THE NATIONAL FOREST

National Forest Company Annual Report and Accounts

For the period 1 April 2025 to 31 March 2026

HC 666

Company Number: 02991970
Charity Number: 1166563

National Forest Company
Annual Report and Accounts
For the period 1 April 2025 to 31 March 2026

Presented to Parliament pursuant to Article 6
of the Government Resources and Accounts Act 2000
(Audit of Non-profit-making Companies) Order 2009

Ordered by the House of Commons to be printed 15 October 2026

HC 666

© Board of Trustees of the National Forest Company copyright 2026

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at www.gov.uk/official-documents.

Any enquiries regarding this publication should be sent to us at enquiries@nationalforest.org.

ISBN 978-1-5286-6323-6

E03567286 10/26

Printed on paper containing 40% recycled fibre content minimum

Printed in the UK by HH Associates Ltd. on behalf of the Controller of His Majesty's Stationery Office

Contents

Chair's letter 2

Chief Executive's foreword 3

Trustees' Report 4

Strategic Report 7

Sustainability Report 15

Remuneration and Staff Report 19

Governance Statement 24

Statement of Trustees' and Accounting Officer's Responsibilities 31

The Certificate and Report of the Comptroller and Auditor General to the Members of The National Forest Company and the Houses of Parliament 32

Consolidated Statement of Financial Activities and Income and Expenditure (SOFA) 36

Group (Consolidated) Balance Sheet as at 31 March 2026 37

Parent Charity Balance Sheet as at 31 March 2026 38

Consolidated cash flow statement for the year ended 31 March 2026 39

Notes to the Accounts for the Year Ended 31 March 2026 40

National Forest Company

Canopy House,
Bath Yard, Moira,
Swadlincote, Derbyshire DE12 6BA
email: enquiries@nationalforest.org
Tel: +44 (0) 1283 551211

nationalforest.org

Chair's letter

One of the great delights as Chair of the National Forest is to be able to celebrate its many successes, and this year has served up some significant highlights. Reaching the milestone of ten million trees and expanding forest cover to 26% of our 200 square mile landscape shows how the Forest is continuing to take great strides forward, providing even more benefit to landowners, businesses, communities and visitors.

Our ten millionth tree also marks a springboard for the next stage of our work, branching out with a new Vision to 2050. *Transformation through Forests* was launched recently in parliament and sets out our ambitions for further progress within the National Forest, the development of the three new national forests, and a challenge to the sector to create a forest network for England, building on the work of the Midlands Forest Network.

As we look to the future, I would like to extend my thanks to Defra as our sponsor department for their continued support and funding in what remains an uncertain fiscal environment. We are all now embarking on the new England Tree Planting Programme and it is heartening to have secured a positive Spending Review settlement that means we can play our part in delivering government targets. We were delighted this year to be launching the OxCam Forest with Defra Secretary of State, and are pleased to have the Nature Minister championing our new national forests work so enthusiastically.

We remain convinced that the national forest model is strong and provides a significant return on investment. It is already providing promising results in the first year of the Western Forest, building momentum in the Oxford Cambridge Growth Corridor, and generating excitement as the competition for the third new national forest kicks off. With a growing family of national forests, there is even more potential to demonstrate that nature, communities and enterprise can all be enhanced by trees.

Just as the National Forest has seen changes this year, the organisation has been busy upgrading its governance with four new Trustees appointed; Beth Cambridge, Emma Hooper-Smith, John Lockhart and Paul Orsi, strengthening the Board to manage its expanded remit. This has meant we said goodbye to Alison Field and Mike Kapur as Trustees, both having served a full seven-year tenure, although we are pleased that they have agreed to stay involved as Charity Members. We have also welcomed Jamie Shearer and Janet Utley as new Non-Executive Directors onto the Board of our subsidiary company, National Forest Enterprises Ltd, providing additional financial and commercial expertise.

We have always said that we are a small organisation that thinks big. But our success is only possible by harnessing the support of others – our incredible partners, funders, landowners and businesses – without whom we would never be able to make great things happen. Thank you for your continued support as we strive towards our next set of milestones to demonstrate our belief in transformation through forests.



Dr Tony Ballance
Chair of the Board of Trustees

Chief Executive's foreword

2025-26 has felt like a year of big changes as the Charity positions itself for a new phase. Not only has this meant a new Vision, Spending Review and Board appointments, but also major initiatives with the new national forests taking shape, the Midlands Forest Network scoping work completed and plans finalised for investment in the Conkers visitor centre to create a 21st century attraction. We are now set up well for the future, demonstrating renewed ambition and wider reach across the country.

Looking back on the year, it is interesting to reflect how far we have come. As we gathered in the heart of the National Forest with Countryfile presenters, John Craven and Charlotte Smith, to plant our ten millionth tree, what was most apparent was the shared celebration of businesses, landowners, partners and individuals to what has been achieved – a genuine team effort.

This report continues that theme, providing more details of our shared achievements throughout 2025-26. Below are a few selected highlights that show another year of impressive outcomes for nature, communities and enterprise:

- Creating 172 hectares of new forest habitat, including more than 81,000 trees planted through grant schemes, acquisitions and the planning process.
- Expanding our estate by acquiring a new site at Darley Oaks, and grant aiding land acquisition to increase woodland creation and expand public access.
- Retaining or bringing more than 613 hectares of woodland and other habitats into active management to support biodiversity.
- Securing 106 hectares of new access, including surfaced paths, new signage and waymarking infrastructure.
- Achieving 95% of primary, special and secondary schools in the Forest enjoying regular outdoor learning.
- Engaging with over 500 people in our urban towns to better understand and overcome the barriers for under-represented groups to access local greenspace.
- Securing more than 45,000 hours of volunteering activity, engaging new audiences, enhancing wellbeing and increasing skills.
- Engaging more than 230,000 individuals through a new arts and creativity programme in our Forest towns.
- Producing the plans for investment in the Conkers visitor centre to drive the first phase of its transformation.

I would like to thank the staff team for another inspiring year, continuing to hit targets despite the challenges thrown up by the weather, funding complexities or unforeseen events. Alongside this we were able to move our offices to Canopy House to reduce costs, upgrade facilities and better integrate our teams. We also welcomed new staff members, including Craig Edmondson as our Director of Finance & Resources who brings additional skills to the Senior Leadership Team.

Likewise, I must thank our extended team of National Forest partners. Thank you for all your efforts in hosting, funding, supporting and contributing – it would not be possible without you. The ten millionth tree is a reminder that we are creating a Forest that will benefit us all and outlive us all, and that is something of which we can be truly proud.



John Everitt OBE FRSA
Chief Executive/Accounting Officer

Administrative information

Address of the charity

Canopy House
Bath Yard
Moira
Swadlincote DE12 6BA

Registered charity number

1166563

External Auditors

Statutorily appointed auditor:
Comptroller and Auditor General
National Audit Office
157 – 197 Buckingham Palace Road
London SW1W 9SP

Internal Auditors

TIAA Limited
Artillery House
Fort Fareham Industrial Site
Newgate Ln
Fareham PO14 1AH

Bankers

The Co-operative Bank
Miller Street
Manchester M60 0AL

Investment Managers

Cazenove Capital,
1 London Wall Place
London EC2Y 5AU

Solicitors

Ansons Solicitors,
St Mary's Chambers
5-7 Breadmarket Street
Lichfield
Staffordshire WS13 6LQ

National Forest Company status

The National Forest Company (NFC) was established in April 1995 with the objective of overseeing the creation of the National Forest which spans 200 square miles of central England. The NFC is a company limited by guarantee (registered number 2991970) and a registered charity (registered number 1166563) and operates from its registered office at Canopy House, Bath Yard, Moira, Swadlincote, Derbyshire DE12 6BA.

Since being registered as a charity in April 2016 it has had the status as a Non-Profit Institution within the Public Sector, specifically within Central Government, as defined by the Office for National Statistics with no individual or entity having a controlling interest. The business of the charity is governed by its Board of Trustees however the charity does, given the levels of grant in aid funding received, continue to place economic reliance on the Department for Environment, Food and Rural Affairs (Defra).

Objectives and activities

The objects of the NFC as contained in its Articles of Association are:

'For the public benefit, the conservation, protection and improvement of the physical and natural environment so as to secure and enhance the enjoyment by the public of the same, in particular but without limitation to:

(a) woodland creation and management generally, and in particular in the area of the National Forest, for the benefit of the general improvement of land or for the environment;

(b) the promotion of urban and rural regeneration by the maintenance, improvement or provision of public amenities; the provision of recreational facilities for the public at large or those who by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances, have need of such facilities; and the protection or conservation of the environment; and

(c) the advancement of education in the environment and sustainable development through the promotion of training and education and the undertaking and publishing of research.'

Public benefit

In overseeing the strategic direction and activities for the year, the Trustees have been mindful of the Charity Commission guidance on public benefit and are satisfied that the NFC complies with these requirements.

The National Forest acts as a national exemplar of sustainability and its public benefit is based on its vision of transformation through forests with ambitions for nature, communities and enterprise, alongside its work to inspire the establishment of new national forests across the country.

The direct nature benefits include the restoration of the landscape from tree planting and the services that this provides for natural capital, including carbon sequestration, clean air and water, and protection of soils, as well as the protection and enhancement of wildlife. Community benefits relate to the physical and mental wellbeing of individuals who engage with forests and the considerable benefits that are derived from programmes that promote access, volunteering, education, skills and training, improving the equality of these opportunities for all our communities. Enterprise benefits are provided to society as a whole through promoting more sustainable livelihoods, shifting to a low carbon and circular economy that reduces negative impacts, and through growth of the forest economy.

The benefits are felt by 220,000 residents living within the National Forest area, covering some of the least and most deprived areas of the country, with significant pockets of deprivation within our rural and urban areas; more than 8 million visitors who enjoy the National Forest as a destination each year; 300,000 plus individuals who experience the National Forest through digital marketing; 16 million people reached by media and communications activity, and the expanding audience of supporters, partners and stakeholders who are inspired to engage with our work. Benefits also accrue to the communities and stakeholders that make up the new national forests, in particular within the Western Forest which was launched in 2025.

Board of Trustees

The Trustees of the NFC during 2025-26 were as follows:

Anthony Ballance	Chair
Beth Cambridge	(appointed 1 January 2026)
Penelope Coates	
John Everitt	
Ruth Gadsden	
Alison Field	(retired 31 December 2025)
Emma Hooper-Smith	(appointed 1 January 2026)
Anne Jenkins	
(Arvind) Michael Kapur	(retired 31 December 2025)
John Lockhart	(appointed 1 January 2026)
Paul Orsi	(appointed 1 January 2026)
Matthew Robinson	

John Everitt is the NFC's Chief Executive and also a Trustee. It was agreed that he should hold this dual role because of the nature of the NFC's current funding position whereby a significant proportion of the NFC's funds are from Defra and the Chief Executive holds the responsibility of Accounting Officer for those funds. To meet the standards for Managing Public Money, Accounting Officers are required to be represented at Board level. It is recognised that this is unusual within a charity, but is considered to be in the best interests of the Charity because of the funding relationship, and controls are in place to avoid any abuse of power or conflicts of interest. The Board has delegated the responsibility for the day-to-day management of the Charity to the Chief Executive. The Chief Executive reports directly to the Chair of Trustees and provides advice to the Board.

Information on the recruitment and induction processes for Trustees and an overview of the governance arrangements in place is given in the Governance Statement.

Strategic Report

Strategy and priorities

The National Forest strategy is based on its Vision to 2050 with a focus on transformation, including ambitious long-term aspirations for 33% forest cover, access to greenspace within 15 minutes' walk for all Forest residents, and growth of the Forest economy. It also sets out aspirations beyond the existing National Forest to meet the government's commitment to create three new national forests and to champion a Forest Network for England.

The new Corporate Plan 2026-2030 provides further detail with annual Key Performance Indicators based on the three ambitions of Nature, Communities and Enterprise, alongside the cross-cutting themes of Development & Strategy, Commercial & Trading and Finance & Resources.

Grant funding from Defra contributed significantly towards the delivery of objectives for the year, whilst simultaneously contributing to the delivery of the Defra Outcomes and Environmental Improvement Plan.

Achievements against targets for 2025-26

This year saw Forest cover increase further to more than 26% of land area and towards the 33% ambition through grants, acquisitions and the planning process. The 172 hectares (ha) of new Forest creation was up again on the previous year (2024-25: 149 ha), demonstrating a continued strong pipeline and achievement of Defra's Nature for Climate Fund target for the year. Notable creation schemes this year included new acquisitions at Darley Oaks in Needwood and Charley Road in Charnwood, the latter through grant support to the Leicestershire & Rutland Wildlife Trust, as well as a range of other grants with private, public and voluntary sector partners. Forest creation activity also helped to deliver 106 ha of new access this year providing additional public benefit to communities and increasing the number of households within walking distance of an accessible woodland to more than 76%. With historic grant schemes coming to an end, further support is being provided to encourage the retention of access.

Alongside forest creation, our work to secure good management of woodlands and other habitats continued, improving their condition, reducing disease and enhancing wildlife. Through grants, support and advice, 567 ha of woodlands were either brought into or renewed their active management (2024-25: 662). This was complemented by the Habitat Enhancement Grant with Severn Trent's Great Big Nature Boost programme supporting the restoration or enhancement of a further 46 ha of non-woodland priority habitats. This work is helping to make progress towards our target of 30% of the Forest area for biodiversity by 2030. This year saw 81,040 trees planted (2024-25: 150,000), fewer than in previous years as a result of more parkland grant schemes. This also included planting on newly acquired sites, creation through the planning process as well as from community Plant a Tree events, helping to achieve the overall milestone of 10 million trees.

Forest creation work outside of the National Forest boundary was supported by the completion of the scoping phase of the Midlands Forest Network initiative, creating a connected map of woodland hubs and spokes across the Midlands. Alongside this, the Western Forest was set up as the first of three new national forests, employing its new team and coordinating partnership delivery of tree and woodland creation targets. The second new national forest in the Oxford Cambridge Corridor was launched in November 2025, with plans progressed to select a local delivery partner and secure funding, and the timeline set for the development of the third new national forest in 2026.

Our community work had another successful year with a strong focus on our Creating a Forest for Learning programme. 95% of primary, secondary and special schools in the Forest are now engaged in regular outdoor learning. This has seen particular success with students undertaking training on the Level 1 Forestry in the Community Award.

Work with volunteers, in particular through the Charnwood Forest Landscape Partnership Scheme and Getting to Know Your Greenspace project, both supported by the National Lottery Heritage Fund, continued to thrive. More than 45,000 volunteer hours were contributed during the year, with significant work achieved by partners, on our estate and through the more than 70 community groups managing woodlands. This included work to establish a new community woodland at Netherseal, as well as work in the urban centres of Burton upon Trent, Swadlincote and Coalville. Further progress has also been made with Charnwood Forest's application to be selected as a new UNESCO Global Geopark based on its internationally important geology.

Our support for forest-related businesses and communities included a programme of grants, support and advice with a focus on arts, wellbeing and sustainable tourism connected to the Forest. This included the completion of the Arts Council England funded community arts projects working in our Forest towns, further feasibility work with businesses to bring forward new sustainable tourism accommodation, and the development of a new transformative tourism strategy. Economic growth opportunities have also been supported in the Heart of the National Forest with the completion of the masterplan for investment in the Conkers Visitor Centre as a world class attraction, and further access upgrades to footpaths with North West Leicestershire District Council and South Derbyshire District Council through UK Shared Prosperity Funds.

Major events and awards this year included the National Forest Walking Festival led by South Derbyshire District Council; the development of the new National Forest Vision launched in the House of Commons; a win for the National Forest's website at the Digital Impact Awards; major tree planting events with JLR and their distribution partners to celebrate raising £85k to establish Unity Wood in the heart of the National Forest, and a dedicated episode of Countryfile being filmed in the Forest to mark the planting of the 10 millionth tree.

Work towards the National Forest's objectives was underpinned by a programme of research and evidence including new national forest and Midlands Forest Network mapping, access provision and biodiversity monitoring.

A summary of progress against key targets drawn from the Vision and Corporate Plan are set out below, demonstrating delivery against charitable objectives.

Headline targets

Charitable activities targets	Target	Achieved
Create:		
Percentage of forest cover in the 200 square mile National Forest area	26%	26.1%
Hectares of forest creation	150 ha	172 ha
Number of trees planted	150,000	81,040
Manage:		
Woodlands in active management	n/a	>74%
Hectares of woodlands brought into or retained in active management	400 ha	567 ha
Hectares of non-woodland priority habitat brought into or retained in active management	n/a	46 ha
Inspire:		
Number of schools supported through grants, training and advice	30	79
Number of educational visits to Conkers	25,000	25,682
Number of people engaged through Forest inspired arts	60,000	232,807
Engage:		
Hectares of woodland access created or retained	195 ha	265 ha
Number of volunteer hours completed in the Forest	40,000	45,226

Charitable activities targets	Target	Achieved
Grow:		
Number of visitors to the National Forest	9.05m	8.7m
Percentage of visitors that stay overnight	10.5%	10.3%
Number of visitors to Conkers	213,200	201,715
Number of organisations receiving grants or advice	45	59

Resources, brand, governance and leadership targets	Target	Achieved
Securing resources:		
New restricted income secured	£269k	£565k
Income received through Conkers profit share and gift aid	£305k	£253k
Building the brand:		
Number of engaged sessions on the National Forest website	250k	104k
Number of national and local pieces of press coverage	50 national 120 local	66 national 132 local
Engagement rate across all social media channels	6%	6%

Income generation and financial performance

Total income for the year ending 31 March 2026 was £11.21m (2024-25: £10.19m). This represented an increase against the previous year and comprised £2.67m core grant in aid from Defra (2024-25: £2.54m), £4.11m from the final year of the Nature for Climate Fund programme (2024-25: £3.16m) also funded by Defra, plus further restricted funding from Defra of £1.28m (2024-25: £0.76m). The NFC continues to rely heavily on Defra funding and the high priority given to forestry and carbon within government gives confidence that both grant in aid and funding for the tree planting programme will continue at broadly similar levels.

Voluntary income generation for the year remained a mixed picture with unrestricted income continuing to reflect the challenging fundraising environment, however restricted income saw some notable successes.

The ongoing impact of cost of living pressures in the wider economy meant that income from corporate sponsorship and donations was challenging with £128k achieved for Dedicate a Tree/Dedicate a Grove (2024-25: £137k) and total unrestricted income through donations falling to £1.14m (2024-25: £1.25m). However restricted donations through specific corporate partnership programmes and Environment Agency enforcement donations increased to £186k (2024-25: £33k).

Income this year included corporate partnerships with 21 partners, including brand licence income and sponsorship, tree dedication schemes, donations (including one legacy gift) and section 106 funds. Restricted funds were secured from, amongst others: JLR and partners for the creation of Unity Wood, Oakthorpe; Severn Trent for habitat management and monitoring; the Big Give Green Match Funding Challenge towards the Creating a Forest for Learning programme; local authority partners and others for work on tourism; UK Shared Prosperity Fund via South Derbyshire District Council for accessibility works at Diana Memorial Woodland.

The National Forest acknowledges and thanks all the organisations and individuals who have contributed with their generous support during 2025-26, in particular:

Arts Council England
Audemars Piguet Foundation
The Estate of the late David Barnett
The Big Give
J P Boden & Co Ltd
Department for Environment, Food & Rural Affairs
East Staffordshire Borough Council
Fat Face Ltd
Gardiner Bros & Co (Leathers) Ltd
Garfield Weston Foundation
International Tree Foundation
JLR and partners
The David Laing Foundation
James Latham plc
The Mather Family Charitable Trust
My Pension Expert Ltd
National Lottery Heritage Fund
North West Leicestershire District Council
Omexom UK & ROI Powerteam Electrical Services (UK) Ltd
PEFC
Roger Bullivant Ltd
Rolls Royce plc
Rosewood Ltd
Selective Marketplace Ltd
Severn Trent Water Ltd
South Derbyshire District Council
Mr Rob Tucker
Valpak Ltd

Income relating to charitable activities reduced back to more historic values at £1.67m (2024-25: £2.26m) as the prior year saw additional income for carbon sequestration and certain projects like the Heart of the National Forest infrastructure project and Severn Trent Great Big Nature Boost.

Investment Fund income for the year was managed by Cazenove through the NFC's investment (£500k invested in December 2020) in their Charity Responsible Multi-Asset Fund in line with our ethical investment policy. The policy ensures that the NFC's assets are invested in responsible investment funds, limiting liabilities from global conflicts. The Audit & Risk Committee has responsibility for agreeing strategy and monitoring the investment performance against agreed benchmarks including the objective of inflation plus 4% over the long term. Income received from the funds during the year remained consistent with previous years at £22k (2024-25: £22k). Rental income fell to £56k (2024-25: £72k) as a result of tenants vacating the Hanging Hill and Boat House properties.

Expenditure for the year ending 31 March 2026 increased to £10.43m (2024-25: £9.25m), with enhanced delivery of charitable objectives, in particular on achievement of Nature for Climate Fund targets and new national forests, but also as a result of an increase in the impairment to the value of land owned by the charity. Of this, unrestricted expenditure was £5.80m (2024-25: £5.42m) with £1.58m (2024-25: £749k) being related to impairment of land and Conkers. Restricted expenditure was £4.63m (2024-25: £3.83m).

A net positive movement of funds of £993k was achieved for the year ending 31 March 2026 (2024-25: £810k) comprising an increase of £166k in unrestricted funds (2024-25: £809k) and a surplus of £827k relating to restricted funds (2024-25: £1k). The resultant cash flow movement for the year is a net inflow, as per the consolidated cash flow statement, of £505k (24-25: outflow of £100k).

The unrestricted surplus of £166k is largely as a result of the receipt of grant income (£1.32m) for the purchase of land and the outgoings recorded on the balance sheet, but offset by an impairment against the value of land held at 31 March 2026 of £1.58m and a gain on investments of £185k.

At the end of March 2026, the NFC reserves had increased from £16.83m to £17.83m, largely due to new and pending site acquisitions increasing the net asset position of the charity. This includes unrestricted general funds of £1.59m of which £1.45m is non-designated free reserves and £143k non-liquid unrestricted reserves.

Reserves

The Board of Trustees' policy is to maintain unrestricted free reserves, not committed or invested in tangible fixed assets, at a level no less than £1.33m but with the target of increasing to £1.55m (which is currently approximately six months' worth of core operating expenditure). This level of reserves is held as a safeguard in the scenario of losing government funding against the unpredictable income streams, which may be vulnerable to the wider economic climate, including fundraised income and visitor donations to Conkers, and the flexibility to cope with expenditure relating to restructuring the charity.

The designated fund of the Investment Property Reserve equates to the net book value of investment property held at the balance sheet date and the designated fund of the Land and Buildings Capital Asset Reserve equates to the net book value, less the revaluation reserve amount, of the land and buildings held at the balance sheet date.

The designated funds provide financial support for capital and one-off investments towards delivery of specific elements of the charity's charitable objectives.

Total reserves at the end of the financial year increased to £17.83m from £16.83m. This movement in total reserves was made up of an increase in unrestricted reserves of £166k with restricted reserves increasing by £827k from £486k to £1.31m.

The total unrestricted reserves balance of £16.51m comprises designated funds of £14.08m, revaluation reserves of £841k and a general fund balance of £1.59m. The general fund balance includes non-liquid assets of £143k, meaning the level of unrestricted free reserves at 31 March 2026 is £1.45m against the target of increasing them to £1.55m.

Going concern

The Trustees have reviewed budgets, forecasts, and anticipated Grant in Aid receipts and other funding from Defra, and together with considering the potential impacts on its financial position from both internal and external risks, have concluded there is a reasonable expectation that the NFC has adequate resources to continue in operational existence for a period of at least 12 months from the date that the financial statements are approved. The Trustees are not aware of any proposed legislative changes which could significantly impact the organisation and consider that appropriate risk management procedures and mitigations are in place to monitor the operating environment and reduce any impact of known risks. Nor are they aware of any other significant risks which potentially would impact on the ability of the organisation to continue to operate at the current level of activity.

All of the above factors inform the opinion that it is appropriate to adopt the going concern basis of preparation of the financial statements for 2025-26.

Plans for future periods

Key priorities for the coming year will focus on the ambitions set out in the Corporate Plan 2026 to 2030, and include:

Forests for Nature – Creation

- Deliver ambitious England Tree Planting Programme targets to increase forest creation and tree planting using land acquisition, grants, planning and advice.
- Continue to develop the suite of three new national forests with delivery in the Western Forest, establishment of the forest in the Oxford Cambridge Corridor, and running the competition for the third new national forest in the Midlands or North of England.
- Drive forward the next stage of the Midlands Forest Network outside the National Forest boundary, establishing a pilot corridor project with the Woodland Trust and key partners.

Forests for Nature – Management

- Further increase active management of woodlands with a stronger focus on pests and diseases, in particular grey squirrels, to improve resilience.
- Enhance the NFC's estate with new land acquisition and establishment, improvements to existing sites, demonstration and research programmes.
- Deliver non-woodland habitat enhancements and species recovery work to contribute to biodiversity 30 by 30 targets.

Forests for Communities – Access

- Create, maintain and connect public access across the Forest to increase access to nature.
- Deliver against the Heart of the National Forest vision including improvements to the Green Network with footpath and signage upgrades.
- Maintain and enhance the National Forest Way as a long distance walking trail for residents and visitors.

Forests for Communities – Engagement

- Extend the outdoor learning programme with secondary schools, special schools and early years, and continue progress towards all institutions having regular outdoor learning provision.
- Deliver the Arts and Creativity Strategy supporting partner groups and our most deprived and under-represented communities to reduce barriers to engagement.
- Co-design with partners and communities measures to increase the number of under-represented groups using local greenspace within our urban areas.

Forests for Enterprise – Jobs

- Scope plans for the Forest Enterprise Hub, including opportunities for a programme of training and skills to encourage pathways to employment.
- Continue delivery of the Transformative Tourism strategy, in particular through facilitating tourism accommodation business support.
- Grow Forest-related sectors through support to small businesses, partnership funding opportunities and advice.

Forests for Enterprise – Growth

- Support land restoration and development in the Heart of the National Forest including the restoration of Phase 1 of the Clay Stocking site.
- Champion re-opening of the Ivanhoe Railway Line to passengers from Burton upon Trent to Leicester to improve connectivity for all across the National Forest landscape.
- Complete the Charnwood Forest Landscape Partnership Scheme and secure the legacy of Charnwood Forest as a UNESCO Global Geopark.

Strategy and Development

- Upgrade communications and marketing in line with the new vision including website improvements, toolkits and external messaging.
- Grow unrestricted funding through regular giving, legacy and sponsorship.
- Increase restricted income through grants, green and private finance, and corporate support.

Commercial and Trading

- Continue investments in the Conkers centre and manage trading performance working with Planning Solutions Limited.
- Develop the Conkers transformation and business plans with partners in line with the National Forest brand.
- Drive forward capital fundraising including the £10m for Conkers transformation.

Governance and Resources

- Align activities to support delivery of the National Forest vision, including the new Corporate Plan, new Trustee recruitment and governance groups.
- Continue to review and upgrade systems and reporting to improve ways of working including finance, HR, equity, diversity and inclusion, and sustainability.
- Improve staff development, training and wellbeing including through upgrades to the office at Canopy House and wider opportunities.

Fundraising Statement

The NFC undertakes fundraising to support both core activity and project and capital needs in line with the Corporate Plan 2026-30. Fundraising is undertaken through an in-house Development Team led by the Director of Development. Funds are sought through grant-making bodies (public and private), individual donations and business support from companies whose activities and values align with those of the NFC.

The NFC is registered with the Fundraising Regulator and pays the voluntary annual levy on charitable organisations which spend more than £100,000 a year on fundraising activities. As such, the NFC demonstrates its compliance with the Code of Fundraising Practice and commitment to The Fundraising Promise that its fundraising is legal, open, honest and respectful – both can be viewed at fundraisingregulator.org.uk.

The NFC's Development Working Group, currently comprising one Trustee and one specialist advisor, and reporting to the Board, is responsible for oversight of the income generation strategy which includes fundraising.

Operationally, responsibility for the development, management and monitoring of fundraising activities is carried out by the NFC's Development Team. No complaints regarding the NFC's fundraising practice were received during the year.

Volunteering statement

It is central to the ethos of the National Forest's development that local communities, businesses and visitors are offered opportunities to become engaged in creating and looking after the Forest, helping to underpin more sustainable, cost effective and resilient management. Volunteering has played a key role in this; since its inception, the NFC has facilitated a wide range of organisations across the Forest to offer volunteering opportunities including conservation, woodland creation and management, and wildlife monitoring projects. The NFC now supports a Forest-wide network of more than 70 Community Woodland Management Groups providing sharing of knowledge, resources, training and skills development. The NFC itself is also directly involved in the engagement and management of volunteers.

During 2025-26, the NFC continued its volunteering activities across its estate, including students from Burton & South Derbyshire College, local communities in the heart of the National Forest, maintenance of the Meta Garden at the Conkers Discovery Centre, wildlife recording and other activities. The volunteer sessions in 2025-26 totalled more than 45,226 hours (2024-25: 38,172 hours), with an approximate value of £575k (2024-25: £466k).

Grant Making

The NFC's grant making is targeted to support public benefit and the Charity's objects in line with Charity Commission guidance, and guidance set out in Managing Public Money. Grants awarded are an important means of delivering multiple Forest objectives including forest creation, woodland management, biodiversity, access, arts and culture, and community programmes. Grants are administered through an assessment process that considers priorities, impact and value for money. Programmes are overseen by Trustee-led Working Groups, with higher level grants approved by the Board. This provides the necessary assurances and includes grant conditions for recipients to ensure that charitable purposes are adhered to. Forest creation is secured through grants awarded via the Changing Landscapes Scheme (CLS), for areas greater than 1 hectare, as well as via Parkland and Freewoods schemes. From 2026-27 we are launching a more flexible and streamlined grants programme.

The woodland management grant programme supports active management of woodlands covering a range of objectives including forestry, wildlife, access, landscape and community use. Qualifying projects are normally eligible for up to 60% of total costs, with some funded programmes paying 100%.

Small grants are used to support projects that are helping to deliver the National Forest vision. In 2025-26 we have supported arts and culture, improved outdoor learning spaces at schools, and enhanced accessibility to woodlands.

The NFC's approach is to work collaboratively with partners, with grants being distributed to private landowners, community groups and other charities in the pursuit of its objectives. Grants amounting to £1,888,926 were awarded during 2025-26 (2024-25: £2,210,688), which included £765,494 paid to the Forest of Avon Trust relating to the Western Forest (2024-25 included grants amounting to £620,539 awarded to successful applicants to the Forest for the Nation competition).

Equality, Diversity and Inclusion

At the heart of the NFC approach to Equality, Diversity and Inclusion (EDI) is the belief that the Forest is for everyone, and that the benefits of woods and trees and the opportunities to access them, should be equally available to everyone. Assessing and monitoring progress against this underpins the NFC's work.

The NFC strives to give every individual the same opportunities to succeed, regardless of their background, and to create a workplace where everyone feels valued and respected, free from discrimination or harassment. Building positive relationships among all team members, and embracing differences, is key to achieving this. By prioritising EDI in its objectives and strategies, the NFC aims to enhance its ability to attract, nurture and support talent from all backgrounds, bringing a diversity of perspectives and ideas, and helping to tackle challenges with innovation and creativity.

During the year the NFC updated its EDI action plan with key priority actions taken forward by a working group with oversight from a dedicated Trustee. This has included work on the NFC's website with improvements to the accessibility of content and communications, and specialist training for staff. EDI considerations also continue to be built into programme design with a particular focus on key projects this year such as arts and creativity to benefit less well-represented groups, greenspaces to benefit those in deprived urban areas, and education for those with special needs and disabilities.

The NFC is a Disability Confident employer with a status of Committed and operates a guaranteed interview scheme for disabled applicants who declare a disability as defined by the Equality Act 2010 and meet the essential criteria for the post. To continue its support for disabled employees, the NFC joined Defra's framework agreement with Bennett Workplace in March 2023 to carry out workplace assessments and apply any reasonable adjustments for employees with specialist needs. The National Forest is also a partner in the Diverse Sustainability Initiative which acts to transform diversity within the sustainability and environmental sector.

Employee Involvement

The National Forest Company regularly communicates with staff through a variety of mechanisms such as the bi-weekly staff meetings, written weekly updates and staff away days to provide information on matters of concern to them as employees. Additionally, staff are consulted on their views where decision making will affect their interests. During the year, an employee engagement survey was distributed to gather feedback on relevant areas with issues arising acted upon. The NFC continued to operate to the Blended Working Framework and provided ongoing review and refinement of flexible working arrangements. Measures to promote staff wellbeing continue to be embedded.

Staff are incentivised to deliver high quality outcomes for the National Forest through annual performance related bonuses linked to their job descriptions, with an in-year bonus scheme also used to reward exceptional effort.

Personal data related incidents

No personal data related incidents occurred during the year which needed to be reported to the Information Commissioner's office.

Pension liabilities

All the NFC staff are members of the Principal Civil Service Pension Scheme (PCSPS). Information on the pension arrangements and accounting policy applied to pension liabilities is provided in Note 1.14 of the financial statements. Pension arrangements are detailed in the Remuneration and Staff Report which also provides information on pension benefits to which the NFC Chief Executive qualifies. No other Trustees are members of the PCSPS.

Losses, special payments and gifts

(this information is subject to audit)

There were no losses, special payments or gifts made during 2025-26 (2024-25: nil). No special severance payments that require disclosure were made during the year.

Government Functional Standards

The mandate for use of functional standards is provided by Managing Public Money (MPM) and endorsed by ministers through the Declaration on Government Reform. The standards support accounting officers to oversee functional work effectively and efficiently, and to target improvement.

Each standard sets expectations for what needs to be done, and why, relating to the work within its scope. The NFC Board is responsible for leading and directing the Charity and for determining strategy and guiding operational activity. Government functional standards are embedded within the NFC's polices and procedures which are overseen by the Board and relevant Committees. The provisions of the Board enable Defra to monitor performance and delivery in relation to grants given to the NFC and describe the arrangements in place to safeguard propriety and regularity.

Payment of Suppliers

The standard term of payment for supplier contracts is 30 days from receipt and agreement of a valid invoice. This is embedded in all contracts with suppliers, with any exceptions agreed as part of contractual negotiations. However, the NFC aims to pay undisputed invoices within five days of approval and 74% have been paid within this timescale (2024-25: 62%); 96% were paid within 10 days (2024-25: 97%). No claims were received during the year from suppliers for late payment of invoices under the Late Payment of Commercial Debts (Interest) Act 1998.

Post year end events and developments

There are no post year end events or developments which require to be reported on.

Sustainability Report

About our data

Sustainability data is reported in line with HM Treasury's Sustainability Reporting Guidance 2025-26, where possible. Where available the last five years' data is reported.

The Greening Government Commitments (GGC) set out the actions UK government departments and their agencies will take to reduce their impact on the environment. At the time of publication, the GGC framework for 2026-2030 has not yet been published for public disclosure. The NFC is below the organisational size threshold and exempt from GGC reporting.

The NFC is also below the Arm's Length Body threshold for number of FTE staff (>500) or operating funding and income (>£500m) for mandatory reporting under the Task Force on Climate-related Financial Disclosures (TCFD) guidance.

Carbon footprint reporting is aligned with the guidelines set out in the Greenhouse Gas Protocol (ghgprotocol.org). Reported figures are based on a mix of direct meter readings (manual or automatic) and billed amounts. Billed quantities may be subject to future adjustments dependent on supplier re-billing. To enable comparisons between years, data has been normalised by the average number of full-time equivalent (FTE) employees.

Overview of carbon footprint

2025-26 saw a significant change in the NFC's operations following the move from long-term leased premises at Enterprise Glade to its new registered office at Canopy House in January 2026. The operational control of Canopy House facilitates improved reporting and opportunities to implement carbon-reducing initiatives that were not possible in leased premises. A new baseline will be set in 2026-27 following a complete year of operations.

Total emission per FTE has decreased compared to the previous year. A reduction in Scope 2 location-based emissions is reported despite an increase in consumption due to the decrease in the conversion factor due to less natural gas use in power stations, an increase in renewable energy, and an increase in net imports of relatively low carbon electricity.

Summary of Greenhouse Gas Emissions tCO_2e	Unit	2025-26	2024-25	2023-24	2022-23	2021-22
Scope 1 Emissions – Fleet Vehicle	t CO_2e	1.41	1.37	1.08	0.67	—
Scope 2 Emissions – Building Energy Consumption	t CO_2e	7.58	8.36	6.91	8.17	8.92
Scope 3 Emissions – Business Travel	t CO_2e	6.42	6.98	10.53	5.36	2.12
Total Emissions	t CO_2e	15.41	16.71	18.52	14.20	11.04
Average number of staff (FTE)	FTE	42	41	41	36	30
Total Emissions per head	t CO_2e/FTE	0.37	0.40	0.45	0.39	0.37

Energy Consumption

The energy tariff in Enterprise Glade was managed by the landlord and the NFC had no control on choosing a renewable tariff. The three premises that the NFC have operational control are on, or have moved to, 100% renewable tariffs in 2025-26. Location-based emissions are reported.

Immediate energy saving measures were implemented in Canopy House. This included the replacement of existing air conditioning units and electric heaters with new efficient models throughout the building, the installation of LED lighting in the office space, and the installation of PIR sensors in toilet spaces.

An EV charging point has been installed at Hanging Hill, a previously tenanted site, for the purpose of charging the NFC's electric vehicle.

Building Energy Consumption (Scope 2)	Unit	2025-26	2024-25	2023-24	2022-23	2021-22
Scope 2 Emissions[1] – Energy consumption	t CO_2e	7.58	8.36	6.91	8.17	8.92
Scope 2 Emissions[1] – Energy consumption per head (FTE)	t CO_2e/FTE	0.18	0.20	0.17	0.23	0.30
Energy consumption	kWh	42,842	40,374	33,369	42,234	42,011
Energy consumption per head (FTE)	kWh/FTE	1,027	982	811	1,173	1,400
Total energy expenditure	£	17,341	25,334	14,134	14,805	8,033
Expenditure per head (FTE)	£/FTE	416	616	343	411	268
Average number of staff (FTE)	FTE	42	41	41	36	30

[1] *Location-based*
[2] *Reported data includes operations at Enterprise Glade, Canopy House, the Gatehouse volunteer hub and Hanging Hill.*

Fleet Vehicles

The NFC has a fleet of one leased diesel vehicle, leased since 2022-23, which is used for forestry works across the NFC's estate and one electric vehicle which it owns and is used to support the work of the Forest volunteers. The diesel vehicle meets the ULEZ emissions standards and will be replaced with a 100% battery electric powered vehicle in 2026-27.

Fleet Vehicle (Scope 1)	Unit	2025-26	2024-25	2023-24	2022-23
Scope 1 Emissions – Fleet Vehicle[1]	t CO_2e	1.41	1.37	1.08	0.67
Fleet vehicle mileage[1]	miles	4,390	4,300	3,314	2,036
Fleet vehicle expenditure[1]	£	718	830	925	604

[1]*Reported data includes one diesel vehicle.*
The electric vehicle is charged on-site and is reported under the NFC's Scope 2 Emissions.

Business Travel

The NFC's travel policy promotes low carbon forms of transport, car sharing and reduction of unnecessary travel to reduce environmental impact. Business travel mainly relates to inspections of management and planting works across the Forest and meetings with external stakeholders and partners that cannot be held virtually. Work is ongoing to improve the collection of business travel data

Official Business Travel	Unit	2025-26	2024-25	2023-24	2022-23	2021-22
Total Scope 3 Emissions – Business Travel	t CO_2e	6.42	6.98	10.53	5.36	2.12
Scope 3 Emissions – Business Travel – Car	t CO_2e	5.36	4.96	4.88	4.21	2.09
Business Travel – Car – Staff (incl. Chief Executive)	miles	16,804	17,123	16,224	13,602	7,462
Business Travel – Car – Staff mileage per head	miles/FTE	403	416	394	378	249
Average number of staff (FTE)	FTE	42	41	41	36	30
Business Travel – Car – Trustee	miles	3,096	1,347	1,982	1,731	108
Business Travel – Car – All mileage	miles	19,900	18,470	18,206	15,333	7,570
Scope 3 Emissions – Business Travel – Train	t CO_2e	0.53	0.63	0.63	0.95	0.03
Business Travel – Train	km	14,854	17,751	17,627	26,778	816
Scope 3 Emissions – Business Travel – Air	t CO_2e	0.53	1.39	5.02	0.20	0.00
Business Travel – Air	km	4,226	7,600	26,618[1]	806	0
Total Business travel costs	£	14,765	16,205	16,254	20,601	5,491

Travel data includes official business travel by all staff and Trustees. Mileage relates to travel in staff/Trustees' own vehicles. Total business travel costs includes car mileage, train and air.
Train data is limited to available mileage booked through the NFC's travel operator.
[1] *Data has been reinstated due to double counting in the previous year.*

Waste organisation and management

Waste at Enterprise Glade was managed via the local authority waste services; data was not available from the supplier. Following the move to Canopy House, the NFC has a new waste management supplier for commercial waste including food waste. Waste reporting will be available from 2026-27 onwards.

All garden waste is composted on site. IT equipment is recycled for refurbishment and re-use. Paper purchased has continued to fall since a move to paperless invoice processing in March 2024.

Waste	Unit	2025-26	2024-25	2023-24	2014-15 (baseline)
Paper purchased	A4 ream equivalent	41	45	90	125

Water use (finite resource consumption)

Charges for water were included within the landlord's service charge for Enterprise Glade, which the NFC leased part of until March 2026. The landlord did not provide usage data and data was not metered per business occupant. As a result, accurate data was not available.

Water consumption is monitored at Canopy House and is reported with consumption at the volunteer hub which remained minimal across the year.

Water	Unit	2025-26
Potable water	m^3	124
Total water utility cost	£	672

Procuring sustainable products and services

The NFC is aware of the role of public sector and charity procurement in meeting organisational needs for goods, services, works and utilities, while achieving value for money on a whole-life basis, minimising damage to the environment and generating benefits for society and the economy. Wherever possible, the charity ensures that environmental and social considerations are built into procurement processes, including environmental footprint, ethical considerations and social impact and it continues to develop its procedures to ensure that sustainability is fully integrated throughout the procurement process.

Nature Recovery and Biodiversity action planning

The NFC's contribution to nature recovery and biodiversity action planning is based on our own estate and contribution to habitat enhancements with partners across the National Forest. During the year, the estate increased from 729 to 778 ha of woodlands and other habitats, and across the Forest 613 ha of habitats were enhanced through management improvements. The total area of the Forest that is classed as a wildlife-rich habitat is 22%.

The Trustees' report was approved by the Trustees on 06 October 2026 and signed on their behalf by:



Dr Tony Ballance
Chair of the Board of Trustees
Dated: 06 October 2026



John Everitt OBE FRSA
Chief Executive/Accounting Officer/Trustee
Dated: 06 October 2026

Remuneration Report

The NFC has prepared this Remuneration Report in accordance with the Government Financial Reporting Manual, which requires disclosure of information about directors' remuneration, where 'directors' is interpreted to mean those who influence the decisions of the NFC as a whole and this is considered as meaning the Trustees and the Chief Executive.

Remuneration Policy

The Audit & Risk Committee has responsibility for advising the Board on strategic HR matters and the overall approach to NFC pay and reward, whilst the Remuneration Committee specifically advises the Board on the remuneration and benefits attached to the Chief Executive and advises the Chief Executive on pay and grading considerations relating to other senior roles.

The Remuneration Committee meets at least annually and comprises three Trustees, including the Chairs of the Board and Audit & Risk Committee.

Trustees' remuneration

Trustees, other than the Chief Executive, who is remunerated in his capacity as Chief Executive, do not receive any remuneration for their services. In accordance with the NFC's Articles of Association, all Trustees are entitled to the reimbursement of reasonable travel and subsistence expenses necessarily incurred in fulfilling their duties. Excluding the Chief Executive, seven Trustees were reimbursed out-of-pocket expenses totalling £1,903 (2024-25: £1,470).

Remuneration of the Chief Executive

(subject to audit)

The Chief Executive is the only executive Trustee of the NFC and the only Trustee who is a member of the Principal Civil Service Pension Scheme (PCSPS). John Everitt has been the NFC's Chief Executive since 5 January 2015. The Principal Accounting Officer for Defra has conferred Accounting Officer status on him. The salary for the post aligns most closely to the range for Senior Civil Service pay band 1.

The salary payable to the Chief Executive is reviewed on 1 April each year. In addition to salary, the Chief Executive is entitled to an annual non-consolidated, non-pensionable bonus of up to 10% of annual salary. The bonus payable is based on the performance level attained and is made as part of the appraisal process operating within the Company. The bonus relates to performance in the year it is reported. The level of bonus payable to the Chief Executive was determined by the Chair in consultation with members of the Remuneration Committee.

Emoluments of the Chief Executive (this information is subject to audit):

	2025-26				2024-25			
	Salary	Bonus payments	Pension benefits	Total	Salary	Bonus payments	Pension benefits	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
John Everitt	110-115	5-10	34	150-155	90-95	5-10	36	135-140

Pension benefits are disclosed to the nearest £1,000

Salary

'Salary' includes gross salary; overtime; recruitment and retention allowances but excludes any bonus payments.

Pension benefits

The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

Benefits in kind

No benefits in kind (benefits provided by the NFC and treated by HM Revenue and Customs as a taxable emolument) were received in either year.

Benefits to which the Chief Executive qualifies under the PCSPS *(subject to audit)*

	Accrued pension at pension age as at 31 March 2026	Real increase in pension and related lump sum at pension age	CETV at 31 March 2026	CETV at 31 March 2025	Real Increase in CETV
	£'000	£'000	£'000	£'000	£'000
John Everitt	20-25	0-2.5	387	337	26

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. Before 1 April 2015, the only scheme was the Principal Civil Service Pension Scheme (PCSPS), which is divided into a few different sections – classic, premium, and classic plus provide benefits on a final salary basis, whilst nuvos provides benefits on a career average basis. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis. All newly appointed civil servants, and the majority of those already in service, joined the new scheme.

The PCSPS and alpha are unfunded statutory schemes. Employees and employers make contributions (employee contributions range between 4.6% and 8.05%, depending on salary). The balance of the cost of benefits in payment is met by monies voted by Parliament each year. Pensions in payment are increased annually in line with the Pensions Increase legislation. Instead of the defined benefit arrangements, employees may opt for a defined contribution pension with an employer contribution, the partnership pension account.

In alpha, pension builds up at a rate of 2.32% of pensionable earnings each year, and the total amount accrued is adjusted annually in line with a rate set by HM Treasury. Members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004. All members who switched to alpha from the PCSPS had their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha.

The accrued pensions shown in this report are the pension the member is entitled to receive when they reach normal pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over normal pension age. Normal pension age is 60 for members of classic, premium, and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. The pension figures in this report show pension earned in PCSPS or alpha – as appropriate. Where a member has benefits in both the PCSPS and alpha, the figures show the combined value of their benefits in the two schemes but note that the constituent parts of that pension may be payable from different ages.

When the government introduced new public service pension schemes in 2015, there were transitional arrangements which treated existing scheme members differently based on their age. Older members of the PCSPS remained in that scheme, rather than moving to alpha. In 2018, the Court of Appeal found that the transitional arrangements in the public service pension schemes unlawfully discriminated against younger members (the McCloud judgment). As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. The Public Service Pensions Remedy is made up of two parts. The first part closed the PCSPS on 31 March 2022, with all active members becoming members of alpha from 1 April 2022. The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023.

The accrued pension benefits, CETV and single total figure of remuneration reported for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the PCSPS for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the PCSPS for the remedy period and that this will apply unless the member actively exercises

their entitlement on retirement to decide instead to receive benefits calculated under the terms of the alpha scheme for the period from 1 April 2015 to 31 March 2022.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal and General Master trust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute but, where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

More details about the Civil Service pension arrangements are at civilservicepensionscheme.org.uk.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost.

CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Staff Report

Staff employed *(totals subject to audit)*

Average number of persons employed (full time equivalent)

	2025-26			2024-25		
	Permanent (FTE)	Other (FTE)	Total (FTE)	Permanent (FTE)	Other (FTE)	Total (FTE)
Employees	**35.2**	**6.7**	**41.9**	**34.9**	**6.7**	**41.6**

Pay multiples and fair pay disclosure *(subject to audit)*

The banded remuneration of the highest-paid employee (based on annualised, full-time equivalent) as at the reporting period end date was £115,000-£120,000 (2024-25: £100,000-£105,000). The highest-paid employee for both years was the Chief Executive.

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid employee (based on the midpoint of their band) and the lower quartile, median and upper quartile remuneration of the organisation's workforce based on the full-time equivalent staff at the year-end date on an annualised basis. This is shown in the table below, as at the reporting period end date.

	Lower (25th) quartile	Median	Upper (75th) quartile
31 March 2026			
Remuneration (Salary and benefits)	£36,600	£43,600	£49,705
Highest paid as multiple	3.3	2.8	2.4
Salary only (excl. bonuses and benefits in kind)	£35,621	£42,035	£48,455
Highest paid as multiple	3.2	2.7	2.4
31 March 2025			
Remuneration (Salary and benefits)	£35,025	£41,780	£47,048
Highest paid as multiple	2.9	2.5	2.2
Salary only (excl. bonuses and benefits in kind)	£34,157	£40,712	£45,453
Highest paid as multiple	2.7	2.3	2.0

The movements in the multiple are marginal and mostly correspond to the method of the calculation as it is based on the midpoint of the band of the Chief Executive and the movement in the midpoint is not a true reflection of any percentage increase in the remuneration of the highest paid individual. After two years of the multiple decreasing as a result of uplifts for a number of operational roles due to expanding responsibilities, this year the multiple has increased as a result of a stepped increase in the salary of the highest paid individual to recognise the increased work and size of the charity.

Total remuneration includes salary, non-consolidated performance-related bonuses, and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Remuneration for the workforce at the reporting period end date, including fees paid, agency staff, apprentices and including the highest-paid employee, ranged from banded remuneration of £25,000-£30,000 to £115,000-£120,000 (2024-25: from banded remuneration of £20,000-£25,000 to £100,000-£105,000). The salary and related costs arising from the employment of staff are detailed in note 14 of the financial statements.

The percentage change in the remuneration of the highest paid employee was 18.3% (2024-25: 4.1%). The percentage change excluding bonus and benefits in kind was 17.3% (2024-25: 5%).

The percentage change in the average remuneration of employees was 4.9% (2024-25: 5.3%). The percentage change excluding bonuses and benefits in kind: 4.6% (2024-25: 7.7%).

Sickness absence

Staff absence due to sickness equated to an average of 5.1 days per employee during the year (2024-25: 4.5 days). The continued increase being the result of long-term absences of particular individuals for ill health.

Gender diversity

The gender split of Trustees and staff employed as at 31 March 2026 was as follows:

(Head count)	Female	Male	Total
Trustees	5	5	10
Staff, including the Chief Executive	25	19	44

Equal Opportunities

The Company is an equal opportunities employer. It is committed to a policy of non-discrimination on grounds of gender or marital status, sexual orientation, health (including pregnancy), disability, age, religion, colour, nationality or ethnic or national origin. Staff are required to observe this policy of non-discrimination in their dealings with members of the public and colleagues at work. All new staff are appointed on the basis of ability, qualification and suitability for the post. All staff are required to complete a diversity and inclusion course as part of a suite of mandatory training.

Staff engagement

Various channels are used to regularly communicate with staff, including weekly updates from the Chief Executive, fortnightly team meetings as well as individual team meetings. Key documents such as the Corporate Plan, papers and minutes of meetings of the Board, Audit & Risk Committee and Working Groups are made available to all staff. All staff team days are held regularly, an opportunity where everyone can be involved in generating new ideas, can contribute their thoughts and can engage with continuing developments and plans for all areas of our work.

The NFC continues to operate a Blended Working Framework to support flexible working. During the year an employee engagement survey was conducted, which gathered feedback on how the framework was functioning. The results of this were analysed by the Senior Leadership Team and discussed with individual teams. Issues raised were addressed. Measures to promote staff wellbeing and benefits continue to be embedded with staff not only being offered Mental Health First Aid training but having access to 24-hour counselling, a Cycle to Work Scheme, eyecare vouchers, gym and fitness discounts, together with subscriptions to Headspace which provides support for good mental health.

Staff are incentivised to deliver high quality outcomes for the National Forest through an annual performance-related bonus scheme linked to their job descriptions, with an in-year bonus scheme also used to reward exceptional effort.



John Everitt OBE FRSA
Chief Executive/Accounting Officer
Dated: 06 October 2026

Governance Statement

Overview

The National Forest Company (NFC) is a charitable company (limited by guarantee). As a charity, the NFC exists to carry out its charitable purposes.

As a Non-Profit Institution within the Public Sector specifically Central Government, the NFC operates at 'arm's length' from its sponsor department, the Department for Environment, Food and Rural Affairs (Defra).

The NFC Board is responsible for leading and directing the Charity and for determining strategy and guiding operational activity. The terms of a Framework Document agreed between Defra and the NFC sets out the governance arrangements to be adhered to, clarifying the roles and responsibilities of Defra, including those of the Secretary of State as a Member of the NFC, and of the NFC itself. Its provisions enable Defra to monitor performance and delivery in relation to grants given to the NFC and describe the arrangements that exist to safeguard propriety and regularity.

The NFC seeks to comply with good practice as issued by the Charity Commission. It also complies with the Cabinet Office 'Corporate Governance in Central Government Departments: Code of Good Practice' as it applies to the NFC, and operations are underpinned by the seven core principles ('the Nolan Principles') of good governance for public services. This Governance Statement provides an evaluation of the effectiveness of the NFC's governance, risk and internal control arrangements.

Governance Arrangements

Members and Board of Trustees

In accordance with the Articles of Association, the NFC Chair and Secretary of State for Environment, Food and Rural Affairs and at least two further independent individuals are Members of the Charity. The Secretary of State is in a minority when voting on NFC business and therefore cannot exercise a controlling influence.

The Board of Trustees was established in March 2016. The Board determines the strategy of the organisation and ensures that appropriate policies and procedures are in place to fulfil its obligations as to the use of public funds.

The Chair and Trustees, excluding the Chief Executive, are not remunerated but are entitled to be reimbursed out of pocket expenses necessarily incurred in fulfilling their duties. The NFC Chief Executive is a Trustee and their remuneration is detailed in the Remuneration and Staff Report. All Trustees provide declarations of interest and these are recorded in a Register of Interests which is available on the National Forest Company website www.nationalforest.org/about/who-we-are/our-governance/publication-scheme.

The Board meets four times a year, and additionally as necessary, to consider business performance, organisational structure and strategy. The Board is the main decision making body of the NFC with a quorum based on three Trustees. Decisions are taken by the Board on key issues relating to governance, finance, policy and strategy. The Scheme of Delegations sets out decisions and responsibilities delegated to Committees, Working Groups and staff.

The membership of the Board of Trustees in 2025-26, with their attendance record, was as follows:

Anthony Ballance (Chair)	5 of 5
Beth Cambridge	1 of 1
Penelope Coates	4 of 5
John Everitt	5 of 5
Ruth Gadsden	3 of 5
Alison Field	3 of 4
Emma Hooper-Smith	1 of 1
Anne Jenkins	5 of 5
(Arvind) Michael Kapur	4 of 4
John Lockhart	1 of 1
Paul Orsi	1 of 1
Matthew Robinson	5 of 5

Michael Kapur and Alison Field's term of office ended on 31 December 2025, having served two terms, each of three years plus one additional year. Beth Cambridge, Emma Hooper-Smith, John Lockhart and Paul Orsi were all appointed on 1 January 2026.

Trustee recruitment is conducted through fair and open competition following Charity Commission guidance and with a focus on supporting diversity and inclusion. New Trustees undergo an induction programme to reinforce the roles and responsibilities of a Trustee, governance arrangements and the vision and strategy for the National Forest.

Trustees are required to disclose any interests they have that may potentially conflict with their management responsibilities for the NFC. This includes company directorships, public appointments and any other significant external interests. During 2025-26 no issues arose as a result of any Trustees' conflicts of interest.

During the year, the Board met five times to consider matters including corporate strategy, delivery performance, land acquisition decisions, financial performance and risk management. In addition, the Board held a dedicated strategy session to review long-term objectives and organisational priorities in December.

Key matters considered by the Board during the year included:

- Approval of the corporate plan and annual budget
- Oversight of financial performance and in-year forecasts
- Review of the organisation's strategic risk register
- Review of the updated National Forest Vision and brand framework
- Monitoring delivery of key programmes and operational performance specifically including the forest creation programme
- Consideration of the Conkers' Masterplan
- Approval of land acquisition and significant grant award decisions
- Consideration of governance and control effectiveness through the annual report of the Audit and Risk Committee

Minutes from sub-committees of the Board, Working Groups and the Subsidiary Company are also included within papers sent to Trustees.

The Board undertakes annual reviews of its governance and Board effectiveness. The format of the review is based on the Charity Governance Code which sets the principles and recommended practice for good governance and drawing upon the Charity Commission's guidance using the recognised hallmarks of an effective charity, ie organisational purpose; leadership; integrity; decision making, risk and control; board effectiveness; diversity and openness and accountability.

The review again demonstrated that the NFC's governance processes and practice provide a high level of assurance against the Charity Commission's key principles and therefore provide a strong basis for assessing Board performance as 'effective'. There continues to be consensus amongst Trustees, and between staff and Trustees, on areas of strength, compliance and weakness. The review also assessed the quality of data, reports and papers to the Board which were considered to be of a good standard, enabling the Board to make effective decisions.

Board Committees and Working Groups

The Board of Trustees is supported by various Committees and Working Groups. Each Committee and Working Group has key functions to discharge, and each is chaired by a Trustee, together with additional Trustee or non-executive representation. All Committees and Working Groups have written terms of reference. The membership and remit of Committees and Working Groups are continually monitored to ensure they are fit for purpose.

Audit & Risk Committee (ARC)

The role of ARC is to provide assurance and recommendations to the Board on the effectiveness of its governance, financial management, internal control and risk management systems. ARC also monitors the work of external audit and the effectiveness of the internal audit service. The Committee also presents an annual report on its activities to the Board. ARC comprises of at least three Trustees, with the Chief Executive attending in their capacity as Accounting Officer. ARC met four times during 2025-26 covering issues on finance, investments, risk, health and safety, governance, policy and HR as well as conducting its annual review of its effectiveness, utilising the National Audit Office's checklist, based on HM Treasury's Audit Committee Handbook. The conclusion was that the Committee continues to operate effectively and there were no areas of concern.

(Arvind) Michael Kapur (Chair until 31 December 2025)	3 of 3
Emma Hooper-Smith (Chair from 1 January 2026)	1 of 1
Penelope Coates	3 of 4
Matthew Robinson	3 of 4

Remuneration Committee

The Remuneration Committee supports the Board in discharging its responsibilities for remuneration issues. Membership of the Committee comprises three Trustees including the Chairs of both the Board and ARC. The Committee provides the Board with recommendations on the Chief Executive's remuneration and benefits and advises the Chief Executive on the pay and benefits of other senior staff. During the year the Committee met four times which included considering the framework for the NFC's revised performance bonus scheme.

Matthew Robinson (Chair)	4 of 4
Anthony Ballance	4 of 4
(Arvind) Michael Kapur	4 of 4

Land & Forestry Working Group

The Land & Forestry Working Group is chaired by a Trustee, and its membership includes the Charity's retained land agent. Its primary function is to support and provide strategic oversight of the land and forestry aspects of the Charity's work. It met five times during 2025-26 providing a steer on the NFC's landholdings and acquisitions/disposals and covering issues on land policy, forest creation, forest management and economy, NFC owned sites, access creation and biodiversity, plus monitoring the progress against the pipeline and targets for forest creation and woodland management schemes.

Alison Field (Chair until 31 December 2025)	4 of 4
Paul Orsi (Chair from 1 January 2026)	1 of 1
Beth Cambridge	1 of 1
John Lockhart	1 of 1

Development Working Group

The Development Working Group is chaired by a Trustee with external advisors being part of its membership. The primary function of the Group is to support the Development functions and provide strategic oversight relating to income generation, marketing, brand and communications and project development. It met twice in 2025-26.

Ruth Gadsden	2 of 2

Tourism, Recreation & Communities Working Group

The Tourism, Recreation & Communities Working Group is chaired by a Trustee with an external advisor being part of its membership. The primary role of the Group is to provide a strategic overview and support in relation to tourism, recreation, learning, arts and creativity, and community development activity. It met four times in 2025-26.

Anne Jenkins	3 of 4

Subsidiary Company

The National Forest Enterprises Ltd (NFE) oversees the commercial activities of the charity which includes the assets of the Conkers Centre and estate and the operating contract with Planning Solutions Ltd. The directors of NFE are appointed by the Board of Trustees and the NFE Board of Directors is chaired by a Trustee, with the Charity's Chief Executive also sitting on the board as a director to ensure that activities and any investment reflects the interests of the Charity. The Board of Directors met four times during 2025-26 overseeing the operating contract for Conkers and monitoring financial security, budget, risk, health and safety, repairs and maintenance, key performance indicators and insurance, and taking forward plans for the redevelopment of Conkers.

Penelope Coates (Chair)	4 of 4
John Everitt	4 of 4
Richard Hunt	3 of 4
Jamie Shearer (from 1 January 2026)	1 of 1
Janet Uttley (from 1 August 2025)	1 of 2

Strategy and planning

The Board is responsible for determining the strategic direction of the organisation setting out the key objectives and indicators against which progress will be measured. It approved the Corporate Plan which gives direction to strategic priorities for the Forest and the NFC and a clear framework for measuring success. The Plan provides the basis for annual work programmes and budgets, and is divided into three key ambitions of Nature, Communities and Enterprise. Cross-cutting themes of Development and Strategy, Commercial & Trading and Finance & Resources are also included.

Whilst the NFC operates at arm's length from Defra, the Charity in its business plan needs to demonstrate how it uses grant funding from Defra to contribute to the Department's own business plan priorities and wider strategic objectives. The NFC's activity during 2025-26 was guided by the objectives and targets as detailed in the Plan and progress reports were given to the Board at each quarterly meeting.

During the year, work was carried out to update the brand strategy and to produce a new National Forest vision for 2026-2050 entitled *Transformation through Forests,* with long-term ambitions for nature, communities and enterprise. The vision includes priorities for continued delivery within the National Forest, establishment of new national forests and to champion a Forest Network for England. The vision was launched at a Parliamentary Reception held in May 2026.

Internal controls and the work of internal audit

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Charity's policies and objectives, to evaluate the likelihood of those risks being realized, the impact should they be realised, and to manage them efficiently, effectively and economically.

The programme of internal audit work undertaken by TIAA Limited during 2025-26, as approved by the Audit & Risk Committee, comprised the following compliance audits:

- Measuring Performance
- Land Acquisition
- Financial controls and processes

The assurance assessments of the three audits provided two substantial assurance opinions and one reasonable assurance opinion, resulting in the annual opinion that the head of internal audit is satisfied that, for the areas reviewed during the year, the charity has reasonable and effective risk management, control and governance processes in place.

Fraud risk management

We have a zero-tolerance policy towards fraud, bribery and corruption and all staff are required to undertake mandatory training, which includes content relating to counter fraud, bribery and corruption. Internal audits consider the risk and likelihood of fraud within the scope of their remits. Both the Fraud Policy and the Bribery Policy were reviewed and updated during the year in December 2025.

During the year there was one recorded incident of fraud which was perpetrated from outside of the charity and of immaterial value. Fraud incidents are logged and reported to the Audit and Risk Committee, Report Fraud and the Charity Commission.

Information management

The NFC takes the management of the information it holds very seriously and is not aware of any personal data losses in 2025-26 that would require notification to the Information Commissioner's Office.

All staff sign copies of the Company's policies relating to privacy and data handling and are mandated to undertake, and periodically repeat, the Civil Service Learning 'Security and Data Protection' course. All staff are engaged in work to further develop and embed protocols and good practice on the Customer Relationship Management database and staff are regularly reminded of the importance of following data handling procedures with regular refresher sessions and further training where necessary.

Safety, Health and Wellbeing

The NFC aims to ensure that all staff and volunteers remain safe and well and that the NFC's sites are safe, enjoyable places to visit. The NFC is committed to the Forest Industry Safety Accord and regularly reviews Safety, Health and Wellbeing policy and practices. Regular inspections are carried out at the NFC sites throughout the year.

Whistleblowing

The NFC has a Whistleblowing Policy and procedure with which all staff are familiar. There were no instances of whistleblowing in 2025-26, as was the case in 2024-25. The Policy includes reference to the NFC's Senior Independent Director as a contact and the requirement to report any serious cases to the Charity Commission. Staff are reminded of the Whistleblowing Policy and procedures at team meetings and through periodic updates, to ensure an open and accountable culture.

Risk Management

The NFC Board is responsible for determining the NFC's approach to risk, agreeing the Risk Management Policy, setting the culture and appetite for risk management and for monitoring the management of the highest scored risks as detailed in the Risk Register. Board Committees, Working Groups and the Subsidiary Board are responsible for overseeing the management of risks in their area of business and ensuring that the most effective plans are drawn up and implemented to mitigate them. This responsibility has been incorporated into their terms of reference. Responsibility for the more operational risks falls to senior management.

The ARC has responsibility for reviewing the risk management process and the latest Risk Register before being presented to the Board. The Committee is responsible for overseeing and reviewing the effectiveness of the systems of internal control and corporate governance within the Company with its assessment being informed by senior management and the work of the appointed auditors. Risk management features on the agenda for all ARC meetings.

The role of staff and the Senior Leadership Team (SLT) includes: identifying and evaluating significant risks faced by the NFC to be considered initially by ARC and subsequently the Board; implementing policies and associated action plans, and providing information to the Committees, Subsidiary Board and Working Groups on the status of risks and controls.

The most significant key strategic risks facing the charity for 2026-27 are listed below.

Strategic risks	Mitigation
Forest creation targets – **If** the charity is unable to scale up forest creation and meet England Tree Planting Programme commitments and/or take advantage of carbon planting opportunities, **then** we would suffer from reputational risk and it could put funding at risk and result in the loss of funds.	Representation on Defra's England Tree Planting programme board to accelerate delivery. Governance and oversight provided by the Land & Forestry Working Group. A well established mechanism in place for ensuring a strong pipeline of schemes and acquisitions, with funds available and work with retained land agency to identify and accelerate opportunities. NFC grant scheme revised and updated to simplify for applicants. Work outside the boundary on Midlands Forest Network corridors and new national forests to increase hectares continues.
Voluntary income generation strategy – **If** the NFC profile and activities are not sufficiently attractive and fundraising activities are unable to increase level of income **then** targets are not met and it puts financial pressure on the charity.	Additional fundraising capacity being put in place and high-level fundraising group established for major giving. Packaging work for restricted funding to cover core costs, and improved marketing of tree planting, corporate and legacy programmes, supported by new vision. Regular supporter product options to be reviewed to develop Forest Champions.

Strategic risks	Mitigation
Change of Policy – **If** there is a change in Government policy (including arising from a change in ruling party) **then** it could potentially result in the loss of or decrease in Defra funding support.	Advocacy, including through the England Tree Planting Programme Board, to raise profile with officials and Ministers. NFC impact and value for money demonstrated through new research work and used in future advocacy. Wider support being galvanised through MPs, peers and media positioning, alongside closer collaboration opportunities with partners.
Third-party landowning grant recipients – **If** third-party landowning grant recipients do not comply with access requirements or withdraw them once obligations expire **then** loss of public benefit of access to sites, with reputational risk.	Extended maintenance payments in grant schemes in place to support 15 years of access. Dedicated staff capacity with analysis of access at risk and mitigation options being used. Woodland management grants deployed to support access payments and resolve access issues.
Performance of Conkers – **If** income from gift aid on admissions and profit agreement perform poorly **then** it could lead to insufficient funds to deliver Conkers' vision and objectives and provide long term sustainability and ultimately could require subsidy from the charity.	Annual budget and programme being managed through National Forest Enterprises Board to manage Conkers KPIs with Operator. In year repairs and refreshments for Conkers identified and funds secured. Gift aid and marketing opportunities being maximised to drive visitor numbers and increase spend per head. Targeted use of VAT reduction being negotiated with Operator. Seasonal programme monitored to mitigate poor weather risk.
Conkers Masterplan – **If** project planning and major cash investment for upgrading facilities at Conkers are not secured **then** it is likely to lead to decline in turnover and profits and increase the reputational risk of the attraction.	Fundraising strategy for delivery of phase 1 of masterplan being progressed with new capacity and investment from reserves. Lottery bid submitted and development stage funding being sought. Project planning being put in place to drive forward programme of activity and funding required.
Enlarged estate – **If** the estate grows **then** there could be ongoing and increasing liabilities from managing and maintaining the larger NFC estate.	Revised Estate Strategy being developed to assess income opportunities as well as lease or transfer of sites to reduce liabilities. Site wardens and volunteers being used to reduce management costs. Green finance and other funding streams being used to fund ongoing site improvements, including staff time.

Performance management

As Chief Executive, I have overall responsibility for the achievement of corporate objectives as detailed in the Corporate Plan. However, responsibility for delivery of many of these is delegated to other staff in the organisation.

Responsibilities and objectives are detailed in annual work programmes for each employee and performance against these is assessed through the staff review system. This includes a mid-year and end of year assessment of how the individual has performed which determines any entitlement to a performance related bonus. The work programmes also detail training and development needs identified to equip the individual to perform effectively.

Governance Statement

The National Forest is being created for public benefit and the engagement and views of members of the public are welcomed. The Company has established procedures and arrangements for dealing with complaints and requests made under the Freedom of Information Act. During the year ended 31 March 2026, no complaints were received (compared with two in 2024-25).

Conclusion

As the designated Accounting Officer for the NFC, I have responsibility for the management and control of the resources used within the organisation and for discharging the responsibilities assigned to me in Managing Public Money.

I confirm that no significant issues in relation to governance, risk, performance or controls have arisen which need to be reported on in this Governance Statement.



John Everitt OBE FRSA
Chief Executive/Accounting Officer
Dated: 06 October 2026

Statement of Trustees' and Accounting Officer's Responsibilities

The Board of Trustees of the National Forest Company is required to prepare a statement of accounts for each financial year in accordance with applicable law and regulations.

Section 394 of the Companies Act 2006 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 Company and of the profit or loss of the Company for that period. The Secretary of State for Environment, Food and Rural Affairs has directed the National Forest Company to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Company and of its incoming resources, application of resources and cash flows for the financial year. In preparing the financial statements, the Trustees are required to comply with the requirements of FRS 102 and the FRS 102 Statement of Recommended Practice (SoRP) Accounting by Charities issued by the Charity Commission with regard to any additional requirements arising from the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by the Department for Environment, Food and Rural Affairs, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on a going concern basis.

The Principal Accounting Officer for the Department for Environment, Food and Rural Affairs has designated the Chief Executive of the National Forest Company as the Company's Accounting Officer. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the National Forest Company's assets, are set out in Managing Public Money published by HM Treasury.

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the Company's auditors are unaware;
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information; and
- the annual report and accounts as a whole are fair, balanced and understandable and that the Accounting Officer takes personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.



Dr Tony Ballance
Chair of the Board of Trustees
Dated: 06 October 2026



John Everitt OBE FRSA
Chief Executive/Accounting Officer/Trustee
Dated: 06 October 2026

The Certificate and Report of the Comptroller and Auditor General to the Trustees of The National Forest Company and the Houses of Parliament

Opinion on financial statements

I have audited the financial statements of The National Forest Company and its Group for the year ended 31 March 2026 under the Government Resources and Accounts Act 2000 and Charities Act 2011. The financial statements comprise the National Forest Company and its Group:

- Group (Consolidated) Balance Sheet and Parent Charity Balance Sheet as at 31 March 2026;
- Consolidated Statement of Financial Activities and Income and Expenditure, and Consolidated Cash Flow Statement for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements 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) and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In my opinion the financial statements:

- give a true and fair view of the state of the National Forest Company and its Group's affairs as at 31 March 2026 and its net income/(expenditure) after transfers for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the Charities Act 2011.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs (UK)), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024) and* Practice Note 11 *The audit of charities in the United Kingdom (2017)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my report.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2024.* I am independent of the National Forest Company and its Group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the National Forest Company and its Group's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the Strategic Report and Directors' Annual Report but does not include the financial statements and my auditor's report thereon.

The Trustees and the Accounting Officer are responsible for the other information.

My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury's Financial Reporting Manual.

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

- The Strategic Report and Directors' Annual Report have been prepared in accordance with applicable legal requirements; and
- the information given in the Strategic Report and Directors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of the National Forest Company and its group and their environment obtained in the course of the audit, I have not identified material misstatements in the Strategic Report and Directors' Annual Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Remuneration and Staff Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- I have not received all of the information and explanations I require for my audit; or
- a corporate governance statement has not been prepared by the parent company; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Trustees and Accounting Officer for the financial statements

As explained more fully in the Statement of Trustees and Accounting Officer's Responsibilities, the Trustees and the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the National Forest Company and its group from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as Trustees and the Accounting Officer determine are necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;

- preparing Group financial statements, which give a true and fair view, in accordance with the Companies Act 2006 and the Charities Act 2011;
- preparing the Annual Report, which includes the Remuneration and Staff Report, in accordance with the Companies Act 2006 and the Charities Act 2011; and
- assessing the National Forest Company and its group'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 directors either intends to liquidate the entity or the group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and report on the financial statements in accordance with applicable law and International Standards on Auditing (ISAs (UK)).

My 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 a certificate that includes my 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.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the National Forest Company and its group's accounting policies.
- inquired of management, the National Forest Company and those charged with governance, including obtaining and reviewing supporting documentation relating to the National Forest Company and its group's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the National Forest Company and its group's controls relating to the National Forest Company and its group's compliance with the Companies Act 2006, Charities Act 2011, and Managing Public Money;
- inquired of management, National Forest Company and its group's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations; and
  - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the National Forest Company and its group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the National Forest Company and its group's framework of authority and other legal and regulatory frameworks in which the National Forest Company and its group operates, I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the National Forest Company and its group. The key laws and regulations I considered in this context included Companies Act 2006, Charities Act 2011, Managing Public Money, employment law and tax legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my 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 my report.

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General
07 October 2026

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Consolidated Statement of Financial Activities and Income and Expenditure (SOFA) for the year ended 31 March 2026

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2025-26 £	Total 2024-25 £
Income					
Grant in aid	2	2,664,566	1,282,500	3,947,066	3,296,365
Nature for Climate Fund	2	—	4,109,880	4,109,880	3,158,000
Donations and legacies	3	1,137,019	185,511	1,322,530	1,280,610
Charitable activities	4	317,827	1,354,392	1,672,219	2,261,740
Other trading activities	5	71,587	—	71,587	80,658
Investment income	6	89,432	—	89,432	109,068
Total Income		4,280,431	6,932,283	11,212,714	10,186,441
Expenditure					
Raising Funds	7	754,391	—	754,391	908,545
Charitable Activities	7	5,049,613	4,629,429	9,679,042	8,342,398
Total Expenditure		5,804,004	4,629,429	10,433,433	9,250,943
Net Income/(Expenditure) before gains or losses		(1,523,573)	2,302,854	779,281	935,498
Net gains/(losses) on investments	16	184,169	—	184,169	(102,340)
Net Income/(Expenditure) before transfers		(1,339,404)	2,302,854	963,450	833,158
Transfers	24	1,475,594	(1,475,594)	—	—
Net Income/(Expenditure) after transfers		**136,190**	**827,260**	**963,450**	**833,158**
Other Recognised Gains and Losses:					
Gains/(losses) on revaluation of fixed assets	15	29,471	—	29,471	(23,481)
Net Movement in Funds		**165,661**	**827,260**	**992,921**	**809,677**
Reconciliation of Funds:					
Total Funds brought forward at start of the year		16,347,644	485,675	16,833,319	16,023,642
Total Funds carried forward at end of the year		**16,513,305**	**1,312,935**	**17,826,240**	**16,833,319**

The Statement of Financial Activities (SOFA) also complies with the requirements for an income and expenditure account under the Companies Act 2006. All income and expenditure derive from continuing activities. The comparative information for 2024-25 is provided in note 29.

Group (Consolidated) Balance Sheet as at 31 March 2026

	Notes	£	2026 £	£	2025 £
Fixed Assets:					
Intangible assets	14		58,423		116,846
Tangible assets	15		12,784,552		12,409,306
Investment property	16		1,836,000		2,283,000
Investments	16		531,836		507,270
Total Fixed Assets			15,210,811		15,316,422
Current Assets:					
Debtors	18	1,538,514		599,593	
Cash at bank and in hand		2,077,692		1,573,091	
Total Current Assets		3,616,206		2,172,684	
Creditors: amount falling due within 1 year	19	(1,000,777)		(655,787)	
Net Current Assets			2,615,429		1,516,897
Total Assets less Current Liabilities			17,826,240		16,833,319
Total Net Assets			17,826,240		16,833,319
The Funds of the Group:					
Restricted funds	24		1,312,935		485,675
Unrestricted funds:	25				
Designated funds		14,078,128		14,968,799	
General funds		1,594,628		682,767	
			15,672,756		15,651,566
Revaluation Reserve			840,549		696,078
			17,826,240		16,833,319

The National Forest Company is exempt under the provisions of Section 475 of the Companies Act 2006 from making the disclosure requirements under Part 16 under Section 482 (non-profit making companies subject to public sector audit) of that Act.

The Annual Report & Accounts were approved and authorised for issue by the Board of Trustees on 06 October 2026 and signed on behalf of the Board of Trustees:



Dr Tony Ballance Dated: 06 October 2026
Chair



John Everitt OBE FRSA Dated: 06 October 2026
Chief Executive/Accounting Officer

The National Forest Company (Company number 02991970)

Parent Charity Balance Sheet as at 31 March 2026

	Notes	£	2026 £	£	2025 £
Fixed Assets:					
Intangible assets	14		58,423		116,846
Tangible assets	15		11,810,067		11,383,421
Investment property	16		590,000		1,195,000
Investments	16		531,836		507,270
Total Fixed Assets			12,990,326		13,202,537
Current Assets:					
Debtors	18	1,649,093		656,812	
Cash at bank and in hand		1,953,934		1,504,220	
Total Current Assets		3,603,027		2,161,032	
Creditors: amount falling due within 1 year	19	(987,597)		(644,135)	
Net Current Assets			2,615,430		1,516,897
Total Assets less Current Liabilities			15,605,756		14,719,434
Total Net Assets			15,605,756		14,719,434
The Funds of the Charity:					
Restricted funds	24		1,312,935		485,675
Unrestricted funds:	25				
Designated funds		12,063,744		13,112,415	
General funds		1,594,628		682,766	
			13,658,372		13,795,181
Revaluation Reserve			634,449		438,578
			15,605,756		14,719,434

The net movement of funds reported in the Statement of Financial Activities of the parent charity for the year was £886,322 (2024-25: £871,692).

The Annual Report & Accounts were approved and authorised for issue by the Board of Trustees on 06 October 2026 and signed on behalf of the Board of Trustees:

Dr Tony Ballance Dated: 06 October 2026
Chair

John Everitt OBE FRSA Dated: 06 October 2026
Chief Executive/Accounting Officer

The National Forest Company (Company number 02991970)

Consolidated cash flow statement for the year ended 31 March 2026

	£	2025-26 £	£	2024-25 £
Cash Flow from Operating Activities:				
Net cash flow from operating activities		1,765,910		1,588,799
Cash Flows from Investing Activities:				
Interest and rent from investments	89,432		109,068	
Purchase of tangible fixed assets	(1,352,344)		(1,799,082)	
Proceeds from the sale of investments	1,603		1,573	
Net Cash Used in Investing Activities		(1,261,309)		(1,688,441)
Effect of exchange rate changes on cash				—
Change in Cash and Cash Equivalents in the year		504,601		(99,642)
Cash and cash equivalents at start of the year		1,573,091		1,672,733
Cash and Cash Equivalents at end of the year		2,077,692		1,573,091

Reconciliation of Net Income/(Expenditure) to Net Cash Flow from Operating Activities

	Notes	2025-26 £	2024-25 £
Net income/(expenditure) for the year (as per the Statement of Financial Activities)		963,450	833,158
Adjustments for:			
Depreciation charges	15	30,669	35,635
Amortisation	14	58,423	59,726
Loss on disposal of tangible assets	15	5,525	—
Loss on disposal of intangible assets		—	24,973
(Gains)/losses on investments	16	(184,169)	102,340
Impairment charges	15	1,575,375	748,921
(Increase)/decrease in debtors	18	(938,921)	303,185
Increase/(decrease) in creditors	19	344,990	(410,071)
Interest and rent from investments		(89,432)	(109,068)
		1,765,910	1,588,799

Analysis of Cash and Cash Equivalents

	2025-26 £	2024-25 £
Cash in hand and at bank	2,077,692	1,573,091
Total Cash and Cash Equivalents	2,077,692	1,573,091

1 Accounting Policies

1.1 Basis of Preparation and accounting convention

The National Forest Company (NFC) is a public benefit entity meeting the definition under FRS102 and is a company limited by guarantee and a charity registered in England and Wales.

The financial statements have been prepared, to the nearest £1, in accordance with the Statement of Recommended Practice, 'Accounting and Reporting by Charities', issued 1 January 2019 and Financial Reporting Standard 102 (FRS102) and the Companies Act 2006.

In addition, these financial statements also meet the accounting and disclosure requirements of the 2025-26 Government Financial Reporting Manual (FReM) issued by HM Treasury, where not inconsistent with the requirements of the SoRP and the Accounts Direction issued by the Secretary of State for Environment, Food and Rural Affairs.

The financial statements have been prepared on a going concern and accruals basis and under the modified historical cost convention, modified to account for the revaluation of land and buildings. The charity is a qualifying entity for the purposes of FRS 102 and has elected to take the exemption under FRS 102 not to present the charitable company's statement of cash flows. A separate Statement of Financial Activities and Income and Expenditure Account for the Charity are not presented as permitted by Section 408 of the Companies Act 2006. The results of the parent are fully consolidated into the group position presented, with the consolidated financial statements consolidating the financial statements of The National Forest Company and its subsidiary National Forest Enterprises Limited for the year ended 31 March 2026 with the consolidation being carried out on a line-by-line basis.

1.2 Going Concern

The Trustees confirm that it is appropriate for The National Forest Company to adopt the going concern principle in preparing its accounts.

The Trustees have reviewed budgets, forecasts, and anticipated Grant in Aid receipts and other funding from Defra, and together with considering the potential impacts on its financial position from both internal and external risks, have concluded there is a reasonable expectation that the NFC has adequate resources to continue in operational existence for a period of at least 12 months from the date that the accounts are approved. The Trustees are not aware of any proposed legislative changes which could significantly impact the organisation. NFC therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

1.3 Key Sources of Estimation Uncertainty and Significant Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amount of income and expenditure. All estimates are based on the NFC's knowledge of current facts and circumstances, assumptions concerning past events and forecasts of future events and actions. Actual results may differ from estimates made.

In the process of applying the NFC's accounting policies, the following judgements, and estimations, have been made which have the most significant impact on the amounts recognised in the financial statements:

Judgements

- Income recognition of legacy income and the probability of receipt (see Note 1.4).
- Investment property classification where land owned to meet the organisation's charitable objectives is appropriately treated as tangible assets even if there happens to be a licence or farm business tenancy for grazing on the land, as the primary purpose for ownership is not investment purposes (see Note 1.8).
- The determination of when the conditions attached to restricted income have been satisfied.

Estimates

- The valuation of land, held as tangible fixed assets, undertaken by the directors of NFC in the intervening years between the full professional revaluations undertaken every five years (see Note 1.8a).

- The valuation of Conkers and land and buildings held as investments undertaken by an independent Chartered Surveyor in accordance with the RICS Valuation Standards including using a price to earnings multiplier calculated by the Surveyor (see Notes 1.8c).

1.4 Income

Government grants

Grant-in-aid, including capital grant, is credited to income in the year for which it is received. It is regarded, unless specifically stipulated otherwise, as unrestricted income, since Defra, whilst requiring funds allocated be utilised in contributing to the delivery of departmental objectives, does not stipulate how any specific element of the grant should be spent.

Nature for Climate Fund grant is treated as restricted income and the recognition of income is conditional on delivering certain levels or volumes of a service or supply of goods and contractual payments from Government or public authorities and other parties which fund the provision of particular goods or services.

These have been presented as separate lines in the Statement of Financial Activities (SoFA) due to the materiality of the income as per the SoRP paragraph 4.13.

Income from donations and legacies

Donations are accounted for on receipt, with any income tax recoverable in relation to donations received under Gift Aid recognised at the time of the donation.

General donations are received and utilised for any of the NFC's charitable purposes. No direct benefit is provided to the donor in return, other than the knowledge that the NFC must use the gift to further its objectives. 'Dedicate a Grove' and 'Dedicate a Tree' income are gift donations which the NFC use to support the ongoing creation and management of the National Forest. This is classed as unrestricted income as it represents a contribution to the National Forest's creation which is intrinsically linked to other purposes of the Charity such as ongoing maintenance of woodlands, habitat creation and education, and is used to further the NFC's charitable purposes including woodland creation.

Donations in lieu of entry, for Conkers, are donations made by visitors, which are least 10% greater than the single admission price or equivalent to the price of an annual pass, for which the NFC grants them admission to the Conkers visitor attraction free of charge. The operator charges NFC a management fee for the visitors which are granted such an admission.

Legacy income is recognised upon notification (probate) for pecuniary legacies, and for residuary legacies when probate is granted and there is sufficient information on the value of the estate and probability of receipt. If entitlement occurs before the income has been received it is accrued to debtors.

Donation and legacy income with a condition or defined purpose attached is allocated to restricted income and any unspent amounts are shown on the balance sheet as a restricted fund balance.

Income from activities and generating funds

Income is accounted for net of VAT. Grant income entitlement is recognised when the NFC has met any performance or other deliverable criteria for recognition and the monetary value can be measured reliably. Where the grant is received in advance of recognition it is deferred and included in creditors until entitlement occurs. If entitlement, though a written agreement, occurs before the income has been received it is accrued to debtors.

Grant income with a condition or defined purpose attached is allocated to restricted income and any unspent amounts are shown on the balance sheet as a restricted fund balance.

Income from Sponsorship

Sponsorship income is recognised as income when the conditions for its receipt have been met. Where there are conditions or specified deliverables then income received is not immediately recognised but is deferred as a liability until conditions imposed are met at which point the related income is recognised. Where there are no specified deliverables under the agreement then the income is recognised in line with the stage of completion of the agreement term.

1.5 Donated Services

NFC engages with unpaid volunteers to support our activities over the course of the year. Due to the absence of a reliable measurement basis, the contributions of volunteers are not included as income in the accounts. Other donated services or facilities are included in income at a valuation which is an estimate of the financial cost borne by a third party.

1.6 Expenditure

Expenditure is accounted for net of recoverable VAT on an accruals basis and is classified under the relevant activity within the Statement of Financial Activities.

All costs are allocated between the expenditure categories of the Statement of Financial Activities reflecting the objectives of the NFC as set out in the Directors' Report and the use of resources. Costs relating to a particular activity comprise both costs that can be allocated directly to such activities and support costs; being those costs of an indirect nature necessary to support them. The salary and related costs of staff employed wholly on the various charitable activities and raising funds are allocated to those activities. Where staff are engaged on more than one of these activities, the allocation is based on the estimated proportion of time spent on the activities. Indirect costs have been allocated on the basis of full-time equivalent headcount assigned to each of the charitable activities and activities for raising funds.

Governance costs include the costs of strategic planning, the Annual Report and Accounts, audit fees and Trustees' expenses.

Grants payable are recognised when the criteria for a constructive obligation are met, payment is probable, values can be measured reliably, and there are no conditions attached to its payment that limit its recognition.

1.7 Gains/(losses) on revaluation of fixed assets

Where the valuation of a fixed asset is higher than the purchase price paid, the excess over purchase price is credited to a Revaluation Reserve. Revaluation gains are recognised in the Statement of Financial Activities under Revaluation of assets unless they reverse a charge for impairment previously recognised as a cost within the expenditure headings of the Statement of Financial Activities. Revaluation losses are recognised as an expense in the relevant expenditure heading of the Statement of Financial Activities except to the extent they reverse any previous revaluation gains.

1.8 Fixed Assets

(a) Operational Assets

Tangible fixed assets other than freehold land and buildings are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, using the straight-line method, as follows:

Fixtures, fittings, plant and equipment	– over 3 to 5 years
IT Equipment	– over 3 to 5 years
Motor vehicles	– over 5 years

Depreciation and amortisation charges are included in expenditure on charitable activities on the Statement of Financial Activities.

Land and buildings are revalued every five years by external professionally qualified valuers, on the basis on their open market value of existing use. In intervening years between full professional revaluations desktop valuation exercises are undertaken by NFC directors using evidence provided by professionally qualified valuers. The exception to this is when planting has taken place, which causes a change in use of the land, impacting the value of the land. When this occurs, a full revaluation is undertaken by external professionally qualified valuers at the end of the year when the planting has taken place.

Conkers land and buildings are revalued every year by external professionally qualified valuers, on the basis of the profits' methods.

(b) Intangible Assets

Intangible assets are stated at historical cost less accumulated amortisation and any provision for impairment.

Website and IT software assets, when operational, are amortised (charged to raising funds) on a straight-line basis over a three-year period but each year an impairment review is undertaken to confirm whether the assets are still fit for purpose in delivering future cash flows whether directly or indirectly.

(c) Investment Property

Investment property represents land and buildings which are primarily held for the purpose of commercial letting. These are measured at fair value annually with any change recognised in the Statement of Financial Activities. Except for Hanging Hill Farm, their fair values are based valuations undertaken by an independent Chartered Surveyor using the income/investment approach on desktop valuations estimated by third-party professional valuers (with a full physical valuation every five years). Hanging Hill Farm is revalued every five years by external professionally qualified valuers using the income/investment approach. In intervening years between full professional revaluations desktop valuation exercises are undertaken by NFC directors using evidence provided by professionally qualified valuers.

(d) Investments

Investments are measured at current market value and any gains or losses arising from the revaluation are charged to the Statement of Financial Activities. They are held in funds and investment products which are not contrary to NFC's aims and charitable objectives and so are held in the Cazenove Charity Responsible Multi-Asset Fund

1.9 Current assets and liabilities

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.

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

1.10 Cash and cash equivalents

Cash and cash equivalents comprises cash at hand, in bank and short-term deposits. Short-term deposits are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. Cash in bank is held in a combination of commercial banks and the Government Banking Service.

1.11 Financial Instruments

Other than financial investments, NFC has only financial assets and financial liabilities that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.12 Foreign Currencies

Receipt and payment recognition of transactions in foreign currencies are recorded at the rate of exchange at the time of the transaction. Exchange differences on monetary items are translated at the closing rate at the end of each reporting period with the differences taken to the Statement of Financial Activities.

1.13 Finance Leases

The NFC has no finance leases. Rentals under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the term of the lease, even if payments are not made on such a basis.

1.14 Pensions

The NFC accounts for pension contributions in the periods for which they are payable. The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme. The NFC is unable to identify its share of the underlying assets and liabilities. The Scheme administrators carry out actuarial valuations of the Scheme and prepare full accounts for the Scheme. The NFC recognises in its accounts those costs collected from it by the Scheme administrators in respect of Accruing Superannuation Liability Charges (ASLCs), which are shown as "Pension Costs".

2 Grant in aid and Nature for Climate Funds

	2025-26		2024-25	
Group	Unrestricted Funds £	Restricted Funds £	Unrestricted Funds £	Restricted Funds £
Grant in aid	2,664,566	1,282,500	2,538,846	757,519
Nature for Climate Fund	—	4,109,880	—	3,158,000

Grant in aid is received from Defra and, unless it is granted for a stipulated purpose, it is treated as unrestricted income since the Department, whilst requiring that funds allocated contribute to the delivery of its objectives, does not stipulate any specific purpose(s) as to how any of the funds must be utilised.

Grant in aid accounts is utilised to fund the forest creation and woodland management programmes, including the various grant schemes, contributes to the tourism and community engagement programmes and meets a significant proportion of governance and support costs.

Nature for Climate Funds, while also received from Defra, it is treated as restricted income, per the memorandum of understanding, which facilitates funding of new planting within the National Forest.

3 Donations and legacies

	2025-26		2024-25	
Group	Unrestricted Funds £	Restricted Funds £	Unrestricted Funds £	Restricted Funds £
Donations in lieu of entry (Conkers)	958,784	—	1,008,413	—
Dedicate a Grove/Tree	127,880	—	136,833	—
General donations	50,355	2,050	75,921	—
Other donations	—	183,461	—	32,600
Legacies	—	—	26,843	—
	1,137,019	185,511	1,248,010	32,600

4 Income from charitable activities

	2025-26		2024-25	
Group	Unrestricted Funds £	Restricted Funds £	Unrestricted Funds £	Restricted Funds £
Forest creation	2,915	123,164	254,726	207,984
Woodland management	—	197,520	—	504,457
Community engagement	—	382,509	—	545,262
Tourism and promotion	—	18,000	—	18,000
Charnwood Forest Partnership	—	633,199	—	293,951
Conkers	302,036	—	397,137	—
Other	12,876	—	40,223	—
	317,827	1,354,392	692,086	1,569,654

5 Income from other trading activities

	2025-26		2024-25	
Group	Unrestricted Funds £	Restricted Funds £	Unrestricted Fund £	Restricted Funds £
Corporate Partnerships	50,745	—	46,543	—
Other trading activities	20,842	—	34,115	—
	71,587	—	80,658	—

6 Investments

	2025-26		2024-25	
Group	Unrestricted Funds £	Restricted Funds £	Unrestricted Funds £	Restricted Funds £
Rental income	56,224	—	71,659	—
Investment income	21,539	—	19,836	—
Bank interest	11,669	—	17,573	—
	89,432	—	109,068	—

7 Analysis of Expenditure

Group	Direct Staff costs £	Other direct activity costs £	Grant funding of activity £	Support costs £	Total 2025-26 £
Raising Funds					
Development and fundraising costs	270,571	217,267	—	264,994	752,832
Investment management costs	—	1,559	—	—	1,559
Total Cost	270,571	218,826	—	264,994	754,391
Charitable Activities					
Forest creation	580,641	2,088,774	787,803	719,143	4,176,361
Woodland management	147,722	508,867	228,749	146,707	1,032,045
Community engagement	246,384	414,223	106,880	281,645	1,049,132
Tourism and promotion	67,362	98,834	—	61,318	227,514
Charnwood Forest Partnership	218,613	269,313	—	320,084	808,010
New National Forests	161,762	51,554	765,494	132,171	1,110,981
Conkers	79,000	1,183,063	—	12,936	1,274,999
Total Cost	1,501,484	4,614,628	1,888,926	1,674,004	9,679,042
Total All Costs	1,772,055	4,833,454	1,888,926	1,938,998	10,433,433

Comparative figures for 2024-25 can be found at note 30.

8 Analysis of Grant Funding of Activity

The NFC awards grants to a number of institutions, both organisations and landowners, to support activity which contributes to the achievement of its charitable objects. No grants were paid with the purpose of directly benefitting the personal circumstances of the individuals.

Group	Grants to organisations £	Grants to landowners £	Total 2025-26 £	Total 2024-25 £
Forest creation	336,316	451,487	787,803	1,734,600
Woodland management	54,703	174,046	228,749	328,284
Community engagement	66,780	40,100	106,880	103,170
Tourism and promotion	—	—	—	44,634
New National Forests	765,494	—	765,494	—
	1,223,293	665,633	1,888,926	2,210,688

The £765,494 under New National Forests represents the total amount paid to Forest of Avon Trust for the Western Forest. In addition to this, four organisations received grants of more than £20,000, in the year, totalling £384,378 and nine landowners received grants of more than £20,000, in the year, totalling £388,111.

Comparative figures for 2024-25 can be found at note 30.

9 Analysis of Support Costs

Group	Staff Costs £	Other costs £	Total 2025-26 £	Total 2024-25 £
Governance costs	101,866	113,942	215,808	195,217
Finance costs	198,582	30,733	229,315	264,041
Premises costs	—	391,465	391,465	128,296
ICT & Telecoms	67,494	222,047	289,541	235,983
Human Resources	67,494	62,351	129,845	131,253
Organisational support costs	139,560	81,240	220,800	236,309
PR & Communications	147,248	—	147,248	139,105
Grants administration	—	—	—	189,027
Charitable Activities	211,888	—	211,888	251,198
Advocacy	66,896	—	66,896	71,630
Depreciation and loss on disposal	—	36,192	36,192	35,635
	1,001,028	937,970	1,938,998	1,877,694

Comparative figures for 2024-25 can be found at note 30.

10 Analysis of Governance Other Costs

Group	2025-26 £	2024-25 £
Trustees related expenditure	30,779	3,693
Audit and annual report costs	80,048	85,765
Other	3,115	696
	113,942	90,154

11 Net Income/Expenditure for the Year

Group	2025-26 £	2024-25 £
This is stated after charging:		
Operating leases	53,534	53,534
Depreciation	30,669	35,635
Amortisation	58,423	59,726
Auditor's remuneration:		
Audit fee	75,980	72,500
Accountancy and tax services	—	—

12 Trustees (Directors)

John Everitt is a Trustee and is employed by NFC as the Chief Executive for which he is remunerated. The detail of his remuneration is provided in the Remuneration and Staff Report. None of the other Trustees (or any persons connected with them) received any remuneration or benefits during the year. Excluding John Everitt, seven trustees were reimbursed out-of-pocket expenses totalling £1,903 (2024-25: four totalling £1,470).

13 Employees

The average monthly headcount of contracted employees and the average full-time equivalent (FTE) number of employees during the year were as follows:

Group	2025-26 Headcount	2025-26 FTE	2024-25 Headcount	2024-25 FTE
Direct charitable activities	26	24	25	23
Management, administration and support	19	18	20	19
	45	**42**	**45**	**42**

Employment Costs:

Group	2025-26 £	2024-25 £
Wages and salaries	1,974,615	1,897,019
National Insurance costs	262,095	203,908
Pension costs	536,373	496,683
	2,773,083	2,597,610

The number of employees with annual emoluments of £60,000 or more:

	2025-26 (number)	2024-25 (number)
£60,000 – £70,000	1	1
£70,000 – £80,000	2	2
£100,000 – £110,000	—	1
£110,000 – £120,000	1	—

There are five posts considered as paid executive Key Management Personnel of the charity (as defined by FRS102), comprising the Chief Executive, Director of Operations, Director of Development, Director of Finance and Resources, and Commercial Director. The employee benefits of Key Management Personnel amounted to £564,259 (2024-25: £517,184).

14 Intangible Fixed Assets

Group and Charity	Website £
Cost	
At 1 April 2025	175,269
Additions	—
At 31 March 2026	175,269
Amortisation	
At 1 April 2025	58,423
Charge for the period	58,423
At 31 March 2026	116,846
Net book value	
At 31 March 2026	58,423
At 31 March 2025	116,846

15 Tangible Fixed Assets

Group	Conkers Building £	Conkers Land £	Buildings £	Land £	Furniture, Fittings Equipment and Vehicles £	IT Equipment £	Total £
Cost/Valuation							
At 1 April 2025	2,130,055	473,456	16,489	9,699,500	216,503	97,420	12,633,423
Additions	—	—	—	1,321,704	30,640	—	1,352,344
Disposals	—	—	—	—	(140,899)	(16,796)	(157,695)
Transfers	—	—	503,000	102,000	—	—	605,000
Impairment	(90,773)	—	2,228	(1,486,830)	—	—	(1,575,375)
Revaluation	—	44,097	109,448	(124,074)	—	—	29,471
At 31 March 2026	2,039,282	517,553	631,165	9,512,300	106,244	80,624	12,887,168
Depreciation							
At 1 April 2025	—	—	—	—	169,608	54,509	224,117
Charge for the year	—	—	—	—	16,078	14,591	30,669
On disposal	—	—	—	—	(136,665)	(15,505)	(152,170)
At 31 March 2026	—	—	—	—	49,021	53,595	102,616
Net book value							
At 31 March 2026	2,039,282	517,553	631,165	9,512,300	57,223	27,029	12,784,552
At 31 March 2025	2,130,055	473,456	16,489	9,699,500	46,895	42,911	12,409,306

The combined cost value of the revalued land and buildings, had the assets been carried under the historical cost model, at 31 March 2026 would be £17,401,074 (2025: £15,589,370).

15 Tangible Fixed Assets (cont)

Charity	Conkers Building £	Conkers Land £	Buildings £	Land £	Furniture, Fittings Equipment and Vehicles £	IT Equipment £	Total £
Cost/Valuation							
At 1 April 2025	2,130,055	473,456	16,489	8,673,615	216,503	97,420	11,607,538
Additions	—	—	—	1,321,704	30,640	—	1,352,344
Disposals	—	—	—	—	(140,899)	(16,796)	(157,695)
Transfers	—	—	503,000	102,000	—	—	605,000
Impairment	(90,773)	—	2,228	(1,486,830)	—	—	(1,575,375)
Revaluation	—	44,097	109,448	(72,674)	—	—	80,871
At 31 March 2026	2,039,282	517,553	631,165	8,537,815	106,244	80,624	11,912,683
Depreciation							
At 1 April 2025	—	—	—	—	169,608	54,509	224,117
Charge for the year	—	—	—	—	16,078	14,591	30,669
On disposal	—	—	—	—	(136,665)	(15,505)	(152,170)
At 31 March 2026	—	—	—	—	49,021	53,595	102,616
Net book value							
At 31 March 2026	2,039,282	517,553	631,165	8,537,815	57,223	27,029	11,810,067
At 31 March 2025	2,130,055	473,456	16,489	8,673,615	46,895	42,911	11,383,421

The combined cost value of the revalued land and buildings, had the assets been carried under the historical cost model, at 31 March 2026 would be £16,632,689 (2025: £14,820,985). Impairments and Reversal of prior years' impairment on land are charged to the Statement of Finance Activity through expenditure on charitable activities as Forest Creation activity expenditure. The transfer represents the reclassification, from investment property, of Canopy House for which, during the year, the charity started to use as its offices.

The annual valuation of land and buildings at 31 March 2026 was undertaken either by NFC directors using evidence provided by professionally qualified valuers or by external professionally qualified valuers, taking into account factors like agricultural grade, access, location, use and any restrictions.

16 Investments

Group	Cazenove Investment Fund £	Property £	Total £
Cost/Valuation			
At 1 April 2025	507,270	2,283,000	2,790,270
Transfers	—	(605,000)	(605,000)
Disposals	(1,603)	—	(1,603)
Revaluation	26,169	158,000	184,169
At 31 March 2026	531,836	1,836,000	2,367,836

The cost value of the revalued property, had the assets been carried under the historical cost and fair value model, at 31 March 2026 would be £1,597,270 (2025: £2,087,270). The annual valuation of land and buildings at 31 March 2026 was undertaken by external professionally qualified valuers.

Charity	Subsidiary company £	Cazenove Investment Fund £	Property £	Total £
Cost/Valuation				
At 1 April 2025	—	507,270	1,195,000	1,702,270
Transfers	—	—	(605,000)	(605,000)
Disposals	—	(1,603)	—	(1,603)
Revaluation	—	26,169	—	26,169
At 31 March 2026	—	531,836	590,000	1,121,836

The charity holds two shares, which is the entire issued share capital, of National Forest Enterprises Ltd, which were transferred to the charity at £nil cost.

The cost value of the revalued property, had the assets been carried under the historical cost model, at 31 March 2026 would be £439,770 (2025: £929,770).

The transfer represents the reclassification, to fixed assets, of Canopy House for which, during the year, the charity started to use as its offices.

In the year ended 31 March 2021, £500,001 was invested in Cazenove Charity Responsible Multi-Asset Fund which, for 2025-26, has generated investment income of £21,539 (2024-25: £19,836). The income is extracted to our reserves, rather than re-invested into the fund.

17 Consolidated subsidiary

The National Forest Company (Parent) wholly owns a trading subsidiary which is incorporated in the UK and has the same registered office as the NFC. The subsidiary undertaking, National Forest Enterprises Limited (Company Registration No. 03601510) holds property and manages the operating agreement with the independent third party which operates Conkers. The company donates its taxable profit to NFC as unrestricted funds.

Profit & Loss Account	2025-26 £	2024-25 £
Turnover	315,294	415,116
Gross Profit	315,294	415,116
Administrative expenses	(313,827)	(332,474)
Fair value movements	158,000	(62,000)
Operating profit	159,467	20,642
Profit for the financial year	159,467	20,642

	31 March 2026 £	31 March 2025 £
Capital and Reserves	2,220,487	2,113,887

18 Debtors

	Group		Parent	
Amounts falling due within one year	2026 £	2025 £	2026 £	2025 £
Trade debtors	99,854	186,417	99,854	182,601
Owed by subsidiary company	—	—	239,604	242,865
Owed by HMRC	115,187	59,910	115,187	59,858
Other debtors	633,706	13,329	630,220	13,329
Prepayments	214,519	92,493	214,519	92,493
Accrued income	475,248	243,110	349,709	61,332
	1,538,514	595,259	1,649,093	652,478
Amounts falling due after one year				
Other debtors	—	4,334	—	4,334
	—	4,334	—	4,334
Total debtors	1,538,514	599,593	1,649,093	656,812

Amounts owed by subsidiary company are repayable on demand and no interest is chargeable.

19 Creditors: Amounts Falling Due Within One Year

	Group		Parent	
	2026 £	2025 £	2026 £	2025 £
Trade creditors	434,822	260,599	430,017	260,541
Other creditors	792	3,300	792	3,300
Accruals	508,025	239,738	499,650	228,144
Deferred income	57,138	152,150	57,138	152,150
	1,000,777	655,787	987,597	644,135

20 Deferred Income

	Balance at 1 April 2025 £	Additions £	Released £	Balance at 31 March 2026 £
Section 106	9,550	—	(4,889)	4,661
Getting to know your Greenspace	124,439	—	(82,105)	42,334
Other	18,161	10,143	(18,161)	10,143
	152,150	10,143	(105,155)	57,138

Deferred income relates to income received but for which the specified outputs have not been delivered by the year end.

21 Financial Instruments

Financial assets measured at amortised cost comprise cash at bank, trade debtors, other debtors and accrued income. Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

As the current cash requirements of the NFC are met largely through grant in aid received from Defra, financial instruments play a more limited role in creating risk than would apply to a non-public sector body of a similar size. The NFC has no complex financial instruments and the risk of exposure to credit, liquidity or market risk is minimal. The NFC investment of £500,001 with Cazenove's Charity responsible Multi-Asset Fund is a financial instrument with the measurement and accounting basis being fair value.

22 Commitments under operating leases

Future minimum rentals of the consolidated group payable under non-cancellable operating leases are as follows:

	2025-26 £	2024-25 £
Less than 1 year	—	53,534
Between 2 and 5 years	—	107,069
Over 5 years	—	—
	—	160,603

The obligations relate to the lease for office accommodation occupied by the National Forest Company which commenced on 1 April 2023 and was due to expire on 31 March 2028. However, the charity vacated the property in January 2026 and commenced negotiations with the landlord to surrender the lease. The onerous costs of the remaining element of the lease and associated costs have been accrued for at 31 March 2026 and included in these accounts as a liability.

The lease expense, including irrecoverable VAT for 2025-26 was £53,534 (2024-25: £53,534).

23 Other Financial Commitments

The NFC has entered into contracts (which are not leases or PFI contracts) under the Changing Landscape Scheme (CLS) and the Freewoods and Parkland Schemes. The payments to which the NFC is committed, analysed by the period during which the commitments fall due, are as follows:

	2025-26 £	2024-25 £
Less than 1 year	130,374	44,119
Between 2 and 5 years	392,600	382,069
Over 5 years	212,320	166,791
	735,294	592,979

24 Restricted Funds (Movement in Funds)

Group and Charity	Balance at 1 April 2025 £	Incoming Funds £	Resources Expended £	Transfers £	Balance at 31 March 2026 £
Nature for Climate Fund	169,901	3,131,070	(1,809,366)	(1,321,704)	169,901
Nature for Climate Fund – New National Forests	—	978,810	(978,810)	—	—
Defra Restricted funding – Forest creation, access and carbon reduction	—	1,282,500	(410,659)	(245,956)	625,885
Creating a Forest for Learning project – education	85,231	140,446	(66,316)	—	159,361
Charnwood Forest Landscape Partnership Scheme	(65,538)	633,199	(618,656)	95,000	44,005
Getting to know your Green Space project – engagement	—	82,105	(72,103)	—	10,002
Unity Oakthorpe Site	—	84,660	(30,202)	—	54,458
Burton & Coalville Arts projects	33,036	40,051	(73,087)	—	—
Rolls Royce – environmental education	—	20,000	(20,000)	—	—
Severn Trent – Great Big Nature Boost	2,069	189,200	(169,359)	—	21,910
Midlands Forest Network	27,830	75,429	(103,625)	366	—
Valpak – environmental	13,146	66,800	(10,541)	—	69,405
UKSPF – Heart of the National Forest – infrastructure	123,970	—	(73,406)	—	50,564
UKSPF – SDDC – infrastructure	—	126,908	(120,762)	—	6,146
Section 106 funds	92,730	47,735	(39,167)		101,298
Other restricted funds	3,300	33,370	(33,370)	(3,300)	—
	485,675	6,932,283	(4,629,429)	(1,475,594)	1,312,935

Included within transfers are £1,321,704 relating to a land acquisition, £30,640 relating to a vehicle purchase, and £120,316 relating to a mapping licence acquired using restricted funds. Where the restriction is fulfilled on acquisition of the asset, the asset may thereafter be used for any charitable purpose and the related amounts are transferred to unrestricted funds. Also included is £95,000 unrestricted funds transferred to restricted of matched funding for access work within Charnwood Forest.

25 Unrestricted Funds (Movement in Funds)

Designated Funds Group	Balance at 1 April 2025 £	New Designations £	Released £	Transfers £	Balance at 31 March 2026 £
Financial Contingency Fund	950,000	—	(950,000)		—
Repair & Investment Fund	112,377	70,000	—	—	182,377
Conkers Transformation Project	—	200,000	—	—	200,000
Land and Buildings capital asset reserve	11,623,422	1,321,704	(1,690,375)	605,000	11,859,751
Investment property reserve	2,283,000	158,000	—	(605,000)	1,836,000
	14,968,799	1,749,704	(2,640,375)	—	£14,078,128

Designated Funds Charity	Balance at 1 April 2025 £	New Designations £	Released £	Transfers £	Balance at 31 March 2026 £
Financial Contingency Fund	950,000	—	(950,000)	—	—
Repair & Investment Fund	112,377	70,000	—	—	182,377
Conkers Transformation Project	—	200,000	—	—	200,000
Land and Buildings capital asset reserve	10,855,038	1,321,704	(1,690,375)	605,000	11,091,367
Investment property reserve	1,195,000	—	—	(605,000)	590,000
	13,112,415	1,591,704	(2,640,375)	—	12,063,744

Designated funds are unrestricted funds, but nevertheless designated by the Trustees for a particular purpose. Those purposes being a repair and investment fund for the assets of the charity, a fund to support the Conkers transformation project and capital reserve funds equating to the net book value of land and buildings and investment property held by the group. The significant movement between Land and Buildings capital asset reserve and Investment property reserve is a result of the reclassification of Canopy House as a fixed asset as, during the year, the charity started to use as its offices.

Group	Balance at 1 April 2025 £	Surplus/ (deficit) £	Transfer £	Balance at 31 March 2026 £
General Funds	15,651,566	136,190	(115,000)	15,672,756
Revaluation Reserve	696,078	29,471	115,000	840,549
	16,347,644	165,661	—	16,513,305

Charity	Balance at 1 April 2025 £	Surplus/ (deficit) £	Transfer £	Balance at 31 March 2026 £
General Funds	13,765,181	8,191	(115,000)	13,658,372
Revaluation Reserve	438,578	80,871	115,000	634,449
	14,203,759	89,062	—	14,292,821

The transfer relates to the reclassification, to fixed assets from investment property, of Canopy House for which, during the year, the charity started to use as its offices.

26 Analysis of Net Assets between Funds

Group	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2026 are represented by:			
Intangible fixed assets	58,423	—	58,423
Tangible fixed assets	12,784,552	—	12,784,552
Investments	2,367,836	—	2,367,836
Net current assets	1,302,494	1,312,935	2,615,429
	16,513,305	1,312,935	17,826,240

Charity	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2026 are represented by:			
Intangible fixed assets	58,423	—	58,423
Tangible fixed assets	11,810,067	—	11,810,067
Investments	1,121,836	—	1,121,836
Net current assets	1,302,495	1,312,935	2,615,430
	14,292,821	1,312,935	15,605,756

27 Related Party Disclosures

The charity owns the whole of the issued share capital of National Forest Enterprises Limited. During the year, the charity charged the subsidiary company £79,000 (2024-25: £75,000) for services and the subsidiary company donated its profits, through Gift Aid, of £1,467 (2024-25: £82,642). At the year end the subsidiary company owed the charity £239,604 (2025: £242,865).

During the year, no trustee or related parties has undertaken any material transactions with the Charity other than those disclosed in the Remuneration and Staff Report.

The NFC has dealings with the Department for Environment, Food and Rural Affairs (Defra) and some of its sponsored bodies.

	2025-26 £	2024-25 £
Defra – Grant in aid	3,947,066	3,296,365
Defra – Nature for Climate Fund	4,109,880	3,158,000
Rural Payments Agency (Woodland grants)	8,320	14,396

The NFC has an agreement with Forest Research allowing access to a National Forest site at Eastern Old Parks in order to undertake research into Ash Dieback disease.

28 Events after the Balance Sheet Date

The Annual Report and Accounts have been authorised for issue by the National Forest Company's Chief Executive and Trustees. The authorised to issue date is the date of the Comptroller and Auditor General's audit certificate.

29 Comparative Consolidated Statement of Financial Activities including Income and Expenditure Account for the year ended 31 March 2025

	Notes	Unrestricted Funds £	Restricted Fund £	Total 2024-25 £
Income				
Grant in aid	2	2,538,846	757,519	3,296,365
Nature for Climate Fund	2	—	3,158,000	3,158,000
Donations and legacies	3	1,248,010	32,600	1,280,610
Charitable activities	4	692,086	1,569,654	2,261,740
Other trading activities	5	80,658	—	80,658
Investment income	6	109,068	—	109,068
Total Income		4,668,668	5,517,773	10,186,441
Expenditure				
Raising Funds	31	908,545	—	908,545
Charitable Activities	31	4,511,332	3,831,066	8,342,398
Total Expenditure		5,419,877	3,831,066	9,250,943
Net Income/(Expenditure) before gains or losses		(751,209)	1,686,707	935,498
Net gains/(losses) on investments		(102,340)	—	(102,340)
Net Income/(Expenditure) before transfers		(853,549)	1,686,707	833,158
Transfers		1,686,152	(1,686,152)	—
Net Income/(Expenditure) after transfers		**832,603**	**555**	**833,158**
Other Recognised Gains and Losses:				
Gains/(losses) on revaluation of fixed assets		(23,481)	—	(23,481)
Net Movement in Funds		**809,122**	**555**	**809,677**
Reconciliation of Funds:				
Total Funds brought forward at start of the year		15,538,522	485,120	16,023,642
Total Funds carried forward at end of the year		**16,347,644**	**485,675**	**16,833,319**

30 Comparative Analysis of Expenditure notes

Analysis of Expenditure

Group	Direct Staff costs £	Other direct activity costs £	Grant funding £	Support costs £	Total 2024-25 £
Raising Funds					
Development and fundraising costs	279,050	335,584	—	291,729	906,363
Investment management costs	—	2,182	—	—	2,182
Total Cost	279,050	337,766	—	291,729	908,545
Charitable Activities					
Forest creation	418,167	1,085,770	1,734,600	649,163	3,887,700
Woodland management	100,308	536,394	328,284	224,677	1,189,663
Community engagement	285,031	349,385	77,736	404,231	1,116,383
Tourism and promotion	72,275	106,305	44,634	89,300	312,514
Charnwood Forest Partnership	185,393	209,143	25,434	218,594	638,564
New National Forests	—	—	—	—	—
Conkers	—	1,197,574	—	—	1,197,574
Total Cost	1,061,174	3,484,571	2,210,688	1,585,965	8,342,398
Total All Costs	1,340,224	3,822,337	2,210,688	1,877,694	9,250,943

Analysis of Grant Funding of Activity

The NFC awards grants to a number of institutions, both organisations and landowners, to support activity which contributes to the achievement of its charitable objects. No grants were paid with the purpose of directly benefitting the personal circumstances of the individuals.

	Grants to organisations £	Grants to landowners £	Total 2024-25 £
Forest creation	891,734	842,866	1,734,600
Woodland management	109,721	218,563	328,284
Community engagement	103,170	—	103,170
Tourism and promotion	43,634	1,000	44,634
New National Forests	—	—	—
	1,148,259	1,062,429	2,210,688

Included in the funding activity of Forest Creation, in total £620,539 was paid to the combination of the National Trust, Forest of Avon Trust, Sheffield & Rotherham Wildlife Trust and Ribble Catchment Conservation Trust as part of the Forest for the Nation project. In addition to this, four organisations received grants of more than £20,000, in the year, totalling £175,844 and four landowners received grants of more than £20,000, in the year, totalling £388,880.

30 Comparative Analysis of Expenditure notes (cont)

Analysis of Support Costs

	Staff Costs £	Other costs £	Total 2024-25 £
Governance costs	105,063	90,154	195,217
Finance costs	239,744	24,297	264,041
Premises costs	—	128,296	128,296
ICT & Telecoms	68,891	167,092	235,983
Human Resources	68,891	62,362	131,253
Organisational support costs	124,353	111,956	236,309
PR & Communications	138,589	516	139,105
Grants administration	189,027	—	189,027
Charitable Activities	251,198	—	251,198
Advocacy	71,630	—	71,630
Depreciation	—	35,635	35,635
	1,257,386	620,308	1,877,694

31 Comparative Funds notes

Restricted Funds

Group and Charity	Balance at 1 April 2024 £	Incoming Funds £	Resources Expended £	Transfers £	Balance at 31 March 2025 £
Nature for Climate Fund	239,608	3,058,000	(1,441,555)	(1,686,152)	169,901
Nature for Climate Fund – Midlands Forest Network	13,280	100,000	(113,280)	—	—
Creating a Forest for Learning project – education	44,081	110,000	(68,850)	—	85,231
Defra Comms & Forest for the Nation	—	757,519	(757,519)	—	—
Creating Working Woodlands project	1,468	—	(1,468)	—	—
Charnwood Forest Landscape Partnership Scheme	99,647	293,951	(459,136)	—	(65,538)
Burton & Coalville Arts projects	—	38,551	(5,515)	—	33,036
NFC Building Decarbonisation Project	—	50,000	(50,000)	—	—
Rolls Royce – environmental education	—	20,000	(20,000)	—	—
Severn Trent – Great Big Nature Boost	—	490,061	(487,992)	—	2,069
Midlands Forest Network	—	40,858	(13,028)	—	27,830
National Forest Community Woodlands	26,874	72,771	(99,645)	—	—
Valpak – environmental	29,161	12,600	(28,615)	—	13,146
UKSPF – Heart of the National Forest – infrastructure	—	323,941	(199,971)	—	123,970
Other restricted funds	31,001	149,521	(84,492)	—	96,030
	485,120	5,517,773	(3,831,066)	(1,686,152)	485,675

Only restricted funds with income and expenditure in the comparative year are shown.

31 Comparative Funds notes (cont)

Designated Funds

Group	Balance at 1 April 2024 £	New Designations £	Utilised funds £	Released £	Balance at 31 March 2025 £
Financial Contingency Fund	700,000	250,000	—	—	950,000
Land Acquisition, Management and Development Fund	500,000	—	—	(500,000)	—
Enterprise and Investment Fund	438,973	—	—	(438,973)	—
Conkers Repair & Investment Fund	92,377	20,000	—	—	112,377
Land and Buildings capital asset reserve	—	11,623,422	—	—	11,623,422
Investment property reserve (restated)	2,370,000	—	(87,000)	—	2,283,000
	4,101,350	11,893,422	(87,000)	(938,973)	14,968,799

Charity	Balance at 1 April 2024 £	New Designations £	Utilised funds £	Released £	Balance at 31 March 2025 £
Financial Contingency Fund	700,000	250,000	—	—	950,000
Land Acquisition, Management and Development Fund	500,000	—	—	(500,000)	—
Enterprise and Investment Fund	438,973	—	—	(438,973)	—
Conkers Repair & Investment Fund	92,377	20,000	—	—	112,377
Land and Buildings capital asset reserve	—	10,855,038	—	—	10,855,038
Investment property reserve (restated)	1,220,000	—	(25,000)	—	1,195,000
	2,951,350	11,125,038	(25,000)	(938,973)	13,112,415

31 Comparative Funds notes (cont)

Analysis of Net Assets between Funds

Group	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2025 are represented by:			
Intangible fixed assets	116,846	—	116,846
Tangible fixed assets	12,409,306	—	12,409,306
Investments	2,790,270	—	2,790,270
Net current assets	1,031,222	485,675	1,516,897
	16,347,644	485,675	16,833,319

Charity	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2025 are represented by:			
Intangible fixed assets	116,846	—	116,846
Tangible fixed assets	11,383,421	—	11,383,421
Investments	1,702,270	—	1,702,270
Net current assets	1,031,222	485,675	1,516,897
	14,233,759	485,675	14,719,434

E03567286
978-1-5286-6323-6