

**COMMUNITY FORESTS NORTH  
WEST LIMITED**

**COMPANY LIMITED BY GUARANTEE**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**for the year ended  
31st March 2008**

**Company Registration Number 3598556**  
**Charity Number 1072706**

**MITCHELL CHARLESWORTH**  
Chartered Accountants  
Manchester

**COMMUNITY FORESTS NORTH WEST LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Financial Statements**

**Year ended 31st March 2008**

<b>Contents</b>	<b>Page</b>
Members of the Board and professional advisers	<b>1</b>
Trustees Annual Report	<b>2 - 8</b>
Statement of Trustees responsibilities	<b>9</b>
Independent auditor's report	<b>10 - 11</b>
Statement of Financial Activities (incorporating the income and expenditure account)	<b>12</b>
Balance sheet	<b>13</b>
Notes to the financial statements	<b>14 - 25</b>

**COMMUNITY FORESTS NORTH WEST LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Members of the Board and Professional Advisers**

**Registered charity name** Community Forests North West Limited

**Charity number** 1072706

**Company registration number** 3598556

**Registered office** Dock Office  
Trafford Road  
Salford Quays  
Salford  
M50 3XB

**Trustees** Mr M P Boyett  
Mr S B Falder  
Ms D M Gilmore - Stewart  
Mr K M Jones  
Mr R O Michaelson  
Mr P W Smith

**Secretary** Mr A G Hothersall

**Auditor** Mitchell Charlesworth  
Chartered Accountants  
Registered Auditor  
Brazennose House West  
Brazennose Street  
Manchester  
M2 5FE

**Bankers** The Cooperative Bank plc  
PO Box 101  
1 Balloon Street  
Manchester  
M60 4EP

**Solicitors** Brabners Chaffe Street Solicitors  
1 Dale Street  
Liverpool  
L2 2ET

# **COMMUNITY FORESTS NORTH WEST LIMITED COMPANY LIMITED BY GUARANTEE**

## **Trustees Annual Report**

### **Year ended 31st March 2008**

The trustees, who are also directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31st March 2008.

#### **Reference and administrative details**

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 1 of the financial statements.

#### **The trustees**

The trustees who served the charity during the period were as follows:

Mr R P L Armstrong  
Mr M P Boyett  
Mr S B Falder  
Ms D M Gilmore - Stewart  
Mr K M Jones  
Mr G Lewis  
Mr R O Michaelson  
Mr P W Smith

Mr G Lewis resigned as trustee on 17<sup>th</sup> April 2007

### **Structure, governance and management**

#### **Introduction**

Community Forests North West Ltd is a company that is limited by guarantee and has no share capital. It has working names of the "Red Rose Forest Trust" and "Community Forests Northwest".

#### **Governing document**

The Memorandum and Articles of Association were altered on 20<sup>th</sup> September 2004, following approval by the Charity Commission, to change the name of the Trust from Red Rose Forest Company Ltd and to increase its area of operation to include the whole of the North West of England. Its objects are now to "...promote to the benefit of the public generally any charitable purpose within the North West of England and beyond connected with enhancement and improvement, maintenance and protection of the environment and landscape."

#### **Appointment of trustees**

The Board of Trustees initiated a Trustee recruitment process in 2007/08 that will result in additional Trustees joining the Board in 2008/09.

#### **Training and involvement of trustees**

There was no formal trustee training process in 2007/08 however Trustees were involved with a range of different activities of the Trust.

#### **Organisation**

The charity is managed by a board of trustees who are also directors of the company. The Board meets approximately four times a year. The Company Secretary is appointed by the Trustees to manage the day to day running of the Trust with the support of the Director of The Mersey Forest and the advice of the Pennine Edge Forest Officer. To facilitate effective operations, the Company Secretary and the

# COMMUNITY FORESTS NORTH WEST LIMITED COMPANY LIMITED BY GUARANTEE

## Trustees Annual Report

### Year ended 31st March 2008

Director of The Mersey Forest have delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment and project development and delivery.

### Related parties

The Trust works in partnership with a wide range of organisations and individuals to achieve its charitable objectives. The Newlands officers are seconded to the Forestry Commission and the Red Rose Forest Green Streets Manager is seconded to CFNW from Groundwork Manchester, Salford and Trafford.

### Risk management policy

The major areas of risk are identified as:

- The management of key relationships (with major partners and sponsors)
- Financial risks, such as accepting onerous funding terms or committing to matching funding.
- External risks such as the need to comply with employment legislation and the risks associated with giving advice to third parties.
- Operational risks such as project performance, trustee and staff skills and IT systems.
- Risks associated with land transfer and ownership.

The monitoring and management of risk is a dynamic process. The identification and management of risk is incorporated into the project development and management cycle and is reviewed on an annual basis.

## OBJECTIVES AND ACTIVITIES

The following is an extract from the Trust's Memorandum and Articles of Association;

*"The objects of the Charity are to promote for the benefit of the public generally any charitable purpose within the North West of England and beyond connected with the enhancement and improvement, maintenance and protection of the environment and landscape and in particular to: -*

- 3.1 *promote, provide and enhance woodland for the benefit of the public;*
- 3.2 *promote the general improvement of agriculture and of industry and commerce, particularly in relation to woodland or forestry products;*
- 3.3 *promote and provide for the improvement of derelict land or harmful sites;*
- 3.4 *provide or help to provide for the general public facilities in the interests of social welfare for recreation and leisure time occupation particularly involving the enjoyment of land and woodland as a public amenity (and in furtherance to help to provide safe and convenient routes and modes of transport for the public, for safe cycling, and for the development of facilities including nature trails, reserves and sanctuaries, horse and cycle and footways, parkland and visitor facilities and car parks)*

# COMMUNITY FORESTS NORTH WEST LIMITED COMPANY LIMITED BY GUARANTEE

## Trustees Annual Report

### Year ended 31st March 2008

- 3.5 *promote community participation in healthy recreation by providing facilities for playing particular sport;*
- 3.6 *educate the public in environmental matters, in ecology and provide better appreciation of the environment and ways of better serving, protecting and improving the same and education and training in all matters relating to the environment and its interaction with the social and economic wellbeing of the community;*
- 3.7 *promote the arts within the woodland and natural environments;*
- 3.8 *promote for the benefit of the public the ecology and use of the natural environment and all species living in it;*
- 3.9 *promote for the benefit of the public the conservation, enhancement and improvement of the environment and to educate the public in the importance of sustainable development in relation to all the activities of the Charity. For the purpose of this clause the phrase “sustainable development” shall mean development that meets the needs of the present without compromising the ability of future generations to meet their own needs and in applying this definition regard shall be had to the following factors, to social progress, which recognises the needs of everyone; effective protection of the environment; prudent use of natural resources and maintenance of high and stable levels of economic growth and employment.*

*In pursuit of its objects the Charity shall endeavour to engage the participation of all sectors of the community in its activities.”*

In 2007/08 the Trust carried out a wide range of activities to achieve these objectives and support the development of The Mersey, Red Rose and Pennine Edge Forests. It delivered a range of community based projects such as the expansion of Green Streets to Merseyside and the development of Griffin Wood on the land previously acquired at Middlefield Farm near Bold. Other projects also included; Green Bridge, Community Network Training, Community Orchards and Top Trees (see below).The Dedicate a Tree programme continued to be developed along with the Last Call project with Liverpool John Lennon Airport for The Mersey Forest.

## ACHIEVEMENTS AND PERFORMANCE

Last year was again a year in which a large number of projects were delivered in conjunction with a range of partners and funders. Projects included;

### Green Streets in Red Rose Forest

In 2007 / 2008 was another bumper year and the Team has been involved in the delivery of;

- 546 street trees in Manchester and one hanging basket scheme in Moss Side
- 60 street trees in Salford
- 67 street trees in Trafford
- 26 street trees in Wigan

### Newlands funded Green Streets Programme

In 2007 / 2008 was the first year of the Newlands Green Streets programme which has seen the installation of high quality tree planting schemes in Manchester and Salford.

# **COMMUNITY FORESTS NORTH WEST LIMITED COMPANY LIMITED BY GUARANTEE**

## **Trustees Annual Report**

### **Year ended 31st March 2008**

In Salford 48 street trees were planted on three connected streets to form a green triangle which has complemented the housing regeneration works to transform the area from blight to beauty. One of the projects combined street trees with build outs to help create a calming effect on a street that was being used as a rat run. It is hoped that this project will form the template for future projects of a similar ilk.

In Manchester the Newlands Green Streets Programme was delivered in both South and North Manchester. In South Manchester the Hemmons Road estate benefited from the planting of 70 street trees, of particular note were 17 birch trees which have greatly improved Matthews lane, the main east west route between Gorton South and Longsight. In North Manchester a fantastic new boulevard of trees has been created on Lightbowne Road with Chinese Dawn Redwoods. Even though the trees have only been in for a short while they have already made a major difference to the appearance of this major road corridor. In years to come when the trees become fully established this avenue will become a landmark for this part of North Manchester.

The planting of street trees in Salford represents a real landmark point as planting of this scale has not been undertaken in recent years. The Newlands Green Streets programme has set a significant precedent and with year two of the programme to come, combined with interest for further tree planting elsewhere in the City, the future looks very positive.

#### **Other Projects**

In addition to Green Streets projects the Team has also delivered;

- Woodland improvement events in Wythenshawe which has culminated in one woodland being designated as a Site of Biological Importance. £50,000 has been secured from landfill tax monies to regenerate Nan Nook Wood.
- A woodland / orchard creation scheme in Cringle Park Manchester.
- Two hedge planting schemes in Manchester
- An improvement scheme on Clifton Green Salford which involved the planting of 12 standard trees and the installation of a new footpath and entrance features

#### **Future Projects**

In addition to phase two of the Newlands Green Streets programme and the development of further street tree planting schemes in the Red Rose Forest area the Green Streets Manager is currently working on the development of a significant project for the Oxford Road Corridor in Manchester. The i-trees project which is currently in the feasibility phase will focus on the delivery of 3 elements;

- Significant street tree planting and building greening opportunities
- The establishment of monitoring stations 'the Living Laboratory' to determine the impact of greenery and absence of on local climatic variables such as heat, air borne particulates and storm water run off.
- The installation of innovative dissemination media such as LED displays and interactive touch screens to communicate the impact that trees have on the aforementioned climatic variables

The feasibility study will be presented to the City South Partnership Board in August and if approved a formal submission for NWDA funding will follow which if successful will, combined with monies already secured from INTERREG, provide up to a million pound budget for delivery.

# **COMMUNITY FORESTS NORTH WEST LIMITED COMPANY LIMITED BY GUARANTEE**

## **Trustees Annual Report**

### **Year ended 31st March 2008**

#### **Green Corporate Days**

The Green Corporate Days were originally arranged in response to the demand from the private sector for 'green' team building days. The Trust and Red Rose Forest formalised a scheme and developed a Green Corporate Days package that will continue to be marketed in 2008/09 to local businesses in order to capture and expand on this opportunity.

The Green Corporate Days scheme represents a new income stream and provides a way for links to be forged with the private sector that could initiate longer-term relationships to be developed.

#### **Dedicate a Tree**

During 2007/08 the Dedicate a Tree scheme generated £12,112 gross income, including gift aid.

Griffin Wood in The Mersey Forest was planted in March 2007 and has proved a popular addition to the scheme. The Dedicate a Tree scheme is set to expand further, as a formal written agreement with Pennine Edge Forest is in the final stages, and PEF have one site ready to come forward.

#### **Top Trees**

The Trust, in partnership with the Red Rose and Pennine Edge Forests, launched the Top Trees project during National Tree Week in November 2006, to celebrate the woodland heritage across the Forest area and engage people with environmental issues. Leaflets and a webpage were designed to encourage people to send in stories and anecdotes about their Top Tree in Greater Manchester. The project was promoted to a wide cross-section of the community until May Day 2007 when a prize draw took place, with the first entry picked from the hat winning 4 tickets to the 'Go Ape' experience in Delamere Forest.

#### **Community Orchards**

Community Orchard development has continued, and has supported the development of the 'Fruits of Red Rose Forest' project. Three community orchards have been created by Trust activity in Trafford, Manchester and Salford in partnership with Salford City Council and Groundwork Manchester, Salford and Trafford. This has enabled school and volunteer groups to play an important part in the project, and has been an important addition to the wide scale orchard creation across the Red Rose Forest area.

Fundraising for continued Community Orchard creation will continue into the future, supporting communities and disseminating the expertise gained to allow for sustainable activities into the future.

#### **Orchard Creation - Fruits of Red Rose Forest**

With 12 sites being planted up in the 2007/2008 season, this project encouraged many new audiences to get involved in the work of the Forest. The project has enabled partners to run a number of events, from planting days to blossom celebrations. Information cards have been produced and will be available to Network Members and community members, both on the 12 sites and as PDF versions on the RED ROSE FOREST website.

#### **Partnership with University of Manchester**

This developing partnership is providing a structured opportunity for students to get involved in Red Rose Forest. The range of volunteer days and longer term projects that the students have contributed to have made a real difference to the work of the Forest Team.

#### **Partnership with Manchester City Football Club**

A partnership is being developed with City in the Community, the charitable trust arm of MCFC, set up to engage the local community in the environment and health related activity in green spaces. This

# **COMMUNITY FORESTS NORTH WEST LIMITED COMPANY LIMITED BY GUARANTEE**

## **Trustees Annual Report**

### **Year ended 31st March 2008**

new partnership will provide a great opportunity to work together on health focused projects and funding streams.

#### **Brickfields**

During 2007/2008 the Forestry Commission contracted CFNW to co-ordinate a programme of community engagement on the Brickfields site in St Helens which forms part of the Newlands scheme. The Trust, in partnership with The Mersey Forest, the Forestry Commission, Groundwork Merseyside, and Cycling Projects have been developing a delivery programme as well as formulating a partnership with the local authority, health services and other community-based initiatives.

#### **Griffin Wood**

Griffin Wood continues to flourish alongside the M62 in south St Helens. The site is owned by CFNW and managed on a day to day basis by The Mersey Forest Team.

In May 2007, the newly-formed Friends of Griffin Wood (FOGW) held a successful wildflower sowing event, which was the first of many such events that have been held over the past year. Other activities have included planting orchard trees, marginal pond plants and a 200m length of hedgerow, as well as making bird and bat boxes which have subsequently been erected in the woodland. In January 2008, FOGW became formally constituted with roles allocated for chair, secretary and treasurer.

The newly planted wildflower meadow (funded by an application to the Istock Cory Environmental Trust) established well and will continue to provide colour and interest to all those thousands of users of the M62 motorway.

Another successful landfill tax bid has allowed the creation of a new footpath which was constructed in spring 2008. This has provided over 1km of all-ability access trails to two newly created ponds.

Plans for the rest of 2008 include a new entrance feature, signage and picnic bench installation.

#### **Green Bridge Project**

The Green Bridge Project is The Mersey Forest's biodiversity enhancement programme which is supported by the Trust. It aims to create and improve new and existing habitats in the Mersey Forest.

As part of The Green Bridge Project individuals and groups taking part gain practical first-hand experience of habitat creation and restoration techniques and improve their local environment at the same time.

In 2007/08 54 Greenbridge events have been run by 30 different community groups and 520 people have benefited from training. Including friends groups learning about growing native bluebells from seed, planting bluebell bulbs and wildflower seeds, to faith groups taking part in hedge planting there has been a wide variety of training delivered.

For example; at De La Salle High School in Liverpool, 14 young people were trained to NCFE level 2 in Shrub and Tree planting whilst planting their new school orchard and 50 fruit trees.

The project has exceeded all targets set by HLF already and additional training and events are continuing to be set up for the next 6 months, budgets are also on track to be spent fully by December 2008.

# COMMUNITY FORESTS NORTH WEST LIMITED COMPANY LIMITED BY GUARANTEE

## Trustees Annual Report

### Year ended 31st March 2008

#### FINANCIAL REVIEW

In 2008, income increased to £1,550,969 (2007: £887,601) with a corresponding increase in expenditure to £1,145,820 (2007: £826,437). The net incoming resources for the year amounted to £405,149 (2007: £61,164). At the year end, restricted funds total £502,010 and unrestricted funds total £350,582.

#### Reserves policy

Unrestricted reserves are considered to be that part of the Trust's funds which are freely available for its general purposes after it has met its commitments and covered its other planned expenditure. These unrestricted funds are needed to cover administrative, fundraising and support costs without which the Trust could not function.

The Trustees consider it prudent that unrestricted reserves should be sufficient to cover at least one year's administrative, fundraising and support costs. This is currently estimated to be approximately £100,000. The level of unrestricted reserves is monitored and reviewed by the Trustees during the year. In the year ended 31 March 2008 the Trust continued to address the need to develop reserves and its limited available funds were retained in its high interest bearing current account.

#### Investment policy

Any funds built up in advance of expenditure are kept on deposit with a reputable UK bank(s), where immediate access is balanced against available interest rates.

Where the Trust is holding restricted reserves (e.g. endowments) an appropriate proportion of the funds available may be invested in longer term investment products of reputable UK financial institutions to obtain more favourable long term returns from secure investments.

#### Plans for future periods

The Trust intends to continue to develop the range and scale of the innovative projects it is developing to improve the image and environment of the area for public benefit. This will include the expansion of the Green Streets project into other areas as well as taking appropriate opportunities to secure additional areas of land to create more areas of green space and community woodland.

It is anticipated that in 2008/09 that CFNW will co-ordinate the delivery of the Setting the Scene for Growth elements of Newlands 2 project funded by the North West Development Agency through the Forestry Commission. In addition a range of other innovative projects working with local people to improve their environment will be developed.

#### Auditor

A resolution to re-appoint Mitchell Charlesworth as auditor for the ensuing year will be proposed at the Annual General Meeting.

#### Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:  
Dock Office  
Trafford Road  
Salford Quays  
Salford  
M50 3XB

.....

Signed by order of the trustees

Mr A G Hothersall  
Company Secretary

# **COMMUNITY FORESTS NORTH WEST LIMITED COMPANY LIMITED BY GUARANTEE**

## **Statement of Trustees' Responsibilities**

### **Year ended 31st March 2008**

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the surplus or deficit 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;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the the Charities Act 1993. 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 charity'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.

# Mitchell Charlesworth

Chartered Accountants  
Brazenose House West Brazenose Street Manchester

## COMMUNITY FORESTS NORTH WEST LIMITED COMPANY LIMITED BY GUARANTEE

### Independent Auditor's Report to the Members of Community Forests North West Limited

#### Year ended 31st March 2008

We have audited the financial statements of Community Forests North West Limited for the year ended 31st March 2008 on pages 12 to 25 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out on pages 14 to 15.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of the trustees and auditors**

The responsibilities of the trustees (who also act as directors of Community Forests North West Limited for the purposes of company law) for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Responsibilities of the Trustees on page 9.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, and whether the information given in the Trustees Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding remuneration of the trustees and other transactions is not disclosed.

We read the Trustees Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

# Mitchell Charlesworth

Chartered Accountants  
Brazennose House West Brazennose Street Manchester

## COMMUNITY FORESTS NORTH WEST LIMITED COMPANY LIMITED BY GUARANTEE

### Independent Auditor's Report to the Members of Community Forests North West Limited *(continued)*

#### Year ended 31st March 2008

##### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out in note 24 to the financial statements.

##### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31st March 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees Annual Report is consistent with the financial statements.

Brazennose House West  
Brazennose Street  
Manchester  
M2 5FE

MITCHELL CHARLESWORTH  
Chartered Accountants  
Registered Auditor

.....

**COMMUNITY FORESTS NORTH WEST LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Statement of Financial Activities (Incorporating the Income and Expenditure Account)**

**Year ended 31st March 2008**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2008 £	Total Funds 2007 £
<b>Incoming resources</b>					
Incoming resources from generating funds:					
Voluntary income	2	76,738	2,186	78,924	44,636
Activities for generating funds	3	4,275	12,112	16,387	9,895
Investment income	4	7,328	18,764	26,092	9,263
Incoming resources from charitable activities	5	–	1,408,831	1,408,831	823,807
Other incoming resources	6	20,735	–	20,735	–
<b>Total incoming resources</b>		<b>109,076</b>	<b>1,441,893</b>	<b>1,550,969</b>	<b>887,601</b>
<b>Resources expended</b>					
Costs of generating funds:					
Costs of generating voluntary income	7	(885)	(6,758)	(7,643)	(5,110)
Charitable activities	8/9	(6,558)	(1,129,913)	(1,136,471)	(819,329)
Governance costs	8	(1,706)	–	(1,706)	(1,998)
<b>Total resources expended</b>		<b>(9,149)</b>	<b>(1,136,671)</b>	<b>(1,145,820)</b>	<b>(826,437)</b>
<b>Net incoming resources for the year</b>	10	<b>99,927</b>	<b>305,222</b>	<b>405,149</b>	61,164
Gains on revaluation		–	–	–	13,671
Gross transfers between funds	11	28,002	(28,002)	–	–
<b>Net movement in funds/net income for the year</b>		<b>127,929</b>	<b>277,220</b>	<b>405,149</b>	74,835
<b>Reconciliation of funds</b>					
Total funds brought forward		222,653	224,790	447,443	372,608
<b>Total funds carried forward</b>		<b>350,582</b>	<b>502,010</b>	<b>852,592</b>	<b>447,443</b>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes on pages 14 to 25 form part of these financial statements.

**COMMUNITY FORESTS NORTH WEST LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Balance Sheet**

**31st March 2008**

	Note	2008 £	£	2007 £	£
<b>Fixed assets</b>					
Tangible assets	13		<b>94,850</b>		94,850
<b>Current assets</b>					
Debtors	14	<b>263,537</b>		657,234	
Cash at bank		<b>795,481</b>		200,210	
		<b>1,059,018</b>		857,444	
<b>Creditors: Amounts falling due within one year</b>	15	<b>(223,197)</b>		(426,772)	
<b>Net current assets</b>			<b>835,821</b>		430,672
<b>Total assets less current liabilities</b>			<b>930,671</b>		525,522
<b>Government grants</b>	17		<b>(78,079)</b>		(78,079)
<b>Net assets</b>			<b>852,592</b>		447,443
<b>Funds</b>					
Restricted income funds	18		<b>502,010</b>		224,790
Unrestricted income funds	19		<b>350,582</b>		222,653
<b>Total funds</b>			<b>852,592</b>		447,443

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the members of the committee on the ..... and are signed on their behalf by:

.....  
Mr S B Falder

The notes on pages 14 to 25 form part of these financial statements.

# **COMMUNITY FORESTS NORTH WEST LIMITED COMPANY LIMITED BY GUARANTEE**

## **Notes to the Financial Statements**

### **Year ended 31st March 2008**

#### **1. Accounting policies**

##### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005) and the Companies Act 1985.

##### **Cash flow statement**

The trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charity is small.

##### **Incoming resources**

Voluntary income, including donations, gifts and legacies, and grants that provide core funding or are of a general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

The donor specifies that the grant or donation may only be used in future accounting periods;

The donor has imposed conditions which must be met before the charity has unconditional entitlement

Income from activities for generating funds is recognised on a receivable basis.

Investment income is also recognised on a receivable basis.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions, is recognised as earned (as the related goods and services are provided). Grant income included in this category is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

##### **Funds structure**

The trust has a number of restricted funds to account for situations where a donor requires that a grant or donation must be spent on a particular purpose.

All other funds are unrestricted income funds.

Please see the trustees' report on page 8, "reserves policy", for the trustees' comments on these funds.

# COMMUNITY FORESTS NORTH WEST LIMITED COMPANY LIMITED BY GUARANTEE

## Notes to the Financial Statements

### Year ended 31st March 2008

#### 1. Accounting policies *(continued)*

##### Fixed assets and depreciation

All fixed assets are initially recorded at cost, with the exception of certain land and buildings (see note 13).

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

Freehold property	- Not depreciated
Other plant and machinery	- 33% straight line

##### Pension costs

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the statement of financial activities.

##### Taxation

The company is a registered charity and is exempt for taxation purposes on its normal activities and bank interest receivable.

##### Company status

The company is incorporated under the Companies Act as a company limited by guarantee and not having share capital.

Every member of the company undertakes to contribute to the assets of the company in the event of it being wound up during the time that he is a member, or within one year afterwards for payment of the debts and liabilities of the company contracted before he ceases to be a member, and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories amongst themselves such amount as may be required not exceeding in the case of any member for the sum of £1.

##### Unrecoverable VAT

Certain activities of the Trust are outside the scope of VAT and output tax does not apply in those cases. Input tax is therefore restricted on a partial exemption basis. The irrecoverable element of VAT is charged to the SOFA as a support cost, and is allocated to the individual expense categories.

##### Gifts in kind and seconded staff

The values attributed to gifts in kind and seconded staff are based on a reasonable estimate of their values to the company as confirmed by the donor organisation, or in the absence of such confirmations, on a reasonable estimate of their value to the company. Gifts in kind are included in the statement of financial activities as a separate item of income; but then under the appropriate headings as expenditure.

The value of gifts in kind and seconded staff for the year ended 31 March 2008 was £8,744 (2007: £21,349).

**COMMUNITY FORESTS NORTH WEST LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Notes to the Financial Statements**

**Year ended 31st March 2008**

**2. Voluntary income**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds 2008 £</b>	<b>Total Funds 2007 £</b>
Donations	180	–	180	1,314
Donated Services	6,558	2,186	8,744	21,349
United Utilities	40,000	–	40,000	20,000
Salford City Council	–	–	–	1,291
Ikea	–	–	–	682
British gas	30,000	–	30,000	–
	<u>76,738</u>	<u>2,186</u>	<u>78,924</u>	<u>44,636</u>

**3. Incoming resources from activities for generating funds**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds 2008 £</b>	<b>Total Funds 2007 £</b>
Dedicate a tree project	4,275	12,112	16,387	9,895

**4. Investment income**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds 2008 £</b>	<b>Total Funds 2007 £</b>
Bank interest receivable	7,278	18,764	26,042	9,213
Rental income - Forestry Commission	50	–	50	50
	<u>7,328</u>	<u>18,764</u>	<u>26,092</u>	<u>9,263</u>

**COMMUNITY FORESTS NORTH WEST LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Notes to the Financial Statements**

**Year ended 31st March 2008**

**5. Incoming resources from charitable activities**

<b>Project</b>	<b>Green Streets</b>	<b>Newlands</b>	<b>Mersey Forest</b>	<b>National Working Agreement</b>	<b>Brickfields</b>	<b>Bolton Health Walk Project</b>	<b>SSFG</b>	<b>Green Infrastructure Project</b>	<b>Tree Audit Project</b>	<b>Environment Agency</b>	<b>Red Rose Salford</b>	<b>Middle Farm/Griffin Wood</b>	<b>Total 2008</b>	<b>Total 2007</b>
Environment Agency										5,000			5,000	-
Forestry Commission	148,942	89,639			28,650		11,034						278,265	113,483
Groundwork UK (Greening Gtr Manchester)	111,798												111,798	189,354
United Utilities													-	20,000
The Big Lottery Fund	48,219												48,219	10,312
Griffin Wood												67,726	67,726	22,534
Knutsford Vale Park	8,000												8,000	3,794
Atkins High/Transport													-	5,000
Pilsworth Environmental Company													-	8,500
Volunteer Action M/cr													-	3,000
Northwood Housing Association													-	7,000
Siemens													-	3,500
Oglesby Trust	6,796												6,796	5,000
Various residents groups	63,284												63,284	96,876
Trees for Cities	7,588												7,588	7,257
Veolia Environmental Trust	50,000												50,000	-
Viridor Credits	37,353												37,353	-
Other (under £2,000)													-	6,756
National Forest Network				10,000									10,000	
Bolton MBC						6,400							6,400	30,952
Salford CC	76,897										50,369		127,266	131,663
Manchester CC									8,000				8,000	79,310
Trafford MBC													-	260
ERDF	41,082		68,408										109,490	-
Bury MBC													-	700
Wigan MBC	30,000												30,000	-
Cheshire CC	6,015		365,921					7,000				54,710	433,646	78,556
<b>Total incoming resources from charitable activities</b>	<b>635,974</b>	<b>89,639</b>	<b>434,329</b>	<b>10,000</b>	<b>28,650</b>	<b>6,400</b>	<b>11,034</b>	<b>7,000</b>	<b>8,000</b>	<b>5,000</b>	<b>50,369</b>	<b>122,436</b>	<b>1,408,831</b>	<b>823,807</b>

**COMMUNITY FORESTS NORTH WEST LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Detailed Statement of Financial Activities**

**Year ended 31st March 2008**

**6. Other incoming resources**

	Unrestricted Funds	Total Funds 2008	Total Funds 2007
	£	£	£
Other income	<u>20,735</u>	<u>20,735</u>	<u>-</u>

**7. Costs of generating voluntary income**

	Unrestricted Funds	Restricted Funds	Total Funds 2008	Total Funds 2007
	£	£	£	£
Dedicate a tree	<u>885</u>	<u>6,758</u>	<u>7,643</u>	<u>5,110</u>

**8. Allocation of support**

The charity allocates its support costs as shown in the table below and then further apportions those costs between the charitable activities undertaken (see note 9). Support costs are then allocated on a basis consistent with the income derived from the individual centres. Allocation between individual sites under any other basis is impracticable.

	Charity operation	Governance	Total 2008	Total 2007
	£	£	£	£
Salary costs	11,526	-	11,526	6,392
Subscriptions	298	-	298	1,240
Audit and accountancy	10,000	1,706	11,706	14,598
Administrative assistance	-	-	-	10,544
Professional	4,588	-	4,588	5,769
Sundries	595	-	595	4,390
Training	717	-	717	1,291
Travel and subsistence	968	-	968	337
Computer costs	764	-	764	3,924
Insurances	6,449	-	6,449	6,827
Bank charges and interest	140	-	140	65
Maintenance	-	-	-	52
Materials	200	-	200	4,910
Office accommodation	14,112	-	14,112	1,119
Recruitment	-	-	-	173
	<u>50,357</u>	<u>1,706</u>	<u>52,063</u>	<u>61,631</u>

**COMMUNITY FORESTS NORTH WEST LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Detailed Statement of Financial Activities**

**Year ended 31st March 2008**

**Community Forests North West Limited**

**9. Analysis of charitable expenditure**

Projects	Green streets	Newlands	JFU/ Dedicate a Tree	Mersey Forest	National Working Agreement	Brickfields	Community Project	Bolton Health Walk Project	SSFG	Red Rose Salford	Middlefield Farm/ Griffin Wood	Total 2008	Total 2007
Salary costs	82,348	67,293	18,103	108,154				5,317		48,957		330,172	298,922
Advertising/publicity					1,211							1,211	371
Audit & accountancy		600										600	12,600
Bank charges	27	50	102									179	144
Computer costs	40		885						437			1,362	670
Fees and consultancy												-	8,263
Grants made												-	75
Maintenance												-	807
Materials	500,414						44				52,192	552,650	347,012
Office costs		18,184		112						99		18,395	25,326
Professional fees	1,072	800									250	2,122	16,667
Recruitment	59											59	70
Sub-contractors	52,034			41,900		10,885			3,481		43,660	151,960	269
Sundries	1,486	25	342	48	6,000		1					7,902	16,983
Support costs	31,085	10,795	1,378	5,712	400			988				50,358	59,633
Telephone/ Mobile	857		36		109							1,002	1,433
Training	25	1,185	360							742		2,312	6,661
Travel and subsistence	1,739	1,422	295	4,981	520			96		571	5	9,629	7,411
	<b>671,186</b>	<b>100,354</b>	<b>21,501</b>	<b>160,907</b>	<b>8,240</b>	<b>10,885</b>	<b>45</b>	<b>6,401</b>	<b>3,918</b>	<b>50,369</b>	<b>96,107</b>	<b>1,129,913</b>	<b>803,317</b>

**COMMUNITY FORESTS NORTH WEST LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Detailed Statement of Financial Activities**

**Year ended 31st March 2008**

**10. Net incoming resources for the year**

This is stated after charging:

	<b>2008</b>	2007
	£	£
Staff pension contributions	<b>8,493</b>	8,350
Audit and Accountancy fees	<b><u>11,706</u></b>	<u>14,598</u>

**11. Fund transfers**

Transfers of £28,002 from restricted funds to unrestricted funds relate to the total of the support costs which have not been allocated against the restricted funds (see note 18).

**12. Staff costs and emoluments**

**Total staff costs were as follows:**

	<b>2008</b>	2007
	£	£
Wages and salaries	<b>257,570</b>	231,949
Social security costs	<b>25,185</b>	21,915
Other pension costs	<b>8,513</b>	8,350
	<b><u>291,268</u></b>	<u>262,214</u>

In addition to the above there were seconded staff members. The total costs of these staff were valued at £48,700 (2007: £53,772) and consists of donated costs of £8,744 (2007: £21,349) and costs paid to a third party of £39,956 (2007: £32,423).

No employees' emoluments exceed £60,000 per annum.

The trustees received no remuneration or expenses in the current or previous year.

The company has purchased indemnity insurance in respect of all the directors and officers of the company to cover liability in respect of negligence, default, and breach of duty or trust other than that caused by wilful or criminal negligence. The cost was £1,619 (2007: £1,896)

**Particulars of employees:**

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	<b>2008</b>	2007
	No	No
Number of administrative staff	<b><u>15</u></b>	<u>14</u>

No employee received emoluments of more than £60,000 during the year (2007 - Nil).

**COMMUNITY FORESTS NORTH WEST LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Detailed Statement of Financial Activities**

**Year ended 31st March 2008**

**13. Tangible fixed assets**

	<b>Land and buildings £</b>	<b>Other plant &amp; machinery etc. £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
<b>At 1st April 2007 and 31st March 2008</b>	<b>94,850</b>	<b>3,913</b>	<b>98,763</b>
<b>Depreciation</b>			
<b>At 1st April 2007 and 31st March 2008</b>	<b>–</b>	<b>3,913</b>	<b>3,913</b>
<b>Net book value</b>			
<b>At 31st March 2008</b>	<b>94,850</b>	<b>–</b>	<b>94,850</b>
At 31st March 2007	94,850	–	94,850

Middlefield farm was acquired in 2006 for £78,079 and was re-valued by P Wilson & Co Chartered Surveyors on 31<sup>st</sup> March 2007 at £91,750.

The remaining freehold land is disclosed at its re-valued amount.

The land at Viridor Wood was acquired in 2000 and re-valued by P W Smith BSc FRICS FAAV on 31 March 2000 at £1,250. This land should have been subject to a formal external valuation during 2005, in accordance with FRS 15 “Tangible Fixed Assets”. This was not commissioned by the trustees on the grounds that the cost of such an exercise would be disproportionate to the benefits. The land at Horrocks Hill and Hurst Farm was acquired during 2002 and was revalued by P Wilson & Company on 31 March 2002 at £750 and £1,100 respectively.

999 year leases were granted to the Minister of Agriculture Fisheries and Food (acting on behalf of Forest Enterprise) over each piece of land. The leases place onerous obligations on the lessees to ensure that the lands are well managed and remain in an appropriate woodland use, consistent with the aims and objectives of the Trust.

**14. Debtors**

	<b>2008</b>	2007
	£	£
Trade debtors and other debtors	<b>263,537</b>	657,234

**COMMUNITY FORESTS NORTH WEST LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Detailed Statement of Financial Activities**

**Year ended 31st March 2008**

**15. Creditors: Amounts falling due within one year**

	<b>2008</b>	2007
	£	£
Trade creditors	<b>184,271</b>	91,944
PAYE and social security	<b>7,616</b>	6,472
Other creditors	<b>31,310</b>	328,356
	<u><b>223,197</b></u>	<u>426,772</u>

Included within other creditors is a deferred grant received for £nil (2007 £276,966) which is solely for the St Helens Park project.

**16. Pensions**

Included in Creditors: amounts falling due within one year, within Other Creditors, are outstanding pension contributions of £573 (2007 - £nil).

**17. Government grants**

	<b>2008</b>	2007
	£	£
<b>Received and receivable:</b>		
At 1st April 2007	<b>78,079</b>	78,079
At 31st March 2008	<u><b>78,079</b></u>	<u>78,079</u>
<b>Amortisation:</b>		
At 31st March 2008	<u>-</u>	<u>-</u>
Net balance at 31st March 2008	<u><b>78,079</b></u>	<u>78,079</u>

**COMMUNITY FORESTS NORTH WEST LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Detailed Statement of Financial Activities**

**Year ended 31st March 2008**

**18. Restricted income funds**

	Balance at 1 Apr 2007 £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31 Mar 2008 £
Green streets	187,175	656,924	(671,186)	(39,435)	133,478
Newlands	27,792	89,639	(100,354)	-	17,077
Dedicate a tree/JFU	5,387	12,112	(28,259)	10,760	-
The Mersey Forest	14,434	434,329	(160,907)	-	287,856
Community project	(1,174)	-	(45)	1,219	-
Bolton health walk project	2,200	6,400	(6,401)	(988)	1,211
Red Rose Forest Salford	(842)	50,369	(50,369)	842	-
Middlefield farm/ Griffin wood	(10,182)	122,436	(96,107)	-	16,147
National working agreement project	-	10,000	(8,240)	(400)	1,360
Brickfields	-	28,650	(10,885)	-	17,765
Green infrastructure	-	7,000	-	-	7,000
Environmental agency	-	5,000	-	-	5,000
Tree audit project	-	8,000	-	-	8,000
SSFG	-	11,034	(3,918)	-	7,116
	<u>224,790</u>	<u>1,441,893</u>	<u>(1,136,671)</u>	<u>(28,002)</u>	<u>502,010</u>

**Green Streets**

This initiative works with local communities and businesses to transform their street scene through street tree planting and other related activities. Green Streets Salford and Green Tips projects are now included within this fund.

**Newlands**

CFNW is facilitating the delivery of this Forestry Commission project by employing staff and carrying out other activities to help transform brownfield land into attractive community woodlands.

**JFU**

The Joint Funding Unit raises resources to help deliver CFNW projects and those of the related forestry initiatives.

**The Mersey Forest**

CFNW employ staff who assist The Mersey Forest deliver a number of its projects to involve communities and improve the environment of The Mersey Forest area.

**Community Project**

This includes a number of smaller community based projects that are contributing to the delivery of CFNW's objectives.

**Bolton Health Walk Project**

CFNW facilitated the delivery of this project by employing a skilled member of staff to lead the project.

# **COMMUNITY FORESTS NORTH WEST LIMITED COMPANY LIMITED BY GUARANTEE**

## **Detailed Statement of Financial Activities**

**Year ended 31st March 2008**

### **Red Rose Forest Salford**

CFNW employ staff who assist Red Rose Forest deliver a number of its projects to involve communities and improve the environment of the Red Rose Forest area.

### **Middlefield Farm/ Griffin Wood**

CFNW is working with the local community to develop an attractive community woodland on this land that is adjacent to the M62 at Bold and is owned by CFNW.

### **Dedicate a Tree**

This initiative allows CFNW to give the public the opportunity to dedicate trees on a number of different woodland creation sites to celebrate notable events or remember loved ones.

### **National working agreement project**

The project aims to provide a range of services to enhance and support the work of the Community Forest Partnership at a national level.

### **Brickfields**

The project aims to co-ordinate a programme of community engagement on the Brickfields site in St Helens which forms part of the Newlands scheme

### **Tree audit**

This project is to compile and assess existing tree and woodland and conduct a pilot tree canopy survey of North and East Manchester, using aerial photography.

### **Setting the scene for growth (SSFG)**

The project aims to identify potential sites across Mersey Belt for the Forestry Commission and the North West Development Agency.

**COMMUNITY FORESTS NORTH WEST LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Detailed Statement of Financial Activities**

**Year ended 31st March 2008**

**19. Unrestricted income funds**

	Balance at 1 Apr 2007 £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31 Mar 2008 £
General Funds	<u>222,653</u>	<u>109,076</u>	<u>(9,149)</u>	<u>28,002</u>	<u>350,582</u>

**20. Analysis of net assets between funds**

	Tangible fixed assets £	Net current assets £	Other net liabilities £	Total £
Restricted Income Funds	94,850	485,239	(78,079)	502,010
Unrestricted Income Funds	–	<u>350,582</u>	–	<u>350,582</u>
<b>Total Funds</b>	<u>94,850</u>	<u>835,821</u>	<u>(78,079)</u>	<u>852,592</u>

**21. Related party transactions**

Some of the trustees have been nominated by the organisations that created and/or fund the charity. A significant number of transactions, particularly relating to funding, are therefore related party transactions. It is not practical to list all of these in the notes to the financial statements.

No trustees received any personal benefit from any of these transactions

**22. Company limited by guarantee**

The liability of the members is limited.

**23. APB ethical standards**

In common with many other charities of our size, we use our auditors to assist with the preparation of our accounts.