



Forestry England

Annual report and accounts

2024-25



HC 1479



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2024-25

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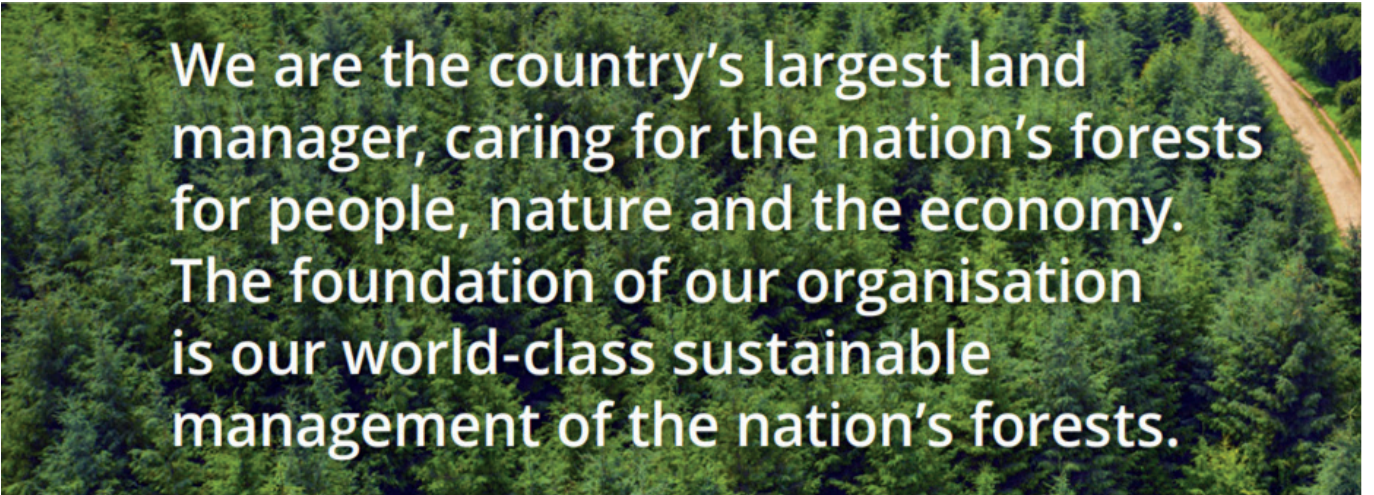
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Our purpose and activities

We grow forests for all, for life. For over 100 years, we have been growing, shaping and caring for the nation's forests, for the benefit and enjoyment of all, for this generation and the next.

Why we do it:

Forests are vital for the future of our planet. They improve the health and well-being of everyone, protect and enhance the natural environment and provide a sustainable raw material. With careful planning and expert management, the nation's forests will continue to thrive. We are always thinking beyond today, planning and planting forests that will help create a sustainable future. Find out more about us at www.forestryengland.uk.



We are the country's largest land manager, caring for the nation's forests for people, nature and the economy. The foundation of our organisation is our world-class sustainable management of the nation's forests.

Our structure:

Forestry England manages the nation's forests. We are part of the Forestry Commission, which also includes Forest Services, the government's expert forestry

advisors and regulators, and Forest Research, who deliver internationally renowned forestry and tree-related research to England, Scotland and Wales. Forestry England staff are employees of the Forestry Commission and are civil servants. Forestry England is an Executive Agency and non-financial public corporation.

Our values:

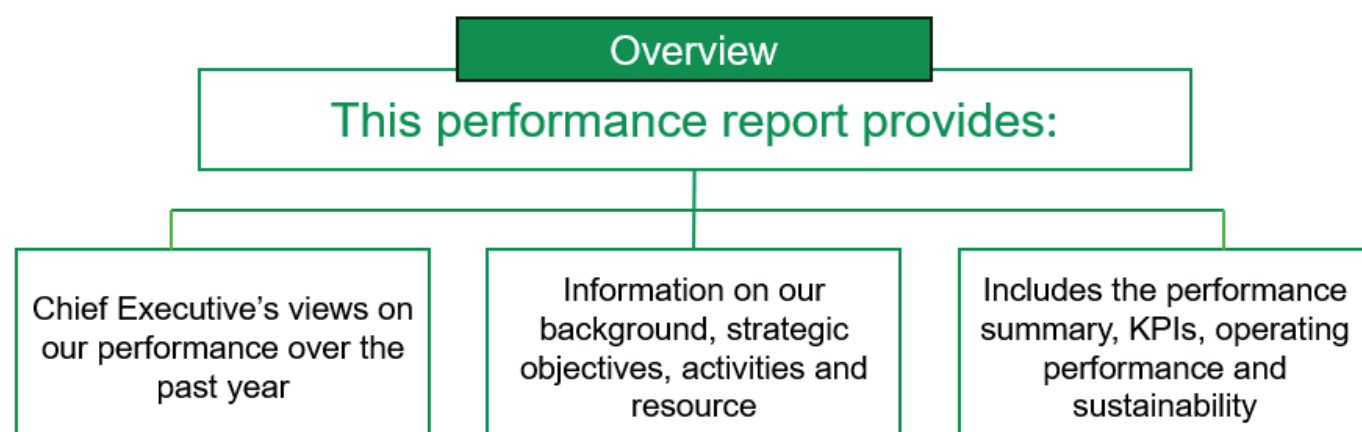
These are the beliefs that are most important to us and influence how we behave every day. Our values should be upheld by everyone, all the time and help guide our decisions day-to-day. They are:

- Think beyond a lifetime
- Do it together
- Be adventurous
- Look out and look after

Our main sites and offices



Performance report



Chief Executive foreword

I am immensely proud of what our teams have achieved this year. Despite significant financial challenges and uncertain funding, Forestry England has lived our values – pulling together, testing new approaches, looking out for one another, and focusing on making the nation's forests more robust and sustainable for the long term.



The nation's forests require investment to maintain and grow. Discussions continue to resolve the long-term public funding of the nation's forest where Forestry England receives funding around £44 ¹ per hectare compared to the c.£300+ funding per hectare other landowners receive. We have made significant progress in our short- and –medium-term financial position through

1 Increased to c.£94 per hectare in 2025-26.

a combination of cost control, efficiencies, and trading income growth. We have also worked towards having powers to generate and sell renewable electricity and continue to develop new funding approaches including green finance and landscape recovery partnerships. Strengthening our financial position builds from every colleague's dedication and our collective commitment to ensuring the nation's forests remain resilient, thriving green spaces for all.

Forestry England delivers for the nation's forests and the nation. In this penultimate year of our five-year plan, Growing the future 2021-26, we are on track to deliver nearly all the challenging programmes and targets we set out in 2021. Through this we have contributed to delivering the Forestry Commission strategy – 'Thriving for the Future', Defra outcomes and Government's Missions.

This year's achievements have been remarkable. We received £46 million from Defra for specific programmes, the largest ringfenced funding to date, enabling us to buy 1,011 hectares of land for woodland creation, deliver 70 access-for-all projects, and advance nature recovery with our wilding sites and species reintroductions. As England's largest land manager our core delivery has produced over 1.2 million tonnes of sustainable timber and welcomed 313 million visits – a 3.3% increase in visits that outperforms national trends. Membership reached its best-ever growth with 51,000 households, our education programme reached over 83,000 children, and volunteers contributed 200,000 hours supporting the

nation's forests countrywide. All this activity enables jobs in rural communities.

This year has seen extremes of weather: more named storms and flooding alternating with drought, keeping in focus that climate adaptation and resilience remain central to our work. As our teams respond to the immediate impacts of named storms and increasingly unpredictable weather patterns, we remain focused on the long-term future of our forests. We are investing in our Lobslack tree nursery, advancing our forest resilience strategy, and embedding our net zero approach to ensure that the forests we steward today will thrive for generations to come. These actions reflect Forestry England's commitment to creating sustainable, resilient landscapes that can adapt to the challenges of the next 50 to 100 years — securing environmental, social, and economic value for the future.”

None of this would be possible without our incredible, dedicated, professional staff. Despite funding and civil service constraints affecting our ability to grow the team and offer competitive remuneration, our people continue to deliver exceptional results. It was a privilege to host our second Forestry England Awards at Delamere Forest, celebrating staff voted by peers as exemplars of our values and being everyday heroes.

The high points of my role are being able to celebrate with staff the remarkable achievements of this organisation. Right at the end of the year it was a pleasure to attend the celebration of 100 years of conifer

conservation and research at Bedgebury Pinetum with Sir William Worsley, Forestry Commission Chair, culminating in planting a Japanese mountain hemlock – the same species planted at Bedgebury 100 years ago to the day.

This has been a particularly challenging year, but our purpose brings us together as Forestry England and drives us forward through those challenges: to grow the future, using our scale and expertise to grow and care for the nation's forests for this and future generations.

Mike Seddon

Awards and recognition for work in the nation's forests received in 2024-25

The Forestry England team, our partners and volunteers have worked tirelessly to look after the nation's forests and give people incredible experiences across the 1,500 locations that we manage. Here is a selection of the recognition received in 2024-25.

Our people

Sue Middleton, MBE.	Lucy Brenkley, BEM.	Phil Aldous (Retired),
Haldon Forest Development Manager.	Active Forest Co-ordinator for Chopwell Wood, Gateshead.	Imperial Service Medal.
For outstanding services to the Forest of Dean.	For Services to Forestry.	Central Forest District.

The King's Award for Voluntary Service was awarded to The Dean Trail Volunteers (DTV), a dedicated team of 147 volunteers recognising their exceptional commitment to community and inclusivity in mountain biking in the Forest of Dean.

Our sites

Visit England Awards:

Whinlatter Forest – Gold Award

Westonbirt, The National Arboretum – Best Told Story Award

Campsites.co.uk – two of our campsites won awards:

Sherwood Pines Camping

- Best Caravan Park, East Midlands – Winner
- Best Family Campsite, East Midlands – Runner up
- National Top Dog award for best dog-friendly campsite – Runner up 2024 Outstanding Site

Roundhill Campsite, New Forest

- Best Campsite, South East – Winner

Nottinghamshire Trust Awards – Sherwood Pines Camping wins gold **The Association of Leading Visitor Attractions (ALVA): 8 Forestry England sites featured in the Top 100 visitor sites (out of 2,200 visitor sites).**

- Moors Valley Country Park and Forest: 47th place
- Forestry England Delamere: 68th place
- Forestry England Sherwood Pines: 73rd place
- Forestry England Haldon: 79th place
- Forestry England Bedgebury, National Pinetum and Forest: 86th place
- Forestry England Westonbirt, the National Arboretum: 87th place
- Forestry England High Lodge – Thetford: 90th place
- Forestry England Wendover Woods: 94th place

Westonbirt Arboretum: South Gloucestershire Lifestyle Awards 2024: Best Family Day Out – Highly Commended. South West Tourism Awards 2023-24 (awarded 2024): Bronze award ‘Ethical, Responsible and Sustainable Tourism Award’ and Bronze ‘Tourism Event/Festival of the Year’ for Enchanted Christmas

Dalby Visitor Centre:

Little Vikings Best Family Attraction (North York Moors)

Ryedale Mumbler Awards: Best Family Attraction

Home Wood, Eastleigh:

Excellence Awards 2025 (South East England): Best project: Asset Maintenance

Performance overview

1 April 2024 - 31 March 2025



313 million
estimated visits
to the nation's forests



679 hectares
of new woodland
planted



6,128,480
trees planted
in the nation's forests



1,247,000
cubic metres of
timber harvested



195,959
hours kindly given
by volunteers



51,156
households
are members
supporting the
nation's forests



99.92%
of people live within a
one hour drive
of the nation's forests

The nation's forests are vast

They include the following priority habitats*



23,256
hectares of
Priority woodland



49,682
hectares of
open habitat



358
hectares of
wetlands



92
species of tree



37
conifer



55
broadleaf

We have planted...

24

on-going
reintroduction
projects

ongoing
including:

Beaver
Pine marten
Water vole
Wildcat
Wood ants
White-tailed eagle



96%
of SSSIs*

(Sites of Specific
Scientific Interest)
are in a
**favourable
or recovering
condition**

Challenges



Recruitment
& retention



Long-term
infrastructure



Pest &
diseases



Responding
to extreme
weather



Economic
uncertainty
and volatility



Fire -
including
human-caused

Performance report

Forestry England manages more land and trees than any other organisation in England.

We measure our performance against our 5-year plan Growing the future 2021-26 reported here, and our 5 published KPIs. Our Growing the future activities contribute to the goals of the Forestry Commission 'Thriving for the Future' strategy, Defra goals including the Environmental Improvement Plan, and Government's Missions.

There are other measures and goals that we use to measure our performance:

The UN Global Goals

At an international level we track our contribution to the UN Sustainability Goals (SDGs).

These are a roadmap of seventeen interlinked social, economic and environmental objectives to deliver global sustainable development by securing the rights and wellbeing of everyone on a healthy planet. The SDGs are illustrated below, and the following section shows how Forestry England's strategic goals support the SDGs. Throughout the report we refer to the relevant goals where our actions and ambitions align.

SUSTAINABLE DEVELOPMENT GOALS



Natural capital

The Forestry England natural capital accounts report figures presented here covers financial year 2023-24, with 2024-25 in development. You can read our natural capital approach and accounts on our website [Our natural capital approach | Forestry England](#)

Forestry England's natural capital accounts highlight our continued commitment to enhancing the natural capital of the nation's forests, delivering measurable benefits to society, and supporting national environmental and wellbeing goals. Forestry England was the first organisation to prepare accounts to the new British Standards (BSI) for the 2022-23 accounts. We continue to develop our natural capital approach in our decision making at site level and nationally. In March 2024,

the total natural capital value of the nation's forests is estimated at £90.7 billion (£85.2 billion March 2023). At the time of laying the 2024-25 Forestry Commission Annual Report and Accounts, the estimate of the natural capital value on 31 March 2024 was £88.2 billion. The final natural capital value for March 2024 is currently unpublished.

Taskforce on nature-related financial disclosures (TNFD)

TNFD is a groundbreaking initiative led by the private sector. It is creating a global framework for companies and investors to monitor and disclose their risks and impacts on nature, including throughout their supply chain. Reporting the impacts on biodiversity is likely to become mandatory for large companies and investors. It could mean biodiverse, nature-first forest management becomes more commercially viable. The Forestry England Executive Team have made the decision that, whilst it's not mandatory, Forestry England will be an early adopter of this reporting to provide sector leadership and to create opportunities to attract green investment by communicating what we do well when managing nature, and how we manage nature-related risks, impacts, dependencies and opportunities. Our first report will be published by the end of 2025.

Performance analysis

Five-year targets for Growing the future: 2021-26

Our five-year plan for the nation's forests guides our work delivering valuable, sustainable benefits from the nation's forests, underpinned by generating income for financial sustainability.

The end of March 2025 completes year four of this five-year plan. This report presents the progress made in this penultimate year and the total progress made since its launch; it also highlights our delivery outputs, and the challenges experienced.

Key performance indicators

Our published key performance indicators (KPIs) function as long-term metrics calculated and reported annually. The Forestry England Board agreed this set of KPIs following extensive consultation in 2019.

These KPIs are recognised as official statistics and represent a crucial public asset. They offer insights into society, the economy, and the government's work and performance. They are part of the suite of Forestry Commission KPIs, the complete range of KPIs for the Forestry Commission are published on www.gov.uk.

Storm damage in a commercially important timber plantation



Growing the future: for climate

Our vision:

For climate

The nation’s forests are resilient to climate change, increasing the value of benefits they provide to communities by producing high-quality sustainable timber and absorbing more carbon emissions.



Five-year targets

New woodlands

Planting new woodlands

Sustainable timber

Over 1 million m³ to market yearly, maintaining forest management

Structural and tree species diversity

Supporting adaptation to climate change for future generations

Progress up to 2023-24	312 hectares	1,206 ,000 m ³	92 tree species planted this year
Progress 2024-25	695 hectares	1,247,000 m ³	92 tree species planted this year
Growing the Future cumulative progress	1007 hectares	On target	On target
Target by 2026	2000 hectares	1,000,000 m3 per year	More diverse species

This vision supports the UN SDGs: ‘8, Decent Work and Economic Growth’, ‘9, Industry, Innovation and Infrastructure’, ‘13, Climate Action’ and ‘15, Life on Land’.

Planting new woodlands, absorbing more carbon, and supporting the journey to the goal of net-zero:

- In 2024-25, we acquired 1,011 hectares of land. In total, 1,979 hectares of land has been acquired for woodland creation as part of the Nature for Climate Fund between 2021-22 and 2024-25.
- During this planting season, we have established 695 hectares of new woodland. This figure exceeds the officially reported total of 629 hectares due to a brief delay in updates to the Geographic Information System (GIS). Since 2021-22, we have planted 1,007 hectares woodland under the Nature for Climate Fund.
- Between 2021-22 and 2024-25, approximately 60% of our new planting is broadleaf and 40% is conifer.
- We are planning 9 new seed stands and 11 forest research trials across our new woodlands, to provide a future source of high-quality seeds and further scientific knowledge on creating and managing forests in a changing climate.

Managing the nation’s forests for sustainability and resilience for a changing climate:

- We produced over 1.2 million cubic meters of sustainable, home-grown timber; a renewable

resource which locks in carbon and can replace more carbon-intense construction materials.

- Forestry England has renewed its FSC and PEFC forest management certificates for 2024–2029, marking 25 years of FSC certification.
- We continue to implement our core species list: a list of 30 tree species that we are prioritising for planting in the nation's forests. The species were identified through an evidence-based assessment of a range of vital characteristics, including suitability to future climate, tolerance to pests and disease, and timber production potential. The core species list is now informing our planting decisions and investment in plant and seed supply.
- We invested £166,000 in forest resilience research through a bespoke agreement with Forest Research. This has delivered new evidence and understanding in areas such as the establishment success of emerging tree species, the financial implications and risk associated with resilience actions, and the development of a forest drought resilience index for the nation's forests.
- The new seed processing centre at Lobslack is now complete. Together, Forestry England and Defra invested £14.5 million in the facility near Delamere Forest, to upgrade our forest nursery including building a brand-new seed processing centre. This will process seeds for millions of high-quality, UK grown, resilient trees in the decades ahead. The project

will boost Forestry England's resilience in supplying suitable genetic material for woodland creation and regeneration for the rest of this century.

- Our mechanical engineering service has collaborated with teams across Forestry England to remove old and underused assets to be redistributed or removed from service, reducing the cost of the Forestry England vehicle fleet.

Pedal and Play at Cannock Chase Forest, designed in partnership with British Cycling, specifically to help children gain skills and confidence in off road cycling.



Growing the future: for people

Our vision: For people

We want the nation's forests to be a living treasure for all, deeply connected to people's lives and improving the health and wellbeing of the nation.



Five-year targets

Volunteer hours



Partnerships

Grow expertise
and innovation



Diversity

Visitors reflecting the
nation's communities



Membership

Launching our
national scheme

Progress up to 2023-24	486,334 hours given in total up to 2023/24	£464,280	Minority Ethnic groups 18.3% Visitors with disability 23.1%	5,276 national memberships 43,891 total active memberships
Progress 2024-25	195,959 hours	£763,330	Minority Ethnic groups 29.8% Visitors with disability 22.5%	9,254 national memberships 50,700 total active memberships
Growing the Future cumulative progress	682,293 hours	On target	On target	On target
Target by 2026	1,000,000 hours	Quality partner- ships supporting delivery	Infrastructure to drive greater diversity	Grow our national memberships' family

This vision supports the UN SDGs ‘3, Good Health and Wellbeing’, ‘8, Decent Work and Economic Growth’ and ‘15, Life on Land’.

Volunteer opportunities across the nation’s forests have continued and included developing our national partnerships with Butterfly Conservation Trust, Observatree, and the Ministry of Justice. We have delivered 3 volunteer-focused adapted welfare vehicles and launched the ‘My Forestry England Volunteer Portal’. We have also welcomed 57 new recruits to the Shadow Volunteer programme over the last 2.5 years, with 54% progressing into an environmental career within 6 months of finishing the programme.

Access for All: The initial 3-year Defra-funded programme, completed in March 2025, delivering 70 accessibility upgrade projects at 34 forest and woodland sites nationwide. Co-designed with people with lived experience, the projects aimed to remove barriers and make everyone feel welcome. Key achievements include:

- 20+ trail and infrastructure upgrades
- 6 new Changing Places toilets (total now 13)
- 9 all-terrain mobility scooters
- 1 accessible cycle trail (Forest of Dean)
- 2 ‘Pedal and Play’ trails (Hicks Lodge)
- 3 adapted volunteer welfare vehicles
- 10 inclusive play areas

- 2 trial communication board (based on the Picture Exchange Communication System or PECS) to enable our non-verbal visitors to communicate their needs
- 100+ accessible benches and perches

A further year's funding has been awarded in March 2025, extending the programme to March 2026. 31 access improvement projects will be progressed in 2025-26, these include: one further Pedal and Play trail, the creation of even more accessible walking, wheeling and cycling trails, shelters and resting places, more inclusive play areas and bridge works to ensure public access can continue.

The Forests for Everyone programme – has continued to advance its ambition for visitors to the nation's forests to reflect the diversity in society. Some examples of our work include the following communities:

- **Pride** events – across 9 forest centres in partnership with our staff network Rainbow Canopy and the Museum for English Rural Life.
- **Interfaith Oneness Grove, Sense Valley** – work completed in Spring 2025.
- Wendover multi-faith community event -Jewish, Christian, Sikh, Hindu, and Muslim communities gathered in Wendover to promote a greener world.

- **Become United** – a Muslim Charity from Rochdale visited Grizedale as part of a residential weekend in the Lake District.

The Active Forests programme – delivered in partnership with Sport England to increase active participation of visitors, supporting health and wellbeing. The programme has delivered 9,130,605 active visits since April 2024.

Forestry England's 'Step into Nature Strava Challenge': recorded over 107,000 participants and just under 80,000 completions of the challenge – it also saw many more female participants than most Strava groups. In total we have over 15,000 Strava members.

Social prescribing: we have had over 350,000 visits which have supported people with health conditions, partnered with Parkinson's UK, Mind Over Mountains, and RSPB to co-create tailored activities and trained over 400 professionals via forest-based and e-learning modules. Our Virtual Forests Hub brings nature to those unable to visit; used in research for hospice care, stroke rehabilitation, and virtual wards. Forestry England's 'Feel Good in the Forest' programme was one of the final three nominees in the green and blue social prescribing category in the 'Best Nature Based Social Prescribing Project' in the International Social Prescribing Awards 2024.

Learning and education: 83,122 children took part in education programmes; 28,000 young people engaged through events and activities and more than 5,000

students engaged in career conversations. The range of our materials begins with new online materials for geography and science at Key Stage 3 (KS3) through to participating in the BBC Bitesize Careers Tour, reaching 3,000 secondary students via Forestry England staff. **Forestry England gained the award of 'Highly Recommended'** in the Geographical Association's 2025 Publishers Awards for our KS3 Geography resources.

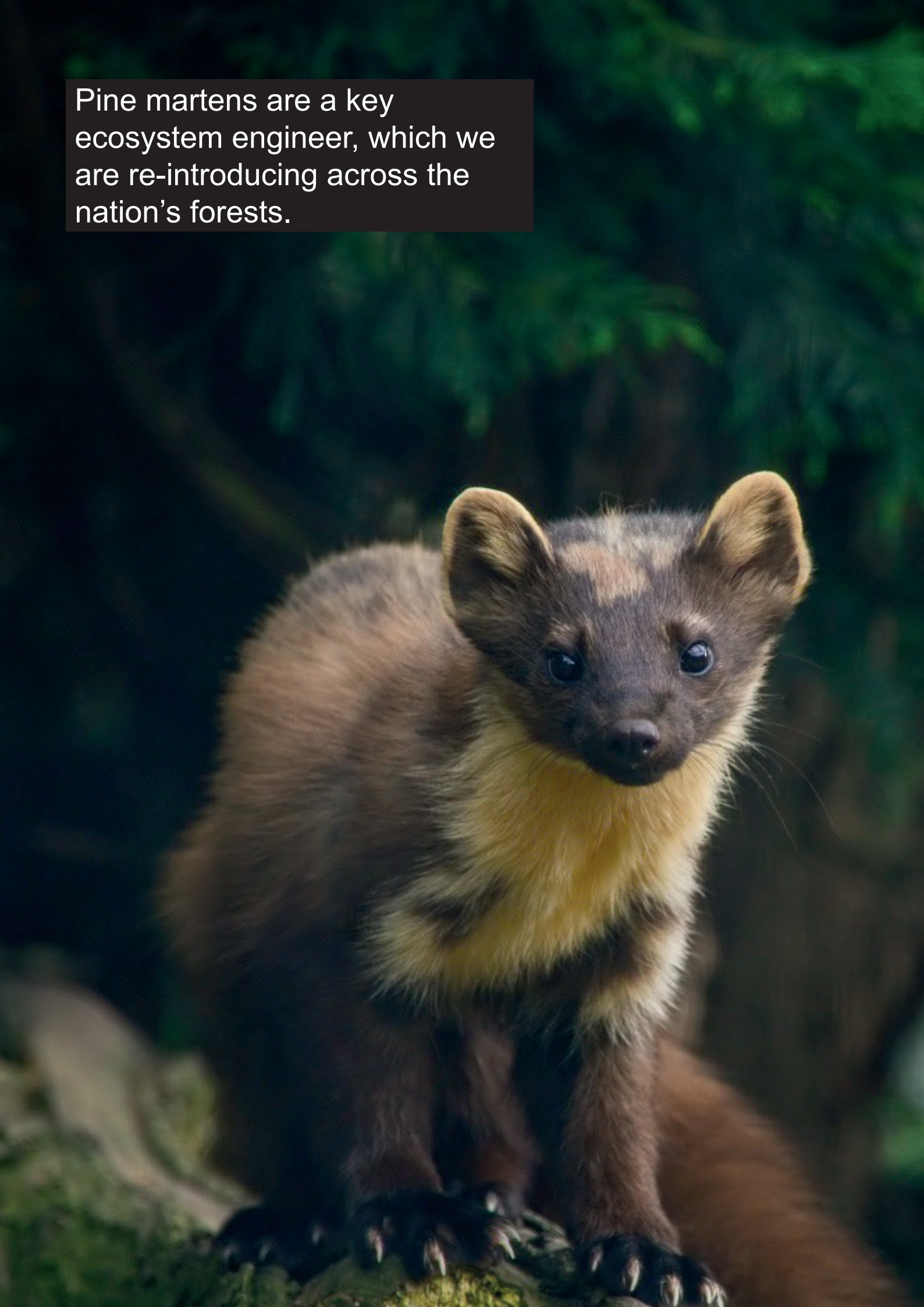
Art in the Forests: our arts Programme this year has included our first book for our young readers 'We the Forest'. The Reading Nest, an architecturally designed structure promoting family reading; toured Bath's Forest of Imagination Festival, New Forest Show, Alice Holt Forest, and Dalby Forest. Collaborating with De Montfort University, Alice Holt Forest hosted the Sensing the Forest international summer school for sound artists. Dalby Forest also welcomed Nayan Kulkarni's 'A Room that Sings'.

We greatly value our partnerships that deliver a broad and varied range of activities for our visitors to the nation's forests. There are too many to mention in a single report, however, some highlights from this year include British Orienteering, who renewed their commitment to support and grow orienteering in the nation's forests. Working with Trash Free Trails and The Volunteer Mountain Bike Group, we continue to improve the many kilometres of cycle trails we offer. We have reviewed access with the British Horse Society, enabling riders to enjoy most of the nation's forests without

needing a permit. Finally, with Parkrun, we have hosted events in 21 forests, with over 1 million participants.

Heritage Highlights include the launch of 'Historic Roots' at the Royal Geographical Society, showcasing key themes and sites to inspire future engagement and storytelling. A notable collaboration with Time Team, led to the uncovering of a Bronze Age monument at Farley Moor near Matlock in September 2024. Additionally, a series of short heritage films were produced, capturing the Bedgebury centenary, the tradition of free mining in the Forest of Dean, and the legacy of WWI heritage at Sherwood Pines.

Pine martens are a key ecosystem engineer, which we are re-introducing across the nation's forests.



Growing the future: for wildlife

Our vision:

For wildlife

The nation’s forests will provide the most valuable places for wildlife to thrive and expand in England.



Five-year targets

Reintroducing and translocating

Plant and animal species to support ecosystems

Progress up to 2023-24

8 new reintroductions
12 continued

Progress 2024-25

4 new reintroductions
20 continued

Growing the Future cumulative progress

24 ongoing reintroduction projects
Already achieving over 300% of our 2026 target

Target by 2026

7 ongoing reintroduction projects



Habitat enhancements

Improving the condition of sites, SSSIs in favourable condition

36.91%

36.73%

Currently at 80% of target

47.03%



Wilding

Additional conversions to wild areas

8,272 hectares ongoing

6,364 hectares ongoing

14,636 hectares ongoing

6,000 hectares

This vision supports the UN SDGs ‘13, Climate Action’ and ‘15, Life on Land’.

Supporting nature’s recovery, Forestry England is **at the forefront of innovation and, with the use of new technologies, is driving forward nature’s recovery within the nation’s forests:**

- **Influential species reintroductions** such as pine martens, beavers, white-tailed eagles, golden eagles, and European wildcats (aka woodcats) advanced to either feasibility or release stages. Notable population increases were observed, including a significant rise in pine martens across the country. Reintroduction programmes are active in all districts, with 24 ongoing projects.
- **The endangered glistening waxcap** listed on the International Union for Conservation of Nature (IUCN) Red List of Threatened Species, has been newly identified in the nation’s forests. Its presence signals species-rich grassland that supports rare wildlife. This discovery was made using advanced eDNA techniques, which collected 656 samples across 21 forests in just four months, more than ever recorded using traditional methods.
- **Transplanting an invisible forest** in November 2024, an innovative method of soil translocation was trialled between two woodlands to help restore vital fungal species essential to tree and soil health. DNA sampling revealed that some key mycorrhizal fungi are missing from newer woodlands. The pilot

project involved carefully extracting soil ‘cores’ from Hagg Wood, an ancient woodland near York, and transferring them to the newly planted and nearby York Community Woodland. Though unremarkable to the naked eye, these cores are teeming with life, each containing up to 300 species of fungi. These microscopic organisms are crucial for woodland health. Restoring them is about building healthy, resilient ecosystems that can better withstand future challenges.

- **Habitat connectivity enhanced in Thetford Forest SSSI** creating open habitat corridors and improving conditions for rare species. The Thetford Open Habitats project will create a 380 hectares open habitat corridor network across the Forest. This will create nature ‘super-highways’ through plantations, linking nature hotspots in the Forest and to neighbouring sites outside the forest, an industry-leading plan. This project is key to improving the condition of the Thetford SSSI.
- **Improving condition of our ancient woodland sites.** The semi-naturalness score (the percentage of native species in our forests) on our plantations on ancient woodland sites (PAWS) improved in 2024/25, with higher-quality woodland increasing by 2–4% and lower-quality areas decreasing by 3–5%. This is double the rate of change seen in 2023–24, which saw 1–2% increases and 1% reductions. These shifts reflect clear progress in restoring the ecological condition of PAWS.

- **The national launch of wild areas** began in May. Since then, the extent of our wild core areas has grown from 3,000 to 14,636 hectares making a significant contribution to the UK's nature recovery network and supporting our Growing the future objective. The four wild areas are: **Wild Kielder**, **Wild Newtondale**, **Wild Neroche**, and **Wild Purbeck**.
- **Landscape recovery schemes (LRS)**: we are working with a range of partners exploring potential sites across the country in this Defra flagship scheme for nature recovery.

Forest worker maintaining and improving forest trails.



Growing the future: our people and values

Our vision:

Our people & values

We are one Forestry England. We support each other to work to our values, to be healthy, motivated, engaged experts; enabling us all to make our best contribution. We are a diverse workforce representing the people we serve.



Diverse workforce
Reflecting the nation's communities

Work environments
To empower people wherever they work

Health and safety
Improved accident reporting:
Public reports Staff reports

Five-year targets

	Progress up to 2023-24	Progress 2024-25	Growing the Future cumulative progress	Target by 2026
	3% Minority Ethnic groups, 6% have a disability	5.7% Minority Ethnic groups, 5.6% have a disability	Infrastructure to track and improve employee diversity in place	Infrastructure to drive greater diversity
	68% staff engagement recorded in 2022/23 biennial survey	91% staff engagement recorded in 2024/25	On target	Empower workforce
	8.25 per 100k visits	9.23 per 100k visits	On target	Yearly improvement
	7.33 per 100 employees	7.82 per 100 employees	On target	Yearly improvement

This vision supports the UN SDGs ‘3, Good Health and Wellbeing’, ‘8, Decent Work and Economic Growth’ and ‘10, Reduced Inequalities’.

Understanding and creating opportunities to be more inclusive and diversify our workforce.

Enrolled in October 2024, our current cohort of 8 Level 3 Forest Operative apprentices are progressing through their training. From the previous cohort (October 2023), 10 learners enrolled, 3 have completed (2 with distinctions, 1 with a pass), 5 are preparing for their end-point assessments, and 1 has finished training but not yet started their assessment.

Improving our working environments and approaches as well as effective use of technologies to empower our people to flourish:

- **Haldon Forest operations yard and staff facilities** have been redeveloped, addressing welfare issues and making staff working lives easier. This has been redeveloped with Defra’s Green Government Commitment funding supporting sustainable technologies and bringing us closer to our ambition for new buildings to be carbon net zero.
- **Connections customer relations management (CRM) Programme** went live with individual giving (one-off payments) in February, followed by corporate donations in March. Recurring donations will launch alongside membership in September 2025. A car parking application programming interface API

(automated car registration) has enabled continued enforcement and revenue at Group Nexus-linked sites.

- **Launch of the recruitment applicant tracking system 'FERN'** (Forestry England recruitment network) enabling shorter end-to-end recruitment process, improved tracking and enhanced communication throughout the recruitment process. This new recruitment system has won plaudits from managers and applicants.
- **SharePoint** has been delivered across the organisation, with the legacy servers now switched off. This has been a tremendous effort for all delivering and adopting new ways of working.

Putting health and safety at the core of everything we do.

We have delivered a more coherent and clearer offer to all our staff to support their wellbeing, including the renewed free access to Headspace app for wellbeing that is now available to our colleagues and families. We also continue to promote colleagues using our staff network groups (including women, ethnic minorities, neurodivergence, disability and carers, LGBTQ+ and networks) which continue to thrive.

Look out and look after (LOLA): this four-year programme concluded in March 2025, with consultants carrying out their second formal staff survey to establish the progress made over the past three years and the

impact that it has had on the organisations culture. Below is a summary of the comments received from the survey:

Colleagues are more willing to raise health and safety concerns	Psychological safety has improved since 2021	There is less perceived bureaucracy around health and safety
Safety conversations feel more genuine and meaningful	PPE and safety equipment are easier to access	Colleagues are more engaged in health and safety meetings

Forestry England People Awards: the second awards event took place at Delamere Forest. With all nominations coming from staff, this is a celebration of the dedication, passion and expertise of our staff and how they have been excellent examples of living the Forestry England's values.

Forestry England membership covers a whole household for a year and supports us to care for the nation's forests.



Growing the future: Our sustainable approach

Our vision:

Sustainable approach

To put sustainability at the heart of the nation’s forests and all that we do.



Reduced emissions
Total GHG emissions
by source



Sustainable Finance
self-generated income
from commercial activity



Awareness
Increased awareness of
Forestry England

Progress 2023-24	4,054 tCO2e	72% of income self-generated	33% of people are aware
Progress 2024-25	3,731 tCO2e	71% of income self-generated	36% of people are aware
Growing the Future cumulative progress	On target	While our self-generated income has grown, our securing and utilizing more non-recurrent funding from DEFRA in support of our capital programmes diluted the measure	On target
Target by 2026	Meaningful reduction towards net zero	Increase from 76% (2021)	Increase from 33% (2021)

This vision supports the UN SDGs '7, Affordable and Clean Energy', '8, Decent Work and Economic Growth', '12, Responsible Consumption and Production', '13, Climate Action' and '15, Life on Land'.

Reducing the impact of our business by minimising emissions from our operations. With Defra funding, we began a programme of installing solar panels at several sites to boost renewable energy and cut carbon emissions. We continue to install more electric vehicle charging points, and we initiated our energy and carbon steering group which supported developing our net zero strategy during 2024. The sustainable procurement sub-group has completed an environmental survey of our suppliers and created a 'Buyer toolkit'. We also implemented a new national waste contract with one waste carrier to drive improvement in our waste processing, recycling and data capture.

Building the financial sustainability of Forestry England by generating more of our income through our business, enabling us to do more for the climate, people and wildlife. While our self-generated income continues to grow, the securing of additional non-recurrent funding from Defra in support of our capital programmes dilutes the measure while increasing the scope our operational activities.

Securing the future targeted areas of additional income growth and cost efficiencies to ensure Forestry England's long-term financial sustainability. The programme

remains committed to delivering an annual £10.4 million financial improvement by the end of 2026-27.

Overnight stays: In 2023–24, Forestry England identified strong potential to expand overnight stays with/ by strategic planning and location scoping. This initiative supports visitor experience and revenue diversification.

- Camping sites at Sherwood Pines and Camping New Forest performed well, refining their business plans with realistic projections while maintaining growth. Despite challenging weather, both met KPIs, showing resilience and operational strength. The Rendlesham Forest campsite tender was awarded, adding to our camping offer.
- A new partnership with Unyoked Ltd introduced off-grid cabin experiences, broadening our accommodation range.
- Motorhome stopovers at Kielder proved successful, confirming viability for introduction across the nation's forests.
- Forest Holidays remained a key partner, operating eight sites with one approved for extension, two new locations awaiting planning decisions, and four potential locations in consultation stages.

This growing portfolio of overnight options reflects our commitment to innovation, sustainability, and enhancing how people experience the nation's forests.

Events: the events programme continues to develop, generating income while offering a different experience in enjoying and engaging with the nation's forests.

- **Forest Live 2024** concluded on 12 July with record-breaking results: 137,000 tickets sold, over 140,000 attendees across six forest venues, and net ticket income exceeding £7 million. This was the first programme delivered in partnership with Cuffe and Taylor, featuring 23 concerts and 14 headline artists, the highest number in Forest Live's history. Notably, over 26% of headliners were female, far surpassing the European festival average of 8%. Sustainability efforts saw over 9,000 attendees travel by coach, reducing environmental impact. Accessibility and inclusion were also prioritised, with each concert offering a British sign language (BSL) interpreter and a Changing Places toilet facility.
- **Seasonal illuminated trails** were delivered nationally for the first time by our partnership with Sony/Raymond Gubbay Ltd, generating more than £300,000 in profit for Forestry England. The offer continues to evolve, providing fresh experiences for visitors. Bedgebury sold 81,613 tickets over 34 nights (three cancelled due to weather), Westonbirt sold 58,569 tickets over 22 nights (one cancellation), and Moors Valley Country Park introduced a Halloween trail for the first time, selling 35,913 tickets (over 10 nights).

Membership: 2024-25 has been our best year for memberships with 76% growth. The total number of Forestry England members at year end stood at 121,833. National members can explore hundreds of the nation's forests while learning more about the valuable work that Forestry England does.

Individual giving: the strategic direction and fundraising model have been developed over the year. We developed digital and location-specific donation points, to create different ways of giving to support the nation's forests.

Corporate partnerships continue to grow and valued long term partnerships developed.

In 2024-25 we secured a total of £763,000 of support from nature restoration corporate partnerships. This included large-scale investment from Tesco and AstraZeneca and smaller-scale investments from Forest Holidays and British Airways. Clif Bar also partnered with us on our 6-month virtual Forest Runner campaign, including various items of joint content/promotional activity throughout the 6-month campaign period, and sponsorship of two Strava challenges.

Filming locations: building on previous localised success, we have introduced a national approach to location management for TV and film, including recruiting a national locations manager.

Renewable energy: we have continued to develop small projects across the portfolio to replace existing fossil fuelled energy systems with renewable technologies,

notably solar and biomass. We have now commissioned 42 small-scale projects generating clean energy for use at Forestry England sites and are beginning to explore larger-scale opportunities.

Green finance: our work converting 127 hectares of intensive farmland in Kent to woodland in earlier years has led to increased biodiversity and carbon sequestration, as well as generating nitrate and phosphate credits. These credits have facilitated private sector development proposals in the area and generated an important income stream to Forestry England to fund further environmental-focused projects. We are advancing various other similar projects across the portfolio.

Sharing our story: increasing awareness of the work we do and the opportunities available to get involved and enjoy the nation's forests is critical for Forestry England to succeed in diversifying income streams and engaging more people. Towards this aim we have published a brand guide to establish our distinctive identity and ensure we speak with one voice across all markets. We have positioned Forestry England as a nature recovery leader through high-profile projects (such as ants and soil translocation), generating national coverage and demonstrating our experimental approach to biodiversity challenges. We achieved 36% brand awareness by year-end, up from 33%.

We live and breathe forests. We're foresters, professionals and experts. We're a passionate team who love to share our enthusiasm and want to make a positive difference for you and the environment.

Specific challenges

While delivering the strong set of activities and outcomes highlighted in the previous pages, through 2024-25 Forestry England has been navigating several challenges summarised below:

Staff recruitment and retention: loss of staff to eNGOs and private sector

Direct timber production teams have struggled to retain experienced staff leading to late sales catalogue launches and/or sale parcels being withdrawn.

Challenges recruiting and retaining land agents, building surveyors, and civil engineers: impacting maintaining and improving our infrastructure, such as reservoirs, bridges, and roads.

The cost-of-living crisis and global inflation are making it harder to attract and retain staff in a competitive job market.

Responding to extreme weather

Storms: increased frequency and severity of storms have impacted on land management delivery, timber harvesting, and resulted in the closure of visitor centres during storm events directly impacting trading income and delivery cost.

Water: extremes of drought and flood impact the growth of trees, particularly in woodland creation sites, new planting and nursery operations.

Wildfire: wildfire events across the nation's forests have diverted operational resources from other activities and increased remediation costs.

Pests and diseases

Tree health: increase in pest and disease outbreaks with the cumulative impact threatening the health and resilience of our forests and diverting resources away from planned activities.

Long-term infrastructure

The nation's forests have significant and ageing infrastructure and assets which need active management and long-term investment. The challenge remains to secure long-term resources and professional expertise to deliver the diverse programme of modernisation and investment identified.

Economic uncertainty and volatility

The low levels of secure Defra core funding through the year have increased volatility and pressure. The cost-of-living impact as well as inflationary pressures and the challenging downward pressure across all markets we operate in, including recreation, leisure, timber trading and pricing have all had an impact on our income and growth. We put in place the 3-year management intervention programme 'Securing the future' to ensure that we do not significantly erode our cash reserves and set a path to financial sustainability.

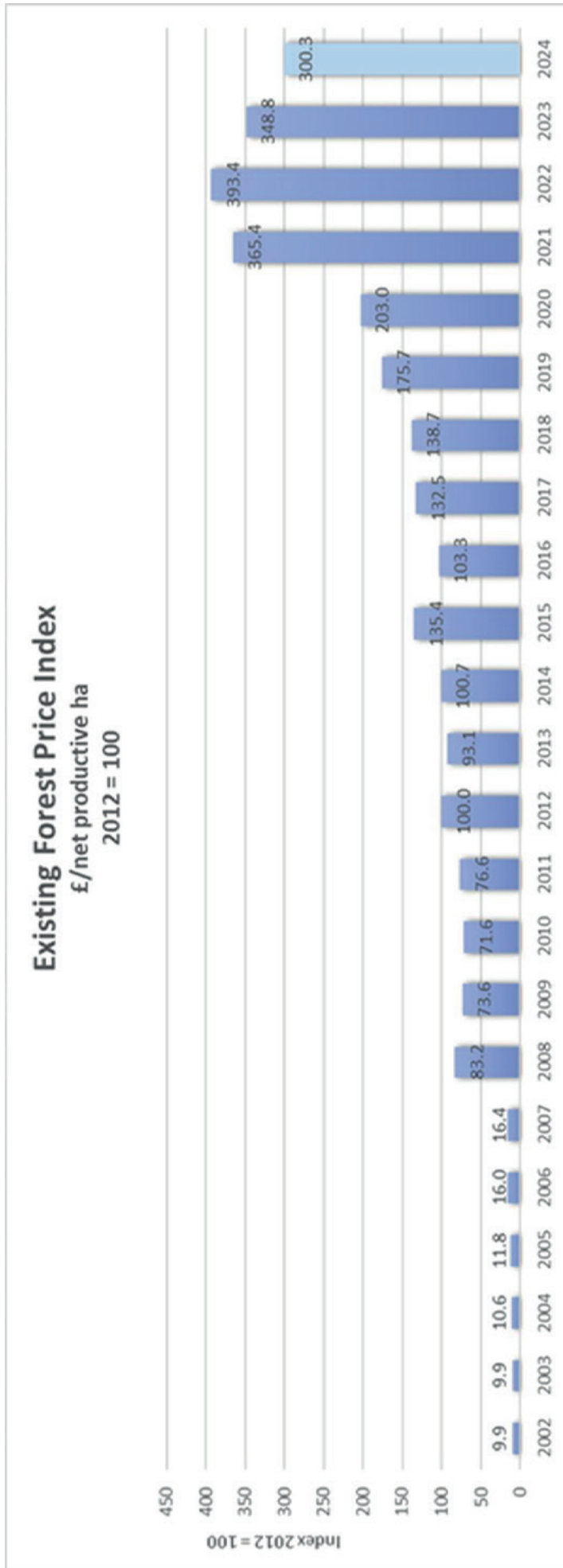
Operating performance

Financial review

Overview

The year to 31 March 2025 continued to present financial challenges, which the organisation embraced, including delivering the first year of savings through Securing the future. The result, of an operating deficit of £73.7 million before revaluation of biological assets, is a £1.2 million improvement on last year.

The bottom-line deficit of £430 million (2023-24 £364 million) includes the decline in valuation of land and biological assets of £356 million, 8.3% (2023-24 £288 million) which reflects the market. The valuation is made against the backdrop of geopolitical tensions, economic uncertainty and continued base rate reductions, with economic growth lower than expected. Despite the downturn in the 2023 and 2024 indices, they remain well above the 2020 figure, and the 20-year average. Note 2 of the financial statements details the critical accounting estimates and judgements applied to the valuation of the nation's forests and biological assets.

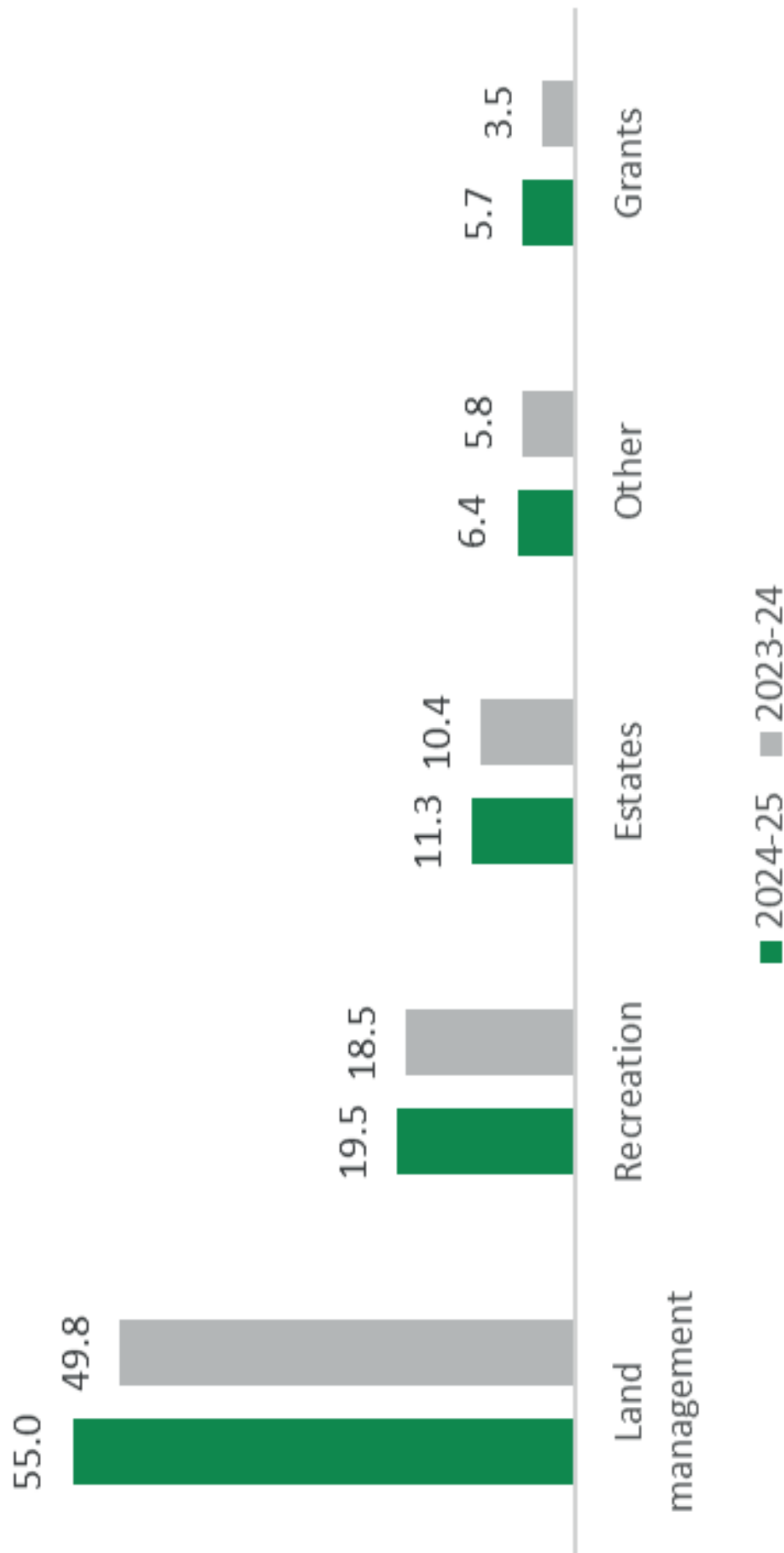


Source: Savills Research

Operating income

Operating income increased from £92.3 to £97.9 million, an increase of 6%. The chart below illustrates the key categories of income. The average sales price achieved for timber was 8% higher than last year, with an additional 2% increase in dispatched volume, returning an increase in income from land management of £5.2 million. Recreation income as presented in the financial statements is £4.2 million lower due to the change to the Forest Live arrangements, with Forestry England now taking a profit share, rather than the gross receipts. The underlying recreation business continues to build, with an increase in parking income of £1.4 million year on year, as more charged parking and enforcement is rolled out, for investment back into the nation's forest. Income from estates benefitted from selling nutrient credits. Grants income increased by £2.1 million, with additional funding for SSSI management, coupled with the release of funding against depreciated (funded) assets.

Analysis of Income (£m)

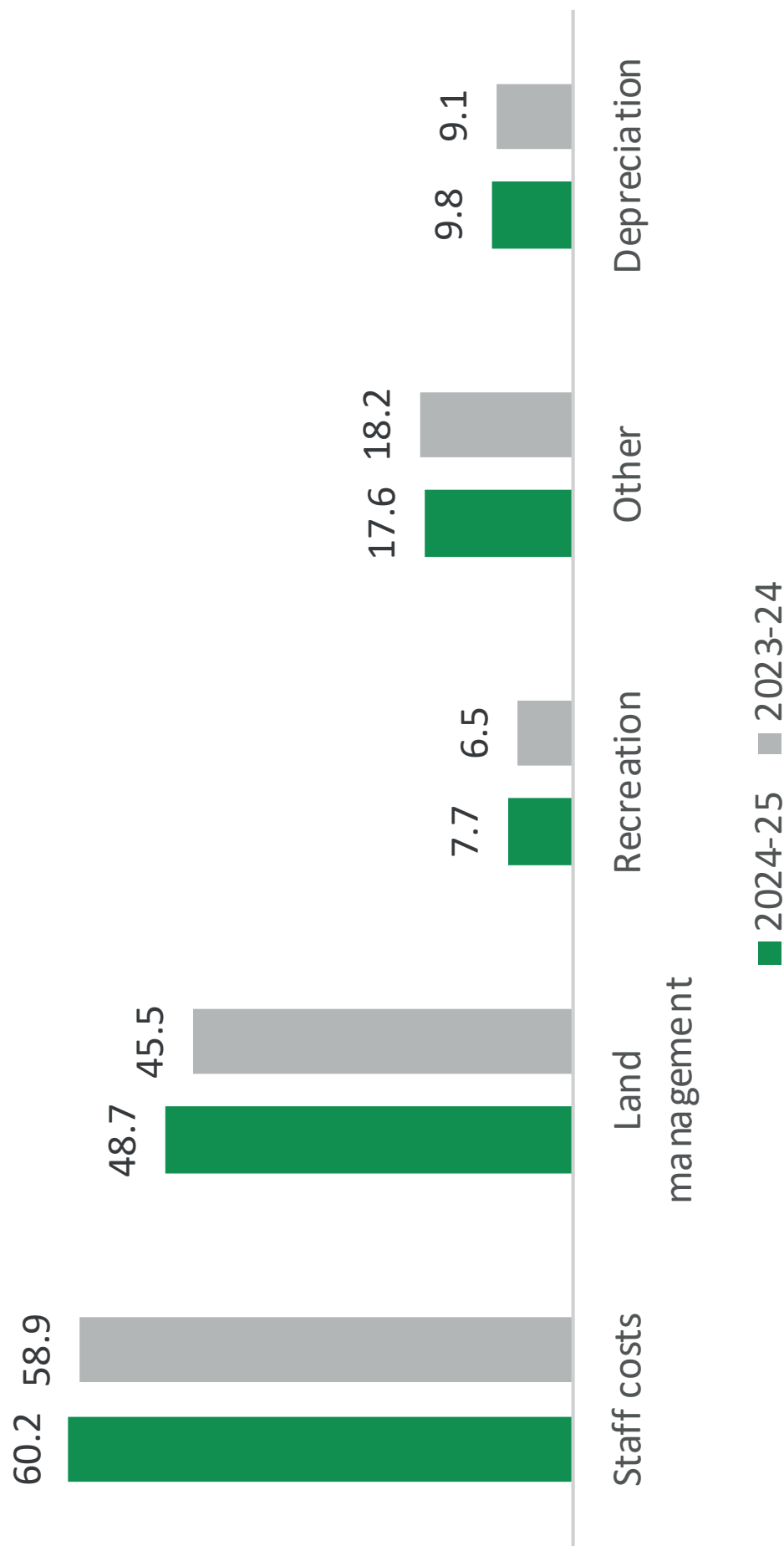


Operating costs

Operating costs were tightly managed, at £172 million, a 2.6% increase on last year with recruitment controls remaining in place throughout the year and Securing the future delivering £4 million improvement in financial performance in year.

Staff costs increased by 2.2%, with the pay award for 2024 at 5% (from October), this was mitigated through a reduced average headcount, with lower employed FTEs and reduced use of agency staff. Land management costs increased by £3.2 million, 7%, though this is offset by increased grant income as mentioned above. Recreation costs, net of the Forest Live accounting change, increased by £1.2 million, with investment in these operations, for future income growth.

Analysis of Operating costs (£m)



Cash

The cash balance at 31 March 2025 was £24.6 million. Adjusting the operating deficit for noncash items, leaves a cash operating deficit of £35.8 million, coupled with £39.1 million of capital expenditure. Funding of £63.2 million in part offsets this expenditure, with working capital movements of £1 million, leaving a cash shortfall of £13.3 million. A considerable improvement on the £35 million decrease in cash last year. The deficit is similarly met from reserves; future funding risks are addressed in the section below.



Capital investments

The investment program saw the £4.5 million Haldon Forest operations yard and staff facilities completed in November 2024, delivering much improved working conditions for the team. In addition, the new seed processing centre was completed at a cost of £14.5 million, partly funded by Defra. The vehicle replacement program incurred £5.1 million of spend this year, replacing ageing fleet, this remains a significant annual capital programme.

The overall programme continues to be balanced against available funds. With tighter finances we have revised capital investment expectations, prioritising compliance works and actively exploring invest to earn opportunities.

Financial risks

The majority of Forestry England's self-generated income is delivered by commercial forestry, recreation and leisure activities, this comes with exposure to wider economic conditions. The major strategic financial risk remains the long-term market price and demand for forestry products, along with the reducing level of our forecast timber availability. This reduction is due to the historically relatively small area of woodland planting using timber-producing species over the last 40 years, coupled with a reduced area of regeneration using timber-producing species as we have increased delivery of environmental and social benefits in line with the UK Forestry Standard. Forestry England's strategy seeks to mitigate the financial consequences of the reduction in timber volume

by optimising silvicultural interventions and diversifying non-timber income streams, with the recreation offer expanding to realise its full commercial potential.

Recurrent annual funding from government has declined over recent years, the inequity of this low level of funding compared to that received by private landowners and NGOs, for the size of landholding, was highlighted by Securing the future and recognised by Defra. In this financial year Forestry England received £13 million (2023-24 £17 million) of Annual Subsidy Limit (ASL) funding against its activities. While the same level of funding has been requested for future years, this outcome remains subject to government Spending Reviews and so is currently uncertain. This uncertainty over future funding is our primary financial risk.

In line with other businesses, the rising costs of staff and operations, against volatile trading conditions, continues the pressure to closely manage and review costs, stabilising the financial position of the business. The work emanating from Securing the future last year continues in earnest, with £4 million improvement in operating performance this year, and a target of £10.4 million by the end of 2026-27. These changes seek to return the business to a sustainable financial model, within the next 3 years, in turn securing the delivery of the great work in the nation's forests.

Environmental sustainability



Our environmental policy supports the UN SDGs ‘7, Affordable and Clean Energy’, ‘12, Responsible Consumption and Production’, ‘13, Climate Action’ and ‘15, Life on Land’.

Our environmental impacts

Forestry England reports sustainability in line with the Greening Government Commitments (GGC), the Task Force on Climate-related Financial Disclosures (TCFD) on page 97, and HM Treasury’s Financial Reporting Manual requirements.

Forestry England’s strategy for the nation’s forests ‘Growing the future’ sets a target of meaningfully reducing our direct emissions whilst better measuring our indirect emissions. We have an ambition of delivering meaningful progress towards net zero by 2030.

The environmental impacts of our forest management activities are managed through our environmental management system (EMS) which is designed to meet the requirements of BS EN ISO 14001 2015.

Principal on-going initiatives are:

- monitoring our use of fossil fuels for heating and power, developing schemes to improve energy efficiency and to use more renewable and low carbon energy.
- identifying opportunities for generating more renewable energy across the nation's forests.
- continuing to work with our data services provider to provide sustainable business reporting services to enable us to better target interventions for reducing our resource consumption.
- having more electric or low-emission vehicles in the fleet where possible in line with government targets and providing charging infrastructure for ourselves.
- increasing broadband connection speeds at remote sites and providing hardware to allow smarter working.
- a project to review and measure our indirect scope 3 emissions. This work will inform a carbon reduction strategy and net zero targets across all three emissions scopes.

Sustainable forest management is demonstrated by conforming to the UK Woodland Assurance Standard (UKWAS), which incorporates the UK Forestry Standard

(UKFS) requirements. Forestry England is independently certified by accredited certification assessors under the Forestry Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification (PEFC).

Carbon sequestration by the nation's forests is included in our annual corporate natural capital account.

Working towards net zero

In line with the Government Net Zero Strategy and legally binding target to reach net zero emissions by 2050, our five-year strategy 'Growing the future' sets out a priority commitment to achieve net zero. Building on our position of environmental leadership we will use our skills and expertise to achieve net zero by collaborating with our stakeholders and partners and by developing new commercial opportunities that help us to deliver our objectives. Later in 2025 we will be launching our net zero strategy and delivery plan. They will set out how we will achieve net zero aligned with current global best practice. The total of our current emissions can be seen in Chart 1 against our historic levels of emissions.

Forestry England, Forest Services and Commissioners' Office provide combined reporting against GGC. Please see the Forestry Commission's annual report for a summary of our collective performance.

Chart 1: Forestry England annual emissions from 2017-18 baseline to 2024-25



Note: operational fuel emissions missing in 2019-20 and 2020-21ii

Table 1: Overall emissions summary by scope

Emissions by scope (tCO2e)		2024-25	2023-24	2022-23	2021-22	Baseline 2017-18
Built estate	tCO2e	153	121	147	197	275
Operational fuel	tCO2e	1,289	1,456	1,298	1,350	-
Fleet vehicles (includes company cars)	tCO2e	1,149	1,230	1,421	1,085	1,782*
Scope 1: Direct emissions		2,591	2,807	2,866	2,632	2,057
Location-based	tCO2e	672	725	614	701	1,037
Electric fleet vehicles	tCO2e	6	7	3	-	-
On-site renewable energy generation (emissions avoided)	tCO2e	22	21	23	17	-
Scope 2: Energy indirect emissions (excluding on-site renewables energy generation)		679	732	617	701	1,037
Purchased goods and services	tCO2e	26	30	33	17	-
Fuel- and energy-related activities	tCO2e	59	63	58	62	-
Waste generated in operations	tCO2e	104	234	252	388	-
Business travel	tCO2e	378	451	459	321	-
Wood fuel (out of scope)	tCO2e	355	461	438	501	-
Scope 3: Other indirect emissions (Currently measured excluding out of scope wood fuel)	tCO2e	567	778	802	788	

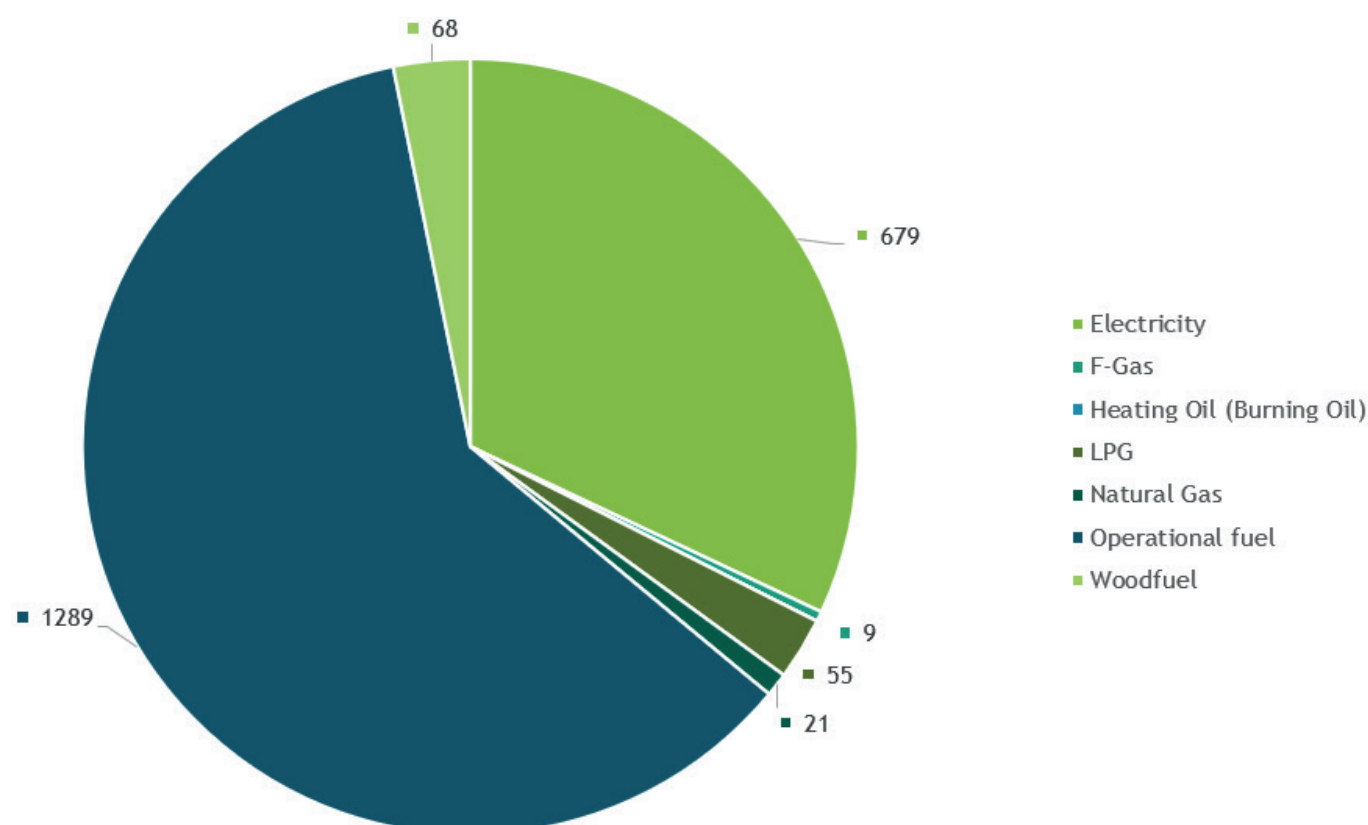
Note: Where available, data has been included for 2017-18 which is the baseline year for the GGC. The emissions reported for fleet in 2017-18 include all business travel.

There were no reportable environmental incidents in 2024-25.

Operational estate energy and decarbonisation

Forestry England actively manages its built estate to optimise flexible occupancy and minimise CO₂e emissions from using fossil fuel energy. Chart 2 shows the energy we use. Most significant are our use of fuel for machinery to manage the nation's forests, followed by electricity to power the buildings from which we work.

Chart 2: 2024-25 % of estate emissions in tonnes of carbon by source



As part of our environmental management system, internal audits identified opportunities to improve our energy efficiency, generate renewable energy and reduce energy use. In 2024-25 we invested in a mix of

renewable energy generation and energy storage at 15 sites, reducing our future operational emissions. The new seed processing centre building at Delamere and an operations yard at Haldon have also received investment in sustainability and energy efficiency measures.

Forestry England uses a clean, renewable 'green' tariff electricity supply for most of our electricity. Whilst for reporting purposes we continue to use a standard average fuel mix conversion factor, we have reduced the impact of electricity use by buying a verified Renewable Energy Guarantees of Origin (REGO)-backed tariff. These REGOs provide evidence that we have bought green electricity from renewable generation projects that emit fewer tonnes of carbon (tCO₂e) than standard energy.

Our remote locations continue to present challenges to achieving our net zero ambition, because limited electric and gas supply means we rely on oil and LPG for heating. We use biomass and other low and zero-carbon technologies in place of fossil fuels where we can.

Table 2: Energy and fuel consumption and expenditure

		2024-25	2023-24	2022-23	2021-22	2017-18
Scope 1	Unit					
Natural gas	kWh	79,217	119,028	68,268	186,785	148,278
	£'000	22	19	17	11	-
Heating oil (burning oil)	kWh	-	18,640	257,067	245,242	-
	£'000	30	29	34	23	-
Liquid petroleum gas (LPG)	kWh	257,390	202,312	228,696	175,614	-
	£'000	36	34	32	32	-
Wood fuel	kWh	1,183,858	1,383,912	1,240,645	1,506,870	-
	£'000	67	56	80	80	-
Operational fuel	kWh	4,985,621	5,623,972	5,044,580	5,264,662	-
	£'000	334	330	459	372	-
F-gas	Kg F gas	8	9	4	23	-
Scope 2						
Electricity – standard	kWh	70,193	14,512	27,703	119,420	2,643,743
	£'000	31	4	37	24	-
Electricity – green tariff	kWh	3,181,422	3,488,216	3,276,430	3,181,216	-
	£'000	1,403	1,283	710	654	-
Electric fleet vehicles	km	32,900*	147,089	66,319	166	-
	£'000	10	1	-	-	-
Renewables generation	kWh	96,974	95,549	112,413	75,487	

*Electric vehicle charging data has been adversely impacted by poor networking connections to the chargers. As a result, the figure for 2024-25 does not reflect the full extent of EV mileage this year.

		2024-25	2023-24	2022-23	2021-22	2017-18
Total estate energy (all scope 1 and 2 energy)	kWh	4,772,080	5,226,621	5,211,221	5,490,634	-
Total estate energy for heat from fossil fuel (gas, oil and LPG)	kWh	336,608	339,980	554,030	607,641	-

Note: Where available, data has been included for 2017-18 which is the baseline year for the GGC.

Fleet

Our travel policy aligns with the Office for Zero Emission Vehicles' requirements for moving our fleet to zero emission vehicles. This year we have consolidated and updated our fleet where appropriate vehicles are available. 14% of our fleet is classified as Ultra Low or Zero Emissions vehicles. Alongside investing in our fleet, we have installed a further 45 EV charging points.



Table 3: Operational fleet

		2024-25	2023-24	2022-23	2021-22	2017-18
	Unit					
Fleet – ULEV	vehicles	27	29	15	-	-
Fleet – ZEV	vehicles	67	64	56	-	-

Business travel

Due to their rural location, we rely on using road vehicles because a substantial number of our remote sites are not served by public transport. This dependence on driving is highlighted in chart 3. Where possible or when site visits can be avoided, we use technology to hold online meetings to manage our travel and resulting emissions. Air travel represents a small proportion of travel emissions and is avoided wherever possible.

Chart 3: Annual emissions by travel mode



Table 4: Business travel

		2024-25	2023-24	2022-23	2021-22	2017-18
Non-fleet road vehicles (personal and hire car)	km	2,195,708	2,634,478	2,519,724	1,855,247	-
	£'000	480	601	654	294	-
Public transport	km	410,563	475,999	578,303	152,089	-
	£'000		187	161	52	-
Domestic flights	km	46,517	26,606	20,659	6,387	-
	£'000	10	12	5	2	-
International flights	km	22,455	20,678	144,007		-
	£'000	4	4	13		-
Rail: national	km	400,591	464,134	403,222	140,990	-
	£'000	130	164	124	40	-
Rail: international	km	-	384	-	-	-
	£'000	-	0	-	-	-

Note: Where available, data has been included for 2017-18 which is the baseline year for the GGC.

Resource consumption

We measure the waste we produce and the water we use, a summary of each is in table 5 below. Data quality has been a challenge in both areas, and we are taking steps to improve how we manage our water and waste.

Table 5: Resource consumption

		2024-25	2023-24	2022-23	2021-22	2017-18
Scope 3 (currently measured)						
Waste (excluding sewage) total	tonnes	970	1,327	1,193	1,539	2,326
	£'000	1,260	1,063*	966	937	-
Recycled excluding information communications technology (ICT)	tonnes	292	671	564	605	-
	£'000	380	470			
Composted (including food waste)	tonnes	73	17	19	16	-
	£'000	95	12			
Incinerated with energy recovery	tonnes	519	511	491	320	-
	£'000	674	348			
Incinerated without energy recovery	tonnes		0			-
	£'000		0			
Landfill (including hazardous)	tonnes	85	126	138	593	-
	£'000	110	146			
Information communications technology (ICT)	tonnes	1	2	1	5	-
	£'000					
Hazardous	tonnes	85	7	15	18	-
	£'000					
Sewage	tonnes	2,352	1,626	1,422	1,163	-
	£'000	187	91			

		2024-25	2023-24	2022-23	2021-22	2017-18
Water consumption: total	m ³	134,437	139,167	125,503	100,731	78,483
	£'000	144	186	187	174	
Mains	m ³	134,437	114,003	125,503	100,731	-
Office	m ³	26,031	28,087	29,559	22,626	-
Non-office	m ³	108,407	85,916	95,944	78,105	-
Paper use	reams	1,698	2,171	2,371	911	5,467

Note: Where available, data has been included for 2017-18 which is the baseline year for the GGC. 2023-24 waste costs exclude the cost of sewage and fly tipping. Breakdowns for the cost of waste have been provided using proxy data, we aim to improve actual cost data for future reporting.

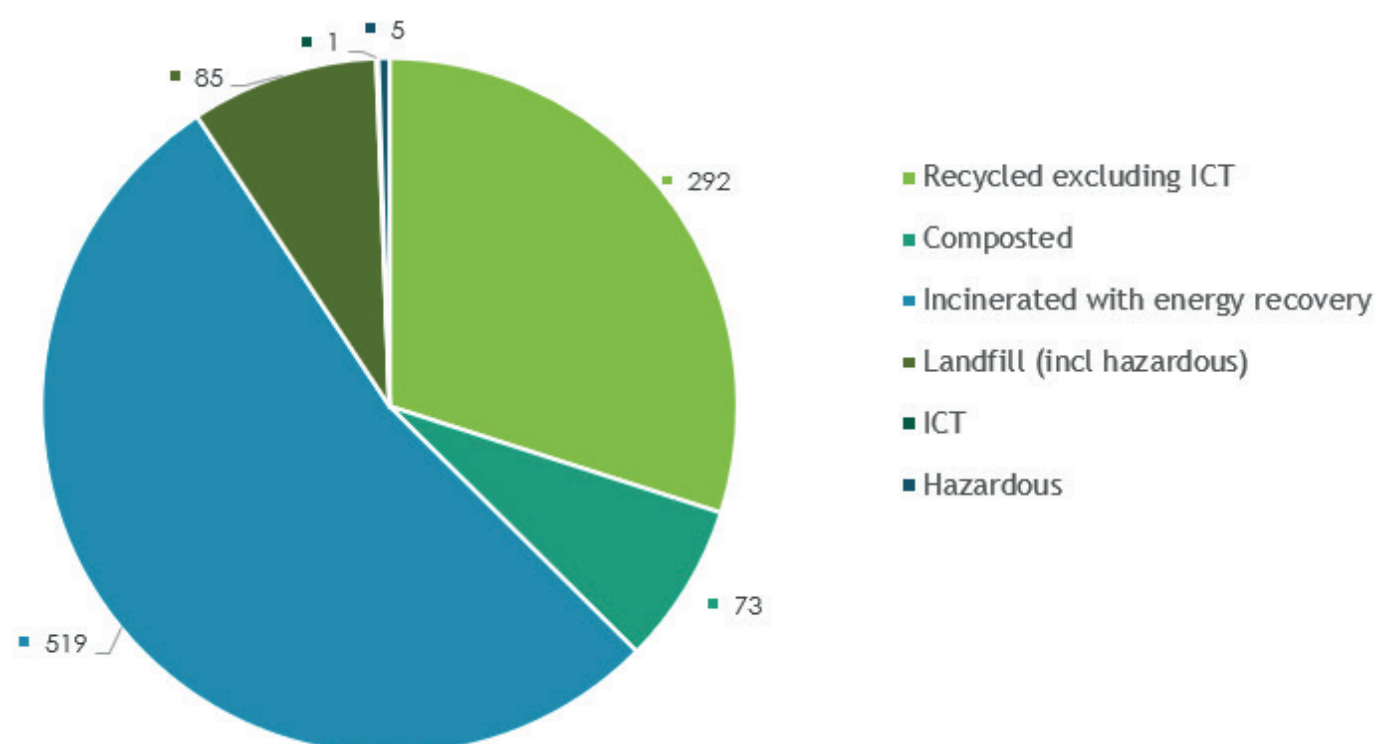
Waste

Forestry England generates waste from offices, forests and premises associated with its' operations. With the help of a new waste management contract, we are working to reduce the waste we generate even more and the proportion of waste that we send to landfill in line with government targets.

We have reported separately on the volume of sewage generated from our forests where we provide recreation facilities. This remains our greatest source of waste and a significant cost. Similarly, clearing up fly-tipping continues to be a challenge across the country this year, costing £145,448.

We continue to monitor our use of consumer single use plastics (CSUPs) and seek alternatives for use in our offices. Similarly, we are reducing our paper use.

Chart 4: 2024-25 waste by disposal type



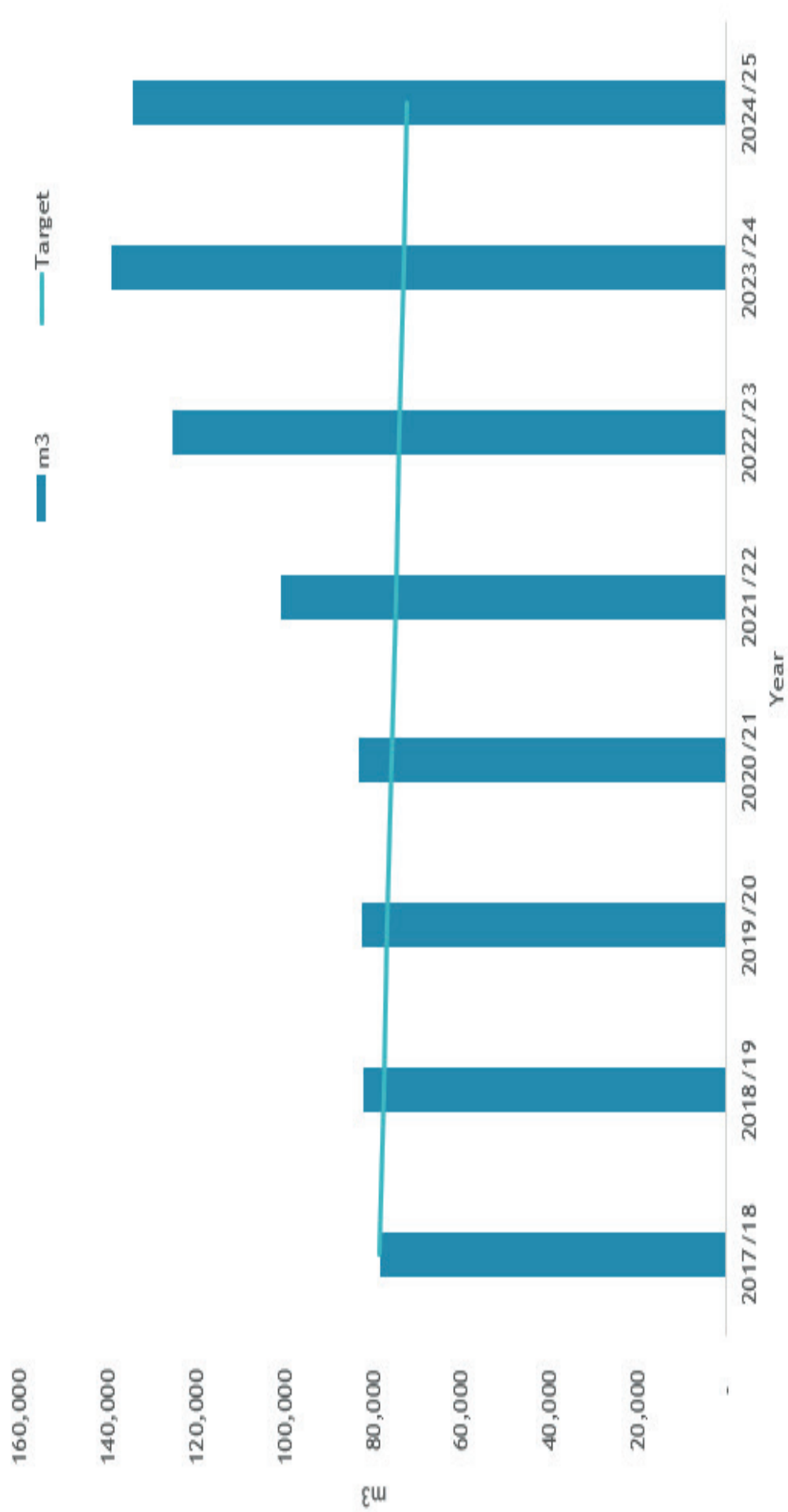
Water

Forestry England uses mains and private water supplies. Water supplies are monitored using meters and by regularly reviewing invoices for water use. Efforts are made to identify leaks early to avoid unnecessarily wasting drinking water.

As shown in Chart 5, the volume of water consumption we are reporting has increased against our baseline. Some of the increase in water use reported is due to improvements in data reporting. Organisation procedures require that all water use from mains and abstraction are reported. These procedures are audited to keep our reporting accurate. We are also making changes to internal reporting to improve awareness of consumption.

As part of our plans to reduce carbon emissions our six forest districts will be required to consider how to reduce water use and the associated emissions when making plans for site upgrades.

Chart 5: Annual water use against GGC target reduction trajectory from 2017-18 baseline to 2024-25



We use rainwater harvesting and micro irrigation at some of our main sites. The Forestry England tree nursery is our largest water consumer, and uses mostly harvested water, topped up from the metered mains. Water-efficient appliances are routinely installed during refurbishment or when existing appliances fail.



The scope of reported water does not yet include our indirect water use. Embodied water (in the products and services that we buy) is not yet known and will be considered as far as is possible in our developing sustainable procurement plan. We do not yet include in our reporting scope the licences we buy for water use. This is being captured in our improvement plan for future reporting.

Sustainable procurement

Forestry England aims to buy sustainable goods and services as far as possible. Internal guidance includes sustainability at each stage of the procurement cycle. Procurement processes advise buyers to consider sustainability of the goods and services and link to government buying standards where these are relevant.

Our customer food outlets are leased to third party providers. These providers must follow sustainable principles, and we have key performance indicators to monitor this in new leases.

All timber products used by Forestry England must be certified as coming from legal and sustainable sources, including all construction projects and temporary works. Forestry England supports Grown in Britain in their efforts to promote sustainable UK timber. Paper is sourced using the sustainable government buying standards.

Alternatives to plastic signs, tree shelters and Christmas tree netting are being trialled to reduce using plastics made from fossil fuels and increase recycling of signs.

Supply chain emissions are a large proportion of our organisation's carbon emissions. Managing and reducing these emissions are key objectives of our net zero strategy.

Reducing environmental impacts from ICT and digital

Forestry England's IT team is reducing the environmental impacts of its service. This complements and aligns with the IT strategy (2023-26). The programme focuses on architecting IT and technology solutions with sustainability principles in mind. It has key focus areas, with links to the wider aims of Defra, GGC, ICT and digital services strategies and Forestry England/Forestry Commission values.

These key focus areas include:

- developing regular reporting on the department's environmental impact.

- reporting an annual ICT and digital footprint (as part of Forestry England's annual carbon footprint).
- working with supply chains and third parties to reduce the impact of IT services (including scope 3 emissions).
- a key focus on waste management.
- promoting 'responsible digital citizens'.

The workstreams for these focus areas require some project work before becoming business as usual. Critical to these workstreams is linking with colleagues across the organisation so they are understood and implemented.

There are essential frameworks and requirements that IT must have to provide its service. Whilst sustainability will not be the only consideration in scoping IT products and services, it will form one part of the central decision-making process and guiding principles. This applies to services that IT implement as a part of its core offering, as well as those on behalf of other business areas.

Sustainable construction

We use sustainable building elements as far as possible in all our refurbishments and new-build projects. Our energy audit identifies energy-inefficient sites, or those which use fossil fuels for heating, to target investment for refurbishment or replacement.

All new-build and major refurbishment works will be net zero carbon when the building is in operation wherever

possible. Embodied carbon is not currently calculated or reported but is now starting to be considered in material choices and their environmental impacts



Mike Seddon

Accounting Officer, Forestry England

19 November 2025

Accountability report



Corporate governance

Directors' report

Forestry England is an executive agency of the Forestry Commission, a non-ministerial government department that sits in the Defra Group. The Office for National Statistics also categorises Forestry England as a non-financial public corporation.

The principal leadership roles in Forestry England are:

- Sir William Worsley: Chair of the Forestry Commission and Chair of the Forestry England Board.
- Mike Seddon: Chief Executive, Forestry England.

The members of the Forestry England Board from April 2024 to March 2025 were:

Forestry England Board

April 2024 to March 2025



Sir William Worsley

Chair
Non-executive
Commissioner
Full year
Board Meetings 6/6



Jennie Price

Non-executive
Commissioner
Full year
Board Meetings 6/6



Julia Grant

Non-executive
Commissioner
ARAC member
Part year to Oct 31 2024
Board Meetings 3/3



Gurch Randhawa

Non-executive member
Full year
Board Meetings 6/6



Peter Latham

Non-executive
Commissioner
Full year
Board Meetings 6/6



Chris Simpson

Non-executive member
ARAC member
Full year
Board Meetings 6/6



Neil Sachdev

Non-executive
Commissioner
Part year from
Dec 01 2024
Board Meetings 3/3



Amanda Grist

Chief Financial Officer,
Forestry England
Executive member
ARAC member
Full year
Board Meetings 6/6



Tristram Hilborn

Chief Operating Officer,
Forestry England
Executive member
Full year
Board Meetings 6/6



Mike Seddon

Chief Executive &
Accounting Officer,
Forestry England
Executive member
ARAC member
Full year
Board Meetings 6/6



Richard Stanford

Chief Executive Officer
& Accounting Officer,
Forestry Commission
Executive Commissioner
ARAC member
Full year
Board Meetings 5/6

Note: Edward Barker, Director, Natural Environment, Trees and Landscapes Directorate, Department for Environment, Food and Rural Affairs, receives all board papers but is not a member of the Board, attending Board meetings on an invite basis.

For 2024 the Forestry England Board was pleased take part in the UK Boardroom Apprentice scheme and welcomed our board apprentice onto the Forestry England Board for the calendar year January to December 2024. From January 2025 the Forestry Commission has developed and launched an internal Board placement scheme open to all members of staff. The Forestry England Board welcomed its first internal Board placement to the Board meeting in March 2025.

There were five full Board meetings in 2024-25, and one additional meeting.

Significant interests held by board members

A register of interests of all Forestry England Board members is maintained and published on our website:

www.forestryengland.uk

Related party transactions are separately disclosed within note 21. There have been no potential or actual conflicts of interest reported this year.

Personal data-related incidents

Forestry England has not had any personal data breaches which needed to be reported to the Information Commissioner.

We monitor and assess our information risks to identify and address any weaknesses and ensure improvement of our systems.

Supplier payment policy

Forestry England complies with the government's Better Payment Practice Code. Unless otherwise stated in the contract or by special arrangement with individual suppliers, we aim to pay within ten days from receiving the goods and services or the presentation of a valid invoice, whichever is the later. In 2024-25 95.0% (2023-24: 95.9%) of invoices were paid within the due date. Arrangements for handling complaints on payment performance are notified to suppliers on contract.

No interest was paid under the Late Payment of Commercial Debts (Interest) Act 1998 (2023-24: £500).

Auditors

These accounts are audited by the Comptroller and Auditor General. The audit fee for 2024-25 is £145,000 (2023-24: £163,100). The audit fee for 2023-24 includes £53,100 that was paid in 2024-25 that was not previously reported. No fees were charged for other services (2023-24: nil).

Accounting Officer's statement

Forestry England's Chief Executive was appointed as Accounting Officer for the Forestry England accounts by the Forestry Commission's Accounting Officer and Chief

Executive. Forestry England's framework document sets out in detail the responsibilities of the Accounting Officer.

In brief, Forestry England's Accounting Officer is responsible to the Forestry Commission's Accounting Officer for money allocated to Forestry England from the Forestry Commission and is responsible and accountable to Parliament for spending public money and stewardship of public assets.

In preparing the accounts, the Accounting Officer must comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the accounts direction issued by the Forestry Commission, including the relevant accounting and disclosure requirements, and apply suitable accounting policies consistently.
- make reasonable judgements and estimates.
- state whether applicable accounting standards, as set out in the Government Financial Reporting Manual, have been followed and disclose and explain any material departures in the accounts.
- prepare the Forestry England accounts as a going concern.
- confirm that the annual report and accounts is fair, balanced and understandable and take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

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 Forestry England's assets, are set out in Managing Public Money published by HM Treasury.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that Forestry England's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.



Mike Seddon

19 November 2025

Accounting Officer

Forestry England

Governance statement

Introduction and scope of responsibility

This statement confirms that Forestry England complies with the HMT Guidance ‘Corporate Governance in Central Government Departments’ where applicable and is relevant.

The area where it does not meet the guidance is in the makeup of the Forestry England Board and its committees. The constitution of the Forestry Commissioners and its sub-boards is set by statute: the Forestry Act 1967 and the Forestry Commission Framework Agreement 2020.

The purpose of the governance framework

The governance framework is made up of the systems and processes, and culture and values, by which Forestry England, as part of the Forestry Commission, is directed, controlled, and led. It enables the Forestry Commissioners and Forestry England Board to monitor the achievement of its strategic objectives and to consider whether those objectives have led to delivering appropriate, cost-effective outcomes which comply with the law and with policy. The governance framework has been in place throughout 2024-25 up to the date the annual report and accounts were produced and accords with HM Treasury guidance.

The Forestry Commission governance context

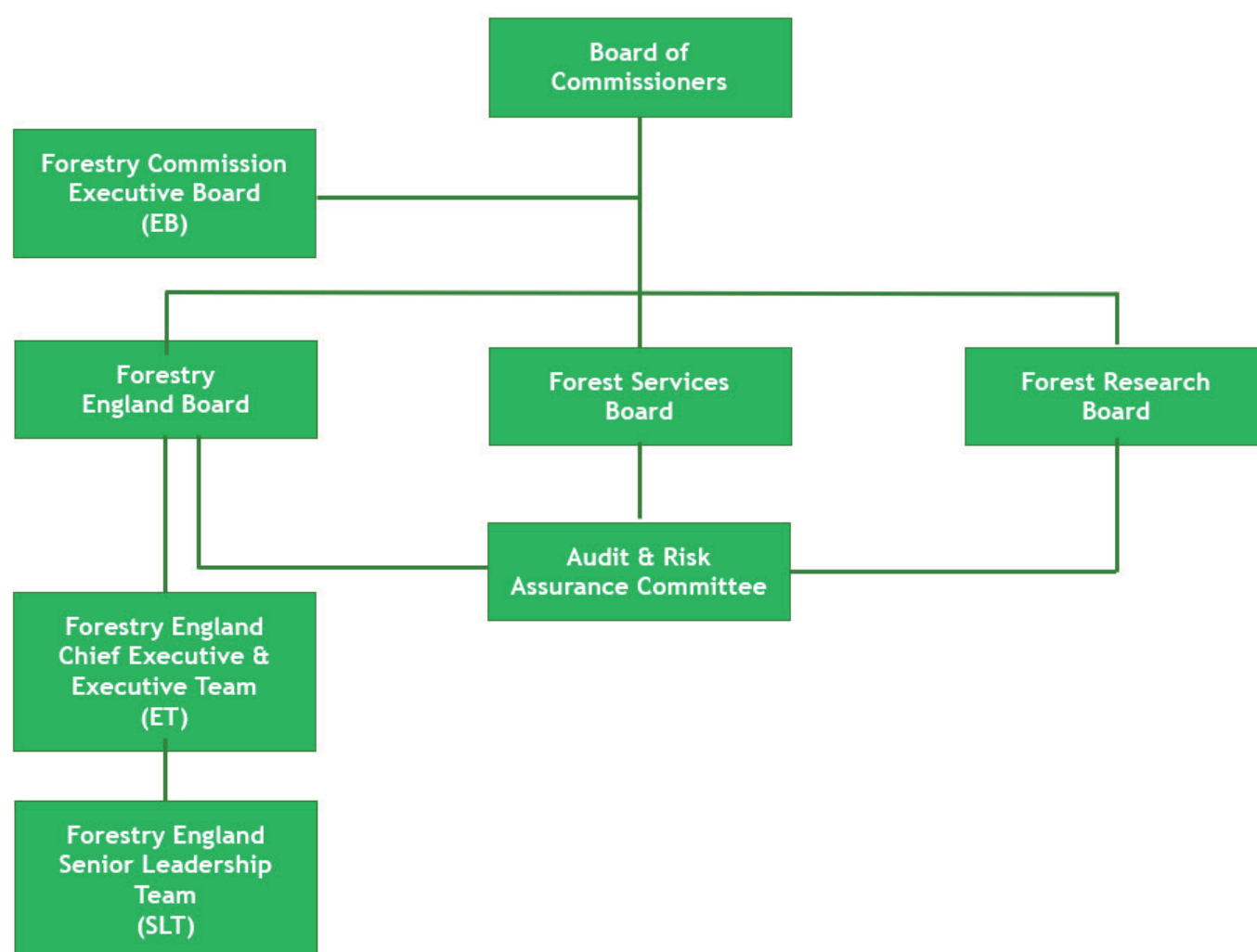
The Forestry Commission is empowered by The Forestry Act 1967 (as amended) and the Forestry Act 1979 which set out the principal legislative framework in which the Forestry Commission operates. It is a nonministerial government department that reports to Parliament through Defra ministers and has a Royal Charter, dated 25 March 1920. It is headed by a Board of Commissioners.

The Forestry Commissioners are established by statute and derive their powers primarily from the Forestry Acts, but also from other legislation including:

- Environmental Impact Assessment (Forestry) (England and Wales) Regulations 1999.
- Plant Health Act 1967: the Commissioners are the competent authority for the protection of forest trees and timber from attack by pests and diseases.
- Countryside Act 1968: gives the Commissioners additional powers, including to provide recreational facilities and to plant and manage trees in the interests of amenity.

The Forestry Commission is a federated organisation with three distinct organisations with delegated responsibility for delivering the statutory roles and responsibilities of the Forestry Commissioners: Forestry England, Forest Services and Forest Research.

The different responsibilities of the boards and the executive management functions is set out in the Framework Agreements between the Forestry Commission and Defra (dated 8 May 2020), and the Forestry Commission and Forestry England (dated 18 May 2021).



Forestry England governance framework

Forestry England is classified as a public non-financial corporation by the ONS, as a public entity that is at least 50% funded through commercial activities. It has also been administratively classified by the cabinet office as an Executive Agency. As such it is a public body that acts as an arm of the Forestry Commission

but has freedoms to enable commercial activity. It has separate management with independence to manage the nation's forests operating within its framework document, the powers and duties delegated by the Forestry Commissioners, and under the current legislative and funding arrangements.

The Forestry England Board has been appointed by the Forestry Commissioners to enable it, as 'the appropriate forestry authority' in England, to discharge their duties and exercise their powers set out in the Forestry Act 1967 and other relevant legislation, including the Countryside Act 1968 in respect of the nation's forests.

The governance enables Forestry England to be an outstanding organisation with:

- strong and transparent leadership providing clear strategic direction.
- robust, open decision making.
- monitoring of the organisation's performance and financial management.
- assurance of complying with law and policy.

The Forestry England Board shares one committee with Forest Services and Forest Research: the Forestry Commission Combined Audit Risk and Assurance Committee (ARAC).

The Forestry England Board

The Forestry England board has set out our strategy Growing the future (2021-26) which addresses three current major issues for the nation; health and wellbeing, nature decline and the changing climate. A major focus for the board in the year has been the uncertain funding position and turning around the financial position through oversight of the Securing the future programme.

The board discussed a wide range of issues, including:

Standing items

- Chief Executive report
- Finance report
- Health and safety report
- Safeguarding report
- Performance report
- Risk report
- ARAC report

Items for board approval

- Business plan
- Securing the future plans and proposals
- Investment plan
- Annual report and accounts

- Growing the future annual report; progress on delivering for people, for wildlife, for the climate.
- Overnight stays strategic approach
- Green finance strategic approach
- Reviewed and confirmed the current suspension of trail hunting on the nation's forests
- Early steer on the proposal for a charity for the nation's forests
- Approved development of an internal Board placement offer
- Staff engagement survey results and proposed actions
- Forest Holidays new site proposals
- Forests for Everyone annual report
- Change to the approach to parking in the New Forest
- Annual Board effectiveness review
- Annual review of Board Terms of reference
- Compliance with best practice
- Wildlife management plan

The board visited Grizedale Forest, North District and Cardinham Woods, West District to see the organisation's work and meet with staff, volunteers and partners.

The visit to Cornwall included a hosted visit to the Lost Gardens of Heligan to discuss and explore the common

challenges and opportunities the two organisations are facing. The visits covered maintaining and improving protected habitats, forest resilience, staff welfare, wildlife management, commercial recreation opportunities, volunteering and district impacts on the front line of the Securing the future programme.

Climate disclosures

Managing and mitigating the impacts of a changing climate is a principal theme of the Growing the future 2021-26 strategy. The strategy identifies key actions that will be taken over its duration as reported in the performance report, through our forestry and nature work and committing to become a net zero organisation. The board has oversight of delivering these actions through the business planning process, with performance, risk and opportunity reporting at board and executive team levels at each meeting. The executive team and board regularly review the corporate risk, issue and opportunity register, including considering the impact of a changing climate on our corporate risks. To strengthen our delivery on sustainability issues the Director of Estates leads our work in this area, with responsibility at Executive level and reporting to the board, supported by the Head of Sustainability. The governance of climate matters is included in the disclosures below.

Performance of Forestry England's Board

The board have undergone a self-assessment of the effectiveness of the board in which it concluded that

the board were providing a good level of constructive challenge and support to the executive, who brought strategic and complex issues to the board for discussion and direction and were open in providing information in well-structured meetings. The board has agreed an action plan for its continued improvement in 2025-26.

Audit and Risk Assurance Committee (ARAC)

All Forestry Commission entities are covered by a single Audit and Risk Assurance Committee (ARAC) which advises and provides assurance to the Board of Commissioners, the Forestry England, Forest Services and Forest Research boards, and Accounting Officers for the Forestry Commission, Forestry England and Forest Research.

Through its work, the ARAC provides independent assurance to the Forestry Commission board, Forestry England board and the other sub-boards on those key activities that support the achievement of the Forestry Commissions' objectives and those of the three organisations. Each of the Forestry Commission organisations (Forestry Commission, Forestry England, Forest Services and Forest Research) operate a corporate risk register which is reviewed by their executive teams/boards and is overseen annually by the ARAC. Assurance is also provided through the findings from work conducted by the Government Internal Audit Agency (GIAA). The ARAC operates according to the

principles contained in HM Treasury's Audit and Risk Assurance Committee Handbook.

A register of interests and of all ARAC members is maintained by the Forestry Commission and published on www.gov.uk which also includes further details of ARAC members, activities and meetings.

There have been no potential or actual conflicts of interest reported in this year.

Summary of the ARAC 2024-25

The activities of the ARAC in 2024-25 are summarised in the infographic below.



In fulfilling these responsibilities, the committee discussed a wide range of agenda items, including:

- medium-term horizon scanning (at every quarterly meeting).
- review and scrutiny of risk management and controls.
- review and scrutiny of the 2023-24 ARAs.
- review and scrutiny of External Audit (EA) planning for the 2024-25 ARAs.
- oversight of Internal Audit (IA) reporting and planning, including:
 - review of the IA Annual Report for 2023-24.
 - review of IA reporting in-year for 2024-25, and the tracking of recommended management actions.
 - input to, and agreement of, the IA work plan for 2025-26.
 - endorsement of the IA charter and memorandum of understanding for 2025-26.
- oversight of the ARAC's internal business programme, terms of reference and measures of effectiveness.

Specific activities and matters considered in 2024-25 included:

- data protection.
- alignment with Cabinet Office functional standards.

- security, and specifically the ongoing matters related to the Departmental Security Health Check undertaken in August 2023.
- safeguarding, complaints, fraud and whistleblowing.

ARAC Membership:

- Three Commissioners (two from November 2024 to March 2025)
- Two non-executives
- One of whom must have recent relevant financial experience, drawn from across the three boards.

In attendance:

- GIAA.
- External auditors from the National Audit Office.
- The Director, Natural Environment, Trees & Landscape, Defra.
- The Accounting Officers.
- Senior executives from across the Forestry Commission.

During 2024-25 the ARAC met eight times. The four quarterly meetings (June, September, November, March) were supplemented by four additional meetings, first to consider matters arising from the valuation of the nation's forests, and then other related issues regarding the ARAs of all three entities.

Task Force on Climate-related Financial Disclosures (TCFD)

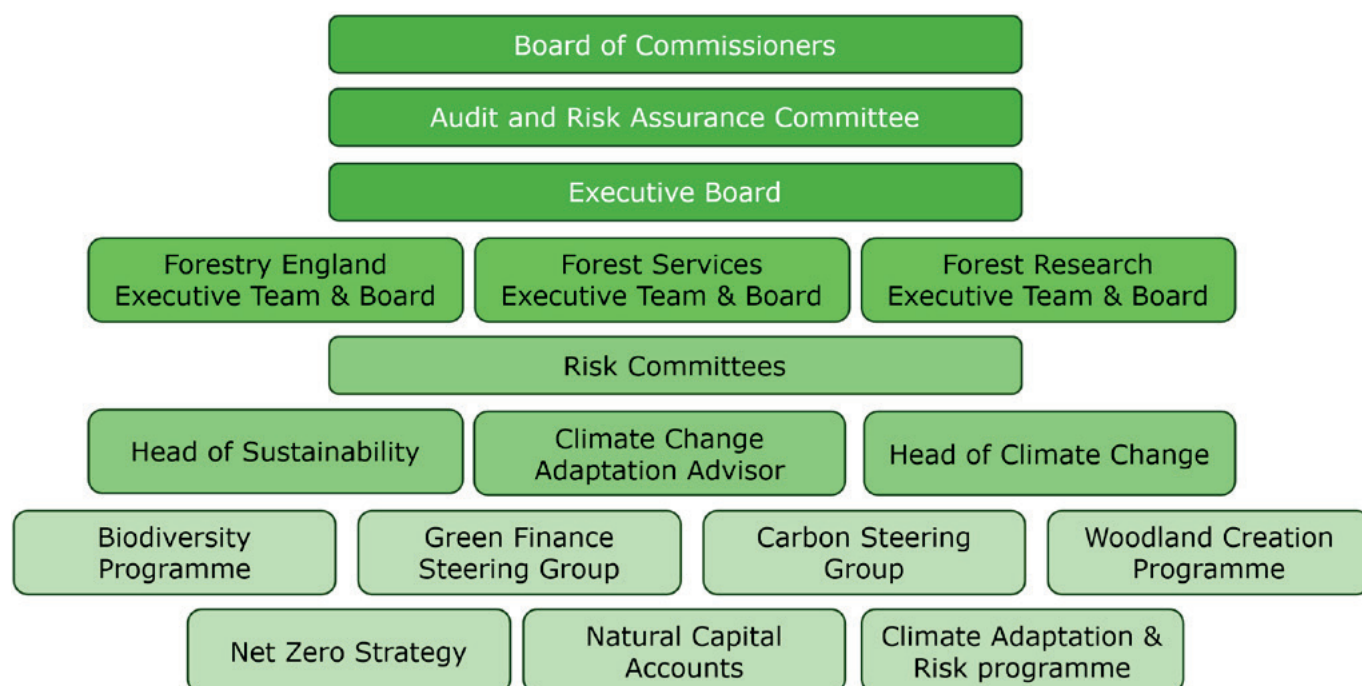
We can confirm that Forestry England has reported on climate-related financial disclosures consistent with HM Treasury's TCFD aligned disclosure application guidance which interprets and adapts the framework for the UK public sector. Forestry England considers climate to be a principal risk, and has therefore complied with the TCFD recommendations and recommendations disclosures around:

- governance (recommended disclosures (a) and (b)) – for details of how we are managing our compliance see our Governance statement and performance report.
- risk management (recommended disclosures (a) to (c)) – for details of how we are managing our compliance see our Governance statement and risk report.
- metrics and targets (recommended disclosures (a) to (c)) – for details of how we are complying refer to our report on environmental sustainability.

This is in line with the central government's TCFD-aligned disclosure implementation timetable for Phase 2. We continue to evolve our learning and response to capturing our TCFD account. This means that each year we are working towards improved accounting drawing on better methodology and working towards greater

comprehensive response each year we undertake our TCFD reporting.

The Forestry Commission manages its climate-related risk through the following structures, roles and documents:



Internal assurances

Internal assurance and control processes across the three lines of defence defined in the risk management framework provide assurance to the Forestry England Chief Executive, board and senior management team. A wide range of business systems processes and business-critical models are used and subjected to review, including for the timber and recreation parts of the business. They provide the data underpinning effective governance, especially for financial control, forecasting and managing risk.

Management audit visits

Routine management audit visits provide assurance on our activities demonstrating compliance against current internal policies and procedures. The audits also provide an important opportunity to identify potential challenges and patterns or trends across different areas and encourage consistency across districts and provide additional support or assistance as required. This was the first year to see the significant move of records from physical to digital records stored on SharePoint. All concerns have been discussed with the appropriate district managers and appropriate actions have been implemented with a summary report provided to senior leaders.

Key delivery areas, include:

- forest management and ecology.
- timber sales (harvesting & marketing).
- wildlife management.
- recreation.

This year management audits were conducted in South and Yorkshire districts. Actions were identified, tracked and implemented with no major concerns raised.

Civil engineering internal management audits

- The terms of reference (TOR) and the internal audit template have been reviewed and updated by

the National Design and Assurance Engineer to ensure continued relevance and alignment with current standards.

- No additional internal audits were conducted during 2024-25.
- In Q4 of 2024-25, the Government Internal Audit Agency (GIAA) conducted an audit focused on the organisation's reservoirs. This resulted in moderate assurance opinion and an agreed management action plan, which will be implemented during 2025-26.
- In Q4 of 2024-25, the National Civil Engineering team completed a review of quarry operations. A corresponding management action plan has been developed and is currently under review.
- Looking ahead to 2025-26, operational reviews are scheduled for the North, South, and Yorkshire districts. These have been prioritised in response to recent changes in senior and principal engineering personnel.

Information rights compliance

We have robust processes to manage our responses to Freedom of Information, Environment Information Regulation and GDPR data subject rights requests. Of the 121 requests received, 117 (96.7%) were responded to within the statutory timeframe.

Whistleblowing

The Forestry Commission is committed to ensuring a high standard of conduct in all that it does and has a duty to identify and remedy any area of malpractice. This is achieved by encouraging a culture of openness, where employees feel confident and able to raise any matters of concern. The Forestry Commission has a dedicated whistleblowing officer and network of nominated officers in the three organisations. The policy and procedures are kept under constant review and after each significant case. The policy, procedures and guidance have undergone a full review this year.

Forestry England whistleblowing cases:

- A health and safety whistleblowing case, raised in 2023, was closed with no wrongdoing identified in May 2024, the investigation report recommended actions that would add rigour to current processes which have been implemented.
- A fraud case, raised and concluded in 2024, did not find any wrongdoing but highlighted several areas of concern and provided recommendations for improving policies, processes, governance, and culture. The Whistleblowing panel's recommendations have been shared with appropriate members of the Forestry Commission Executive Board, who have identified a set of actions to meet the recommendations. Implementation of the actions is in progress.

Health and safety

Health and safety KPIs are monitored by the board and executive team and through the Look Out and Look After programme board. A health and safety report goes to every board meeting; this includes a high-level report of RIDDOR incidents with corrective actions and management system changes that have resulted from investigations. Serious incidents are discussed in detail at the England health and safety committee, heads of operations meetings and the senior leadership team to ensure that all business units are aware and engaged in implementing the actions.

The board has also received twice yearly deep dives with progress updates on the Look Out and Look After programme. The Forestry England Board and Executive Team will be determining what follows to build on the success of the Look Out and Look After programme in the next reporting period.

The biannual Staff Engagement survey is a further valuable tool in assessing the compliance and reporting of health & safety matters (see performance report).

Safeguarding

Safeguarding policy and procedures remain accessible across the organisation via the staff intranet 'Roots'. In addition, a safeguarding network channel for the safeguarding leads and champions is available to draw attention to particular areas, promote knowledge and support consistency across the organisation. Basic

awareness safeguarding training is mandatory for all Forestry England staff, with a completion rate of 87%. Accredited level two safeguarding training is also available to any who need it as part of their role; this is mostly public-facing staff and volunteers and/or those who require an enhanced DBS check. Senior leaders' safeguarding training has progressed with the pilot taking place on 7 February 2025. This was well received with constructive feedback. The training has been amended with two further sessions delivered in March 2025. Moving forward we intend to have a rolling programme of training sessions.

Audit actions have been completed and signed off; HR are working to complete any enhanced DBS checks outstanding by working with each district or business area.

All safeguarding incidents are reported to the board at each meeting, and an annual report given to the ARAC. There have been 26 Forestry England-only incidents (with an additional one for Forest Services) reported to the board in this reporting period; this does not include reports which have been logged under person safety and security. While instances of incorrect categorisation have improved over the last year with communications, training and awareness raising, there are still exceptions. There are also some incidents which are correctly identified but could have an element of safeguarding so are included to gain as clear a picture as possible.

Formal warnings

No formal warnings in respect to forestry regulatory matters have been received from Forest Services in this reporting period.

Review of governance effectiveness

The Forestry England Accounting Officer is responsible for the effectiveness of the governance framework. This is informed by the following: work of internal audit, assurance from executive managers, management audits and external auditors in their management letter and other reports.

Forestry England Executive Managers (budget holders)

Annual financial assurance statements on applying financial controls, recording all transactions and any reported incidents of fraud have been received from all budget holders. No significant issues were identified.

Government internal audit agency: internal audit reports

Forestry Commission ARAC approves the annual audit plan and reviews the audit reports and actions. Forestry England, within the wider Forestry Commission, actively engages with internal audit for learning and improvement throughout the organisation. Processes are in place for implementing and tracking management actions that arise from audit recommendations.

GIAA Head of Internal Audit for Forestry England

The annual report and assurance statement includes an overall assessment of the adequacy and effectiveness of risk management, control and governance within Forestry England. Overall opinion: moderate.

The Forestry England Board with the Accounting Officer

Forestry England applies the principles of HM Treasury's Code of Good Practice for Corporate Governance as appropriate for a public corporation and an executive agency of the Forestry Commission.

Chair of ARAC audit statement

The ARAC has concluded that its activities in 2024-25, including its regular challenge of executives and auditors, are sufficient to provide assurance to the accounting officers and boards that there were effective arrangements in place to provide assurance on risk management, governance and internal control.

Risk management

Forestry England implements the Forestry Commission's risk management policy as a key part of the broader, corporate governance arrangements. The robust controls in place identify and assess risks to delivering our strategic objectives and business plan and allow Forestry England to maximise its opportunities. Forestry England

approaches risk management proactively, positively and as a tool that is empowering to the organisation and its staff.

Our risk management policy and processes have been designed to comply with the requirements of the Orange Book's five principles. Risk is managed at the level that can best prevent, mitigate and control it. Forestry England districts and specialist business units maintain and manage their own risk registers. If a risk is identified that may need additional and senior executive management, it is assessed by the cross-functional risk management group (RMG) who make recommendations to the executive team. The executive team determine the management of the risk, advising ARAC and the Forestry England Board through the corporate risk register for scrutiny, challenge and assurance.

We have invested time and built expertise and capacity to have a more engaged and positive risk management culture.

Risk appetite

The Board has set Forestry England's risk appetite for this reporting year as: cautious to open.

Exposure of investments in Russia

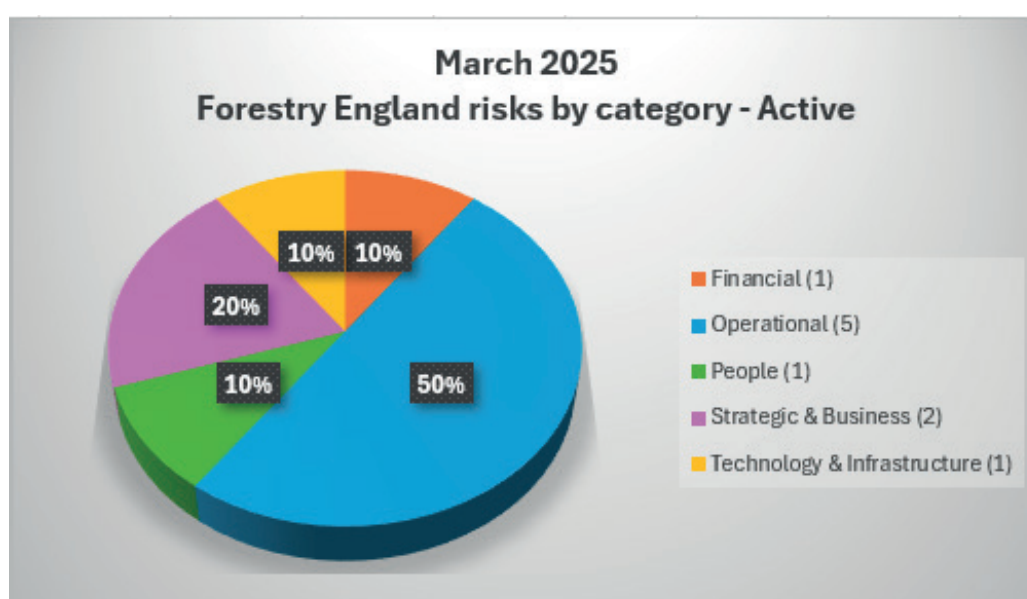
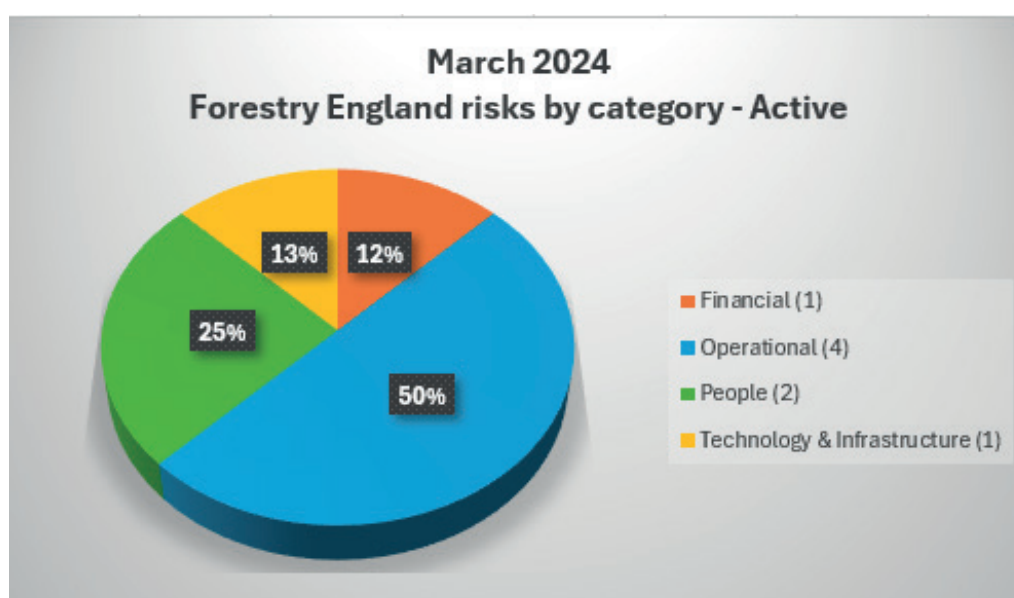
Procurement in Forestry England continues to follow the Cabinet Office policy and guidance Procurement Policy Note 01/22: contracts with suppliers from Russia and

Belarus. We have not identified any prime contractors that are Russian or Belarusian.

Active risk categories

Our assessment of categories of active risks has shown a change over the past 12 months as indicated in the following charts.

Assessment of active risk by category as March 2025



The main differences seen in our active risk profile from March 2024 are:

- The number of people-related risks has reduced by one, it being a risk relating to a pay business case that was closed. The inability to attract and retain experienced staff remains our top risk in the reporting period.
- Our operational risks remain the single category of risk that are being actively managed, which is to be expected given the nature of our business. These reflect delivery, climate and infrastructure risks. The additional risk added this year is an infrastructure risk, following work to greater understand our built environment.
- Two strategic business risks have been added. A new risk on green finance is matched by a corresponding entry on our opportunities register, recognising the balanced approach to developing markets in green finance. The other strategic risk is the ability to achieve net zero goals due to constrained resources.

Significant and principal active risks

People: inability to attract and retain experienced staff

Risks to delivery and staff welfare have continued. The impact of competitive terms and conditions offered elsewhere is particularly felt in areas of specialist expertise such as land agents, civil engineering, information technology and some corporate functional

posts. There are also some geographical/market pressures in localised areas such as the southeast of England. Without addressing structural pay issues, the risk remains that the Forestry Commission will fail to retain and attract the required expertise and numbers of staff needed to successfully deliver Government commitments if not treated. Pay levels are directed by HM Treasury with very limited flexibility to make changes within the Forestry Commission. Organisational and people resilience review is being undertaken to understand the organisation's vulnerabilities, linking into work on succession planning, business continuity and knowledge transfer. The Civil Service's plans to reduce departmental administrative costs by 15% which are underway could potentially further impact this risk.

Health and safety: serious injury and loss of life

The high-risk nature of forestry and land management means there is always a risk that a major accident or dangerous incident due to activities on land we manage will result in serious injury or death. Our corporate approach is being strengthened through the Forestry England Look Out and Look After (LOLA) programme. It has made significant progress and impact across the organisation improving the health and safety culture.

Finance: economic situation

There are risks to Forestry England's ability to deliver against investment plans, recreation and timber income, and Growing the future strategic aims because of the economic situation. The management intervention to

deliver a medium to long-term sustainable solution, Securing the future, has improved the financial trajectory, the programme goals must be delivered over the next few years for this change to be realised. Monthly reviews of in-year performance continue to take place across all business units.

Operational: infrastructure risks

The nation's forests contain substantial infrastructure and strategic assets, including the built estate, dams, reservoirs, quarries, bridges and roads. There are risks to health, safety and reputation which could result from lack of maintenance and compliance because of lack of long-term planning and investment, and loss of required expertise due to staff churn. Two areas of significant risk have been identified.

- Forestry England are custodians of a significant number of reservoirs, many of which are legacy assets and part of our industrial heritage. The ageing nature of these assets and our changing climate present potential risks to the organisation. A risk-based portfolio review of our reservoirs has been undertaken to understand their current condition, the likely impact of future legislative changes to the Reservoirs Act 1975 and enables prioritisation and alignment of resources for continued effective risk management of these assets.
- Our buildings present risks of injury/fatality and/or environmental/property damage. Routine controls

are in place and being strengthened through the development of a building property plan.

Operational: plant health

Existing, emerging and potential pests and diseases because of changing climate represent significant risks in forests across Europe, including the nation's forests. The risks that result impact on Forestry England's ability to deliver its planned programmes and on timber prices.

Technology and infrastructure

The uncontrolled use of generative AI and other new technologies by Forestry England staff could expose the organisation to financial or reputational harm. Processes, including a framework and support mechanisms along with awareness and education, are put in place for new and emerging technologies. This risk is matched with the opportunity that technology brings with an active programme in place to investigate how we exploit the potential of such technologies.

Managing climate-related risks

The risks and impacts of a changing climate are ever-present through all areas of work in the nation's forests, from forest resilience to our strategic assets and infrastructure, and to our visitor offer. Our approach to climate-related risks is to consider and embed the impact of climate change in our assessment and mitigation of our corporate risks. This is in line with how climate-related risks, issues, opportunities and mitigating actions are considered and embedded through new and existing

processes, project and programme development e.g. through our project management office (PMO) and investment committee (IC), and from a strategic position, by our senior leadership team (SLT), with both SLT and IC reporting into our executive team who have oversight of our climate action and risk management.

Wider circumstances and future challenges

The main challenges for Forestry England during 2025-26 and beyond are:

- the economic environment for commercial activity and income generation: timber, leisure and recreation.
- adapting to a changing funding model with increased programme specific funds, with limited unrestricted funding for the core business. Ensuring we have the capacity to deliver the outcomes of those specific programmes.
- the ability to maximise the delivery of public benefit from the nation's forest within a sustainable and robust business model.
- recruiting and retaining high quality expert staff across the business within public sector pay restrictions and in challenging external recruitment markets.
- managing a robust and sustainable business model within the central government envelope.
- long term view and investment in the management of our built estate and strategic assets so they are

maintained, compliant and future-proofed, actively moving away from an annualised funding approach.

- continued response to events caused by the changing climate, including tree health outbreaks and extreme weather events, with the impact this has on our ability to deliver resilient future forests, public events, and ability to adapt our operational plans and work programmes.
- taking opportunities to modernise and then utilise Commissioner powers and duties, including legislative change to enable the generation of renewable electricity.

Remuneration and staff report

The remuneration and staff report sets out Forestry England's remuneration policy for directors, reports on how that policy has been implemented and sets out the amounts awarded to directors. It also provides details on remuneration and staff that Parliament and others see as important to accountability, as set out in Chapter 6 of the Companies Act 2006 and SI 2013 No. 1981 and amended by HM Treasury's Financial Reporting Manual.

Remuneration report

Employment contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

Executive members of the Forestry England Board hold appointments that are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commission can be found at www.civilservicecommission.org.uk.

Non-executives are generally appointed as Office Holders for a fixed term of three years with a maximum notice

period of one month. Contracts are renewable for further fixed terms if both parties agree. In the event of early termination, for whatever reason, there is no provision for compensation.

Details of letters of appointment for the non-executives who served during the year are:

	Date of current contract	Unexpired term (months*)
Sir William Worsley	10/02/2023	11
Julia Grant ¹	-	0
Jennie Price	01/04/2025	24
Peter Latham	01/04/2025	6
Gurch Randhawa	01/04/2025	24
Chris Simpson	01/09/2023	7
Neil Sachdev	01/12/2024	32

1. Non-executive Forestry Commissioner until 31 October 2024

*Months remaining from 31 March 2025

Remuneration policy

Fees for non-executive Commissioners and members who are not Forestry Commission or Defra employees, are determined in accordance with guidelines prescribed by the Cabinet Office. Remuneration and annual reviews for Senior Civil Servants within the Forestry Commission are determined and moderated as part of the annual Defra moderation process.

As part of this process the following are taken into consideration:

- guidelines circulated by the Cabinet Office implementing government decisions on the recommendations of the Senior Salaries Review Body (SSRB). The SSRB is responsible for monitoring the operation of the Senior Civil Service pay system and for making recommendations to the Government on the shape of the system, including the salary values for the minimum and maximum of each of the senior pay bands, the range of percentage increases to base salary and range of bonuses. Further information on the work of the SSRB can be found at www.ome.uk.com
- reporting officers' recommendations on the relative performance of each of their senior staff, whether a bonus should be paid, and if so, whether low or high. The Senior Pay Committee considers the recommendations, determines the allocation of senior staff to tranches, and decides the percentage increase to salary and any bonus to be awarded.

Other Executive Board members receive annual salaries paid in accordance with the standard Forestry Commission Staff Pay Agreement negotiated through collective bargaining with the recognised trade unions. Their performance is monitored and reviewed through the Performance Management System of the Forestry Commission.

Remuneration (salary including allowances, bonuses and pensions) (subject to audit)

The following sections provide details of the remuneration and pension interests of the members of the Forestry England Board for 2024-25.

		Salary	Bonus payments	Pension Benefits	Total
		£000	£000	£000	£000
Mike Seddon	2024-25	105-110	-	80	185-190
Chief Executive	2023-24	100-105	0-5	53	160-165
Tristram Hilborn	2024-25	85-90	-	49	135-140
Chief Operating Officer	2023-24	80-85	5-10	31	120-125
Amanda Grist	2024-25	85-90	0-5	34	120-125
Chief Financial Officer	2023-24	80-85	-	33	115-120

1. Tristram Hilborn's allowances were omitted from the 2023-24 accounts in error. They have been added to the prior year and increased the prior year by one band. No benefits in kind were received in 2023-24 or 2024-25

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

Salary

‘Salary’ includes gross salary; overtime; recruitment and retention allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on payments made by Forestry England and thus recorded in these accounts.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. Benefits in kind are given in the form of the private use of a car and home to permanent place of work expenses.

Bonuses

Bonuses are based on performance levels attained and are awarded as part of the appraisal process. Bonuses relate to the performance in the year prior to that in which they become payable to the individual. The bonuses reported in 2024-25 relate to performance in 2023-24, and bonuses received in 2023-24 relating to performance in 2022-23.

Pension benefits

(subject to audit)

	Accrued pension at pension age at 31 March 2025 and related lump sum	Real increase (decrease) in pension and related lump sum at pension age	CETV at 31 March 2025	CETV at 31 March 2024	Real increase (decrease) in CETV
	£000	£000	£000	£000	£000
Mike Seddon	50 – 55 plus a lump sum of 135 – 140	2.5 – 5 plus a lump sum of 2.5 – 5	1,274	1,150	71
Tristram Hilborn	25 – 30 plus a lump sum of 65 – 70	2.5 – 5 plus a lump sum of 0 – 2.5	521	466	32
Amanda Grist	5 – 10	0 – 2.5	77	46	21

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 Remedy² 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, Cash Equivalent Transfer Value 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.

2 www.gov.uk/government/collections/how-the-public-service-pension-remedy-affects-your-pension

The **partnership** pension account is an occupational defined contribution pension arrangement which is part of the Legal & 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).

Further details about the Civil Service pension arrangements can be found at the website www.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.

Remuneration of non-executives

(subject to audit)

The non-executive members of the Forestry England Board received the following remuneration for their services during the period ended 31 March 2025.

	2024-25		2023-24	
	Fees £000	Expenses £000	Fees £000	Expenses £000
Sir William Worsley*	60 ¹	1	39	2
Julia Grant ²	7	1	12	1
Jennie Price*	12	1	12	-
Peter Latham*	12	2	12	2
Gurch Randhawa	8	1	8	1
Chris Simpson	8	1	8	1
Neil Sachdev* ³	4	0	-	-

1. Includes 25% increase in contracted days backdated to 2023-24

2. Non-executive Forestry Commissioner until 31 October 2024

3. Non-executive Forestry Commissioner from 1 December 2024

* Fees disclosed as they are members of the Forestry England Board though are paid for by the Forestry Commission and disclosed in the Forestry Commission Annual Report and Accounts.

Fair pay disclosure

(subject to audit)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce. Reporting bodies are required to disclose the

relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highestpaid director of Forestry England in the financial year 2024-25 was £105,000-£110,000 (2023-24: £100,000£105,000).

In 2024-25, nil (2023-24: nil) employees received remuneration in excess of the highest-paid director. The remuneration of the lowest paid employees is £23,000 (2023-24: £22,000).

The percentage change from 2023-24 in the salary of the highest paid director is 5.00% (2023-24: 7.56%). The average percentage change from 2023-24 in respect of the employees as a whole is 5.69% (2023-24: 6.05%). The lower quartile percentage change from 2023-24 is 7.40% (2023-24: 5.30%) and the third quartile percentage change from 2023-24 is 3.80% (2023-24: 8.07%).

The percentage reduction from 2023-24 in performance pay and bonuses of the highest paid director is 100% (2023-24: -50% this figure was incorrectly reported as -100% in the 2023-24 accounts).

The focus of the 2024-25 pay deal was to increase the salary of lower grades as shown by the improvement in the 25th percentile and median pay ratios.

Total remuneration includes salary, nonconsolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension

contributions and the cash equivalent transfer value of pension.

		2024-25	2023-24
25th Percentile	Salary	£ 26,123	£ 24,323
	Pay and Benefits	£ 26,123	£ 25,823
	Pay Ratio	4.12	4.21
Median	Salary	£ 32,089	£ 29,863
	Pay and Benefits	£ 32,089	£ 31,363
	Pay Ratio	3.35	3.43
75th Percentile	Salary	£ 38,388	£ 36,934
	Pay and Benefits	£ 38,388	£ 38,434
	Pay Ratio	2.80	2.78

Staff report

Average number of persons employed

The average number of whole-time equivalent persons employed during the year was as follows (totals subject to audit):

			2024-25	2023-24
	Permanently employed staff	Others	Total	Total
Directly employed	1,102	95	1,197	1,195
Other	-	49	49	58
Total	1,102	144	1,246	1,253

The average number of whole-time equivalent persons, by gender, employed during the year was as follows:

					2024-25	2023-24
	Directors and senior civil servants on the Forestry England Board	Other directors	Other permanently employed staff	Others	Total	Total
Male	2	2	624	69	697	712
Female	1	4	469	75	549	541
Total	3	6	1,093	144	1,246	1,253

There are three senior civil servants, one is employed at Band 2, and two at Band 1. None of the ‘other directors’ are senior civil servants.

We publish our gender pay gap report on the gov.uk website.

Staff costs (subject to audit)

			2024-25	2023-24
	Permanently employed staff	Others	Total	Total
	£000	£000	£000	£000
Salaries	36,904	3,031	39,935	39,475
Social security costs	3,870	258	4,128	3,998
Other pension costs	10,502	841	11,343	10,146
Agency/temporary staff	-	2,238	2,238	2,412
Total	51,276	6,368	57,644	56,031

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as **alpha** are unfunded multi-employer defined benefit schemes, but Forestry England is unable to identify its share of the underlying assets and liabilities. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation.

For 2024-25, employers' contributions of £11.3 million were payable to the PCSPS (2023-24: £9,982,000) at one of four rates in the range 26.6% to 30.3% of pensionable earnings, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2024-25 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a **partnership** pension account: a stakeholder pension with an employer contribution. Employers' contributions of £121,000 (2023-24: £121,000) were paid to one or more of a panel of three appointed stakeholder pension providers. Employer contributions are age-related and ranged from 8% to 14.75% of pensionable earnings (2023-24: 8% to 14.75%). Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of 0.5% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £nil (2023-24: £nil). Contributions prepaid at that date were £nil.

Ill-health retirement

No employees (2023-24: nil) retired early on ill health grounds; the total additional accrued pension liabilities in the year amounted to £nil (2023-24: £nil).

Sickness absence data

Working days lost per staff year	
Year	Number
2024-25	5.3
2023-24	4.8
2022-23	5.4
2021-22	4.8
2020-21	3.2

Our vision is that everyone working with Forestry England remains safe and well and our woodlands are safe and enjoyable places to visit. We remain committed to the Forest Industry Safety Accord and have representatives on the Steering Group and on several of the working groups. We have continued to deliver safety training to industry managers and main contractors on behalf of the Forestry Industry Safety Accord as well as launching new safety training for our managers and staff.

Accidents

The following figures set out the reportable incidents in accordance with 'Reporting of Injuries, Diseases and

Dangerous Occurrences Regulations 2013' in 2024-25 and the preceding years.

RIDDOR incidents per 100 employees	
Year	Number
2024-25	0.62
2023-24	0.61
2022-23	0.44
2021-22	0.58
2020-21	0.45

The RIDDOR incidents during the year were:

- In May 2024, an employee was exiting a building down a flight of stairs whilst carrying items in both hands. They were not able to utilise the handrail to prevent or break their fall when they tripped on a step, resulting in a sprained ankle and dislocated knee leading to an over seven-day injury.
- In total, there have been four reported cases of Lyme disease, or employees receiving precautionary treatment for Lyme disease, which is the threshold for reporting it as a RIDDOR. These occurred in August, October and February. The latter was identified during a serological monitoring trial undertaken with UKHSA.
- In July 2024, a beat team were undertaking high pruning operations. As the branch was being severed, it split, fell and bounced backwards hitting the operative in the face leading to whiplash type injuries and an over seven-day absence.

- In December 2024 a member of staff was stacking timber in a container. They went to move some barriers out of the way to make more room for the timber and the stack of barriers behind gave way and knocked them to the floor.
An injury was incurred to the wrist, resulting in an over seven-day injury.
- Ingress of rainwater into a chemical holding tank was being pumped out. Whilst manually moving the extraction pipe, a member of staff felt their hamstring give way. The injury was not immediately diagnosed but the RIDDOR report was submitted as soon as it was notified to line management.

The H&S team continue to support the investigation of all RIDDOR incidents to establish the root cause and any lessons that need to be shared with the wider business.

Training on incident investigation has been strengthened with an online module available to all staff with additional virtual and face-to-face workshops to put skills into practice in a safe space.

Staff turnover percentage

In 2024-25, Forestry England had a staff turnover percentage of 12.10% (2023-24: 12.16%).

Reason for leaving	2024-25	2023-24
Death in service	-	0.23%
Dismissal for gross misconduct	-	0.15%
Dismissal	0.39%	0.31%
End of fixed term contract	0.54%	0.31%
Redundancy	-	-
Resignation	9.25%	7.70%
Retirement	1.08%	1.85%

People Strategy

In 2021, the Forestry Commission launched its first People Strategy. The ambitious strategy outlined a four-year plan of improvements focused on leadership and training, wellbeing, diversity and inclusion, resourcing and development, changing the way we work and our reward offer. The Forestry Commission People Strategy concluded in March 2025, and future Forestry Commission-wide people projects will be incorporated into the Forestry Commission Corporate Plan.

Throughout the year, significant efforts were made to establish and implement a stronger governance framework for people-related projects. This framework aims to enhance planning and reporting, as well as to track progress and demonstrate success in fulfilling the commitments outlined in the strategy.

Leadership development

The Forestry Commission Professional Manager Programme (PMP) is now in its fourth year. There have been 15 learning groups, with 363 managers from middle management grades across the business

having accessed the programme as at end-March 2025. Focusing on strengths, personal impact and encouraging a coaching approach, participation in the programme is very popular and evidence of a culture change across our business continues to be seen.

The programme is accredited by the Chartered Management Institute, and 134 participants have registered to complete the Level 3 Award in Principles of Management & Leadership.

The Senior Leadership Programme (SLP) pilot was launched in May 2024, aimed at the Forestry Commission Senior Leadership Group in pay bands 1 and 2. Building on the success of PMP, the programme offers a range of development support and self-awareness tools such as 360 degree feedback, through a range of workshops, masterclasses and action learning sets. The programme is being rolled out across the organisation over coming years, with an agile approach to evaluation and continuous improvement to ensure the best development experience for our senior leadership group.

To date, 38 senior leaders have attended the pilot (learning group 1) and learning group 2.

Training

808 training events have been delivered in the 12 months to the end of March 2025.

63 short courses are accredited to a recognised awarding body and demonstrate that our staff have achieved the necessary level of skills and competence

required to meet national occupational standards. It also enhances personal learning and development and the professionalism of each individual.

It goes some way towards meeting our long-term Vision for health and safety culture and performance to ensure that all staff have the training required to safely undertake all tasks.

In addition to short courses, the Technical Training Team manage and deliver the Level 3 Forest Craftsperson apprenticeship under Forestry Commission's Employer Provider status and have been striving to further improve the offer to apprentices following recommendations made by Ofsted in 2022. Progress has been made towards addressing all the recommendations which was confirmed by a full inspection by Ofsted in July 2024 which returned a 'good' grading.

Forestry England currently have 17 Forest Craftsperson apprentices on programme.

There is no planned recruitment this financial year, but it is hoped recruitment will return to historic norms next financial year. Currently the Achievement rate is 92.3%, Retention Rate is 92.3% and the pass rate is 100%. All figures compare very favourably to the national averages which are 60.5%, 61.9% and 97.6% respectively.

Forestry Commission People Recognition Scheme

Following the launch of the Forestry Commission's People Recognition Scheme in September 2023 we

continue to celebrate our employees' outstanding contributions, further enhancing a culture of appreciation across the organisation. Forestry England celebrated the second edition of its Forestry England People Awards. Building on this success, a Forestry Commission-wide awards event, took place in autumn 2025, celebrating success with colleagues from across the organisation.

Diversity and Inclusion

Everyone who works for the Forestry Commission is unique. We want to ensure that every single member of staff feels truly valued and included so that they feel able to share their diverse and unique perspectives and reach their full potential.

Our median gender pay gap remains at 0%, meaning that the middle female salary is equivalent to the middle male salary. However, the mean pay gap has slightly increased from 2.84% to 2.96%, reflecting broader workforce shifts.

The proportion of female employees has increased to 47%, up 1.7% from last year, with more women moving into middle pay quartiles.

Our Diversity and Inclusion initiatives continue to be cited as examples of good practice inside and outside the Civil Service. Below are some of the highlights:

- Updating policies in line with the Worker Protection Act 2023 and strengthening protections against workplace harassment to include sexual harassment.
- Promoting diversity in hiring and rolling out the Creating an inclusive workplace training as well

as other resources found on the EDI learning and resources Roots page.

- We have worked with the staff networks to host a variety of webinars by external speakers with good attendance from within the Forestry Commission and wider Civil Service, on topics including Multigenerational teams, disability discrimination, deaf awareness, positive masculinity, male allyship.
- The Forestry Commission has been involved in the rollout of the Defra Aspire Ethnic Minority development programme, with one colleague securing a place on the programme.
- In the wake of the far-right riots in early August 2024, the Forestry Commission CEO and the Diversity and Wellbeing Manager issued a joint statement with important key messages.
- In the wake of global backlash against Diversity and Inclusion following the US elections, the Forestry Commission CEO issued a message in February 2025, reaffirming his and the organisation's commitment to equality, diversity and inclusion.
- The Everyone Belongs Board is now in its third year, bringing together representatives from across the Forestry Commission to provide oversight, assurance and accountability of our diversity and inclusion work.
- The final project from the first tranche of the Forests for Everyone programme has officially been delivered.

All of the work carried out in diversity and inclusion, including some of those highlighted above have contributed to the improvement of the diversity and inclusion scores in the latest Staff Engagement Survey 2024 compared to that of 2022. These surveys reflect feedback gathered from across the entire Forestry Commission. They show the percentage of respondents who agreed with the following statements:

- Their business area has a culture where discriminatory treatment, harassment and bullying are not tolerated – 77% (+4)
- They can report discrimination/bullying/harassment without worrying it would have a negative impact on them – 71% (+5)
- They are treated fairly at work – 85% (+4)
- Their business area respects individual differences – 82% (+4)
- Their business area makes them feel included – 76% (+3)

More information can be found at 'Equality and diversity' on the Forestry Commission section of gov.uk.

Workplace Wellbeing

Staff wellbeing is directly linked to organisational performance, as healthier, happier employees are more productive, engaged, and resilient. Over the past year, we have continued to develop and evolve our support for staff wellbeing. In the first half of the year, we focused on

responding directly to staff feedback and data insights, leading to the development of a well-consulted and widely supported set of wellbeing priorities. Early actions taken in response to the staff engagement survey results include the creation of a work-related stress toolkit and increased support for our core wellbeing networks, including Wellbeing Champions and Mental Health First Aiders. Mental health training has been made accessible and affordable for all staff, and we have also reviewed our Occupational Health processes to ensure they are delivering maximum benefit to our people.

Employee consultation and trade union relationship

The Forestry Commission continues to strive for a mutually respectful and effective relationship with its Forestry Commission trade unions. Formal meetings are held with a Tier 1 Forestry Commission Trade Unions staff council meeting taking place twice a year. Tier 2 staff council meetings are held at least twice a year for Forestry England, Forest Services and Forest Research. Frequent dialogue between management and trade unions take place outside of those formal meetings as well.

Key issues discussed included workforce policies, organisational design and organisational restructuring, diversity, inclusion and wellbeing priorities alongside health and safety issues and employee relations matters.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials 2024-25	Full time equivalent employee number
12	11.65

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	4
1-50%	8
51-99%	-
100%	-

Percentage of pay bill spent on facility time

Percentage of total pay bill spent on facility time 0.052%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours during the year was 122.28%.

Each trade union representative spends 5% of their contractual hours, but the Forestry Commission trade union Chair and Secretary together total one full time person.

Expenditure on consultancy

(subject to audit)

During the year Forestry England incurred £850,000 on consultancy costs (2023-24: £790,000). This was spent on a range of activities, for instance a review of the estate valuation processes, systems development, woodland creation projects and environmental planning. No company or individual received in excess of £92,000 for their consultancy services in the year (2023-24: £88,000 for their consultancy services).

Expenditure on agency and temporary staff

(subject to audit)

Costs incurred on agency and temporary staff during the year total £2,238,000 (2023-24: £2,412,000).

Reporting of civil service and other compensation schemes – exit packages

(subject to audit)

No staff members left under voluntary exit or voluntary redundancy terms in the year to 31 March 2025 (2023-24: nil). No compensation payments were made (2023-24: £25,584).

No staff members left under compulsory redundancy terms in the year to 31 March 2025 (2023-24: £nil). No compensation payments were made (2023-24: £nil).

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme; a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where Forestry England has agreed early retirements, the additional costs are met by Forestry England and not by the civil service pension scheme. Ill health retirement costs are met by the pension scheme and are not included in the figures above.

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
<£10,000	-	-	-	1	-	-
£10,000-£25,000	-	-	-	1	-	-
£25,000-£50,000	-	-	-	-	-	-
£50,000-£75,000	-	-	-	-	-	-
Total number of exit packages	-	-	-	-	-	-
Total cost £	-	-	-	25,584	-	-

Other Parliamentary accountability matters

Losses and special payments

(subject to audit)

		2024-25		2023-24
	Number	£000	Number	£000
Losses	33	163	52	305
Special payments	51	449	39	186
Total	84	612	91	491

In 2024-25 there were losses of £163,239. £50,135 of losses were due to seedling stock losses affected by dothistroma needle blight disease, £40,187 was written off a receivables balance as a result of a dispute over a lease rental, and £40,500 compensation was paid to a tenant for early termination of the tenancy.

In 2024-25 there were also losses of £30,127 due to theft of assets from a break-in.

In 2024-25, there were special payments of £449,366 including £125,000 property compensation for dwelling subsidence, two personal injury claims for £215,743 and £12,500 **with a further £27,500 paid in 2025-26**. £10,885 was paid in respect of a road traffic accident.

All other losses and special payments in 2024-25 were individually below £10,000 in value.

There were no reportable gifts totalling over £300,000.

Remote contingent liabilities

(subject to audit)

In addition to contingent liabilities reported within the meaning of IAS 37, Forestry England also reports liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of contingent liability.

There are no remote contingent public liability claims at 31 March 2025.

Government Functional Standards

UK Government Functional standards set expectations for the management of functional work and the functional model across government. During 2024-25 the Forestry Commission continued to monitor compliance through assessments against a range of functional standards. This ongoing action ensures compliance with the UK Government Functional Standards with the aim of embedding the standards into ways of working, ultimately driving coherence, consistency and continuous improvement.

A heatmap of the current compliance against the standards is provided below for information. The assurance from the various standards is obtained from: self-assessments, submitted assessments to the Cabinet Office, Public Sector Fraud Authority, Government Security Group and GIAA audit reports.

Functional Standard	2024-25
GovS 001: Government Functions	
GovS 002: Project Delivery	
GovS 003: Human Resources	
GovS 004: Property	
GovS 005: Digital, Data and Technology	
GovS 006: Finance	
GovS 007: Security	
GovS 008: Commercial	
GovS 009: Internal Audit	
GovS 010: Analysis	
GovS 011: Communication	
GovS 013: Counter Fraud	
GovS 014: Debt	

Key
Meets all mandatory elements of the functional standard
Meets most mandatory elements of the functional standard
Meets few mandatory elements of the functional standard



Mike Seddon

Accounting Officer, Forestry England

19 November 2025

Audit Certificate and Report

Certificate and Report of the Comptroller and Auditor General to the House of Commons

Opinion on financial statements

I certify that I have audited the financial statements of the Forestry England for the year ended 31 March 2025 under the Government Resources and Accounts Act 2000.

The financial statements comprise Forestry England's

- Statement of Financial Position as at 31 March 2025;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity 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 financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Forestry England's affairs as at 31 March 2025 and its deficit for the year then ended; and

- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

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 (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom* (2024). My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of Forestry England 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 Forestry England'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 Forestry England'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 Accounting Officer with respect to going concern are described in the relevant sections of this report.

The going concern basis of accounting for Forestry England is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate and report thereon. The Accounting Officer is 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 certificate, I do not express any form of assurance conclusion thereon.

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, or 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 directions issued under the Government Resources and Accounts Act 2000.

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

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with

HM Treasury directions issued under the Government Resources and Accounts Act 2000;

- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of Forestry England and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

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 by Forestry England or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and

Staff Report to be audited is not in agreement with the accounting records and returns; or

- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Accounting Officer's Statement, the Chief Executive as 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 Forestry England from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view and are in accordance with HM Treasury

directions issued under the Government Resources and Accounts Act 2000;

- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000; and
- assessing Forestry England'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 Accounting Officer anticipates that the services provided by Forestry England will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

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 Forestry England's accounting policies, key performance indicators and performance incentives.
- inquired of management, Forestry England's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Forestry England'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 Forestry England's controls relating to Forestry England's compliance with the Government Resources and Accounts Act 2000 and Managing Public Money;
- inquired of management, Forestry England's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud,
- discussed with the engagement team and relevant internal specialists, including forest estate valuers 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 Forestry England 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 Forestry England's framework of authority and other legal and regulatory frameworks in which Forestry England 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 Forestry England. The key laws and regulations I considered in this context included the Forestry Act 1967, Government Resources and Accounts Act 2000, Managing Public Money, employment law, pensions legislation 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 and legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board; and internal audit reports; and

- 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;

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including internal specialists 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 certificate.

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 I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies **Date 21 November 2025**
Comptroller and Auditor General

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

Financial statements

Statement of comprehensive net expenditure

for the period ended 31 March 2025

	Note	2024-25 £000	2023-24 £000
Revenue from contracts with customers	3	(82,297)	(79,362)
Other operating income	3	(15,591)	(12,985)
Total operating income		(97,888)	(92,347)
Staff costs	4	57,644	56,031
Purchase of goods or services	4	75,890	76,396
Value of felled timber - Forest Estate	5	16,373	15,768
Value of felled timber - Biological Assets	6	9,490	8,790
Depreciation and amortisation	4	9,783	9,087
Impairment of property, plant and equipment	5	1,703	123
Expenses related to leases	4	334	492
Provisions expense	4	236	411
Finance lease interest	4	142	150
Total operating expenditure		171,595	167,248

	Note	2024-25 £000	2023-24 £000
Operating deficit before loss on revaluation of biological assets			
Loss on revaluation of biological assets	6	73,707	74,901
		98,827	89,282
Operating deficit		172,534	164,183
Interest on land transaction		(162)	(204)
Share of joint venture (profit) / loss for the year	7	(111)	873
Gain on sale of assets		(301)	(222)
Deficit for the year		171,960	164,630
Other comprehensive expenditure			
Net loss on revaluation of property, plant and equipment	5	260,960	199,055
Net loss on revaluation of campsite lease receivables	9	148	78
Comprehensive deficit for the year		433,068	363,763

The notes on pages 169 to 236 form part of these financial statements

Statement of financial position

as at 31 March 2025

	Note	31 March 2025 £000	31 March 2024 £000
Non-current assets			
Property, plant and equipment	5	3,358,885	3,606,994
Intangible assets		753	888
Biological assets	6	596,418	705,078
Investment in Joint Ventures	7	3,098	3,191
Trade receivables, financial and other assets	9	21,755	21,959
Total non-current assets		3,980,909	4,338,110
Current assets			
Assets held for sale		420	420
Inventories		2,455	2,533
Trade receivables, financial and other assets	9	37,326	39,529
Cash and cash equivalents	10	24,560	37,888
Total current assets		64,761	80,370

	Note	31 March 2025 £000	31 March 2024 £000
Total assets		4,045,670	4,418,480
Current liabilities			
Trade payables, financial and other liabilities	11	(18,424)	(22,171)
Finance lease liabilities	12	(613)	(573)
Provisions	14	(262)	(182)
Total current liabilities		(19,299)	(22,926)
Total assets less current liabilities		4,026,371	4,395,554
Non-current liabilities			
Trade payables, financial and other liabilities	11	(26,898)	(26,205)
Finance lease liabilities	12	(6,267)	(6,182)
Provisions	14	(618)	(738)
Total non-current liabilities		(33,783)	(33,125)

	Note	31 March 2025	31 March 2024
		£000	£000
Total assets less total liabilities		3,992,588	4,362,429
Taxpayers' equity and other reserves			
General fund		694,762	802,616
Revaluation reserve		3,297,826	3,559,813
Total taxpayers' equity and other reserves		3,992,588	4,362,429

The notes on pages 169 to 236 form part of these financial statements



Mike Seddon
Accounting Officer, Forestry England
19 November 2025

Statement of cash flows

for the period ended 31 March 2025

	Note	2024-25 £000	2023-24 £000
Cash flows from operating activities			
Operating deficit for the year		(172,534)	(164,183)
Adjustment for non-cash transactions			
Depreciation, interest and provisions	4	10,161	9,648
Value of felled timber - PP&E	5	16,373	15,768
Value of felled timber - biological assets	6	9,490	8,790
Impairment of property, plant and equipment	5	1,703	123
Write off of Assets Under Construction	5	166	79
Gain on revaluation of biological assets	6	98,827	89,282
Decrease in plant and seed (biological assets)	6	343	(663)
Decrease in inventories		77	744
Decrease/(increase) in trade and other receivables	9	1,965	(19,654)
Decrease in trade and other payables	11	(3,054)	(350)
Utilisation of provisions	14	(276)	(31)
Net cash outflow from operating activities		(36,759)	(60,447)

	Note	2024-25 £000	2023-24 £000
Cash flows from investing activities			
Purchases of non-financial assets		(40,882)	(25,164)
Proceeds from disposal of non-financial assets		1,074	714
Decrease / (increase) in capital receivables		295	(365)
Proceeds on disposal of investment in financial asset		-	16
Return of investment in joint venture	7	204	-
Interest on land transaction		161	204
Net cash outflow from investing activities		(39,148)	(24,595)
Cash flows from financing activities			
Payment of principal portion of leases liabilities	12	(648)	(618)
Funding from Forestry Commission		63,227	50,544
Net cash inflow from financing activities		62,579	49,926
Net decrease in cash and cash equivalents in the period		(13,328)	(35,116)
Cash and cash equivalents at the beginning of the period	10	37,888	73,004
Cash and cash equivalents at the end of the period	10	24,560	37,888

The notes on pages 169 to 236 form part of these financial statements

Statement of changes in taxpayers' equity

for the period ended 31 March 2025

	General fund £000	Revaluation reserve £000	Taxpayers' Equity £000
Balance at 31 March 2023	916,324	3,759,323	4,675,647
Funding from Forestry Commission	50,545		50,545
Comprehensive deficit for the year	(363,763)	-	(363,763)
Net loss on revaluation of property, plant and equipment	199,055	(199,055)	-
Realised element of revaluation reserve	455	(455)	-
Balance at 31 March 2024	802,616	3,559,813	4,362,429
Funding from Forestry Commission	63,227		63,227
Comprehensive deficit for the year	(433,068)	-	(433,068)

	General fund £000	Revaluation reserve £000	Taxpayers' Equity £000
Net loss on revaluation of property, plant and equipment	260,960	(260,960)	-
Realised element of revaluation reserve	1,027	(1,027)	-
Balance at 31 March 2025	694,762	3,297,826	3,992,588

The notes on pages 169 to 236 form part of these financial statements

Notes to the accounts

Note 1: Statement of accounting policies

These financial statements have been prepared on a going concern basis and in accordance with the accounts direction issued by the Forestry Commission and the 2024-25 Financial Reporting Manual (FReM) issued by HM Treasury. The FReM applies International Financial Reporting Standards (IFRS) as interpreted for the public sector. Forestry England accounting policies have been selected based on a judgement of the most appropriate treatment to the particular circumstances of the entity to ensure a true and fair view. The particular policies selected by Forestry England are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

In line with HM Treasury Financial Reporting Guidance, the information presented in these financial statements is based on the assumption that Forestry England will continue to provide existing services in the future, with no legislation changes currently expected.

In addition to a steady forecast income stream, the strength of Forestry England's Statement of Financial Position as at 31 March 2025, along with Taxpayers' Equity of £4 billion and a long-term financial plan showing the route to surplus, provides sound evidence that for the twelve months from approval of the Annual Report and Accounts 2024-25, there are sufficient resources to cover all expected expenditure items.

Forestry England is an executive agency within the Forestry Commission and is included as part of the Forestry Commission funding within the Defra estimates which have already been approved by Parliament. The government Spending Review to determine future funding for government departments including Defra for the period 2025-26 has been agreed. Continued support of Forestry England within the Forestry Commission for future years is being considered as part of the next Spending Review.

Based on the above information it is considered appropriate to adopt a going concern basis for preparing these financial statements.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, inventories and available-for-sale financial assets.

1.2 Funding

Forestry England receives funding from the Forestry Commission which is accounted for through the Statement of Changes in Taxpayer's Equity in accordance with IAS 20 Accounting for government grants and disclosure of government assistance as applied according to the Government Financial Reporting Manual.

1.3 Public corporation dividend

Forestry England pays a dividend to the Forestry Commission, reflecting the expected rate of return on funding provided. This is disclosed in the Statement of Comprehensive Net Expenditure. The dividend rate has been agreed with HM Treasury and is set at zero per cent whilst Forestry England is loss-making. If Forestry England makes a surplus before revaluation of biological assets, HM Treasury's real rate of 3.5 per cent will apply. No dividend has been paid in 2024-25 (2023-24 – Nil).

1.4 Employee benefits

Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS). PCSPS is an unfunded, defined benefit, contributory, public service occupational pension scheme. Forestry England accounts for the PCSPS scheme as a defined contribution plan and recognises the expected cost of these elements on a systematic and rational

basis over the period during which it benefits from the employee's services by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution schemes, Forestry England recognises the contributions payable for the year. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Performance pay

The Performance Pay review for the Senior Staff Grades is undertaken by Defra within the stipulated Cabinet Office guidelines with the aim of paying any agreed Senior Civil Servant pay award in Autumn. Any base pay increases awarded will be backdated to the pay settlement date of 1 April. The reviews and moderation are undertaken across the Defra group based on performance reviews, position in the salary range and cross group moderation.

1.5 Contingent liabilities

Forestry England discloses contingent liabilities in accordance with IAS 37. Where applicable, it also discloses, for Parliamentary reporting and accountability purposes, certain statutory and nonstatutory contingent liabilities where the likelihood of an outflow of economic benefits is remote, but which have been reported to Parliament in accordance with the requirements of HM Treasury's Managing Public Money.

Where the time value of money is material, contingent liabilities required to be disclosed under IAS 37 are stated at discounted amounts. Where applicable, amounts reported to Parliament are separately noted.

Non-IAS 37 Remote Contingent Liabilities are reported in the Parliamentary Accountability Report, where any have been identified. Non-IAS 37 Contingent Liabilities are not reported in the Contingent Liability note to the financial statements.

1.6 Fair value measurement

In accordance with the Royal Institute of Chartered Surveyors (RICS) Valuation – Global Standards ('Red Book Global Standards'), Forestry England measures its non-financial assets at fair value at each reporting date. This is deemed to be the market value in existing use for non-specialised operational assets and is defined in UK VPGA6 of the RICS Valuation – Global Standard Fair value as the estimated amount for which a property should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction.

Forestry England uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Where market evidence is absent or fair value cannot be reliably extrapolated from the evidence available, the

Depreciated Replacement Cost (DRC) method is used for valuation purposes.

Inputs to the valuation techniques in respect of assets for which existing use value is measured or disclosed in the financial statements are categorised within the existing use value hierarchy, as follows:

- Level 1 – quotes prices (unadjusted) in active markets for identical assets that Forestry England can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
- Level 3 – unobservable inputs for the asset or liability.

The following table shows an analysis of the valuation bases used in the valuation of non-financial assets recognised in the Statement of Financial Position.

Element	Valuation basis – 31 March 2025	Level in valuation hierarchy	Net Book Value 31 March 2025 (£m)	Net Book Value 31 March 2024 (£m)
Nation's Forests (see note 1.7)				
Forest land and trees not apportioned to biological assets	Custom indices based on observable market rates	Level 2	2,653	2,916
Minor crops	Custom indices based on the closest available observable market rates	Level 3	88	91
Other land (see note 1.7 and 1.12)				
Open land and similar land use	Custom indices based on observable market rates	Level 2	256	245
Agricultural land	Savills Vacant Farmland Index and Let Land Index based on observable market rates	Level 2	49	55
Telecoms masts, wayleaves, quarries and other interest in land	Fair value based on market rental value and yield	Level 2	28	27
Recreation infrastructure	DRC in prior year and applying BCIS indexation uplift	Level 3	43	53

Element	Valuation basis – 31 March 2025	Level in valuation hierarchy	Net Book Value 31 March 2025 (£m)	Net Book Value 31 March 2024 (£m)
Campsite land	Fair value based on market rental value and yield	Level 2	36	36
Dwellings and other buildings (see note 1.7)				
Residential	Fair value based on market evidence in prior year and applying House Price Index	Level 2	71	69
Building leases	Fair value based on market rental value and yield	Level 2	41	41
Other buildings	DRC in prior year and applying BCIS indexation	Level 3	62	52
Other PP&E (see note 1.7)				
VME	DRC in prior year applying ONS indices	Level 3	17	14
OME	DRC in prior year applying ONS indices	Level 3	3	1
Other Current and Non-current assets (see note 1.12 and 1.13)				
Biological Assets (IAS 41)	Custom indices based on observable market rates	Level 2	596	705
Campsite leases in receivables	Fair value based on market rental value and yield	Level 2	23	23

1.7 Property, plant and equipment

Legal ownership of all land and buildings is vested in the Secretary of State together with the legal ownership of the timber and other tangible fixed assets. Where Forestry England is the principal beneficial user of assets owned by the Secretary of State or Forestry Commissioners these are treated as property, plant and equipment assets of the agency.

Property, plant and equipment are revalued annually as at 31 March.

See also 'Assets Leased to Customers' at 1.8 below, and 'Leases' at 1.15 below.

Nation's forests

The nation's forests comprise freehold and leasehold afforested land (including land improvements) and the value of trees that have not been apportioned to biological assets under IAS 41 (Agriculture). Valuation of the nation's forests is complex and relies on judgements and estimation techniques. Details of these are set out in note 2 'Critical Accounting Estimates and Judgements'.

Nation's forests land

Nation's forests land is shown at estimated fair value and excludes the value attributable to any trees growing on that land. External professional valuers undertake a full external professional valuation of the nation's forest land at five-yearly intervals. Following a public procurement exercise in 2022, Savills, Chartered Surveyors were

appointed as Forestry England's valuers performing a full valuation as at 31 March 2023. In accordance with Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Standards (the 'Red Book'), the nation's forests land is valued at fair value using market value for existing use. The next full valuation will be as at 31 March 2028. In the intervening years between professional valuations, custom indices are used to revalue land values.

Trees not apportioned to biological assets

Trees falling outside of the definition of biological assets are shown at market value in existing use. External professional valuers undertake a full valuation at five-yearly intervals. As detailed above, the valuation is carried out in accordance with RICS Appraisal and Valuation Standards (the 'Red Book') under the existing use valuation models as appropriate. In the intervening years between professional valuations, custom indices are used to restate tree values.

Minor crops and other land

Included within the forest estate are areas of land use including Christmas trees land (pre-planting), deer glades, archaeological sites, felled trees and bare land. Given their specialist nature, there is no active market for these land use types. They are valued using custom indices based on the closest available observable market rates.

Other land (non-forest estate)

Non-forest land is shown at fair value. Professionally qualified staff members employed by Forestry England undertake a full revaluation of non-forest land at five-yearly intervals coinciding with that for the nation's forests following the principles set out in the RICS Red Book, and value on the basis of market value (MV), existing use value (EUV), depreciated replacement cost (DRC) or discounted cash flow (DCF), as appropriate under the RICS Standards for determining fair value. The work of internal chartered surveyors is reviewed by independent external valuers.

A full valuation took place as at 31 March 2023. The next full valuation is due to take place as at 31 March 2028.

Campsites leases

The value of the land and building leases with the third parties who operate campsites on Forestry England land are shown at market value in existing use. Full valuations were performed by external valuers based on market value and yield.

Dwellings and other buildings

Dwellings and other buildings are shown at fair value.

Professionally qualified staff employed by Forestry England undertake a full revaluation of dwellings and other buildings at five-yearly intervals coinciding with that for the nation's forests and other land following the principles set out in the RICS Red Book and valuing as

appropriate under the RICS standards for determining fair value. Suitably qualified external valuers review the work of internal professional valuers. A full valuation took place on 31 March 2023, and independent external valuers reviewed the valuations. The next full valuation is due to take place on 31 March 2028.

During intervening years between the five yearly full valuations, indices provided by independent external valuers are used to reflect the value of dwellings and other buildings. The indices provided are forest district specific and are based on independent external valuers' knowledge of the market to support properties valued at market value. Additional indices are provided for depreciated replacement cost valued properties based on the Building Cost Information Service (BCIS) All-in Tender Price Index.

The threshold for capitalisation of buildings is £10,000.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Forestry England and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Statement of Comprehensive Net Expenditure during the financial period in which they are incurred.

Non-current assets held for sale

Non-current assets are reviewed regularly to ensure that they continue to contribute positively to policy and business objectives. Assets that no longer provide the required level of contribution are considered for disposal by senior management. Decisions to sell such assets, including surplus properties, consider a number of factors including the social and environmental effects as well as marketability. Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction, and a sale within twelve months of the reporting date is considered to be highly probable. Non-current assets held for sale are stated at the lower of carrying amount and fair value less costs to sell.

Vehicles, machinery and equipment (VME)

Vehicles, machinery and equipment are shown at fair value. Assets are revalued every five years by professionally qualified staff employed by Forestry England. In the intervening years between professional valuations, values are restated using indices provided by the Office for National Statistics. The normal threshold for capitalisation of plant and machinery is £3,000.

Office machinery and equipment (OME)

Office machinery and equipment is shown at fair value. Values are restated to current value each year using indices provided by the Office for National Statistics.

The normal threshold for capitalisation of OME assets is £2,000.

Assets under construction (AUC)

Assets under construction are carried at the costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Assets under construction are transferred to the appropriate property, plant and equipment category when completed and ready for use.

Revaluation reserve

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to the revaluation reserve. Decreases that offset previous increases of the same asset are charged against the revaluation reserve directly in equity; all other decreases are charged to the Statement of Comprehensive Net Expenditure. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the Statement of Comprehensive Net Expenditure and depreciation based on the asset's original cost is transferred from the revaluation reserve to the general fund.

1.8 Depreciation

Land (nation's forests and non-forest land), together with the value of trees not apportioned to biological assets, is not depreciated.

Assets under construction are not depreciated until the asset under construction is capable of operating in the manner intended by management.

Depreciation is provided on all other tangible fixed assets at rates calculated to write off the valuation, less estimated residual values, of each asset evenly over its expected useful life. Asset lives are as follows:

Lease premium	unexpired term of the lease
Freehold buildings	over 1 to 60 years
Buildings held under a finance lease	lesser of unexpired term of lease and 60 years
Plant and machinery	over 3 to 16 years
Plant and machinery held under a finance lease	lesser of unexpired term of lease and 16 years
Information technology	over 4 to 20 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the Statement of Comprehensive Net Expenditure.

When revalued assets are sold, the amounts included in the revaluation reserve are transferred to the general fund.

1.9 Assets leased to customers

In accordance with IFRS 16, assets leased to external parties are classified as either operating leases or finance leases. A lease is classified as a finance lease if it transfers substantially the risks and rewards incidental to ownership of the underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of the underlying asset. The classification of a lease depends on the substance of the transaction rather than the legal form and considers the following factors:

- Whether the lease transfers ownership of the asset at the end of the lease term
- If the lessee has an option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option becomes exercisable
- Whether the lease term is for the major part of the economic life of the asset even if legal title is not transferred
- At inception date, whether the present value of future lease payments is substantially all of the fair value of the asset
- If an asset is of such a specialised nature that only the lessee can use it without major modification.

1.10 Government grants receivable

Capital grants from the government are recognised at their fair value and treated in accordance with IAS 20.

Amounts are credited to deferred income and released to the Statement of Changes in Taxpayers Equity to equal the depreciation charge over the life of the asset.

Where the grant contributes to only part of the cost of the asset, only that proportion is released from deferred income.

Grants of a revenue nature are credited to the Statement of Changes in Taxpayer's Equity to match them with the expenditure to which they relate.

1.11 Subsidiaries, joint ventures and available for sale financial assets

Where Forestry England has an investment in another entity but where it has no significant influence over the activities of the entity, the entity is accounted for as an available for sale financial asset following the requirements of IAS 39.

Forestry England may enter into arrangements with other parties to undertake economic activities via an entity that is subject to joint control; that is, when the strategic financial and operating policy decisions relating to the activities of the entity require the unanimous consent of the parties sharing control of the entity. These arrangements are accounted for as joint ventures following the requirements of IAS 28.

The results and assets and liabilities of joint ventures are incorporated in the financial statements using the equity method of accounting. Under the equity method,

investments are carried in the statement of financial position at cost as adjusted for post-acquisition changes in Forestry England's share of the net assets of the joint venture, less any impairment in the value of the investment. Losses of a joint venture in excess of the interest in that joint venture are not recognised.

Additional losses are provided for, and a liability is recognised, only to the extent that Forestry England has incurred legal or constructive obligations or made payments on behalf of the joint venture.

Any excess of the cost of acquisition over Forestry England's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the joint venture recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment.

The investments and associated balances are included in note 7 to the financial statements.

1.12 Nation's Forests and Biological assets

Trees growing on nation's forests land are apportioned to biological assets or the nation's forests. Apportionment is determined by a strategic assessment that identifies the primary ministerial objective that the land is held to meet. Woodland retained and managed to meet economic objectives will primarily generate benefit to Forestry England from timber sales. Consequently, these areas are regarded as within the scope of IAS 41 (Agriculture).

The remaining trees are apportioned to the nation's forests and are outside the scope of IAS 41.

Biological assets are measured at estimated fair value less estimated point-of-sale costs, except where fair value cannot be measured reliably. Independent external valuers undertake a full external professional valuation at five yearly intervals, with the last full valuation carried out as at 31 March 2023. As detailed above, the valuation was carried out in accordance with RICS Appraisal and Valuation Standards (the 'Red Book') under the existing use or fair value models as appropriate. In the intervening years between professional valuations, custom indices are used to restate timber values. The next full valuation is due to take place on 31 March 2028.

Revaluation gains and losses are recognised in the Statement of Comprehensive Net Expenditure in the year of revaluation.

Holdings of plants and seed are accounted for as biological assets under IAS 41. They are stated at the lower of current cost and net realisable value. Net realisable value is based on estimated selling prices, less further costs expected to be incurred to completion and disposal.

1.13 Inventories

Consumable materials and supplies are stated at the lower of current cost and net realisable value. Net realisable value is based on estimated selling prices, less

further costs expected to be incurred to completion and disposal.

1.14 Revenue recognition

Operating income relates directly to the operating activities of Forestry England. Revenue from contracts with customers is accounted for in accordance with the five-stage model set out in IFRS 15 and is recognised when performance obligations are satisfied.

1.15 Leases

Forestry England has applied IFRS 16 Leases using the modified retrospective approach from 1 April 2022.

At inception of a contract Forestry England assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset Forestry England assesses whether:

- The contract involves the use of an implicitly or explicitly identifiable asset and is physically distinct or represents substantially all of the capacity of a physically distinct asset. If the supplier has substantive substitution rights, then the asset is not identified; and
- Forestry England has the right to obtain substantially all the economic benefits from use of the asset through the period of use; and

- Forestry England has the right to direct the use of the asset.

This policy is applied to contracts entered into, or changed, on or after 1 April 2022.

For contracts entered into before 1 April 2022, Forestry England determined whether the arrangement was or contained a lease based on the assessment of whether:

- Fulfilment of the arrangement was dependent on the use of a specified asset; and
- The arrangement conveyed a right to use the asset.

Forestry England recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the lease commencement date, plus initial direct costs and an estimate of costs to dismantle and remove the underlying asset.

The right-of-use asset is subsequently depreciated using a straight-line method from commencement date to the earlier of the useful life of the asset and the lease term. The value of each underlying asset is revalued annually as though ownership of the asset was vested in Forestry England. The policies and procedures for carrying out revaluations are those set out in 1.7 above. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the unpaid lease payment at the lease commencement date, discounted using the interest rate implicit in the lease, or if this rate cannot be readily determined, by Forestry England's incremental borrowing rate. This is set by HM Treasury at 4.81% for 2024-25 (4.72% – 2023-24).

The lease liability is measured at amortised cost using the effective interest rate method. It is remeasured where there is a change in the future lease payments arising from a change in an index or interest rate or if Forestry England changes its assessment of whether it will exercise a purchase, extension or termination option.

Subsequent lease payments are allocated between the liability and finance charges to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the Statement of Comprehensive Net Expenditure over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Forestry England has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. Forestry England recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Peppercorn leases

Peppercorn leases are defined as leases for which the consideration paid is nil or nominal (that is, significantly below market value). Peppercorn leases are in the scope of IFRS 16 if they meet the definition of a lease in all aspects apart from containing consideration. Before adoption of IFRS 16, Forestry England already classified peppercorn leases as finance leases under IAS 17 recognising the right of use assets at fair value and the lease liabilities at the present value of future lease payments discounting using HM Treasury discount rates. The lease periods of peppercorn leases are defined in the lease agreements and are generally in excess of 900 years.

1.16 Provisions

Forestry England provides for present legal and constructive obligations which are of uncertain timing or amount at the reporting date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the real rate set by HM Treasury. The increase in the provision due to passage of time is recognised in the Statement of Comprehensive Net Expenditure.

1.17 Value added tax (VAT)

Forestry England is not separately registered for VAT and is included within the overall VAT registration of the

Forestry Commission. To comply with the government accounting regulations and normal commercial practice, income and expenditure shown in the Statement of Comprehensive Net Expenditure is net of VAT. These accounts report any VAT due to or from HM Revenue and Customs at the yearend as a receivable or payable in the Statement of Financial Position. Irrecoverable VAT is charged to the Statement of Comprehensive Net Expenditure in the year in which it is incurred.

1.18 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker responsible for allocating resources and assessing performance of the operating segments has been identified as the Executive Team. In applying IFRS 8, management has determined that Forestry England operates as one operating segment.

1.19 Foreign currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which Forestry England operates ('the functional currency'). The functional currency and the presentational currency of the financial statements is GB pounds sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the banking transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Net Expenditure.

1.20 Impairment of non-financial assets

Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an asset is not held for the purpose of generating cash flows, value in use is assumed to equal the cost of replacing the service potential provided by the asset, unless there has been a reduction in service potential. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffer impairment are reviewed for possible reversal of the impairment at each reporting date.

1.21 Financial assets

Classification

Forestry England classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise derivatives. Assets in this category are classified as current assets. Forestry England does not trade in derivatives and does not apply hedge accounting.

Loans and receivables

Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of loans and receivables is calculated using the expected credit loss model as specified by IFRS 9. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Statement of Comprehensive Net Expenditure. When a loan or receivable is uncollectible, it is written off

against the allowance account. Subsequent recoveries of amounts previously written off are credited in the Statement of Comprehensive Net Expenditure.

Recognition and measurement

Financial assets are recognised when Forestry England becomes party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the rights to receive cash flows from the asset have expired or have been transferred and Forestry England has transferred substantially all risks and rewards of ownership.

Financial assets at fair value through profit or loss

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Comprehensive Net Expenditure.

Financial assets carried at fair value through profit or loss are subsequently measured at fair value. Gains or losses arising from changes in fair value are presented in the Statement of Comprehensive Net Expenditure.

Loans and receivables

Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of loans and

receivables is established when there is objective evidence that Forestry England will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the loan and receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Statement of Comprehensive Net Expenditure. When a loan or receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited in the Statement of Comprehensive Net Expenditure.

1.22 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, cash balances held by the Government Banking Service and other short-term highly liquid investments with original maturities of three months or less.

1.23 Financial liabilities

Classification

Forestry England classifies its financial liabilities in the following categories: at fair value through profit or loss,

and other financial liabilities. The classification depends on the purpose for which the financial liabilities were issued. Management determines the classification of its financial liabilities at initial recognition.

Other financial liabilities

Other financial liabilities are included in current liabilities, except for maturities greater than 12 months after the reporting date. These are classified as non-current liabilities. Forestry England's other financial liabilities comprise trade and other payables in the Statement of Financial Position.

Recognition and measurement

Financial liabilities are recognised when Forestry England becomes party to the contractual provisions of the financial instrument.

A financial liability is removed from the Statement of Financial Position when it is extinguished, that is when the obligation is discharged, cancelled or expired.

Financial liabilities at fair value through profit or loss

Financial liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Comprehensive Net Expenditure.

Financial liabilities carried at fair value through profit or loss are subsequently measured at fair value. Gains

or losses arising from changes in the fair value are presented in the Statement of Comprehensive Net Expenditure.

Other financial liabilities

Other financial liabilities are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.24 Effective in these financial statements

All International Financial Reporting Standards (IFRS), interpretations and amendments effective at 31 March 2025 have been adopted in these statements.

1.25 Effective for future financial years

IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, requires disclosures in respect of new IFRSs, amendments and interpretations that are, or will be applicable after the reporting period. There are a number of IFRSs, amendments and interpretations that have been issued by the International Accounting Standards Board that are effective for future reporting periods. Those with relevance to the Forestry Commission are outlined below. None have been adopted early.

The following standards will be applied upon formal adoption in the FReM.

IFRS 17 – Insurance Contracts replaces IFRS 4: Insurance Contracts and is to be included in the

FReM for mandatory implementation from 2025-26. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of this Standard.

The Standard will be applied by HM Treasury in the 2025-26 FReM, with an implementation date of 1 April 2025.

The financial impact of applying IFRS 17 is not yet known.

Changes to the 2025-26 FReM will be made in respect of non-investment asset valuations. In December 2023 HM Treasury released an exposure draft on potential changes to make to valuing and accounting for non-investment assets (e.g. PPE, intangible assets). The following changes to the valuation and accounting of non-investment assets are to be included in the 2025-26 FReM for mandatory implementation:

References to assets being held for their 'service potential' and the terms 'specialised/non-specialised' assets are being removed from the FReM. Non-investment assets are instead described as assets held for their 'operational capacity'. The impact of this change on the valuation of non-investment assets has not yet been assessed.

An adaptation to IAS 16 will be introduced to withdraw the requirement to revalue an asset where its fair value materially differs from its carrying value. Assets will be valued using the one of the following processes:

- A quinquennial revaluation supplemented by annual indexation.
- A rolling programme of valuations over a 5-year cycle, with annual indexation applied to assets during the 4 intervening years.
- For non-property assets only, appropriate indices.
- In rare circumstances where an index is not available, a quinquennial revaluation supplemented by a desktop revaluation in year 3.

The option to measure intangible assets using the revaluation model is withdrawn. The carrying values of intangible assets at 31 March 2025 will be considered the historical cost at 1 April 2025. There will be no financial impact on the carrying value of intangible assets as a result of this change.

Note 2: Critical accounting estimates and judgements

The preparation of financial statements requires Forestry England to make estimates.

Critical accounting judgements and sources of estimation uncertainty

In the application of Forestry England's accounting policies, judgements, estimates and assumptions need to be made about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based

on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Deferred income

The anticipated timing of release of our deferred income is based on judgement and estimates. Judgements have been made regarding likely timing of expenditure based on management knowledge of likely contract dates for land leases.

Critical judgements in applying the accounting policies

The preparation of these accounts require management to make judgements, estimates and assumptions in respect of a range of activities that affect the application of policies and reported amounts of assets and liabilities, income and expenditure.

Judgements and estimates are continually evaluated and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following are the critical judgements and estimates that have been made in the process of applying Forestry England's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Classification of the nation's forests and biological assets

Forestry England retains and manages its woodlands and forests to meet agreed ministerial objectives, primarily for Social, Environmental and Economic reasons (set out in 'A Strategy for England's Trees, Woods and Forests').

Social and environmental areas generate a significant proportion of the agency's annual timber income. However, the planned felling of this timber (and resulting sales income) is to maintain and enhance the areas' contribution to Social and Environmental objectives. Where land is classed as a specific Social and Environmental category such as 'Special Protection Area', 'Area of Outstanding Natural Beauty' or as a 'National Park' it is deemed appropriate that such woodland fall outside the scope of IAS 41.

Woodland retained and managed to meet economic objectives will primarily generate benefit to Forestry England from timber sales. Consequently, these areas are regarded as within the scope of IAS 41. The electronic land management records for each forest district were analysed to identify all afforested or woodland areas subject to a social or environmental

designation. Trees growing on these areas were deemed to fall outside the scope of IAS 41. The balance of each forest district's afforested or woodland areas were deemed to fall within the standard. Management considers that the administrative costs of accounting and valuing each individual area of land are prohibitive. It considers that reliable accounting and valuation estimates can be obtained by expressing the land areas in percentage terms. For example, if a district comprised 100 hectares and 70 hectares was designated for Social and Environmental purposes then reasonable information can be derived from estimating that 70 per cent of the district's trees were outside of IAS 41. The remaining 30 per cent of trees would fall within IAS 41.

Land designations are not subject to frequent change. Management therefore considers that a detailed review of the designations should take place every five years. A full review of land designations was carried out in the year ended 31 March 2025, resulting in the following designated Biological Assets areas, as a percentage of each District:

Forest District	2024-25 %	2023-24 %
Central	14.5	15.1
East	7.2	6.6
North	52.6	53.4
Yorkshire	0	0.7
South	8.1	8.2
West	16.1	16.1
Total nation's forest	22.6	22.9

Management recognises that land use and designations may change over time. It carries out an annual review to consider whether changes in use, major sales or acquisitions of land materially affect the analysis and its accounting and valuation estimates. Where material changes have occurred, the analysis shall be updated for that year. Retrospective adjustments shall not be made for prior years.

Valuation of the nation's forests and biological assets

There is a high degree of estimation uncertainty inherent in the valuation of the nation's forests and biological assets. In determining the appropriate values to apply for the purpose of the valuation, the external valuers use sales evidence considering the recent history of sales of forests in excess of 20 hectares. There is a significant spread in sales values which can relate in part to timber values; however, it can also relate to factors such as the existence of localised competition, specialised purchasers or unique factors which can result in sales values falling out with a normal trend.

A full valuation of the nation's forests took place as at 31 March 2023. At 31 March 2025, the external valuers provided a valuation update with appropriate valuation indices and commentary on property markets and yields.

Average timber values per hectare are provided by independent valuers using their own specialist forestry indices. The valuation indices are arrived at

predominantly by reference to comparable market evidence. The most appropriate market evidence-based factors used in reaching the timber valuations are:

- location (forest district)
- species (conifer or broadleaf)
- average age of plantation (based on 5-year or 10-year age bands)
- yield (high, medium or low)

The independent professional valuation further determines an average solum (land) value per hectare for the nation's forests applicable to each forest district. This is added to the average timber value per hectare to give a total woodland valuation for each forest district. Once the timber and land values were ascertained, the nation's forests were classified into biological assets falling within the scope of IAS 41 and timber and land falling outside the scope of IAS 41. Land and timber falling outside the scope of IAS 41 have been treated in accordance with IAS 16 and are classified as the nation's forests.

The estimated average values per hectare across the Districts for solum, trees and combined woodland are as follows:

	Average per hectare (£ / ha)		
	Total woodland	Solum	Trees
Central	16,030	7,310	8,720
East	15,544	7,050	8,494
North	22,972	4,776	18,196
York	17,732	5,030	12,702
South	18,223	7,410	10,813
West	17,259	6,859	10,400
Westonbirt	15,237	6,859	8,378
Total	18,681	6,251	12,430

Given that forest estate valuations are significantly based on comparable market evidence, this minimises the requirement for management estimates and judgements in the valuation of the forest estate. As noted in 1.7 above, minor crops and other land use types are valued using custom indices based on the closest available observable market rates.

On initial recognition and at the end of each reporting period, the biological asset valued using IAS 41 is measured at estimated fair value less estimated point-of-sale costs relating to marketing and sales expenses. Analysis of these costs show that they vary annually. Management calculates the cost of sales percentage over the three years to 30 November in the year of disposal. For 2024-25 woodland disposals, this

percentage is calculated as 4.5% (2023-24 4.5%) of the fair value.

The overall woodland valuation is sensitive to indices applied to timber and solum. A ten-percentage point increase in the estimated average timber valuation per hectare would increase the nation's forest valuation by £163.7 million and increase the biological asset valuation by £59.6 million. A ten-percentage point increase in the estimated solum valuations per hectare would impact the nation's forest valuation by £119.5 million.

Other land

The other land valuation includes valuations that are based on indices provided by independent professional valuers. These indices are reviewed by our internal Chartered Surveyors to ensure that they are reasonable and consistent with internal valuation knowledge. Accounting policy note 1.6 above details the components of other land together with the source of the valuation. Where possible, for components of other land where active markets operate, management ensures that external professional valuations are obtained.

Other land includes land attributed to recreation infrastructure. Fair value is based on the depreciated replacement cost in prior year and applying BCIS indexation, which includes management judgements in respect of the annual depreciation charge and remaining asset life. Management considers that Forestry England's professionally qualified staff members are best placed to value this land. To ensure compliance with RICS

valuation standards, external professional valuers review the work of our internal valuers for consistency and appropriateness.

Dwellings and other buildings

Other buildings primarily include buildings held for operational activities and for which there are no active external markets. Fair value for these buildings is based on the depreciated replacement cost in the prior year and applying BCIS indexation, which includes management judgements in respect of the annual depreciation charge and remaining asset life. Management considers that Forestry England's internal professionally qualified staff members are best placed to value these buildings. To ensure compliance with RICS valuation standards, external professional valuers review the work of the internal valuers for consistency and appropriateness.

Note 3: Income

	2024-25	2023-24
	£000	£000
Revenue within scope of IFRS 15		
Timber - standing sales	36,170	32,671
Timber - direct production	17,582	16,300
Car parking and admissions	13,254	11,365
Car parking - memberships	2,324	2,016
Corporate services charges	3,998	3,960
Administrative income and recharges	2,360	1,856
Permissions	1,889	2,129
Plant and seed	753	361
Radio masts and wayleaves	751	944
Green Finance	654	-
Ticketed events	497	5,267
Advertising and Sponsorship	356	530
Christmas trees	190	205
Game	306	269
Deeds of grant	50	358
Other sales of goods or services	1,163	1,131
	82,297	79,362
Other income		
Retail and leisure rents	6,411	6,324
Grants and other funding	5,686	3,537
Residential rents	1,384	1,334
Mineral extraction rents and royalties	758	514
Agricultural rents	297	304
Other rents	1,055	972
	15,591	12,985
Total	97,888	92,347

Note 4: Staff and other costs

	2024-25 £000	2023-24 £000
Staff costs		
Wages and salaries	39,935	39,475
Social security costs	4,128	3,998
Other pension costs	11,343	10,146
Agency and temporary staff	2,238	2,412
	57,644	56,031
Purchase of goods or services		
Sustainable forest management	44,195	40,476
Recreation and public affairs	7,701	10,895
Computer costs	6,189	6,422
Accommodation and office services	6,050	6,252
Forest estate	4,537	4,976
Travel and subsistence	1,629	1,868
Communication	1,473	1,400
Shared central services	1,490	1,270
Legal expenses	1,028	1,155
Training	917	1,006
Losses and compensation	453	516
Auditors' remuneration - audit work	199	130
Staff transfers	29	30
	75,890	76,396
Expenses related to leases		
Rental of land and buildings	102	192
Rental of plant and machinery	232	300
	334	492
Non-cash costs		
Depreciation of property, plant and equipment	9,648	8,952
Amortisation of intangible assets	135	135
Finance lease interest on land and buildings	135	137
Finance lease interest on plant and machinery	7	13
Provisions		
Provided in year	519	440
Provisions not required written back	(290)	(36)
Unwinding of discount	7	7
	10,161	9,648
Total	144,029	142,567

Further analysis of staff costs is available in the Accountability report.

Note 5: Property, plant and equipment

	Land and buildings £000	VME £000	OME £000	AUC £000	Total £000
Cost or valuation					
At 1 April 2024	3,604,072	28,878	2,490	6,868	3,642,308
Additions	20,979	5,129	41	15,364	41,513
Reclassifications	12,535	559	2,388	(15,481)	1
Disposals	(277)	(2,803)	(330)	-	(3,410)
Fellings	(16,373)	-	-	-	(16,373)
Write off	-	-	-	(166)	(166)
Revaluation	(267,686)	1,192	61	-	(266,433)
Impairment	(1,703)	-	-	-	(1,703)
At 31 March 2025	3,351,547	32,955	4,650	6,585	3,395,737
Depreciation					
At 1 April 2024	19,098	15,032	1,184	-	35,314
Charged in year	5,937	3,184	527	-	9,648
Reclassifications	-	-	-	-	-
Disposals	(81)	(2,287)	(269)	-	(2,637)
Write off	-	-	-	-	-
Revaluation	(5,962)	471	18	-	(5,473)
At 31 March 2025	18,992	16,400	1,460	-	36,852
Carrying value					
At 31 March 2025	3,332,555	16,555	3,190	6,585	3,358,885
Asset financing					
Owned	3,109,042	15,956	3,190	6,585	3,134,773
Finance leased	223,513	599	-	-	224,112
Total	3,332,555	16,555	3,190	6,585	3,358,885

	Land and buildings £000	VME £000	OME £000	AUC £000	Total £000
Cost or valuation					
At 1 April 2023	3,803,518	26,500	2,117	1,898	3,834,033
Additions	13,660	4,767	80	6,948	25,455
Reclassifications	4,074	10	350	(1,899)	2,535
Disposals	-	(2,498)	(153)	-	(2,651)
Fellings	(15,768)	-	-	-	(15,768)
Write off	-	-	-	(79)	(79)
Revaluation	(201,289)	99	96	-	(201,094)
Impairment	(123)	-	-	-	(123)
At 31 March 2024	3,604,072	28,878	2,490	6,868	3,642,308
Depreciation					
At 1 April 2023	15,709	13,866	969	-	30,544
Charged in year	5,497	3,176	279	-	8,952
Reclassifications	-	-	-	-	-
Disposals	-	(2,044)	(99)	-	(2,143)
Write off	-	-	-	-	-
Revaluation	(2,108)	34	35	-	(2,039)
At 31 March 2024	19,098	15,032	1,184	-	35,314
Carrying value					
At 31 March 2024	3,584,974	13,846	1,306	6,868	3,606,994
At 31 March 2023	3,787,809	12,634	1,148	1,898	3,803,489
Asset financing					
Owned	3,362,822	13,118	1,306	6,868	3,384,114
Finance leased	222,152	728	-	-	222,880
Total	3,584,974	13,846	1,306	6,868	3,606,994

Within the results above, the following represent right-to-use assets held under finance lease agreements

	Land and buildings £000	VME £000	OME £000	AUC £000	Total £000
Cost or valuation					
At 1 April 2024	222,819	2,225	-	-	225,044
Additions	516	115	-	-	631
Depreciation					
At 1 April 2024	420	1,497	-	-	1,917
Charged in year	-	244	-	-	244
At 31 March 2025					
Cost or valuation	223,933	2,328	-	-	226,261
Depreciation	(420)	(1,729)	-	-	(2,149)
Net Book Value	223,513	599	-	-	224,112

Land and buildings are constituted as follows:

	Nation's forests £000	Other land £000	Campsite land £000	Dwellings and other buildings £000	Total £000
Cost or valuation					
At 1 April 2024	3,007,696	380,446	36,022	179,908	3,604,072
Additions	20,628	1	-	350	20,979
Reclassifications	6,281	(7,185)	-	13,439	12,535
Disposals	-	-	-	(277)	(277)
Fellings	(16,373)	-	-	-	(16,373)
Write off	-	-	-	-	-
Revaluation	(276,645)	4,044	123	4,792	(267,686)
Impairment	-	-	-	(1,703)	(1,703)
At 31 March 2025	2,741,587	377,306	36,145	196,509	3,351,547
Depreciation					
At 1 April 2024	-	-	-	19,098	19,098
Charged in year	-	-	-	5,937	5,937
Reclassifications	-	-	-	-	-
Disposals	-	-	-	(81)	(81)
Write off	-	-	-	-	-
Revaluation	-	-	-	(5,962)	(5,962)
At 31 March 2025	-	-	-	18,992	18,992
Carrying value					
At 31 March 2025	2,741,587	377,306	36,145	177,517	3,332,555
Asset financing					
Owned	2,520,593	377,306	36,145	174,998	3,109,042
Finance leased	220,994	-	-	2,519	223,513
Total	2,741,587	377,306	36,145	177,517	3,332,555

	Nation's forests £000	Other land £000	Campsite land £000	Dwellings and other buildings £000	Total £000
Cost or valuation					
At 1 April 2023	3,177,161	410,239	36,094	180,024	3,803,518
Additions	6,475	7,185	-	-	13,660
Reclassifications	75,318	(74,997)	2,536	1,217	4,074
Disposals	-	-	-	-	-
Fellings	(15,768)	-	-	-	(15,768)
Revaluation	(235,490)	38,019	(2,608)	(1,210)	(201,289)
Impairment	-	-	-	(123)	(123)
At 31 March 2024	3,007,696	380,446	36,022	179,908	3,604,072
Depreciation					
At 1 April 2023	-	-	-	15,709	15,709
Charged in year	-	-	-	5,497	5,497
Reclassifications	-	-	-	-	-
Disposals	-	-	-	-	-
Revaluation	-	-	-	(2,108)	(2,108)
At 31 March 2024	-	-	-	19,098	19,098
Carrying value					
At 31 March 2024	3,007,696	380,446	36,022	160,810	3,584,974
Asset financing					
Owned	2,788,223	380,446	36,022	158,131	3,362,822
Finance leased	219,473	-	-	2,679	222,152
Total	3,007,696	380,446	36,022	160,810	3,584,974

Within the carrying value of the Nation's Forest at 31 March 2025, £1,195 million is attributable to land (31 March 2024 – £1,192 million).

Independent external valuers carried out a professional valuation of the nation's forests as at 31 March 2023. At 31 March 2025, the assets were revalued using specialist forestry indices developed and provided by independent external valuers.

Campsite land was previously categorised as Camping in the forest (CITF) and Forest Holidays (FH) land when Forestry England held a participatory interest in the businesses operating the sites. The sites are now all run by operators in which Forestry England has no participatory interest. The valuation represents the land element of our freehold reversionary interest in the campsites. The buildings element of this freehold reversionary interest is recognised as a finance lease receivable and disclosed as 'Campsite leases' (previously disclosed as a partnership lease) in Note 11. An annual valuation of the freehold reversionary interest is undertaken by independent external valuers, currently Avison Young. These values are then disclosed as freehold land and finance lease receivables in proportion to the net book values of land and buildings at the inception of the lease in 2006.

Vehicles, machinery and equipment (VME) are usually valued at five-year intervals. Professionally qualified staff employed by Forestry England undertook the full valuation at 31 March 2022. In the intervening years,

revaluations are on the basis of indices provided by the Office for National Statistics or internal professional staff, as appropriate.

Office machinery and equipment (OME) was restated to current value at 31 March 2025 using an index provided by the Office for National Statistics.

Assets under construction (AUC) are not depreciated until completed.

Note 6: Biological assets

	2024-25 £000	2023-24 £000
At 1 April 2024	705,078	802,487
Fellings	(9,490)	(8,790)
Movements on plant and seed	(343)	663
Gains and losses arising from changes in fair value	(98,827)	(89,282)
At 31 March 2025	596,418	705,078
Carrying value		
Plant and seed	3,109	3,452
Timber	593,309	701,626
Total	596,418	705,078

Timber growing in the nation's forests is categorised as biological assets, or as other timber, depending on the strategic objective the land is held to meet. Other timber is outside the scope of IAS 41 and not included in the disclosures above. Apportionment of biological assets was carried out by Forestry England staff using the judgements and estimates outlined in Note 2.

The approximate area of the land in the nation's forests, where the timber growing is within the scope of IAS 41, is as follows:

	At 31 March 2025 Area in hectares	At 31 March 2024 Area in hectares
North	30,815	30,928
Yorkshire	124	124
Central	3,272	3,292
East	2,037	2,034
West	5,608	5,613
South	2,241	2,255
Total	44,097	44,246

The fair value of biological assets is driven by the open market value of woodlands and forests. These values are determined by a number of factors, all of which are subject to considerable volatility. Forestry England has little control over these factors and consequently cannot materially affect the amounts recognised in the Statement of Comprehensive Net Expenditure as gains or losses on revaluation of biological assets.

Note 7: Joint ventures

	2024-25 £000	2023-24 £000
At 1 April 2024	3,191	6,600
Reduction in investment	-	(2,536)
Return of investment in joint venture	(204)	-
Share of Profit / (Loss) Before Tax	111	(873)
At 31 March 2025	3,098	3,191

The joint venture is Forestry England's participatory interest in Camping in the Forest LLP (CiTF) which has a reporting date of 28 February. The summarised financial information in relation to CiTF is presented below:

	2024-25	2023-24
	£000	£000
As at 28 February		
Current Assets	582	469
Non-current assets	3,841	3,959
Current liabilities	(305)	(185)
Net Assets (100%)	4,118	4,243
Forestry England share of net assets (75.2%)	3,098	3,191

Note 8: Financial instruments and risk

IFRS 9 Financial Instruments requires disclosures in the financial statements that enable users to evaluate the significance of financial instruments to the financial position and performance, and the nature and extent of risks arising from financial instruments to which Forestry England is exposed during the year and at the financial year end, and how those risks are being managed.

Credit Risk

Forestry England has a significant number of private and public sector customers and counterparties and has policies and procedures in place to ensure credit risk is kept to a minimum. As a result, Forestry England is not exposed to material credit risk.

Liquidity Risk

Forestry England defines liquidity risk as the risk of not being able to meet current and future financial obligations as and when they fall due. There is no significant exposure to liquidity risk, as Forestry England has a proactive process of cash forecasting to ensure it has

sufficient cash headroom to meet its financial obligations as they fall due.

Inflation Risk

Forestry England is exposed to the risk of changes in the rate of inflation. The RPI has fluctuated significantly over the period, resulting in an overall increase in supplier costs.

Interest Rate Risk

Forestry England has no significant interest-bearing assets or liabilities and as such income and expenditure cash flows are substantially independent of changes in market interest rates.

	31 March 2025			31 March 2024		
	Loans and receivables £000	Available for sale £000	Total £000	Loans and receivables £000	Available for sale £000	Total £000
Financial assets available for sale	-	-	-	-	-	-
Trade and other receivables (excluding prepayments)	35,014	-	35,014	51,838	-	51,838
Cash and cash equivalents	24,560	-	24,560	37,888	-	37,888
Total assets	59,574	-	59,574	89,726	-	89,726
	Liabilities at fair value through profit or loss £000	Other financial liabilities £000	Total £000	Liabilities at fair value through profit or loss £000	Other financial liabilities £000	Total £000
Finance lease liabilities	-	6,880	6,880	-	6,755	6,755
Trade and other payables (excluding statutory liabilities)	-	44,008	44,008	-	46,637	46,637
Total liabilities	-	50,888	50,888	-	53,392	53,392

Note 9: Trade receivables, financial and other assets

	31 March 2025	31 March 2024
	£000	£000
Amounts falling due within one year		
Trade receivables	11,703	27,977
Provision for impairment of trade receivables	(166)	(134)
Trade receivables - net	11,537	27,843
VAT receivable	505	866
Other receivables	261	254
House purchase and other loans to employees	16	29
Prepayments and accrued income	24,087	9,590
Campsite leases	920	947
	37,326	39,529
Amounts falling due after more than one year		
House purchase and other loans to employees	14	17
Prepayments and accrued income	(20)	61
Landlord's investment in CITF campsite	-	-
Campsite leases	21,761	21,881
	21,755	21,959
Total current and non-current	59,081	61,488

Notes to the accounts

The carrying amounts of trade and other receivables are a reasonable approximation of their fair value.

As at 31 March 2025, trade receivables of £599,000 (31 March 2024: £434,000) were past due but not impaired. These relate to a number of customers for whom there is no recent history of default. Trading conditions are difficult for many of our customers and our private sector overdue accounts have been challenging throughout the year. The credit management team continue to work constructively with customers to keep overdue debt to a minimum.

The movement in the year on campsite lease receivables £147,000 represents the net loss on revaluation for the year.

Note 10: Cash and cash equivalents

	31 March 2025 £000	31 March 2024 £000
At 1 April 2024	37,888	73,004
Net change in balances	(13,328)	(35,116)
At 31 March 2025	24,560	37,888
	31 March 2025 £000	31 March 2024 £000
Held at		
Government Banking Service	24,554	37,878
Commercial banks and in hand	6	10
Total	24,560	37,888

Note 11: Trade payables and other liabilities

	31 March 2025 £000	31 March 2024 £000
Amounts falling due within one year		
Trade payables	3,809	3,819
Other payables	1,507	1,252
Other taxation and social security payables	942	1,231
Accruals	6,172	5,436
Other deferred income	5,581	9,829
Contract liabilities	357	508
Payments received on account	56	96
	18,424	22,171
Amounts falling due after one year		
Other deferred income	26,760	26,049
Payments received on account	138	156
	26,898	26,205
Total current and non-current	45,322	48,376

Deferred income falling due after one year includes donated assets, government and EU grant income, which is released to match depreciation, of £24,638,000 (31 March 2024: £17,292,000).

Further information on contract liabilities is provided in Note 13.

Note 12: Finance Lease Liabilities

Maturity analysis of lease liabilities is shown in the table below.

	31 March 2025 £000	31 March 2024 £000
Land and buildings		
Not later than one year	512	444
Later than one year but not later than five years	1,881	1,775
Later than five years	66,370	66,572
	68,763	68,791
Less interest element	(62,124)	(62,330)
Present value of obligations	6,639	6,461
Plant and machinery		
Not later than one year	103	143
Later than one year but not later than five years	150	165
	253	308
Less interest element	(12)	(14)
Present value of obligations	241	294
Total present value of obligations	6,880	6,755
Amounts falling due within one year	613	573
Amounts falling due after one year	6,267	6,182
	6,880	6,755

The reconciliation of liabilities arising from finance leases is as follows:

	31 March 2025	31 March 2024
	£000	£000
At 1 April 2024	6,755	6,933
Finance lease additions	631	291
Finance lease interest	142	149
Payment of lease liabilities	(648)	(618)
At 31 March 2025	6,880	6,755

Lease elements in the Statement of Comprehensive Net Expenditure are as follows:

	31 March 2025	31 March 2024
	£000	£000
Sub-leasing income	9,905	9,488
Finance lease interest	147	150
Expenses related to short-term leases	232	300
Expenses related to low-value asset leases (excluding short-term leases)	102	192

Note 13: Contract Balances

	31 March 2025	31 March 2024
	£000	£000
Contract assets	-	-
Contract liabilities	357	508

Contract liabilities predominantly relate to standing sales timber contracts. Some timber standing sales contracts include regular payments, whether or not the timber is felled and removed. Where timber has not been felled, the income received under these contracts is recognised as a contract liability.

Significant changes in contract liabilities in the period were as follows:

	Contract liabilities £000
At 1 April 2024	508
Recognised as income during the period	(508)
Recognised as contract liabilities during the period	357
At 31 March 2025	357

All other income disclosed within contract liabilities is expected to be recognised in the coming year.

Note 14: Provisions for liabilities and charges

	Early departures £000	Legal claims £000	Other £000	Total £000
Balance at 31 March 2024	393	527	-	920
Provided in year	23	219	277	519
Provisions not required written back	(100)	(190)	-	(290)
Provisions utilised in year	(21)	(255)	-	(276)
Unwinding of discount	7	-	-	7
Balance at 31 March 2025	302	301	277	880
Expected timing of discounted cash flows				
Not later than one year	23	239	-	262
Later than one year and not later than five years	82	62	277	421
Later than five years	197	-	-	197
Total	302	301	277	880

	Early departures £000	Legal claims £000	Other £000	Total £000
At 1 April 2023	410	130	-	540
Provided in year	-	440	-	440
Provisions not required written back	(2)	(34)	-	(36)
Provisions utilised in year	(22)	(9)	-	(31)
Unwinding of discount	7	-	-	7
Balance at 31 March 2024	393	527	-	920

Expected timing of discounted cash flows

Not later than one year	121	61	-	182
Later than one year and not later than five years	78	466	-	544
Later than five years	194	-	-	194
Total	393	527	-	920

Early departure costs

Forestry England meets the additional costs of benefits beyond the normal PCSPS benefits in respect of employees who retire by paying the required amounts annually to the PCSPS over the period between early departure and normal retirement date. Forestry England provides for this in full when the early retirement programme becomes binding on Forestry England by establishing a provision for the estimated payments and discounting the provision at the HM Treasury stipulated rate of 1.7%.

Note 15: Capital commitments

Amounts contracted but not provided for in the accounts were as follows:

	31 March 2025 £ 000	31 March 2024 £ 000
Land and buildings	580	10,558
Other	3,954	147
Total	4,534	10,705

Capital commitments at 31 March 2025 include vehicle and mechanical engineering purchases, construction of a hydropower system and installation of ANPR systems in public car parks.

Note 16: Other financial commitments

At 31 March 2025, Forestry England have entered into non-cancellable contracts for the rental of office space, and for IT software for which payment will be due over the coming five years. The payments to which Forestry England is committed are analysed by the period during which the commitment expires as follows:

	31 March 2025 £000	31 March 2024 £000
Not later than one year	13,982	12,409
Later than one year but not later than five years	6,151	14,559
Over five years	54	70
Total	20,187	27,038

Note 17: Lease receivables

Operating lease receivables

Total future minimum lease receivables under non-cancellable contracts are as follows:

	31 March 2025 £000	31 March 2024 £000
Land and buildings		
Not later than one year	6,220	6,002
Later than one year but not later than five years	19,904	21,138
Later than five years	135,111	120,112
Total	161,235	147,252

Forestry England leases land and buildings under agreements that terminate between April 2025 and March 2127.

Finance lease receivables

Total future minimum lease receivables under Forest Holidays lease agreements are as follows:

	31 March 2025 £000	31 March 2024 £000
Buildings		
Not later than one year	920	947
Later than one year but not later than five years	3,681	3,790
Later than five years	53,378	54,948
Total	57,979	59,685
Less interest element	(35,298)	(35,919)
Present value of obligations	22,681	23,766

Note 18: Contingent liabilities disclosed under IAS 37

In 2001 Forestry England acquired 51 hectares of land at Sefton Meadows from Sefton Council. On 27 August 2009 Forestry England was served a notice by the Environment Agency that the site had been classified as a contaminated special site under Part 2A of the EPA 1990. This is a result of the industrial development and other operational practices undertaken on the land prior to its acquisition by Forestry England.

Historically there had been some question as to who held the legal liability for any remediation costs. It has been confirmed by our legal advisors, Eversheds, that the liability rests with Forestry England.

Following the outcome of detailed site monitoring, Wardell Armstrong have put forward 13 potential options for remediation. These options are now being appraised by the various stakeholders (Forestry England, Forest Research and the Environment Agency) but at this time no decision has been made in relation to the best way to proceed.

The Environment Agency have completed a cost benefit analysis and believe that the benefit of remediating the land is approximately £2 million. If the costs associated with remediation were likely to exceed this amount, then it is unlikely any remediation efforts would proceed. We understand at this time that the costs associated with the options put forward by Wardell Armstrong would fall within this parameter.

This has been classified as a contingent liability in line with IAS 37 due to the continued uncertainty regarding the way forward and therefore the amount of the possible obligation.

Note 19: Related party transactions

The Forestry Commission is regarded as a related party. During the year, Forestry England received £63,227,000 from the Forestry Commission (2023-24: £50,544,000), of which £12,719,000 is annual subsidy funding, £2,010,000 was for funding other operating costs and £48,498,000 for funding capital projects. Of this capital funding, £20,372,000 was NCF funding for land acquisitions and £28,126,000 for other capital projects. At 31 March 2025, £14,000,000 (2023-24: £7,500,000) remained outstanding to Forestry England and is reported with receivables due within one year.

Forestry England had material transactions with various government departments and other central government bodies, including HM Revenue & Customs, Forest Research, Natural Resources Wales, Forestry and Land Scotland, and the Heritage Lottery Fund.

The following additional activities were carried out with related parties:

2024-25	Ground rent received £000	Income from other services £000	Landlord's investment £000	Purchases from related party £000	Amount owed (to)/by related party £000
Entities sponsored by Defra	-	845	-	197	28
Trebartha Estates	-	-	-	2	-
UK Health Security Agency	-	-	-	6	-
Scouts Association	-	12	-	-	-
Total	-	857	-	205	28

2023-24	Ground rent received £000	Income from other services £000	Landlord's investment £000	Purchases from related party £000	Amount owed (to)/by related party £000
Entities sponsored by Defra	-	515	-	134	28
Forest Holidays	-	-	-	2	-
Camping in the Forest	-	4	-	2	-
MHR	-	-	-	6	6
Scouts Association	-	8	-	-	-
Total	-	527	-	144	34

All balances were unsecured and all transactions were carried out at arms' length.

Jennie Price, Commissioner, Chair of Trustees of the Scouts Association. Transactions between Forestry England and the Scouts Association have been disclosed.

Julia Grant, Commissioner, and Peter Latham, Commissioner, are Trustees of the William Robinson Gravetye Charity. The Forestry Commission is the owner, sole member and Corporate Trustee. Transactions between Forestry England and the William Robinson Gravetye Charity have been disclosed.

Peter Latham is a past director and shareholder of Trebartha Estates Ltd and is a related party to the current Chair of Trebartha Estates Ltd. Transactions between Forestry England and Trebartha Estates Ltd have been disclosed.

Gurch Randhawa, Commissioner, holds an Honorary Public Health Academic contract with UK Health Security Agency. Transactions between Forestry England and UK Health Security Agency have been disclosed.

Note 20: Events after 31 March 2025

In accordance with the requirements of IAS 10, events after 31 March 2025 are considered up to the date on which the accounts are authorised for issue by the Accounting Officer. The authorised date for issue is the date of the Comptroller and Auditor General's audit

report. There are no events after date requiring specific disclosure.

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