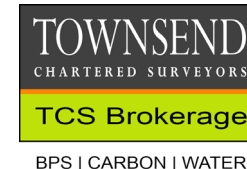


FACT SHEET 9

Carbon Code - Woodland 45-Year Budget - 100ha Commercial - England

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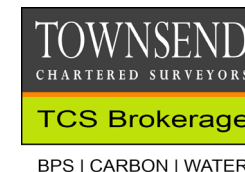


ITEM	NUMBER	@	£	/UNIT	TOTAL	NOTES
Grant aid (planting)	191,000	@	£1.60	/stem	£305,600.00	Assuming English Woodland Creation Offer (EWCO), 70ha commercial conifers @ 2,500 stems/ha, 10ha native broadleaves
Grant aid (gates)	4	@	£487.00	/gate	£1,948.00	Assuming EWCO
Grant aid (fencing)	7,900	@	£12.12	/m	£95,748.00	Assuming EWCO deer fencing with rabbit supplement
Sale of carbon (WCUs)	19,000	@	£20.00	/WCU	£380,000.00	Assuming all carbon sold as PIUs at £20/unit. No estimate given for WCUs above buffer.
BPS	100	@	£443.27	/ha	£44,327.00	Assuming EWCO and land eligible, in lowest payment reduction band with claims/delinkage payments received until end of scheme in 2027. Also assuming claimant makes own BPS claims ie no professional fees
Maintenance payment	100	@	£2,000.00	/ha	£200,000.00	Assuming EWCO standard maintenance payment over 10 years from establishment
Thinning income (year 18)	3,500	@	£5.00	/m³	£17,500.00	Assuming sold standing
Clearfell income	38,500	@	£35.00	/m³	£1,347,500.00	Assuming sold standing, 500m³/ha of conifers. Broadleaf species assumed not felled
Planting cost	191,000	@	-£1.54	/stem	-£294,140.00	Assuming 2,500 stems/ha sitka and 1,600 stems/ha broadleaf (-20% open space), includes supply and planting of 191,000 broadleaves and conifers (inc 12% beat-up and 10p/stem spot spray), assuming upland pasture land with minimal ground preparation
Sprays	2	@	-£15,000.00	/spray	-£30,000.00	Assuming full spray needed years 1 and 2 at £150/ha
Deer fencing	7,900	@	-£12.00	/m	-£94,800.00	Standard specification per grant funding requirements, including rabbit netting
Validation	1	@	-£1,200.00	-	-£1,200.00	Payment to Soil Association or Organic Farmers and Growers to issue PIUs
Verification	3	@	-£2,500.00	-	-£7,500.00	Payment to Soil Association or Organic Farmers and Growers to convert PIUs into WCU. Assuming can self-assess at no cost
IHS Markit registration	19,000	@	-£0.06	/PIU	-£1,140.00	Mandatory payment for registration of PIUs
IHS Markit Verification	17,000	@	-£0.03	/WCU	-£510.00	Mandatory payment for conversion of PIUs into WCUs
Woodland management fees	-	-	-	-	-£60,000.00	Includes creation of management plans minus grant funding, brashing, marking for thinning, preparing tender bids and any other ongoing management matters reasonably anticipated
Management fees (carbon)	-	-	-	-	-£30,000.00	Woodland design, grant applications, UK forestry standard compliance, Environmental Impact Assessment, administration of Registration, Validation and Verification including Carbon Calculation (costs vary case-by-case)
NET INCOME AFTER PLANTING					£1,873,333.00	Approximately £168/acre (£416/ha) income per year on average over first 45 years, up until first clearfell

FACT SHEET 9

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FURTHER COMMENTS

1. This example is for illustration only, and should not be relied upon without further professional advice and research into the locality and requirements of the Local Planning Authority and national government.
2. WCU proceeds are gross of sale costs
3. Grant aid could include Countryside Stewardship or other sources including private investment and charitable grants.
4. Carbon can be sold as WCUs or PIUs
5. Basic Payment Scheme, if relevant may be subject to further legislative change
6. Fencing/tree shelter costs and grant funding are generalised based on costs nationally, and vary by location.
7. Validation and verification costs are based on standard figures from the Soil Association, but can be subject to variation.
8. Most woodland planting requires an Environmental Impact assessment, but the work involved in producing this can vary widely with additional costs sometimes involved. .
9. Management costs illustrative only.
10. It is assumed for the purpose of this example that only low-impact ground preparation will be needed and that no additional cost is needed for infrastructure.
11. It is assumed that commercial timber is not the most profitable use for the land as per Woodland Carbon Code additionality rules. Sites for which commercial timber is the only commercially viable use may be ineligible for carbon sequestration.
12. Tree species and yield class, and therefore carbon output, vary considerably by location. The figures in this table were selected to represent how a "typical" woodland might perform, and should not be relied upon to estimate the performance of any actual project(s).
13. Growing timber is exempt from Capital Gains Tax. Commercially-managed woodland is eligible for Business Property Relief for Inheritance Tax purposes, and woodlands ancillary to farm businesses are eligible for Agricultural Property Relief. Neither income nor corporation tax is charged on timber sales or woodland grants.
14. Neither income tax, corporation tax, nor VAT is payable on the sale of PIUs or WCUs.
15. This example excludes VAT and assumes the owner/occupier is VAT registered.
16. It is assumed that carbon is sold as PIUs in the year of planting. No estimate has been made for sale of any WCUs, including any which may be sequestered above the 80% buffer.

If you are thinking of selling Pending Issuance Units or Carbon Units, whether under the Woodland Carbon code, Peatland Code, upcoming Soil Carbon code or even through a private sector measurement system, we advise you to first consider the likely future requirement for your business to become carbon neutral. You may in future require carbon offsets for your own use, and may make a net loss if you sell the carbon sequestered on your own holding only to buy further offsets from elsewhere.