

**THE
SCOTTISH FORESTRY
TRUST**



**ANNUAL REPORT
1995-96**

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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 reveal new opportunities and possibilities is thought to be high, is also supported.

TRUSTEES 1995 - 1996

Chairman

The Hon J.M.G. Galbraith, C.B.E. (to August 1995)
Sir David Landale, K.C.V.O. (from August 1995)
A. Bloomfield, O.B.E.
R. Craig Campbell (to 31/12/95)
J.R. Firn (from 1/1/96)
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Dr D.C. Malcolm, O.B.E.
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ACKNOWLEDGEMENTS

The Chairman and Trustees wish to acknowledge with gratitude the generosity of the following donors to the Trust's funds:

£100 to £1000 The Hon. J.M.G. Galbraith, C.B.E.
The Duke of Northumberland

CHAIRMAN'S FOREWORD

This being my first year as Chairman of the Trust, I should like to pay tribute to my predecessor The Hon J M G Galbraith CBE, who retired in August. Mr Galbraith ensured that the Trust was sensitive to the development and current needs of British forestry and attained the high standards of integrity and professionalism expected of a charitable organisation. It is my responsibility to maintain these high standards.

The current range of projects represents a mix of very relevant and important topics which should continue to provide new knowledge and understanding for forestry and its associated activities. Three projects were completed during the year.

A review and report on the socio-economic factors influencing the decision to market timber in the Private Sector was prepared. The report indicates that the key to improving management in all its aspects is raising the knowledge and skills of the woodland owners. Improvements of marketing information and marketing structures and services were seen as being critical to encouraging greater quantities of timber on to the market.

The tolerance of Scots pine populations to low root temperatures was examined. Planting stock of appropriate native material is often used to supplement natural regeneration in the Native Pinewoods. This study highlighted the sensitivity of roots to frost and differences between provenances. Bare-rooted seedlings stored unprotected in bags are at risk throughout the planting season, but especially in spring.

A study on conservation of Scottish forestry soils was concerned with determining the erodibility of soils following pre-afforestation cultivation and drainage. The sustainability of forest ecosystems is coming under increasing scrutiny these days so this project is very relevant. The data provide important guidance on the spacing of cross drains on erodible soil.

Continuing projects cover a wide range of projects and include studies on the effect of growing mixtures of species on timber quality, fungal spoilage of kiln dried timber, developing further the ecological site

classification for matching species to site conditions, particularly in regard to soil nutrient and moisture status, and development of a land use analytical system for application at the regional level. New projects are concerned with forestry education of school children, and stability of forests with irregular canopies.

As noted in previous reports, the Trust is an independent body enjoying the advice of experienced Trustees and free of vested interests, and is making an important contribution to the forestry industry, and to all those people who enjoy and appreciate forests and their many benefits.

Sir David Landale K.C.V.O.

PROJECTS SUMMARY

CURRENT PROJECTS

1. An Investigation into the Stability of Irregular Forests Using a Wind Tunnel (*Northern Research Station, Forestry Commission Research Division*)

Multiple purpose forestry and the promotion of greater structural and species diversity in forests has led to an upsurge of interest in irregular forests.

The severity of the British wind climate is one of the factors which renders extrapolation from Europeans experience to British forests uncertain.

The general view among airflow scientists and forest meteorologists has been that the more uniform the canopy is the better. As against that there are claims that irregular structured forests may be more stable. They may propagate fewer or less intense gusts of a damaging kind. There is little hard evidence to justify either view, and the interpretation of storm damage is unsatisfactory because of the host of confounding factors involved.

The current project is based on the use of a wind tunnel and scaled trees. These have been shown to provide good simulations. This approach is thought to be an effective alternative to field investigations which are impractical and expensive and where the identification of suitable sites presents major difficulties. The results obtained will be incorporated into a mathematical model which will be tested in the field.

2. The Potential for Extending Forest Cover in Grampian (*Forestry Industry Committee of Great Britain*)

This work is a follow-up to that undertaken by the same team and described under the title "The Future Location of Forestry in England

and Wales, with Especial Attention to the Transfer of Lowland Agricultural Land" in the 1994/5 Annual Report. That study developed a methodology to identify, at a national level, the extent, location and type of land likely to become available for possible profitable transfer from farming to forestry.

In the course of that work, and in the many discussions based upon it, it became clear that there was a great deal of interest and much potential value in developing the approach at the regional level. The current study based on the Grampian Region has that objective.

The Grampian Region provides an ideal test area. The Grampian Indicative Forestry Strategy contains one of the largest areas identified as "preferred for forestry" in Great Britain, and the idea of a Grampian Forest has found favour, because of the perceived benefits - economic, social and environmental - which a large-scale forest might offer.

The Scottish Forestry Trust is jointly sponsoring the study together with FICGB, the Forestry Commission and Grampian Regional Council.

3. Fungal Spoilage of Kiln Dried Sitka Spruce at Scottish Sawmills *(Department of Forestry, University of Aberdeen)*

Scottish Sawmills have been responding to the increased interest in using kiln dried timber in this country, but there have been some concerns over a black discoloration caused by fungal mycelium. This study has been investigating the extent and importance of the problem and determining the fungi responsible, conditions favouring their development and growth, possible control measures, and the role of kiln drying in causing infection of unstained green timber.

The principal fungus causing black staining was isolated and identified as *Ophiostoma piceae*. The survival of spores during drying schedules in the air, on timber and on other surfaces in the kiln was examined. Kiln drying reduced the inoculum density of spoilage fungi on timber. Percolating rainwater rather than infection during kiln drying appears to be the major mechanism by which close packed battens become infected by *O. piceae*.

In this project the temperatures and humidities within packs of timber stacked under different methods of post-drying storage have been monitored and correlated with stain development, methods of storage, and weather. Wettability of timber is suspected of providing the link between the microclimate conditions created within packs of timber and the increase in surface moisture content of the timbers necessary for blackstain development.

The final report will be in the form of a PhD thesis due for submission in September 1996.

4. Ecological Site Classification for British Woodlands *(Northern Research Station, Forestry Commission Research Division and Institute of Ecology and Resource Management, Edinburgh University)*

The Forestry Commission Research Division is developing a new ecological site classification for forest managers to respond to the demands of multiple-use forestry. The aim of this system is to provide a sound ecological basis for the sustainable production of wood and for the conservation of wildlife. This project aims to contribute to the system's development by enabling non-specialists to recognise classes of soil quality in the forest. The specific objectives of this study are to develop quantitative classes of soil nutrient and moisture regimes for soils in woodland and to develop the use of ground vegetation species as indicators of the soil regimes.

Effort in the first two years has concentrated on field work and over this period some 75 woodland sites will have been sampled throughout Britain. Nutrient measurements have generally been completed as planned, eg exchangeable Ca, Mg, K, Na, extractable P on dried samples, and available nitrate-N and ammonium-N on field-moist samples. Although time has not allowed for analysis of cation exchange capacity or total N this year, they will be completed next year.

An initial principal component analysis of soil data, indicated that the majority of the sites sampled to date fall in the poorer half of the soil nutrient regimes. In 1996 more sites at the richer end of the range will be sampled.

5. Effect of Nursing Mixtures on Stem Form, Crown Size and Wood Quality of Sitka Spruce (*Department of Forestry, University of Aberdeen*)

The main objective of the study is to determine the effect of nursing mixtures (Sitka spruce nursed by Japanese larch, lodgepole pine and Scots pine) on the growth and form of Sitka spruce with particular reference to rate of growth, stem shape, branch size and number. Wood quality in terms of ring width, density, grain angle and presence of reaction wood is also being examined and it is proposed to quantify their effects in terms of volume out-turn and quality of sawlogs.

This project is scheduled to finish in 1997. To date the main activities have concentrated on the field programme of data collections. Satisfactory progress is being made and the results are expected to attract considerable attention with the increased use of mixtures in the country and current interest in biodiversity.

WORK COMPLETED IN THE CURRENT YEAR

1. Tolerance of Scots Pine Populations to Low Root Temperatures (*Northern Research Station, Forestry Commission Research Division*)

Efforts to increase the area of native pinewoods require both natural and artificial seedling regeneration and where planting is being undertaken frost damage to roots can be a problem. Root systems of seedlings grown from selected parents had previously been shown to be comparatively sensitive to low temperatures. The study outlined here sought to compare the frost hardiness of four native provenances, a current commercial seed identity, and a Swedish seed origin, to compare their seasonal patterns of root development, and to relate frost hardiness to naturally occurring frosts. Additionally these provenances were examined for seasonal changes in a number of physiological and morphological attributes, and genetic variation was analysed in quantitative characters within four native populations.

The work demonstrated that there are differences between provenances in the frost hardiness of roots. The commercial selected stock was less hardy than the four native provenances, and these in turn were less hardy than stock raised from a Swedish provenance. Of the native pines, seedlings of the Loch Maree provenance developed root hardiness later than the Glengarry/Glen Moriston, Glen Affric and Abernethy provenances. The differences among provenances in frost hardiness of the fine roots were however less than 1°C.

It was concluded that seedlings *in situ* in nurseries are unlikely to be damaged by frost whereas young plants in pinewoods in central Grampian, with the majority of their roots in the upper 10cm may be at

risk occasionally. Bare rooted seedlings stored unprotected in bags are judged to be at risk of root damage by frost throughout the planting season, but especially in spring. Container-grown stock overwintered outside in sets may be at moderate risk.

No differences were observed in the tolerance to waterlogging of the native provenances. They should not be planted on sites with prolonged waterlogging.

Substantial differences were observed in a range of basic morphological and physiological attributes between the commercial and Swedish provenances on the one hand, and the four native provenances on the other. The level of genetic variation within the four native pine populations for height and diameter was relatively large. Genetically-determined differences in the time of bud burst between, but not within, these populations were observed.

2. Socio-Economic Factors Influencing the Decision to Market Timber in the Private Sector (*John Clegg & Co, and Firn, Crichton Roberts Ltd*)

The work was funded by the Trust as part of a multi-sponsor marketing project entitled "A Strategic Review of Private Sector Roundwood Marketing in Britain".

The approach was to develop and deploy self-answer questionnaires targeted at woodland owners of all kinds. This would allow some specific information about the woodlands to be collected initially as well as data and perceptions about the factors which influenced decisions to market timber. A sample of 774 woodland owners was selected based on a range of criteria described in the report. The questionnaire was supplemented by personal interviews of 133 organisations and individuals.

A response rate of 33% was obtained, resulting in the establishment of the largest and most representative sample database of private sector woodland owners in Britain.

The majority of woodland owners look after the management of their own woods including timber harvesting and marketing. The report

indicates that the key to improving management in all its aspects is raising the knowledge and skills of woodland owners. A wide range of socio-economic factors is shown to influence owners' decisions to market timber. These include low timber prices, lack of markets, costs, absence of reliable contractors, lack of information and knowledge, and the fact that timber product income was often not a primary object of management. These facts often interact in a complex way and both within and between owners with different sizes and types of woodland.

The authors conclude that woodland owners could benefit from being more fully supported with improved marketing information, and from training in both technical and marketing skills. The improvement of marketing structures and services is thought likely to encourage the marketing of greater quantities of timber. Both timber prices and wider markets depend on finding new opportunities for adding value to timber, and ways of dealing more satisfactorily with the marketing problems of small woods need to be addressed.

The future development of the forest industry in Britain requires the encouragement and development of the private sector wood supply chain.

3. Conservation of Scottish Forestry Soil (*Institute of Freshwater Ecology, Natural Environment Research Council*)

This research project examined the erodibility of a range of soils which are considered to be susceptible to soil erosion if cultivation and drainage are required prior to afforestation. Measurements of the erodibility of each soil were carried out to calibrate an hydraulic model which can be used to indicate acceptable furrow lengths and gradients for given soil types. It was desirable that hydraulic thresholds for erosion should be related to common soil properties and to be able to use simple field tests to define susceptibility to erosion.

Fourteen soil types grouped within the peat and mineral soil categories were identified as potentially susceptible to erosion if inappropriately managed. Thresholds of erosion of mineral soil types correlated linearly with the factors: penetration resistance; soil moisture content; bulk density and organic content. Organic content was identified as

the single most significant factor controlling the degree of resistance of mineral soil to erosion. In fact generally organic content and/or penetrometer data provide reliable indicators of soil erodibility. Unfortunately however organic content is not readily assessed in the field.

Four types of peat, ranging from fibrous to amorphous, did not show any significant erosion in clear water flows of less than 5.67m s^{-1} . Only limited erosion of peat matrix occurs for velocities in excess of that rate and peat fibre was not eroded. A fibrous mat some 5 to 10mm thick formed at the peat surfaces preventing further erosion of the matrix. The leading of drains from areas of mineral soil onto deep peat can however cause rapid erosion and should be avoided.

The new Forests and Water Guidelines for cultivation and drainage for afforestation encourage mounding with mole drainage on wet peaty gley soils. Only in the wettest peats where there is no risk of disturbing the underlying soil would 30cm DMB ploughing be recommended. This study has enhanced our understanding of the mechanics of erodibility of forest soils and the results help underpin the theoretical basis of the Forests and Water Guidelines.

COMPLETED WORK

1. Habitat and Diet of Capercaillie in a Commercial Plantation in Central Scotland (1995). (*Institute of Terrestrial Ecology, Banchory*)

A study of the role of Sitka spruce in the diet of Capercaillie living in woodland where half of the woodland is Sitka spruce with larch. A report is available from the Trust.

2. Control of Variation in Density in Sitka Spruce (1995). (*School of Agriculture and Forest Sciences, Bangor*)

A study aimed at understanding the underlying causes of variation in wood density with particular reference to the silvicultural control of critical strength properties. A report is available from the Trust.

3. The Future Location of Forestry in England and Wales, with Especial Attention to the Transfer of Lowland Agricultural Land (1995). (*Forestry Industry Committee of Great Britain*)

The work describes a system developed to identify, at a national level, the extent, location and type of land likely to be available for profitable transfer from farming to forestry. A report entitled "The Potential for Extending Forest Cover in the Lowlands of England and Wales" is available from FICGB.

4. An Investigation into the Influence of Site Quality on the Productivity of a Range of Major Tree Species (1994). (*Macaulay Land Use Research Institute and Forestry Commission Research Division*).

A report which examines the productivity of Douglas fir, Japanese larch

and Scots pine on better quality sites. Site/yield models allowing the prediction of General Yield Class are presented. A report is available from the Trust.

5. Net Carbon Dioxide Uptake of Scottish Forests (1994). (*Institute of Ecology and Resource Management, University of Edinburgh*)

The study describes the development and testing of a system for the measurement of carbon dioxide exchange by forest stands. The development is a response to the need to predict how forestry's contribution to the removal of atmospheric carbon will change as the UK's forests mature. A report is available from the Trust.

6. Molecular Methods for the Detection and Identification of Heterobasidion annosum (1993). (*Dundee Institute of Technology (now University of Abertay), Dundee*)

A study of immunology methods in live trees and harvested wood. A report summarising the progress made is available from the Trust.

7. Private Forestry Policy in Western Europe (1993). (*Author: A J Grayson*)

The implementation of policy and the role of financial incentives in Britain, western Europe and some other countries including Australia and Russia is discussed against the background of descriptions of the historical and social context of forestry, its legislative, policy and administrative framework, and the taxation and grants regimes employed in the individual countries.

Copies of the book are available from the publisher, CAB International, Wallingford, Oxon, OX10 8DE.

8. 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 an all-aged forest of mixed species on an upland site at Glentress in the Tweed Valley. A report is available.

9. 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.

10. "Shake" in Oak (1992). (*Oxford Forestry Institute, Oxford University*)

A study of the defect, including the relationships of oak leaf flushing and autumn shedding to early wood 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.

11. 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, now TGA.

12. 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.

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

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.

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

A study which produced 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 of top end diameter size classes.

15. 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.

16. 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.

Published by the Scottish Forestry Trust from material prepared by the Institute of Terrestrial Ecology. Price of publication £7.95 obtainable from the Trust.

17. Yield Class and Windthrow Hazard Characteristics of Forestry in the Grampian Region (1990). (*Macaulay Land Use Research Institute*)

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.

18. 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 (silvopastoral) systems. A report summarising the progress made is available from the Trust.

19. 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 Forestry Industry Committee of Great Britain. The first comprehensive estimate of the impact of forestry on output and employment on the aggregate UK economy and those of its member countries. A publication is available.

20. 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.

21. 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.

22. The Economic Effects of the "Guidelines for the Management of Broad-leaved 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.

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

Study funded jointly with Stirling District Council and the Scottish Development Agency which analysed employment in the forestry industry in the Stirling District. A report is available.

SCOTTISH FORESTRY TRUST

ANNUAL ACCOUNTS FOR THE YEAR TO 31st MARCH 1996

Statement of Trustee's Responsibilities for Financial Statements

Charities legislation requires the Trustees to prepare financial statements for each financial year and its income and expenditure for the year ended on that date. In preparing those financial statements suitable accounting policies have been used, framed to the best of Trustees' knowledge and belief, by reference to reasonable and proven judgements and estimates and applied consistently. Applicable accounting standards have been followed. The Trustees are also required to make disclosure where the financial statements have been prepared other than on the basis that the charity is a going concern.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at anytime the financial position of the charity and to enable them to ensure that the financial statements comply with charities legislation. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 which have been prepared under the accounting policies set out on page iv.

Respective Responsibilities of the Trustees and Auditors

The Trustees are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements, and to report our opinion to you. It is also our responsibility to state the fact in our report if we are of the opinion that the Trust has not maintained a satisfactory system of control over its transactions.

Basis of Opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the Trust's affairs at 31 March 1996 and of its surplus 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

THE SCOTTISH FORESTRY TRUST

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR TO 31 MARCH 1996

INCOME	Notes	£	1996 £	1995 £
Dividends			93,142	90,804
Interest on Deposits			10,111	9,386
Donations			1,181	24,200
			<u>104,434</u>	<u>124,390</u>
OPERATING EXPENSES				
Grants, and Other				
Charitable Expenditure	2	60,545		88,002
Salaries and Expenses	8	19,405		19,050
Travelling Expenses	7	165		181
Office Costs and Sundries		4,406		3,982
Professional Fees	9	2,576		2,702
Investment Management Costs		12,683		11,792
			<u>99,780</u>	<u>125,709</u>
Surplus/(Deficit) on Operations			4,654	(1,319)
Profit/(Loss) on Disposal of Investments			60,752	45,176
Transfer to Capital Reserve	5		—	(24,100)
Surplus/(Deficit) for the Year			<u>65,406</u>	<u>19,757</u>

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

THE SCOTTISH FORESTRY TRUST

BALANCE SHEET AS AT 31 MARCH 1996

	Notes	1996 £	1995 £
INVESTMENTS at Cost	3	1,487,900	1,397,319
[Market Value of Investments]		<u>2,190,831</u>	<u>1,793,924</u>
CURRENT ASSETS			
Debtors	4	3,266	3,693
Royal Bank of Scotland			
Premium Account		30,222	22,891
Bank of Scotland			
Income and Capital Accounts		<u>113,263</u>	<u>145,083</u>
		146,751	171,667
CREDITORS:			
Amounts falling due within One Year	5	6,887	6,628
		<u>139,864</u>	<u>165,039</u>
		<u>1,627,764</u>	<u>1,562,358</u>
Represented by:			
Revenue Surplus brought forward		50,680	30,923
Surplus/(Deficit) for year		65,406	19,757
		<u>116,086</u>	<u>50,680</u>
Capital Reserve		1,511,678	1,511,678
		<u>1,627,764</u>	<u>1,562,358</u>

Approved by the Trustees on 7th August, 1996
and signed on their behalf by

DAVID LANDALE
.....Chairman

ALASDAIR LAING
.....Trustee

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

THE SCOTTISH FORESTRY TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1996

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.

2. GRANTS, DONATIONS AND OTHER CHARITABLE EXPENDITURE

	1996	1995
	£	£
Fungal Spoilage of Kiln Dried Soft Wood	11,436	12,195
Control of Variation in Density in Sitka Spruce	—	12,277
Contribution to RSFS Forestry Video	—	2,500
Tolerance of Scots Pine Populations to		
Low Root Temperatures	2,815	6,812
Stability of Irregular Forests	7,110	—
The Potential of Extending Forest		
Cover in Grampian	7,000	—
Conservation of Scottish Forestry Soils	4,000	4,000
Nursing Mixtures on Stemform, Crown size and		
Wood Quality in Sitka Spruce	4,650	10,050
A Strategic Review of Private Sector		
Roundwood Marketing	5,787	11,575
Ecological Site Classification for		
British Woodlands	6,700	13,310
Detection and Identification of		
<i>Heterobasidion annosum</i>	—	4,314
Capercaillie in Commercial Plantations	5,900	6,000
Printing and Distribution Costs – Annual Reports,		
Royal Highland Show etc	5,147	4,969
	<u>60,545</u>	<u>88,002</u>

THE SCOTTISH FORESTRY TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1996

3. INVESTMENTS

	1996	1995
	£	£
Cost at 31 March 1995	1,397,319	1,351,710
Additions	392,128	304,561
Disposals	(301,547)	(258,952)
Cost at 31 March 1996	<u>1,487,900</u>	<u>1,397,319</u>
Listed Investments, dealt on a recognised Stock Exchange	<u>1,487,900</u>	<u>1,397,319</u>
Valuation:		
Listed Investments – Market Value	<u>2,190,831</u>	<u>1,793,924</u>

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

4. DEBTORS

Tax suffered on Investments	2,220	2,307
Accrued Interest	1,046	1,386
	<u>3,266</u>	<u>3,693</u>

5. CREDITORS

Salaries and Expenses	1,295	1,233
Office Costs	962	915
Professional Fees	1,880	1,880
Investment Management Costs	2,750	2,600
	<u>6,887</u>	<u>6,628</u>

6. CONTINGENT LIABILITIES

The Trust has made commitments to pay grants totalling £54,385 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 1996

7. TRAVELLING EXPENSES	1996	1995
	£	£
Reimbursed Expenses	<u>165</u>	<u>181</u>
8. SALARIES AND EXPENSES		
Employee Salaries	16,530	16,300
Secretarial Services (supplied by Timber Growers Association Limited)	<u>2,875</u>	<u>2,750</u>
	<u>19,405</u>	<u>19,050</u>
 The average number of employees during the year was	 <u>1</u>	 <u>1</u>
9. PROFESSIONAL FEES		
Auditors Remuneration – Audit Services	880	880
– Other Services	1,000	1,000
Legal and Other Professional Fees	<u>696</u>	<u>822</u>
	<u>2,576</u>	<u>2,702</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, Covenants 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.