

THE SCOTTISH FORESTRY TRUST



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TRUST**



**ANNUAL REPORT
1992-93**

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THE SCOTTISH FORESTRY TRUST AND ITS OBJECTIVES

The Scottish Forestry Trust is a charitable trust established in 1983 to promote education, training and research in forestry and silviculture.

The Trustees have determined that, for the time being, the Trust's major contribution should be towards funding research projects, although, as opportunities arise, educational and training projects are also supported. A small proportion of the budget is set aside for publications and travel.

The Trust's primary objective is to support private sector forestry by contributing to the scientific, technical and economic information it requires to enable it to develop its role in U.K. forestry. Forestry is defined as the forestry industry as a whole, including its contribution to landscape, recreation, wildlife and the environment.

Projects in all of the sciences which bear upon forestry are supported by the Trust. High priority is given to proposals which address industry needs related to policy formation and execution, and to broad management questions. In general terms preference is given to studies of a more applied nature where the benefits are more immediately available to the industry. Notwithstanding that, fundamental work, whose potential to resolve outstanding problems, or to reveal new opportunities and possibilities is thought to be high, is also supported.

Chairman

The Hon. J. M. G. Galbraith, C.B.E.
T. C. Booth
T. A. Bruce Jones
R. Craig Campbell
Capt. W. F. E. Forbes
Dr J. S. Macdonald
Professor H. G. Miller
Dr. P. S. Savill
Dr J. D. A. Williamson

STAFF

Director

John Eadie, B.Sc. (Hons.), F.R.Ag.S.

Director's Secretary

Mrs Morag Stoves

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ACCOUNTANTS

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CHAIRMAN'S FOREWORD

It may be that optimism is not currently the most noted characteristic of the forest industry as prices languish, costs rise and woodland owners come to grips with the ending of Schedule D relief and much else. Yet those accustomed to the long horizons of forestry well know how important it is to lay the groundwork for the future in timely fashion: whatever the present outlook may be, as needs change and new perspectives emerge due preparation for the future must proceed. That principle applies perhaps more powerfully to the provision of all the new knowledge essential to the industry to enable it to develop and sustain its various important roles both in the countryside and in the wider economy.

Against that background it is pleasing to report that in the year under review there have been new beginnings in work directed toward the increase of lowland forest cover. The Trust is supporting work by an F.I.C.G.B. recruited team to achieve this objective in a practical and logical way, aimed at ensuring that lowland forest strategies will be soundly based on a realistic appreciation of the opportunities and the constraints. The Trust is also funding another aspect of planting better quality land, that is the need for a body of information on site/yield relationships spanning a much wider range of tree species and site types than has previously been available.

The Trustees have customarily applied part of the available funds in supporting promising new scientific developments. This year has seen the completion of one such venture to assess the potential of modern molecular methods in detecting and identifying Heterobasidion annosum, the most serious root disease of conifers in Britain. As a result encouraging success has been made in removing some of the constraints on the scope and progress of research imposed by the current time-consuming and laborious methods.

This year, too, has seen the Trust break new ground with the publication of a major book. The study entitled "Private Forestry Policy in Western Europe" brings together comprehensive accounts of the forestry, forest policies, grant structures and tax regimes of a number of European, and some relevant non-European, countries. The Trustees feel that the manuscript meets an important need and that the projection of British

forestry and forest policy against a European background merits exposure to a wider audience: hence the decision to publish.

As I write the recession appears to be gradually passing. It is perhaps not too much to hope that the march toward maturity and full recognition of the forestry industry which was anticipated when the Scottish Forestry Trust was set up in 1983 and which was a feature of the Trust's earlier years, will again be strongly forward in this, the tenth anniversary year of its foundation.

J. M. G. Galbraith.

THE FIRST TEN YEARS

The Scottish Forestry Trust celebrates the tenth anniversary of its foundation this year. The occasion provides a good opportunity to say something of how it goes about its business, and to review progress.

The Trust is an independent charitable body, set up with commendable foresight by the former Timber Growers (Scotland) at the time of the formation of TGUK. Its origins thus lie firmly in forestry's private sector. Its launch anticipated the then government's intention to severely constrain public expenditure on research and development, and the expectation that increasingly, industries would have to take responsibility for funding their own "near-market" research.

The Trust's primary objective from the beginning has been to contribute to the scientific, technical and economic information required by forestry to enable it to develop its role in the countryside and in the U.K. economy. In line with the emerging concept of forestry and its many concomitants as a single integrated industry, "forestry" was defined as the forestry industry as a whole, to include the processing of home-grown timber, and forestry's contributions to landscape, recreation, wildlife and the environment.

From the outset the Trust has funded specific projects, sometimes acting as a catalyst in bringing together finance for particular research projects from other interested bodies. From time to time it has commissioned projects at its own hand. But for the most part it has selected projects from proposals submitted to it by a wide range of bodies and agencies including University Departments and research groups, research institutes, trade associations, consultancies and professional societies. The Board of Trustees brings to its decision-making a wide experience of practical forestry, an up-to-date knowledge of developments in forest policy, expertise in silviculture and the related sciences, and an independent perception of the needs of the private sector.

The Trustees work to well-considered guidelines. In formulating these guidelines it is recognised that although the Trust's resources are not negligible, they are dwarfed by the combined annual expenditures of the various publicly funded agencies which work, or support work,

in forestry and forestry-related fields. Much of what these agencies do contributes to the stated objectives of the Scottish Forestry Trust, and to the needs of private sector forestry. The Trust has therefore been pleased to join forces with the big battalions when it has been appropriate to do so, and has successfully invited them (and others) to join with the Trust from time-to-time. Since its inception the greater part of the Trust's resources have been allocated to research projects of a variety of kinds. A full listing of the work funded, or part-funded by the Trust, and those who have carried it out, will be found elsewhere in this annual report.

A high priority has been given to proposals which address contemporary information needs related to the formation and execution of forestry policy. The Trust has funded, or part-funded, some important contributions on this front. Thus, at a time when the industry's self-confidence was in danger of being undermined by a barrage of often misleading criticism, the Trust commissioned what has become known as the Valin Pollen Report to examine the public perception of forestry and to provide a basis for the industry's communications planning. The Trust was a major contributor to the Fraser of Allander Institute's study of "The Impact of Forestry on Output and Employment in the U.K. and its Member Countries". This was a milestone, enabling forestry to consolidate its claim to be a single integrated industry, and provided an independent authoritative source of evidence of forestry's significance in the wider economy. In anticipation of the possibility that carbon taxes aimed at reducing carbon emissions might be introduced, a possibility which waxes and wanes in Europe and in the United States in relation to the changing political perceptions of the balance of economic and environmental needs, the Trust joined with the Forestry Commission in funding an analysis of the economic and policy implications for forestry of the "greenhouse effect". The study explored the case for carbon "credits"; the quantitative relationships described between credits for CO₂ fixation and carbon taxes established a powerful case for deployment by the industry when the time is right.

Along the way the Trust has funded an exploration of private sector timber production forecasting and its limitations, thereby exposing an admittedly difficult matter to a scrutiny which may yet result in a procedure which enjoys the confidence of foresters, processors and planners alike. And the study of the "Economic Effects of the Guidelines for the Management of Broadleaved Woodlands" funded by the Trust

made a valuable contribution to the revision of the unduly bureaucratic guidelines through which the Broadleaves Policy Initiative was initially implemented.

The Trustees' continuing concern for the timely provision of information which advises policy-making, is evident in their support for the development of a methodology aimed at assessing the quantity, quality and location of the land which might be transferred to forestry from the restructuring of agriculture. This is an inevitable consequence of CAP reform and the GATT negotiations. This methodology, which will take account of market demand for forest products and social and environmental needs, is vital to the realisation of FICGB's widely supported vision of a National Forestry Strategy.

The funding of technical projects is also a priority area for the Trust. Despite the public resources devoted to a wide variety of technical work, the Trust receives many applications for funding such projects. In general terms the Trustees have tended to favour more applied studies. Some of these have addressed specific issues in need of timely investigation. For example, a pilot study in using predictive models of yield class and windthrow hazard in the Grampian Region was set in the context of the development of Indicative Forestry Strategies. The uncertainties of timber supply forecasts lent a degree of urgency to the development of a computer-based assessment of the impact of different planting rates on future wood supplies. The industry-wide concern about the potential spread of the Great Spruce Bark Beetle prompted a contribution to the Forestry Commission's programme on the dispersal biology of both the pest and its predator, *Rhizophagus grandis*.

Other studies reflect a major trend which has intensified greatly in the Trust's short lifetime. That is the move towards a more diverse forestry influenced by environmental concerns on the one hand, and changes to the CAP on the other. One aspect has been the growth of interest in continuous cover forestry. This has given a new relevance to the Glentworth transformation of the even aged plantation to irregularly structured forestry begun in 1952 by the late Professor Mark Anderson and carried on since by his successors at Edinburgh University with the help of the Forestry Commission. The Trust was pleased to fund a recent enumeration survey of the present condition of the forest, to provide a baseline from which its future development will be monitored. Another

aspect of this trend focuses attention on broadleaves, and "shake" is without doubt the single factor most responsible for reducing timber quality in oak. A recent study funded by the Trust has produced some new insights into this long-standing problem and produced a potentially valuable indicator of shake-prone trees. Its application in young even-aged plantation oak could do much to enhance the commercial value of the eventual timber crop. Jointly with the Forestry Commission, the then Countryside Commission for Scotland, and Highlands and Islands Enterprise, the Trust funded an investigation into the potential economic, silvicultural and ecological benefits of native birch in Scotland, and the Trust's interest in a more diverse forestry is currently maintained through its funding of a more comprehensive body of information on site/yield relationships, encompassing a wider range of tree species and of sites than has hitherto been available to foresters.

Notwithstanding the Trustees' quite proper preoccupation with forestry's current needs and with the nearer term future, they do reserve a part of the budget for contributions to more basic scientific research. To date these contributions have supported studies of the potential of recent developments in molecular biology to provide techniques for the study of fungal diseases of trees, and an exploration of the mechanisms and processes underlying the better growth response of Sitka Spruce, when grown in mixture with species such as Scots Pine, Lodgepole Pine and Larch, on some soils. Currently this part of the budget is contributing to work aimed at tackling the uncertainties which surround the magnitude of the real **net** rate of carbon dioxide fixation in the growing forest.

Inevitably, many of the projects supported by the Trust make a contribution to environmental matters. But the Trust's most consistent support for the practice of environmentally and visually sensitive forestry lies in its funding of the Timber Growers' (Dulverton Flagon) Award, for some years as sole sponsor, and more recently jointly with the Dulverton Trust.

The competition has, over the years, convincingly demonstrated in the number of entries and in the quality of the finalists and winners, the extent of the private sector's commitment to the Forestry and Woodland Code. It is highly appropriate that the Trust should encourage environmentally sensitive forestry practice, responsive to the concerns of the community at large, and which recognises the interdependence

of revenue-earning production and these wider non-market benefits. The balances to which the code aspires are an accurate reflection of the perspective embraced by the Trustees in discharging their responsibilities over the years.

T. C. Booth,
Chairman,

The Trust's Projects and Research Committee.

PROJECTS SUMMARY

CURRENT PROJECTS

1 The Future Location of Forestry in England and Wales, with Especial Attention to the Transfer of Lowland Agricultural Land (Forestry Industry Committee of Great Britain)

The Forestry Industry Committee of Great Britain is widely supported in its view that the establishment of a larger forest cover in the lowlands requires local strategies to be set in the context of a national strategic framework.

The development of a national strategy must take account of existing environmental designations, and the needs of urban policy. It also requires, as a matter of central importance, and urgently, a study of the assumption that current changes in agricultural policy will produce land for forestry in the lowlands of Britain.

The current study seeks to establish what land might be available for transfer, where this might occur and in what quantity, what its forestry potential is, and how the opportunities will relate to market demands for forest products, and to environmental and social needs.

The approach links and takes forward existing research data to the point of developing policy scenarios. Throughout the work there will be an emphasis on ensuring that the methodology will be as explicit as possible, to aid the widest possible discussion of the results.

2 The Influence of Site Quality on the Productivity of a Range of Major Tree Species in Scotland (Macaulay Land Use Research Institute and the Forestry Commission)

To date, site productivity studies have concentrated on the most important commercial species such as Sitka spruce, and on the traditional forestry sites in the hills and uplands. More recently the afforestation of better-quality land is being encouraged, and there is

increasing interest in planting a wider range of species. These changes have highlighted the need for a more comprehensive body of information on site/yield relationships, not only for forest management purposes, but also for production forecasting and regional and national land use planning.

The work is being carried out on Land Capability for Forestry (LCF) Classes 1 to 5. The species involved, thought to be the most significant in terms of their commercial and environmental value, are Douglas fir, Scots pine, Japanese larch, oak and birch. A minimum of 30 sample plots per species per LCF Class will be sampled where possible. The sample plots are drawn from FC and private estate records.

One objective will be to analyse the data to produce information suitable for forest level application similar to that already available for Sitka spruce. A more generalised model will relate wood yield to LCF Class. As well as contributing to production forecasting at local, regional and national levels, it is hoped to be able to quantify the trade-off between reduced timber production and conservation.

3 Net Carbon Dioxide Uptake of Scottish Forests (Institute of Ecology and Resource Management, University of Edinburgh)

Temperate forests are substantial sinks for carbon dioxide. Current estimates suggest that the annual rate of carbon dioxide removal by the U.K. forest estate is around two million tonnes per annum. The annual rate is currently doubling over a period of about 20 years, largely due to the expansion in area of the last 40 years and to the relatively young age of the majority of stands.

There is, however, a carbon dioxide cost in the management of the forest estate. Carbon dioxide emissions come from management operations, the respiratory costs of growth and maintenance, carbon allocations among roots, branches and stems, the production of litter and the turnover of organic matter in soil, brashings, lop and top, etc. A basic understanding of some of the processes involved is available; knowledge of others is sketchy. Thus there is uncertainty about the magnitude of

the real net rate of CO₂ fixation, and about calculations made of the net rate of carbon sequestration once a steady state forest is attained.

4 Capercaillie in Commercial Plantations (Institute of Terrestrial Ecology)

There is widespread concern about capercaillie numbers. A voluntary shooting restriction has been urged by the Scottish Office, and a fundraising appeal has been launched by the Scottish Landowner's Federation. There is general agreement that management action needs to be based on sound knowledge of the bird's biology and habitat requirements. Research requirements have been discussed by representatives of a range of interested bodies. This project is integrated with other work and aimed at defining forest management practices beneficial to capercaillie.

The work funded by the Trust stems from a well documented population of capercaillie which appears to be thriving in a Sitka spruce dominated plantation, a poor habitat in terms of what capercaillie are currently thought to require.

The specific objective is to describe the utilisation of a commercial plantation forest, comprising mainly Sitka spruce. The work will require the use of radio-tagged birds. Parallel studies on chick nutrition and ecology will be carried out, funded from other sources.

WORK COMPLETED IN THE CURRENT YEAR

Molecular Methods for the Detection and Identification of *Heterobasidion annosum* (Dundee Institute of Technology)

Heterobasidion annosum causes the most serious root disease of conifers in Britain. Current methods of detection and identification are time-consuming and laborious, which limits the scope and progress of research on the fungus.

The major object of the study was to explore the potential of molecular methods for its detection and identification. Though now used widely in biology, immunological methods have only recently been applied to the investigation of decay fungi of standing trees.

The work has shown that the production of immunological reagents capable of detecting *H. annosum* in simple assays is possible. These assays can detect the fungus in both live trees and harvested wood. In tests on wood samples many more positive results were obtained by immunoassay than by the isolation of *H. annosum* organisms, because the immunoassay detects a product of the fungus which may be transported around an infected tree. It seems probable that further work will be able to produce a field detection system able to identify individual tree infection.

A report summarising the work is available from the Trust.

2 Private Forestry Policy in Western Europe (A J Grayson)

The origin of this study is rooted in a proposal from the Royal Scottish Forestry Society. The Society thought it would be valuable to set out, in the light of the changes which have taken place in the financial arrangements for forestry in Britain, the incentives available to owners and investors in forestry in Europe. In the course of discussion, and as the study evolved, the boundaries of the original proposal were extended. The manuscript has now been published by C.A.B. International and is

available from the publishers under the title "Private Forestry Policy in Western Europe".

The book provides a background to private forestry in Britain, and an outline of the development and implementation of policy. Relevant international institutions are described. The core of the work is a series of chapters each describing the forestry, with particular reference to private forestry, of an individual country. These "country" chapters each describes the historical and social context of forestry, the legislative, policy and administrative framework in which it is set, and the taxation and grants regimes within which private owners pursue their forestry. A further chapter summarises private forestry considerations in a range of countries with similar cultural backgrounds to those of Britain, including Australia, New Zealand, Eastern Europe and Russia.

The concluding chapters draw upon this material in identifying and assessing the main policy issues. The implementation of policy and the role of financial incentives are discussed in the context of a review of the rationale and effects of the different kinds of support available to private owners through the tax, grant, research and education systems. Finally the author considers the implications of his study for the framing and implementation of policy in Britain, and concludes by making a series of recommendations.

The book is available from the publisher, C.A.B. International, Wallingford, Oxon OX10 8DE.

COMPLETED WORK

1 The Development of a Transformation from Uniform Plantations to an Irregularly Structured Forest (1992) (Institute of Ecology and Resource Management, University of Edinburgh)

An enumeration survey 40 years into a 60 year transformation from uniform plantations to a all-aged forest of mixed species on an upland site at Glentress in the Tweed Valley. A report is available.

2 The Mechanism of Increased Nitrogen Uptake by Spruce in Mixed Species Stands (1992) (Department of Plant and Soil Science, University of Aberdeen)

A study of the mechanisms by which the "extra" nitrogen which results in improved growth of spruce when grown in mixture with Scots pine, lodgepole pine or larch on poor peats and heathlands becomes available. A report is available.

3 "Shake" in Oak (1992) (Oxford Forestry Institute, University of Oxford)

A study of the defect, including the relationships of oak leaf flushing and autumn shedding to earlywood vessel size and a predisposition to "shake", the role of mechanical stresses in the condition, and an evaluation of its economic consequences. A report is available.

4 Survey of Squirrels in Britain (1992) (Timber Growers United Kingdom)

The results of a questionnaire distributed among private woodland owners to determine the current status of both the red and grey squirrels, grey squirrel control, and grey squirrel damage, designed to be complementary to the Forestry Commission's Annual Squirrel Survey of its forests, and to be combined with it to obtain a more comprehensive assessment than has hitherto been possible. A report is available from TGUK.

5 The Commercial Potential of Birch in Scotland (1991) (The Forestry Industry Committee of Great Britain)

Funded in association with the Countryside Commission for Scotland, the Forestry Commission and Highlands and Islands Enterprise.

An investigation, made by commissioning a collection of essays, into the potential economic, silvicultural and ecological benefits of native birch in Scotland. A symposium based on the material in the essays was held in May 1991.

Copies of the collection of essays are available, price £5, from the Trust and from the Forestry Industry Committee of Great Britain.

6 The Ecology of the Great Spruce Bark Beetle (*Dendroctonus micans*) and its Predator, *Rhizophagus grandis*) (1991) (Forestry Commission)

Work, contributing to a wider Forestry Commission programme, on the development of a monitoring system for *R. grandis* and on the nature of tree resistance to attack by *D. micans*. A report is available.

7 Development of a Computer Programme for Forecasting Conifer Wood Production in the United Kingdom (1991) (Forestry Industry Committee of Great Britain)

A study whose endpoint is a computer programme able to assess the impact of different planting rates on future wood supplies, capable of accommodating differences in species growth rates, treatments and rotation lengths, and of differentiating wood production into a range to top end diameter size classes.

8 The Forestry Industry and the Greenhouse Effect (1991) (Dept. of Economics, University College London)

A study of the economic aspects of the role of forestry in addressing the greenhouse effect, which links policies aimed at reducing carbon accumulations with those concerned to reduce carbon emissions, and

which develops the principles on which carbon taxes and credits might be based. Some preliminary estimates are made of both taxes and credits.

A published report is available.

9 Designated Areas in Scotland (1991)

A publication which includes descriptive accounts of the main designated areas in Scotland together with maps of their locations at a scale of 1:750,000.

The publication is available for purchase, price £7.95, from the Scottish Forestry Trust.

10 Yield Class and Windthrow Hazard Characteristics of Forestry in the Grampian Region (Macauley Land Use Research Institute) (1990)

A study of the use of predictive models developed at M.L.U.R.I. in the production of information on the forestry potential of the region, and presented in the form of maps of yield class and windthrow hazard.

A report discusses the methods and provides a commentary on the maps.

11 The Influence of Wide Spacing of Trees on the Interception of Radiation and the Growth of Trees and Pasture (1990) (Department of Forestry and Natural Resources, (Now IERM), University of Edinburgh.

A study of light interception by the tree canopy and by pasture grasses, and its relationship to the growth of both components when combined in agroforestry systems.

12 The Impact of Forestry on Output and Employment in the United Kingdom and its Member Countries (1989) (Fraser of Allander Institute, with additional survey material compiled by the Department of Forestry and Natural Resources, University of Edinburgh)

Funded in association with the Forestry Commission and FICGB. The first, comprehensive estimate of the impact of forestry on output and

employment on the aggregate U.K. economy and those of its member countries. A publication is available.

13 Production Forecasting for Private Sector Scottish Forestry (1988) (Forestry Department, University of Aberdeen)

A survey of the private sector growing stock in Scotland, for the purpose of exploring the apparent discrepancies between the national production forecast produced by the Forestry Commission and estimated actual production by the private sector.

A report is available.

14 Current Knowledge and Perceptions of Forestry (1988) (Valin Pollen Ltd and Consensus Research)

A study which identifies forestry's key audiences, their current knowledge and perceptions of the forestry industry, outlines the way in which the communications chain operates to influence opinion and makes recommendations about a more effective communications strategy.

A report is available.

15 The Economic Effects of the "Guidelines for the Management of Broadleaved Woodland" (1987) (Timber Growers United Kingdom)

A study of the economic impact of the Forestry Commission's Broadleaved Policy, introduced in 1985 based on an analysis of the changes in profitability of five major broadleaved species, based on data from sample estates throughout Britain, brought about by the guidelines of the policy.

A report is available.

16 Stirling Forestry Employment Study (1987) (Firn, Crichton, Roberts, Ltd.)

Funded jointly with Stirling District Council, and the Scottish Development Agency.

An analysis of employment in the forestry industry in the Stirling District.

A report is available.

THE SCOTTISH FORESTRY TRUST

AUDITORS' REPORT TO THE TRUSTEES OF THE SCOTTISH FORESTRY TRUST

We have audited the financial statements on pages ii to vi in accordance with Auditing Standards.

In our opinion the financial statements, give a true and fair view of the state of the Trust's affairs at 31 March 1993 and of its deficit for the year then ended and comply with the requirements of the Trust Deed under which the Trust was formed and the Charities Accounts (Scotland) Regulations 1992.

Brown, Campbell & Company,
Chartered Accountants and Registered Auditor
16 Great Stuart Street
Edinburgh EH3 7TN

5th August 1993

THE SCOTTISH FORESTRY TRUST

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR TO 31 MARCH 1993

			1993	1992
INCOME	Notes	£	£	£
Dividends			84,450	82,417
Interest on Deposits			19,106	32,514
Project Sponsorship			270	8,525
Conference Fees			—	805
Publication Sales			129	625
Donation			10	—
			<u>103,965</u>	<u>124,886</u>
OPERATING EXPENSES				
Grants, and Other				
Charitable Expenditure	2	92,495		86,576
Salaries and Expenses	8	16,480		17,471
Travelling Expenses	7	918		878
Office Costs		4,901		3,960
Professional Fees	9	2,575		3,108
Investment Management Costs		<u>8,964</u>		<u>9,674</u>
			<u>126,333</u>	<u>121,667</u>
(Deficit)/Surplus on Operations			(22,368)	3,219
(Loss)/Gain on Disposal of Investments			(28,735)	25,273
(Deficit)/Surplus for the Year			<u>(51,103)</u>	<u>28,492</u>

THE SCOTTISH FORESTRY TRUST

BALANCE SHEET AS AT 31 MARCH 1993

	Notes	1993	1992
		£	£
INVESTMENTS at Cost	3	1,364,961	1,396,098
CURRENT ASSETS			
Debtors	4	3,079	6,368
Royal Bank of Scotland			
Premium Account		23,895	44,176
Bank of Scotland			
Income and Capital Accounts		<u>190,877</u>	<u>188,218</u>
		217,851	238,762
CREDITORS:			
Amounts falling due within One Year	5	5,641	6,586
		<u>212,210</u>	<u>232,176</u>
		<u>1,577,171</u>	<u>1,628,274</u>
Represented by:			
Revenue Surplus brought forward		140,696	112,204
(Deficit)/Surplus for year		(51,103)	28,492
		<u>89,593</u>	<u>140,696</u>
Capital Reserve		1,487,578	1,487,578
		<u>1,577,171</u>	<u>1,628,274</u>

Approved by the Trustees on 5th August, 1993
and signed on their behalf by

J. M. G. GALBRAITH

.....Chairman

R. CRAIG CAMPBELL

.....Trustee

The Notes on pages iv and vi form part of these Accounts.

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THE SCOTTISH FORESTRY TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1993

1. ACCOUNTING POLICIES

- (i) The Accounts have been prepared under the historical cost convention.
- (ii) Investment Income is shown gross with the recoverable Income Tax treated as a Debtor until repayment is received from the Inland Revenue.
- (iii) The Scottish Forestry Trust funds are held to promote education, training and research in forestry and silviculture.
- (iv) The Trust has one General Fund, which is split between capital and revenue. Under the Trust Deed the Trustees are empowered to use both Capital and Revenue for any of the purposes of the Trust and to accumulate revenue. This is modified by the Trust Rules to require the Trustees not to so deplete capital that the Trust cannot act properly as a charitable organisation.

	1993	1992
2. GRANTS, DONATIONS AND OTHER CHARITABLE EXPENDITURE	£	£
A Wood Production Forecasting Model	—	3,000
Private Woodlands Squirrel Questionnaire	1,777	5,330
Parnham Trust	1,820	—
The Forestry Industry and the Greenhouse Effect	—	2,465
Carbon Dioxide Uptake of Scottish Forests	20,927	10,816
Site Quality and Productivity of a Range of Tree Species	9,000	9,000
Designated Areas in Scotland	—	1,544
The Commercial Potential of Birch	—	7,536
"Shake" in Oak	—	4,000
Hawk and Owl Trust	500	—
Development of a Transformation from a Uniform Plantation to an Irregularly Structured Forest	—	4,676
Royal Highland Show Private Forestry Exhibit Sponsorship	1,000	1,000
Private Forestry in Europe	9,550	13,200
Camserney Planning Appeal Fund Contribution	—	1,000
Detection and Identification of <i>Heterobasidion annosum</i>	5,000	—
Nitrogen Uptake by Spruce in Mixed Species Stands	—	6,090
Capercaillie in Commercial Plantations	11,825	—
Future Location of Forestry	20,000	—
Timber Growers Award Sponsorship (Dulverton Flagon)	6,000	12,000
Printing and Distribution Costs: Annual Reports, Royal Highland Show etc	5,096	4,919
	<u>92,495</u>	<u>86,576</u>

THE SCOTTISH FORESTRY TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1993

3. INVESTMENTS

	1993	1992
	£	£
Cost at 31 March 1992	1,396,098	1,323,672
Additions	151,370	339,856
Disposals	(182,507)	(267,430)
Cost at 31 March 1993	<u>1,364,961</u>	<u>1,396,098</u>
Listed Investments, dealt on a recognised Stock Exchange	<u>1,364,961</u>	<u>1,396,098</u>
Valuation:		
Listed Investments – Market Value	1,694,246	1,497,048
Less Reduction re Queens Moat House plc	10,250	—
	<u>1,683,996</u>	<u>1,497,048</u>

The market valuation of stocks and shares is prepared by Stewart Ivory & Co., Limited.

Included within the Trust's portfolio are 50,000 ordinary 5p shares in Queens Moat House plc, with a cost of £25,579 and a market valuation at 31 March 1993 £22,750. This company's shares were suspended from the Stock Exchange listing as at 31 March 1993 and remain suspended at the present time. The trustees, on advice from their Investment Managers consider that it would be prudent to reduce the market value from 45.50p to 25.00p per share as shown above.

4. DEBTORS

Tax suffered on Investments	2,002	4,220
Accrued Interest	<u>1,077</u>	<u>2,148</u>
	<u>3,079</u>	<u>6,368</u>

5. CREDITORS

Salaries and Expenses	1,126	1,931
Office Costs	915	915
Professional Fees	1,600	1,400
Investment Management Costs	<u>2,000</u>	<u>2,340</u>
	<u>5,641</u>	<u>6,586</u>

6. CONTINGENT LIABILITIES

The Trust has made commitments to pay grants totalling £59,425 over the next 12 months conditional on the research continuing and satisfactory reports on progress being received by the Trustees.

THE SCOTTISH FORESTRY TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1993

7. TRUSTEES' REMUNERATION ETC.	1993	1992
	£	£
Reimbursed Expenses	<u>918</u>	<u>878</u>
 8. SALARIES AND EXPENSES		
Employee Salaries	13,764	14,830
Secretarial Services (supplied by Timber Growers (UK) Limited)	<u>2,716</u>	<u>2,641</u>
	<u>16,480</u>	<u>17,471</u>
 The average number of employees during the year was	<u>1</u>	<u>1</u>
 9. PROFESSIONAL FEES		
Auditors Remuneration – Audit Services	905	764
– Other Services	940	928
Legal and Other Professional Fees	<u>730</u>	<u>1,416</u>
	<u>2,575</u>	<u>3,108</u>

THE SCOTTISH FORESTRY TRUST NEEDS YOUR HELP

Forestry, as a science-based industry must continue to seek new opportunities, resolve emerging problems, and find new ways of tackling longstanding ones. Also, in response to demands and pressures from within and outwith the industry, the wider information needs of forestry have continued to grow.

As a result the Trust is receiving an ever-increasing number of good, relevant applications far beyond the capability of its current resources to fund.

The Trustees believe that it is very much in the interest of a healthy and vital private sector that it should benefit from a financially strengthened Scottish Forestry Trust. **The Trust needs your help** in the form of donations of any size. Since the Trust is a charity Covenantants from donors enable tax to be reclaimed by the Trust, thereby increasing the value of any gifts.

DEED OF COVENANT

(listed companies and other corporate bodies)

This Deed of Covenant is made theday of
 19..... between

(hereinafter called "the Donor Company") of the one part and the Scottish Forestry Trust (hereinafter called "the Trust") of the other part WITNESSETH that the Donor Company hereby covenants with the Trust that it will during the term of four years from the

.....day of19 pay
 annually to the Trust on the day of

.....in each year for the benefit of the work of the Trust such a sum as will after deduction of Income Tax at the rate in force for the time being, leave in the hands of the Trust, the net sum of

..... (.....)

Please return to

The Scottish Forestry Trust
5 Dublin Street Lane South
Edinburgh EH1 3PX

For and on behalf of.....

(Director).....

(Director or Company Secretary).....



DEED OF COVENANT

(Individuals)

I,
of
hereby bind myself to pay annually to the Scottish Forestry Trust,
5 Dublin Street Lane South, Edinburgh, for the benefit of the general
work of the Trust for a period of four years from the
day of 19 or during my lifetime
whichever shall be the shorter such a sum as will after deduction of
Income Tax at the rate for the time being in force, amount to the sum
of per annum, beginning the first
payment on the 19 in
witness thereof those present are subscribed by me at
on the 19
write "adopted as holograph"
(see note (1))
Signature.....

Please return to

**The Scottish Forestry Trust,
5 Dublin Street Lane South, Edinburgh EH1 3PX**

Witness 1
Address
.....
Occupation
Witness 2
Address
.....
Occupation

Note(1) If the Deed of covenant is completed in Scotland and the
Subscriber writes "adopted as holograph" in his own handwriting,
no witnesses are required.

GIFT AID

Gift Aid is a Government tax concession which enables single gifts to
be made to charitable organisations like the Scottish Forestry Trust by
U.K. residents.

The gift must be accompanied by a certificate obtainable from the
Scottish Forestry Trust, 5 Dublin Street Lane South, Edinburgh EH1 3PX.