of cash flows

For the year ended 31 March 2022

	2022	2021
	£	£
Cash used in operating activities:		
Net movement in funds	177,674	628,394
Adjustments for:		
Depreciation charges	8,700	8,945
Gains on intangible assets	-	(137,284)
Interest from investments	(181)	(263)
(Profit) / loss on the disposal of intangible assets	52,319	(91,181)
Loss on the disposal of fixed assets	222	-
Increase in stock	(1,500)	-
Increase / (decrease) in debtors	23,097	(132,507)
Decrease in creditors	<u>(183,617)</u>	<u>(39,626)</u>
Net cash provided by operating activities	<u>76,714</u>	<u>236,478</u>
Cash flows from investing activities:		
Interest from investments	181	263
Proceeds from the sale of tangible assets	220	-
Proceeds from the sale of intangible assets	<u>103,632</u>	<u>107,110</u>
Net cash provided by investing activities	<u>104,033</u>	<u>107,373</u>
Increase in cash and cash equivalents in the year	180,747	343,851
Cash and cash equivalents at the beginning of the year	<u>757,979</u>	<u>414,128</u>
Cash and cash equivalents at the end of the year	<u>938,726</u>	<u>757,979</u>

The charity has not provided an analysis of changes in net debt as it does not have any long term financing arrangements.

Tree Sisters

Notes to the financial statements

For the year ended 31 March 2022

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

b) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern. The diminishing influence of the COVID-19 pandemic has not impacted the Charity significantly in the period to date due largely to the fact that payments to reforestation partners, which is the charity's main expenditure, are wholly dependent on the volume of donations received during the year. The charity holds unrestricted, general reserves of £320,501 which is more than 3 months of core costs and a cash balance of £938,726. Because of this, the trustees consider that the charity has sufficient cash reserves to continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved.

c) Income

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

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

80% of the income received from membership donations is restricted and must be spent directly on reforestation work. The remaining 20% is unrestricted. From 1 March 2022, this split was amended to 70% restricted to reforestation, 15% restricted to behaviour change, and 15% unrestricted.

d) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company; this is normally upon notification of the interest paid or payable by the bank.

Tree Sisters

Notes to the financial statements

For the year ended 31 March 2022

1. Accounting policies (continued)

e) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charitable company. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

f) 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.

Grants payable are recognised when there is a legal or constructive obligation to make payments to partners.

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

g) Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities on the following basis:

	2022	2021
Raising funds	23%	15%
Charitable activities	77%	85%

h) Tangible fixed assets

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:

Computer equipment	4 years' straight line
Website	4 years' straight line
Other equipment	4 years' straight line

Items of equipment are capitalised where the purchase price exceeds £500.

Tree Sisters

Notes to the financial statements

For the year ended 31 March 2022

1. Accounting policies (continued)

i) Intangible assets

Intangible assets comprises holdings in cryptocurrency. These are valued under the revaluation model and carried at their market value at the year end. Increases in market value accumulate in a revaluation reserve on the balance sheet. Decreases in the assets' carrying value as a result of a revaluation shall decrease any previously recognised revaluation increase accumulated in the revaluation reserve. Any excess is recognised in the statement of financial activities.

j) Stock

Stock is included at the lower of cost or net realisable value. Donated items of stock for resale are recognised at fair value which is either the cost of the item to the donor or the estimated resale value.

k) Debtors

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

l) 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.

m) Creditors

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

n) Provisions

A provision is recognised in the balance sheet when the charity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

o) Financial instruments

The charitable company 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 with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

Tree Sisters

Notes to the financial statements

For the year ended 31 March 2022

1. Accounting policies (continued)

p) Foreign exchange rate policy

Transactions in foreign currencies are reported at the monthly average exchange rates published by HMRC. Monetary assets and liabilities denominated in foreign currency are translated at rates of exchange on the balance sheet date. Exchange differences arising on foreign currency transactions are recognised in the Statement of Financial Activities.

q) Accounting estimates and key judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Depreciation

As described in note 1h to the financial statements, depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. Depreciation rates in operation during the current and prior period are

Valuation of bitcoin

As described in note 1i to the financial statements, Bitcoin is treated as an intangible asset under the revaluation model and is thereon stated at market value according to foreign exchange market rates at the period end. The charity sold its holding of bitcoin during the year.

Tree Sisters

Notes to the financial statements

For the year ended 31 March 2022

2. Prior period comparatives

	Restricted	Unrestricted	2021 Total
	£	£	£
Income from:			
Donations	1,250,581	720,798	1,971,379
Charitable activities	7,613	51,850	59,463
Other trading activities	11,394	4,415	15,809
Investments	-	263	263
Other	-	91,181	91,181
	<u>1,269,588</u>	<u>868,507</u>	<u>2,138,095</u>
Total income			
Expenditure on:			
Raising funds	-	186,107	186,107
Charitable activities	1,090,236	370,642	1,460,878
	<u>1,090,236</u>	<u>556,749</u>	<u>1,646,985</u>
Total expenditure			
Net income	179,352	311,758	491,110
Transfers between funds	6,884	(6,884)	-
Other recognised gains:			
Gain on revaluation of intangible fixed assets	-	137,284	137,284
	<u>186,236</u>	<u>442,158</u>	<u>628,394</u>
Net movement in funds			

Tree Sisters

Notes to the financial statements

For the year ended 31 March 2022

3. Other income

	2022	2021
	Total	Total
	£	£
Profit on disposal of intangible fixed assets	<u>-</u>	<u>91,181</u>

All other income in the current and prior year was unrestricted.

4. Government grants

The charitable company received government grants, defined as funding from the Coronavirus Job Retention Scheme. The total value of such grants in the period ending 31 March 2022 was £2,853 (2021: £25,177). There are no unfulfilled conditions or contingencies attaching to these grants in 2021/22.

Tree Sisters

Notes to the financial statements

For the year ended 31 March 2022

5. Total expenditure

	Raising funds £	Charitable activities £	Other costs £	Support and governance costs £	2022 Total £
Fundraising costs	7,036	-	-	-	7,036
Staff costs (note 9)	108,264	105,285	-	226,941	440,490
Grants to partners (note 7)	-	812,146	-	-	812,146
Other project costs	-	-	-	3,870	3,870
Website and IT costs	-	-	-	23,556	23,556
Audit and accountancy	-	-	-	10,080	10,080
Consultancy	132,068	48,627	-	72,123	252,818
Legal and professional fees	-	-	-	1,673	1,673
Insurance	-	-	-	885	885
Travel and subsistence	172	540	-	6,511	7,223
Staff welfare	-	-	-	5,187	5,187
Telephone and administration	-	-	-	8,026	8,026
Training materials and courses	-	763	-	1,200	1,963
Bookkeeping fees	-	-	-	11,555	11,555
Charges and subscriptions	41,206	-	-	13,145	54,351
Marketing	552	514	-	-	1,066
Event and workshop costs	-	-	-	279	279
Depreciation	-	-	-	8,700	8,700
Loss on disposal of tangible fixed asset	-	-	-	222	222
Loss on disposal of intangible fixed asset	-	-	52,319	-	52,319
Foreign exchange loss	4,176	-	-	-	4,176
Sub total	293,474	967,875	52,319	393,953	1,707,621
Allocation of support and governance costs	91,659	302,294	-	(393,953)	-
Total expenditure	385,133	1,270,169	52,319	-	1,707,621

Total governance costs were £9,000 (2021: £5,820).

Tree Sisters

Notes to the financial statements

For the year ended 31 March 2022

5. Total expenditure (continued)

Prior period comparative

	Raising funds £	Charitable activities £	Support and governance costs £	2021 Total £
Fundraising costs	10,481	-	-	10,481
Staff costs (note 9)	38,047	175,733	63,997	277,777
Grants to partners (note 7)	-	987,954	-	987,954
Website and IT costs	-	-	30,278	30,278
Audit and accountancy	-	-	5,820	5,820
Consultancy	33,330	94,614	80,387	208,331
Legal and professional	-	-	353	353
Insurance	-	-	1,154	1,154
Travel and subsistence	259	-	-	259
Staff welfare	-	-	3,979	3,979
Telephone and administration	-	-	472	472
Training materials and courses	-	311	6,750	7,061
Bookkeeping fees	-	-	12,551	12,551
Charges and subscriptions	62,795	-	12,351	75,146
Marketing	301	9,047	-	9,348
Trustee expenses	-	-	280	280
Depreciation	-	-	8,945	8,945
Foreign exchange loss	6,796	-	-	6,796
	<u>152,009</u>	<u>1,267,659</u>	<u>227,317</u>	<u>1,646,985</u>
Sub total				
Allocation of support and governance costs	<u>34,098</u>	<u>193,219</u>	<u>(227,317)</u>	<u>-</u>
Total expenditure	<u><u>186,107</u></u>	<u><u>1,460,878</u></u>	<u><u>-</u></u>	<u><u>1,646,985</u></u>

Tree Sisters

Notes to the financial statements

For the year ended 31 March 2022

6. Net movement in funds

This is stated after charging / (crediting):

	2022	2021
	£	£
Depreciation	8,700	8,945
Loss on disposal of fixed assets	222	Nil
(Profit) / loss on disposal of intangible fixed assets	52,319	(91,181)
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	Nil	280
Auditors' remuneration:		
▪ Statutory audit (incl. VAT)	<u>9,000</u>	<u>5,820</u>

In the prior year, one trustee was reimbursed £280 for travel expenses during the year.

7. Grants payable

Total grants paid to institutions during the year were as follows:

	2022	2021
	£	£
The Eden Projects	496,872	691,694
International Tree Foundation - Kenya	129,000	60,000
WE Forest	60,000	107,613
Isha	60,000	-
Health in Harmony - Borneo	46,524	49,897
Aquaverde - Amazonia	19,750	93,750
International Tree Foundation - Cameroon	-	(15,000)
	<u>812,146</u>	<u>987,954</u>

8. Grant commitments

	2022	2021
	£	£
Grant commitments brought forward	171,533	222,632
Grants committed during the period	812,146	987,954
Grants paid during the period	<u>(983,679)</u>	<u>(1,039,053)</u>
Grant commitments carried forward (note 15)	<u>-</u>	<u>171,533</u>

Tree Sisters

Notes to the financial statements

For the year ended 31 March 2022

9. Staff costs and numbers

Staff costs were as follows:

	2022	2021
	£	£
Salaries and wages	401,408	257,073
Social security costs	32,267	13,264
Pension costs	6,815	7,440
	<u>440,490</u>	<u>277,777</u>

No employee earned more than £60,000 during the year.

	2022	2021
	No.	No.
Average head count (full-time equivalent)	<u>15</u>	<u>11</u>

The key management personnel comprise the trustees, Founder, CEO and COO for 2022. Total remuneration paid to the key management personnel during the year was £93,167 (2021: £92,427).

10. Taxation

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

Tree Sisters

Notes to the financial statements

For the year ended 31 March 2022

11. Tangible fixed assets

	Computer equipment £	Equipment £	Website £	Total £
Cost				
At 1 April 2021	1,234	814	33,737	35,785
Disposals	-	(814)	-	(814)
At 31 March 2022	1,234	-	33,737	34,971
Depreciation				
At 1 April 2021	1,002	338	13,353	14,693
Charge for the year	232	34	8,434	8,700
On disposals	-	(372)	-	(372)
At 31 March 2022	1,234	-	21,787	23,021
Net book value				
At 31 March 2022	-	-	11,950	11,950
At 31 March 2021	232	476	20,384	21,092

Tree Sisters

Notes to the financial statements

For the year ended 31 March 2022

12. Intangible assets

	Bitcoin holding £
Cost	
At 1 April 2021	155,951
Disposals	<u>(155,951)</u>
At 31 March 2022	<u>-</u>
Amortisation	
At 1 April 2021 and at 31 March 2022	<u>-</u>
Net book value	
At 31 March 2022	<u><u>-</u></u>
At 31 March 2021	<u>155,951</u>
Historical cost	
At 31 March 2022	<u><u>-</u></u>
At 31 March 2021	<u>19,645</u>

Intangible assets comprised of a holding in bitcoin cryptocurrency. These were held under the revaluation model and carried at their market value, until they were fully disposed of during the year.

13. Stock

	2022	2021
	£	£
Donated goods for sale	<u>1,500</u>	<u>-</u>

14. Debtors

	2022	2021
	£	£
Prepayments	2,082	7,668
Accrued income	86	2,202
Other debtors	<u>135,396</u>	<u>150,791</u>
	<u><u>137,564</u></u>	<u><u>160,661</u></u>

Tree Sisters

Notes to the financial statements

For the year ended 31 March 2022

15. Creditors: amounts due within 1 year

	2022	2021
	£	£
Trade creditors	-	9,958
Accruals	14,188	184,447
Other taxation and social security	-	3,399
	<u>14,188</u>	<u>197,805</u>

In the prior year, accruals included £171,533 of grants payable to partners in respect of reforestation work. There was no such accrual this year as all minimum payments had been met before year end.

16. Contingent liability

During the year, the charity became aware that the gift aid declaration on its website was insufficient, which may result in repayment of some or all of the gift aid received since the declaration was in place. However, the charity may be able to retain some or most of this income through a "gift aid repair letter" process which is underway.

At the time of preparing these financial statements, the outcome of this process is uncertain, but the repayment is expected to be between £6,000 and £40,000 excluding any fines or interest payable.

The charity aims to complete this process by March 2023, at which point it will be able to calculate the amount repayable, and begin the process of returning this to HMRC.

Tree Sisters

Notes to the financial statements

For the year ended 31 March 2022

17. Analysis of net assets between funds

	Restricted funds £	Revaluation reserve £	General funds £	Total funds £
Tangible fixed assets	-	-	11,950	11,950
Current assets	755,051	-	322,739	1,077,790
Current liabilities	-	-	(14,188)	(14,188)
Net assets at 31 March 2022	<u>755,051</u>	<u>-</u>	<u>320,501</u>	<u>1,075,552</u>
Prior period comparative				
	Restricted funds £	Revaluation reserve £	General funds £	Total funds £
Tangible fixed assets	-	-	21,092	21,092
Intangible assets	-	136,307	19,644	155,951
Current assets	392,503	-	526,137	918,640
Current liabilities	(171,533)	-	(26,272)	(197,805)
Net assets at 31 March 2021	<u>220,970</u>	<u>136,307</u>	<u>540,601</u>	<u>897,878</u>

Tree Sisters

Notes to the financial statements

For the year ended 31 March 2022

18. Movements in funds

	At 1 April 2021	Income	Expenditure	Transfers between funds	At 31 March 2022
	£	£	£	£	£
Restricted funds					
Trees	185,326	1,405,215	(899,380)	-	691,161
Organisational development	12,709	-	-	-	12,709
Inclusivity training	889	-	(1,200)	-	(311)
Year of the Tree	22,046	-	-	-	22,046
Behaviour change fund	-	29,446	-	-	29,446
Total restricted funds	220,970	1,434,661	(900,580)	-	755,051
Unrestricted funds					
General funds	540,601	450,634	(754,722)	83,988	320,501
Revaluation reserve	136,307	-	(52,319)	(83,988)	-
Total unrestricted funds	676,908	450,634	(807,041)	-	320,501
Total funds	897,878	1,885,295	(1,707,621)	-	1,075,552

Tree Sisters

Notes to the financial statements

For the year ended 31 March 2022

18. Movements in funds (continued)

Prior period comparative

	At 1 April 2020	Income	Expenditure	Transfers between funds	Gains / (losses)	At 31 March 2021
	£	£	£	£	£	£
Restricted funds						
Trees	-	1,259,949	(1,064,623)	(10,000)	-	185,326
Organisational development	5,825	2,000	(2,000)	6,884	-	12,709
Inclusivity training	-	7,639	(6,750)	-	-	889
Year of the Tree	28,909	-	(16,863)	10,000	-	22,046
Total restricted funds	34,734	1,269,588	(1,090,236)	6,884	-	220,970
Unrestricted funds						
General funds	234,750	868,507	(556,749)	(6,884)	977	540,601
Revaluation reserve	-	-	-	-	136,307	136,307
Total unrestricted funds	234,750	868,507	(556,749)	(6,884)	137,284	676,908
Total funds	269,484	2,138,095	(1,646,985)	-	137,284	897,878

Tree Sisters

Notes to the financial statements

For the year ended 31 March 2022

18. Movements in funds (continued)

Purposes of restricted funds

<i>Trees</i>	The trees fund is funding raised towards increasing green cover via tree planting.
<i>Organisational development</i>	The organisational development fund comprises grant income received for the development of the organisation to enable wider support for the tree campaigns and support increased volume of members, donors and course participants.
<i>Inclusivity training</i>	This fund comprises a donation made specifically for training into anti-racism and inclusivity. The majority of the funds were utilised during the year, with training continuing into the following financial year.
<i>Year of the Tree</i>	The Year of the Tree is a campaign to support trees and forest to survive and thrive on Earth. Its intention is to seed an evolving and growing long term restoration movement that spreads around the globe. Funds received are to be used in support of the development of the campaign, hosting and managing the Tree Network and the development and launch of the Ethical Tree Planting code, which has now evolved into the Ethical Tree Growing Framework.
<i>Behaviour change fund</i>	Funds for activities to support reconnecting with nature and the change in behaviour from consumer to restorer.

19. Related party transactions

There were no related party transactions in the current or prior period.