

Company no. 07369954
Charity no. 1149961

Report and Audited Financial Statements

31 March 2019



treesisters

women seeding change



Tree Sisters

Reference and administrative details

For the year ended 31 March 2019

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: B Alink appointed 18/06/2018, resigned 26/02/2019 L Danziger resigned 30/07/2018 J Gomez - Paratcha appointed 03/06/2019 J Grey appointed 05/12/2018 N Hilgert Valderrama appointed 30/07/2018, resigned 21/09/2018 A Jenkins appointed 17/09/2018 W Stephenson resigned 18/06/2018 T van den Brand Chair
Chief executive	C Dubois
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

Report of the trustees

For the year ended 31 March 2019



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 2015).

Chair's report

Tree Sisters works at the intersection of women's empowerment, tropical reforestation and global consciousness shift. At our core, we are a behaviour-change organisation, producing content, tools and experiences to empower women and normalise personal ownership of environmental restoration. We are building a network and movement of women who are able, through small donations and active participation, to make the changes that are needed in the world if we are to reforest the tropics and make restoration and care of nature a priority.

After the extraordinary growth we experienced in 2018, this year has been one of consolidation and delivery of our programmes to the growing network of women who are engaged in our offerings.

In 2019 we reached the milestone of 4 million trees planted across our eight projects, and now have 150 groves in 30 countries. We launched our community nest, an online community provided through Mighty Networks and have already invited 1,693 women into this network. We also launched our 'The Courage to Shine' course, which saw the highest number of course participants (539) to date, and we hired an education and alliances manager to oversee our Education and Awareness program.

We also saw our fledgling volunteer programme take flight with the recruitment of a volunteer coordinator. Our volunteer programme increased from 31 volunteers to 58. These women have contributed over 700 volunteer hours this financial year. Our volunteers have assisted us through transcription services, research, enabling the growth of our social media presence, and providing our groups with moderators and cheerleaders. Our volunteers enable the organisation. Without them we would not be able to deliver to our members in the way that we do, and they are fundamental to our success. We extend our gratitude to them for their continued commitment and support for the organisation.

Tree Sisters

Report of the trustees

For the year ended 31 March 2019

We currently work with 4 partners in 8 distinct regions across 6 countries:

- Mangrove forests in the river estuaries of north east Madagascar with **Eden projects**;
- Dry deciduous forest in Madagascar with **Eden projects**;
- Improving biodiversity through reforestation in Nepal with **Eden projects**;
- Forest corridors between the remaining fragments of the Atlantic Rainforests of Brazil with **WEForest**;
- Cloud forests in the Khasi Hills with **WeForest**;
- The green cover of Mount Kenya for watershed management of Kenya's largest 'water tower' with **International Tree Foundation**;
- Protecting endangered species through reforestation in Cameroon with **International Tree Foundation**; and
- Agricultural lands of Tamil Nadu, Southern India through Agroforestry with **Project GreenHands**.

As at March 2019 we have funded the planting of 4.3 million trees and our programmes impact over 16,500 individuals across the 8 projects. We seek projects that reforest around remaining intact forest landscapes, that restore soil and water, protect endangered species and that match our social requirements.

Our 3,221 regular monthly donors are currently funding 2.2 million trees per annum. We regularly campaign to reach out to more women to donate monthly, but this year took a break from campaigning to allow us to concentrate on programme delivery.

When a person in our network makes a monthly donation, we channel 80% of funds received towards our reforestation program. Of the remaining 20%, 15% goes to our other charitable programmes and 5% toward admin and fundraising.

Women drive 85% of consumer choices and when enough women step into leadership and embed ecological awareness into their everyday choices, global markets will change and future generations will be educated around their impact on the planet. Project drawdown amongst others clearly identifies that women's education, alongside reforestation when combined, has the number 1 impact on climate change outcomes.

Tree Sisters exists to help women everywhere in the developed and the developing world, to find their voice, their gifts, and their courage to step into leadership, action and activism on behalf of the natural world.

We offer the following three programmes:

1. **Education and awareness:** providing online courses, tools, meditations and leadership offerings to activate inspirations, creativity, leadership, shared action and activism;
2. **Community engagement:** dynamic social community platforms, offering support, volunteer service opportunities, creative approaches, new perspectives, and leadership for over 270,000 women across 200 countries; and
3. **The Groves:** women meeting in their community for mutual support and local planting. 150 groves in 30 countries. Our Uganda Grove has planted 50,000 saplings and is preparing to plant 1 million for 2019).

Tree Sisters

Report of the trustees

For the year ended 31 March 2019

Impact

Our impact is both quantitative and qualitative. The stories we collect from our network inspire, connect, and support women:

"If I had to use one word about Tree Sisters, it is "hope". After despairing for so long about the state of our planet and humanity, Tree Sisters has given me so much hope for our future and the feeling that it is possible to change this mess around" - Nikki Shabbo.

Of women in our programmes:

88.24% report empowerment through community;

83.19% report an increased sense of belonging encouragement and mutual support; and

86.55% report increased experience of connection with nature.

For the future

2020 will see the organisation aim to expand its current network and launch two campaigns: 'Calling all Women' and 'Grow your own Forest'.

Both of these campaigns reflect the urgency around climate change, and the need to firmly embed tropical reforestation as a solution, alongside local planting projects. We have already begun initiating a collaborative network of forest alliances focused on making 2020 the "Year of the Tree", and exploring how NGO and grassroots led reforestation campaign strategies can reverse deforestation trends and implement appropriate targets through to 2030.

This will involve the scoping of a capacity mapping project that could identify vetted and established planting partnerships, and available land, species and costs for planting infrastructure.

Finally, we are reaching out to businesses and organisations to embed tree planting into every financial transaction, with the aim of reaching 1 million trees a month by 2021. Our network's shared mission is to make it normal for every single person to start restoring our forests by giving funds to plant trees every month. We hope that through our work we can inspire enough individuals to do just that.

In closing I would like to extend our deepest gratitude to all of our donors, supporters, volunteers and programme partners and to all of the individuals who have supported Tree Sisters throughout the year. Without your support, we would not be able to make our work possible and as you read our report, remember that your contribution is helping to re-robe our world in green, improving the environment for future generations, and reinstating the feminine consciousness. To know more or to become a Tree Sister please visit our website: www.TreeSisters.org.

Tracey van den Brand, Chair

Tree Sisters

Report of the trustees

For the year ended 31 March 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.

Tree Sisters has five strategic objectives which are employed to achieve the charity's aims and objectives. These are to:

- Build a global network of tree sisters who catalyze 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.

Public benefit

Tree Sisters is a social impact initiative focusing specifically on the role that women can play in helping to accelerate global reforestation and the shift towards sustainable living for public benefit. It is a campaign exploring how to gather, inspire and empower women to step into their nature-based feminine leadership as the means by which we bring balance back to the planet and respond collectively to climate change.

The trustees have regard to the Charity Commission's general guidance on public benefit and the trustees have complied with their duty in section 4 of the Charities Act 2011. The trustees ensure that plans are in line with the charitable objects and aims.

Financial review

Overall income for the year decreased by £248,696 to £905,678 (2018: £1,151,374) and the organisation's net movements in funds was a deficit of £111,035 (2018: surplus of £245,869).

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. Total reserves were £227,293 (2018: £338,330), which includes restricted funds of £12,709 (2018: £6,632).

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.

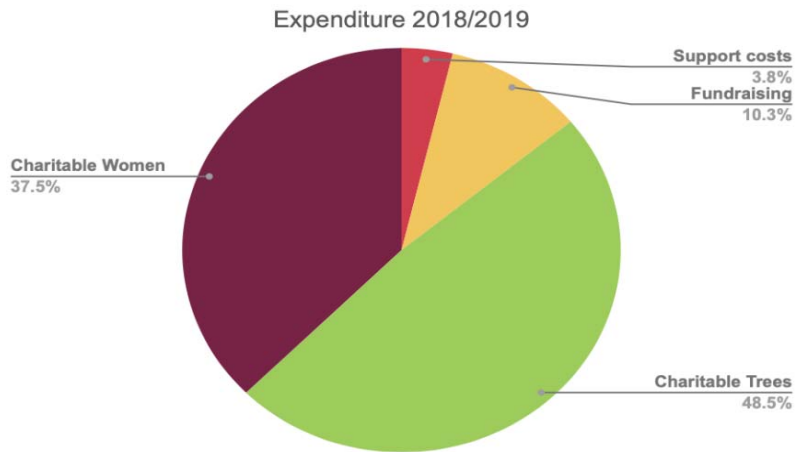
Risks are identified through reviewing and understanding the organisations systems and processes and the potential risks that may arise. Where possible, risks are managed in a way as to eliminate the risk. Where this is not possible, the risk is managed through having systems of control within the organisation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

Tree Sisters

Report of the trustees

For the year ended 31 March 2019

Overall expenditure can be demonstrated in the following chart.



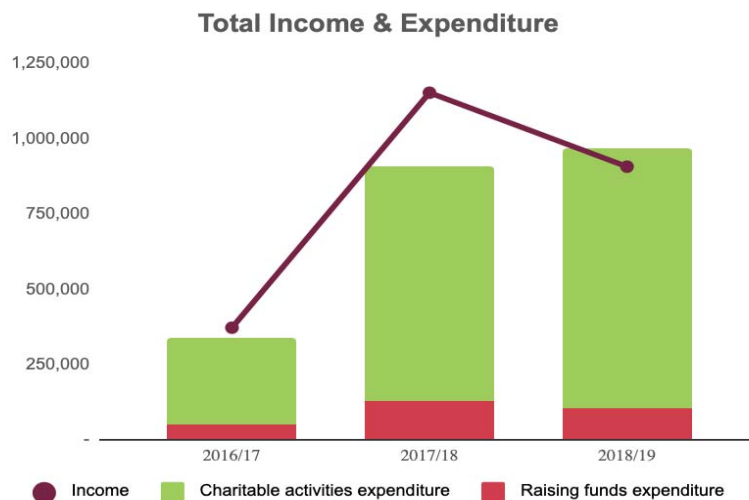
Achievements and performance

The charity has increased overall expenditure on charitable activities in the year to £895,906, in 2019 (2018: £780,442). Income was lower by £248,696 in 2019 at £905,678 when compared to the previous year (2018: £1,151,374). However 2018 included a large one time donation of £360,455. If this donation is removed then overall donations grew by 3.1% in the year. The increase was as a result of an increased focus towards individual philanthropy and member fundraising activities. Our monthly donors at 3,221 was slightly decreased from the prior year (3,319).

In the year we ran 'The Courage to Shine' online course and also offered an evergreen course for 'A Wild Soul Women' which built on the success of this previously run course £56,803 (2018: £26,863).

Charitable activities

Overall charitable expenditure of £895,906 for the charity was higher by 14.8% on the prior year expenditure (2018: £780,442). Funds carried forward decreased to £227,295 (2018: £338,330).



Tree Sisters

Report of the trustees

For the year ended 31 March 2019

Reforestation - increasing green cover

We again increased funds to reforestation partners to £487,371 (2018: £369,415), of which £103,521 represented payments owed in the final quarter of 2019, which were paid in April 2019.

Total trees funded: We funded the planting of 2,313,174 trees (2018: 1,619,105).

- **Project GreenHands (PGH)** - In 2014 we committed to support the Trees for Life Agroforestry Model within Project GreenHands as our first beneficiary project for the network funds. The planting cost of 100 rupees/£1 per tree, includes all nursery and planting costs, including two monitoring and post-planting maintenance incentives offered to the farmers and the replanting of any trees that do not survive. This ensures a very high survival rate of our trees.

In the current financial year, we contributed £57,079 (2018: £62,253) to Project Green Hands and funded 52,405 fast growing, dry evergreen tropical trees.

- **The Eden Projects** – Tree Sisters currently has 3 projects with Eden. Two of the projects are in Madagascar. Eden plant dry deciduous forest to counteract the charcoal stripping of the Madagascan interior, and mangrove forests to restore the coastal estuaries. This financial year Tree Sisters contributed £118,687 (2018: £84,231) which funded the planting of 1,454,073 trees.

Mangroves grow in the saline coastal habitats of the tropics and subtropics. They are powerful carbon sequesters, soil stabilizers and tidal buffer zones as sea levels rise and storms intensify, causing yet more precious top soil to erode into the oceans. These 'sea trees' also provide nursery habitat for countless species of fish that provide income and food for the desperately poor communities that Eden serve.

In this financial year we also gave £57,079 to Eden's project in Nepal (2018: £24,155). The primary purpose of the Jhapa restoration project centres on caring for impoverished villagers by providing them with employment to grow, plant and guard trees, native to Southeast Nepal, to maturity. The term Jhapa meaning canopy, is speaking to the once vibrant and dense forest that existed in the area. The Jhapa Restoration Project aims to restore the natural environment of the area by providing the local villagers meaningful employment and impactful ecological gains. This year we funded 200,886 trees.

- **WEForest** – WEForest are planting in the forest corridors between the remaining fragments of the Atlantic Rainforests of Brazil. This area is one of the most biodiverse in the world and yet only 7% of it remains. Planting here is vital to safeguarding biodiversity and restoring the forest corridor. In the current financial year, we have funded £57,079 (2018: £61,386), representing 69,940 trees.

We also continued to fund the WEForest project in the Khasi Hills in Northern India by giving £57,079 (2018: £31,503), which is one of the most bio-diverse regions in Asia and influences regional climate, and because of this it's technically called the cloud forest due to its influence on rainfall. This funding aided the planting and restoration of 155,350 trees. This project is also helping a variety of endangered species and the project is largely run by a group of extraordinary women. The project seeks to make the lives of women in this matrilineal community easier by providing income generating activities.

Tree Sisters

Report of the trustees

For the year ended 31 March 2019

- **ITF** – International Tree Foundation who are planting in Kenya, around Mount Kenya for watershed management of Kenya's largest 'water tower'. In the current financial year, we have funded £57,079 (2018: £77,390) representing 190,260 trees.

In 2018 we also funded a further project with ITF for planting in Cameroon and funded them £57,079 (2017: £15,499) representing 190,260 trees. The restoration of the Cameroon Highlands forest is about aiming to prevent further encroachment into the remaining natural forests of the Tofala Hills Wildlife Sanctuary and a nearby, vast "intact forest landscape". Tree Sisters is contributing to the establishment of the Biodiversity Reserve of about 6,000 hectares in order to protect Mount Bamboutos's exceptional biodiversity.

Women's leadership and education

Expenditure on our women's leadership programmes was £425,190 (2018: £394,952).

Education and awareness

We ran one paid internal course during the year, 'The Courage to Shine' and we also continued to offer the evergreen 'A Wild Soul Woman' course in conjunction with Mary Reynolds Thompson. We also hired a programme manager for our Education and Awareness programme. Expenditure on increasing our outreach and developing other empowerment materials was £19,878 in 2019 (2018: £25,952). We believe that the engagement of women through our feminine leadership courses and offerings is a key part of fulfilling our strategic objective to 'inspire and support feminine leadership through shifting feminine consciousness'.

Community engagement

Tree Sisters is a grassroots organisation focused on the power of the general public to effect change through shared action and responsibility. We are making it normal to give back to nature by funding tree planting monthly, as a way of cleaning up our own emissions. Despite wide scale awareness of climate change, awareness of the role of trees in cleaning up excess carbon is yet to be fully understood or adopted at the grassroots level. As part of this initiative we launched our online "Nest" community designed to inspire and support women across the world. We have over 1,600 women engaged from 89 countries worldwide.

Groves programme

One of the greatest barriers to women taking action around climate issues is lack of confidence and lack of support. One of the most powerful actions that can be taken to support women's leadership is to bring women together. A Grove is a local circle of tree sisters that meet regularly in their community for mutual support, wellbeing and to plan local environmental projects particularly tree planting. Over the last year with the assistance of lottery funding, we have developed a set of tools and a peer support network that women have used to initiate, support, sustain and grow their Groves. We have over 1,000 women engaged in our Groves programme.

Volunteers

We have a committed volunteer team of approximately 58 women across 10 countries who form the core of our social media management and growth in outreach. These women have contributed over 700 volunteer hours this financial year. Our volunteers have assisted us through transcription services, research, enabling the growth of our social media presences, and providing our groups with moderators and cheerleaders. Our volunteers enable the organisation. Without them we would not be able to deliver to our members in the way that we do, and they are fundamental to our success. We extend our gratitude to them for their continued commitment and support for the organisation.

Tree Sisters

Report of the trustees

For the year ended 31 March 2019

Plans for future periods

In the 2019/20 financial year, we will continue our billion trees campaign, and launch the “Year of the Tree” to encourage the restoration of our forests in collaboration with a network of partners. This will require reaching out to and adding new members to our community and increasing our network to over 1 million participants. We will also be inviting aligned businesses via corporate donations to embed tree planting and restoration of our forests into their financial transactions with customers.

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.

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 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.

Related parties and co-operation with other organisations

The trustees have received the full description of trustees’ responsibilities as defined by the Charities Act 2006 and are all experienced in either charitable work or in the key areas as defined by our objectives. The trustees are unpaid.

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).

Tree Sisters

Report of the trustees

For the year ended 31 March 2019

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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- 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.

Approved by the trustees on 29 July 2019 and signed on their behalf by


Tracey van den Brand - 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 2019 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 2019 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

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

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

Other information

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

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 have 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

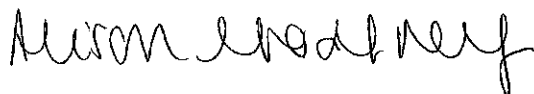
Our responsibilities for the audit of the financial statements

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.

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.



Date: 27 AUGUST 2019

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 2019

	Note	Restricted £	Unrestricted £	2019 Total £	Restated 2018 Total £
Income from:					
Donations	3	491,333	296,092	787,425	1,124,378
Charitable activities	4	-	56,803	56,803	26,863
Investments		-	391	391	-
Other	5	-	61,059	61,059	3,133
Total income		<u>491,333</u>	<u>414,345</u>	<u>905,678</u>	<u>1,154,374</u>
Expenditure on:					
Raising funds		-	108,945	108,945	103,939
Charitable activities		<u>515,918</u>	<u>379,988</u>	<u>895,906</u>	<u>780,442</u>
Total expenditure	6	<u>515,918</u>	<u>488,933</u>	<u>1,004,851</u>	<u>884,381</u>
Net income / (expenditure)		(24,585)	(74,588)	(99,173)	269,993
Transfers between funds		30,662	(30,662)	-	-
Other recognised gains / (losses):					
Losses on revaluation of intangible fixed assets		-	<u>(11,862)</u>	<u>(11,862)</u>	<u>(24,124)</u>
Net movement in funds	7	6,077	(117,112)	(111,035)	245,869
Reconciliation of funds:					
Total funds brought forward		<u>6,632</u>	<u>331,698</u>	<u>338,330</u>	<u>92,461</u>
Total funds carried forward		<u>12,709</u>	<u>214,586</u>	<u>227,295</u>	<u>338,330</u>

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 17 to the accounts.

The prior year has been restated after clarification from the ICAEW in September 2018 on the correct treatment of Bitcoin under FRS 102. The effect of this restatement is shown in Note 1p.

Tree Sisters

Balance sheet

As at 31 March 2019

	Note	£	2019 £	Restated 2018 £
Fixed assets				
Tangible assets	12		52,525	39,966
Intangible assets	13		21,553	<u>269,398</u>
			74,078	309,364
Current assets				
Debtors	14	16,789		16,961
Cash at bank and in hand		246,591		<u>157,694</u>
		263,380		174,655
Liabilities				
Creditors: amounts falling due within 1 year	15	(110,163)		<u>(145,689)</u>
Net current assets			153,217	<u>28,966</u>
Net assets	16		227,295	<u>338,330</u>
Funds				
Restricted funds	17		12,709	6,632
Unrestricted funds				
<i>Designated funds</i>			55,899	55,899
<i>General funds</i>			158,687	<u>275,799</u>
Total charity funds			227,295	<u>338,330</u>

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 29 July 2019 and signed on their behalf by


Tracey van den Brand - Chair

Tree Sisters

Statement of cash flows

For the year ended 31 March 2019

	2019 £	Restated 2018 £
Cash used in operating activities:		
Net movement in funds	(111,035)	245,869
Adjustments for:		
Depreciation charges	14,562	13,829
(Gains) / losses on intangible assets	11,862	24,124
Interest from investments	(391)	-
Profit on the disposal of intangible assets	(61,270)	(3,133)
Loss on the disposal of fixed assets	212	-
Donated assets	-	(360,455)
Decrease / (increase) in debtors	172	(5,720)
Increase / (decrease) in creditors	<u>(35,526)</u>	<u>78,637</u>
Net cash used in operating activities	<u>(181,414)</u>	<u>(6,849)</u>
Cash flows from investing activities:		
Interest from investments	391	-
Proceeds from the sale of intangible assets	297,253	70,066
Purchase of tangible fixed assets	<u>(27,333)</u>	<u>(8,767)</u>
Net cash provided by investing activities	<u>270,311</u>	<u>61,299</u>
Increase in cash and cash equivalents in the year	88,897	54,450
Cash and cash equivalents at the beginning of the year	<u>157,694</u>	<u>103,244</u>
Cash and cash equivalents at the end of the year	<u><u>246,591</u></u>	<u><u>157,694</u></u>

Tree Sisters

Notes to the financial statements

For the year ended 31 March 2019

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 2015) - (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 charitable company is able to continue as a going concern, which the trustees consider appropriate having regard to the level of unrestricted reserves. There are no material uncertainties about the charitable company's ability to continue as a going concern.

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.

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.

e) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. 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.

Tree Sisters

Notes to the financial statements

For the year ended 31 March 2019

1. Accounting policies (continued)

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 the charity has raised the income that is to be passed on 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:

	2019	2018
Raising funds	15%	30%
Charitable activities	85%	70%

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
Website under construction	No depreciation

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

i) Intangible assets

Intangible assets comprise of holdings in cryptocurrency. These are valued under the revaluation model and carried at their market value at 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) 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.

Tree Sisters

Notes to the financial statements

For the year ended 31 March 2019

1. Accounting policies (continued)

k) 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.

l) 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.

m) 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.

n) 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.

o) 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 described in note 1h.

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 therefore stated at market value according to foreign exchange market rates at 31 March 2019.

Tree Sisters

Notes to the financial statements

For the year ended 31 March 2019

1. Accounting policies (continued)

p) Change in accounting policy

The prior period comparatives have been restated after clarification from the ICAEW on the correct treatment of Bitcoin as an intangible asset under FRS 102. The effect on comparatives is as follows:

	As originally stated	Adjustment	Restated at 31 March 2018
Statement of financial activities:			
Profit / (loss) on disposal of intangible assets	-	3,133	3,133
Gains / (losses) on revaluation of intangible assets	-	(24,124)	(24,124)
Exchange rate gain / (loss)	(25,809)	20,991	(4,818)
Balance sheet:			
Intangible assets	-	269,398	269,398
Cash at bank and in hand	427,092	(269,398)	157,694

2. Prior period comparatives: statement of financial activities

	Restricted £	Unrestricted £	Restated 2018 Total £
Income from:			
Donations	363,047	761,331	1,124,378
Charitable activities	-	26,863	26,863
Other	-	3,133	3,133
Total income	363,047	791,327	1,154,374
Expenditure on:			
Raising funds	-	103,939	103,939
Charitable activities	356,415	424,027	780,442
Total expenditure	356,415	527,966	884,381
Net income	6,632	263,361	269,993
Transfers between funds	(7,239)	7,239	-
Other recognised gains / losses:			
Losses on revaluation of intangible fixed assets	-	(24,124)	(24,124)
Net movement in funds	(7,239)	(16,885)	245,869

Tree Sisters

Notes to the financial statements

For the year ended 31 March 2019

3. Income from donations

	Restricted £	Unrestricted £	2019 Total £
Voluntary donations	<u>491,333</u>	<u>296,092</u>	<u>787,425</u>

Prior period comparative

	Restricted £	Unrestricted £	2018 Total £
Voluntary donations	<u>363,047</u>	<u>761,331</u>	<u>1,124,378</u>

4. Income from charitable activities

	Restricted £	Unrestricted £	2019 Total £	2018 Total £
Workshops	<u>-</u>	<u>56,803</u>	<u>56,803</u>	<u>26,863</u>

All income from charitable activities in the prior year was unrestricted.

5. Other income

	Restricted £	Unrestricted £	2019 Total £	Restated 2018 Total £
Profit on disposal of intangible asset	<u>-</u>	<u>61,059</u>	<u>61,059</u>	<u>3,133</u>

All other income in the prior year was unrestricted.

Tree Sisters

Notes to the financial statements

For the year ended 31 March 2019

6. Total expenditure

	Raising funds £	Charitable activities £	Support and governance costs £	2019 Total £
Fundraising costs	13,341	-	-	13,341
Staff costs (note 10)	44,363	235,488	-	279,851
Grants to partners (note 8)	-	461,159	-	461,159
Other reforestation costs	-	26,212	-	26,212
Website and IT costs	-	-	11,476	11,476
Audit fee	-	-	4,560	4,560
Internal accountancy	-	-	640	640
Consultancy	15,829	125,187	-	141,016
Legal	-	-	374	374
Insurance	-	-	475	475
Travel and subsistence	-	8,327	-	8,327
Telephone	-	-	166	166
Training materials	-	3,221	-	3,221
Bookkeeping fees	-	-	3,795	3,795
Bank charges	29,063	-	-	29,063
Marketing	-	4,162	1,775	5,937
Depreciation	-	-	14,562	14,562
Foreign exchange loss	676	-	-	676
Sub total	103,272	863,756	37,823	1,004,851
Allocation of support and governance costs	5,673	32,150	(37,823)	-
Total expenditure	108,945	895,906	-	1,004,851

Total governance costs were £4,560 (2018: £3,840).

Tree Sisters

Notes to the financial statements

For the year ended 31 March 2019

6. Total expenditure (continued) Prior period comparative

	Raising funds £	Charitable activities £	Support and governance costs £	Restated 2018 Total £
Fundraising costs	31,962	-	-	31,962
Staff costs (note 10)	24,392	186,987	-	211,379
Grants to partners (note 8)	-	356,417	-	356,417
Other reforestation costs	-	12,998	-	12,998
Website and IT costs	-	9,190	-	9,190
Audit and accountancy	-	-	3,374	3,374
Consultancy	20,657	158,562	-	179,219
Travel and subsistence	-	10,935	-	10,935
Telephone	-	-	791	791
PPS	-	16,472	-	16,472
Training materials	-	9,290	-	9,290
Bookkeeping fees	-	-	4,500	4,500
Charges and subscriptions	15,221	-	-	15,221
Marketing	-	3,517	-	3,517
Trustee expenses	-	-	469	469
Foreign exchange loss	4,818	-	-	4,818
Depreciation	-	-	13,829	13,829
Sub total	97,050	764,368	22,963	884,381
Allocation of support and governance costs	6,889	16,074	(22,963)	-
Total expenditure	103,939	780,442	-	884,381

Tree Sisters

Notes to the financial statements

For the year ended 31 March 2019

7. Net movement in funds

This is stated after charging:

	2019 £	2018 £
Depreciation	14,562	13,829
Profit / (loss) on disposal of fixed assets	61,059	3,133
Trustees remuneration	Nil	Nil
Trustees' reimbursed expenses	Nil	35
Auditors' remuneration:		
▪ Statutory audit (incl. VAT)	4,560	3,840
▪ Other services	-	174
	<u> </u>	<u> </u>

Trustees received £nil (2018: £35) for reimbursed travel expenses during the year.

8. Grants payable

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

	2019 £	2018 £
Project GreenHands	57,079	62,253
The Eden Projects	175,766	108,386
WEForest - Brazil	57,079	61,386
WEForest - India	57,079	31,503
International Tree Foundation - Kenya	57,079	77,390
International Tree Foundation - Cameroon	57,079	15,499
	<u>461,161</u>	<u>356,417</u>

9. Grants commitments

	2019 £	2018 £
Grants payable:		
Grant commitments brought forward	124,871	63,224
Grants committed during the period	461,161	356,417
Grants paid during the period	<u>(482,511)</u>	<u>(294,770)</u>
Grant commitments carried forward (note 15)	<u>103,521</u>	<u>124,871</u>

Tree Sisters

Notes to the financial statements

For the year ended 31 March 2019

10. Staff costs and numbers

Staff costs were as follows:

	2019 £	2018 £
Salaries and wages	259,052	193,920
Social security costs	13,164	13,521
Pension costs	7,635	3,938
	<u>279,851</u>	<u>211,379</u>

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

	2019 No.	2018 No.
Average head count (full-time equivalent)	<u>8</u>	<u>4</u>

The key management personnel comprise the trustees and the chief executive officer. Total remuneration paid to the key management personnel during the year was £64,386 (2018: £111,471). There was one chief executive officer in 2019 (2018: two).

11. Taxation

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

12. Tangible fixed assets

	Computer equipment £	Website £	Total £
Cost			
At 1 April 2018	1,959	56,193	58,152
Additions in year	-	27,333	27,333
Disposals	(725)	-	(725)
At 31 March 2019	<u>1,234</u>	<u>83,526</u>	<u>84,760</u>
Depreciation			
At 1 April 2018	522	17,664	18,186
Charge for the year	377	14,185	14,562
On disposals	(513)	-	(513)
At 31 March 2019	<u>386</u>	<u>31,849</u>	<u>32,235</u>
Net book value			
At 31 March 2019	<u>848</u>	<u>51,677</u>	<u>52,525</u>
At 31 March 2018	<u>1,437</u>	<u>38,529</u>	<u>39,966</u>

Website includes £27,333 of website development costs for construction of a new website.

Tree Sisters

Notes to the financial statements

For the year ended 31 March 2019

13. Intangible assets

	Bitcoin holding £
Cost	
At 1 April 2018 (as restated)	269,398
Revaluation	(11,862)
Disposals at cost	<u>(235,983)</u>
At 31 March 2019	<u>21,553</u>
Amortisation	
At 1 April 2018 and at 31 March 2019	<u>-</u>
Net book value	
At 31 March 2019	<u><u>21,553</u></u>
At 31 March 2018 (as restated)	<u>269,398</u>
Historical cost	
At 31 March 2019	<u><u>36,408</u></u>
At 31 March 2018	<u>293,522</u>

Intangible assets comprise a holding in bitcoin cryptocurrency. These are held under the revaluation model and carried at their market value at year end. No revaluation reserve was created at 31 March 2019 as the unrealised value of the intangible asset decreased during the year.

14. Debtors

	2019 £	2018 £
Prepayments	6,920	6,335
Accrued income	8,467	3,997
Other debtors	<u>1,402</u>	<u>6,629</u>
	<u><u>16,789</u></u>	<u><u>16,961</u></u>

Tree Sisters

Notes to the financial statements

For the year ended 31 March 2019

15. Creditors: amounts due within 1 year

	2019 £	2018 £
Trade creditors	2,035	6,658
Accruals	108,081	134,191
Other taxation and social security	47	4,840
	<u>110,163</u>	<u>145,689</u>

Accruals include £103,521 (2018: £124,871) of grants payable to partners in respect of reforestation work.

16. Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	-	52,525	52,525
Intangible assets	-	-	21,553	21,553
Current assets	116,230	55,899	91,251	263,380
Current liabilities	(103,521)	-	(6,642)	(110,163)
Net assets at 31 March 2019	<u>12,709</u>	<u>55,899</u>	<u>158,687</u>	<u>227,295</u>
Prior period comparative	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	-	39,966	39,966
Intangible assets	-	-	269,398	269,398
Current assets	131,503	55,899	(12,747)	174,655
Current liabilities	(124,871)	-	(20,818)	(145,689)
Net assets at 31 March 2018	<u>6,632</u>	<u>55,899</u>	<u>275,799</u>	<u>338,330</u>

Tree Sisters

Notes to the financial statements

For the year ended 31 March 2019

17. Movements in funds

	At 1 April 2018 £	Income £	Expenditure £	Transfers between funds £	Gains / (losses) £	At 31 March 2019 £
Restricted funds						
Trees	6,632	450,077	(487,371)	30,662	-	-
Organisation development	-	12,709	-	-	-	12,709
Environmental education	-	28,547	(28,547)	-	-	-
Total restricted funds	6,632	491,333	(515,918)	30,662	-	12,709
Unrestricted funds						
<i>Designated funds</i>						
Capital funds	55,899	-	-	-	-	55,899
<i>Total designated funds</i>	55,899	-	-	-	-	55,899
General funds	275,799	414,345	(488,933)	(30,662)	(11,862)	158,687
Total unrestricted	331,698	414,345	(488,933)	(30,662)	(11,862)	214,586
Total funds	338,330	905,678	(1,004,851)	-	(11,862)	227,295

Purposes of restricted funds

Trees

The Trees fund is funding raised towards increasing green cover via tree planting.

Organisation development

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. The funds have not been spent by the year end and hence remain in restricted funds.

Environmental education

Environmental education fund is for developing educational resources about the environment via the Tree Sisters website.

Purposes of designated funds

Capital funds

The capital funds represent the portion of the net book value of the website that was originally funded by restricted funds.

Tree Sisters

Notes to the financial statements

For the year ended 31 March 2019

17. Movements in funds (continued)

Prior period comparative

	At 1 April 2017 £	Income £	Expenditure £	Transfers between funds £	Gains / (losses)	At 31 March 2018 £
Restricted funds						
Trees	-	363,047	(356,415)	-	-	6,632
Website development	7,239	-	-	(7,239)	-	-
Total restricted funds	7,239	363,047	(356,415)	(7,239)	-	6,632
Unrestricted funds						
<i>Designated funds</i>						
Launch expenditure	4,519	-	-	(4,519)	-	-
Capital funds	48,660	-	-	7,239	-	55,899
<i>Total designated funds</i>	53,179	-	-	2,720	-	55,899
General funds	32,043	791,327	(527,966)	4,519	(24,124)	275,799
Total unrestricted funds	85,222	791,327	(527,966)	7,239	(24,124)	331,698
Total funds	92,461	1,154,374	(884,381)	-	(24,124)	338,330

18. Financial instruments

	2019 £	2018 £
Financial assets measured at amortised cost	256,095	162,282
Financial liabilities measured at amortised cost	(110,163)	(146,026)

Financial assets measured at amortised cost comprise cash and cash equivalents, trade debtors, accrued income and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, accruals and other creditors.

19. Related party transactions

The trustees are not aware of any related party transactions in the current or prior year.