



## **Report and Financial Statements**

**13 Month period ended 31<sup>st</sup> March 2025**

**SCIO No. SC053147**

[www.scottishforestrytrust.org.uk](http://www.scottishforestrytrust.org.uk)

# The Scottish Forestry Trust SCIO

**For the period ended 31 March 2025**

## **Chairman's Foreword**

Following on from the 40<sup>th</sup> anniversary celebrations in 2023, I was honoured to serve as The Scottish Forestry Trust's Chair in 2024-2025.

The year proved to be a transitional one for the Trust in many ways. In January 2024, the Executive Director Amanda Bryan MCFFor tendered her resignation. Ever the consummate professional, Amanda offered to remain in post and serve a six month notice period on reduced hours to enable the Trust to recruit a successor. I am indebted to Amanda for this remarkably generous gesture as it made the recruitment process considerably less disruptive. The Trust was pleased to appoint Dr Stuart Glen as only our seventh Executive Director and Stuart took up the position in June 2024. I have been mightily impressed with the seamless transition; Stuart swiftly settled into the role, with minimal disruption to the day-to-day operations of the Trust.

In addition, for much of the early part of 2024, the Trust was preparing to a Scottish Charitable Incorporated Organisation (SCIO), The Scottish Forestry Trust SCIO. Although The Scottish Forestry Trust SCIO was formerly registered on 28 February 2024 (Registered Charity Number SC053147), the Trustees, employees, assets and liabilities of The Scottish Forestry Trust were transferred to The Scottish Forestry Trust SCIO at the end of July 2024.

During 2024-2025, The Scottish Forestry Trust was able to distribute funds to the value of £48,575 in support of existing projects and approved funding of £148,172 in support of ten new projects. I am pleased to report that this is an increase of more than £100,000 on our funding commitment in 2023-2024 and reflects the Trust's ambition to be one of the leading funders of forestry research, education and training in the UK.

The capital funds held by the Trust are invested with the objective to generate income for the support of charitable beneficiaries as well as protect the real value of the capital over the long-term. Trustees review our investment policy on an annual basis alongside the appointed investment manager. Since the submission of last year's annual accounts, global financial markets have remained challenging. As a result, our investment portfolio, managed by RBC Brewin Dolphin delivered an income of £81,556 to our investment portfolio, valued at £3,294,093 The Trust also maintains an appropriate cash balance, which is being managed to make best use of available interest rates. Beyond traditional financial metrics, the Trust adheres to a commitment to invest in responsible and sustainable operations in the portfolio, and both the ESG risk metric and carbon intensity metric are tracking ahead of the Vanguard FTSE (All World) average.

In late 2024, we received notification from the Scottish Environmental Protection Agency (SEPA) that the Trust would receive a donation as a result of an Enforcement Undertaking. An Enforcement Undertaking is one of the enforcement measures available to SEPA as part of The Environmental Regulation (Enforcement Measures) (Scotland) Order 2015. The Trustees diligently discussed the ramifications of accepting a donation from an Enforcement Undertaking and considered the reputational risk to the Trust negligible. The donation will be used to further our work in supporting research, education and training in forestry throughout the UK.

In 2024-2025, we continued to increase the media profile of the Trust with articles featuring our work, and the work we fund, published in Forestry and Timber News (Confor), Trees (Institute of Chartered Foresters) and Scottish Forestry (Royal Scottish Forestry Society). In addition, the Trust's digital presence increased with the dissemination of appropriate information through blog posts on our website and social media platforms, primarily LinkedIn and X. Finally, I would like to express a sincere thank you to my fellow Trustees for their ongoing support and guidance in achieving so much in the last year. I very much look forward to building on our achievements in the coming year with so many exciting objectives and opportunities ahead of us.

**Prof. Paul Atkinson FRSE**

# The Scottish Forestry Trust SCIO

## Report of the Trustees for the 13 month period ended 31 March 2025

### Reference and administrative information

#### Trustees

Professor P Atkinson FRSE, Chair  
Dr H McKay OBE FICFor CEnv, Chair of the Projects and Research Committee  
E Balfour  
A R Browne FICFor  
Professor D Burslem, Member of the Projects and Research Committee  
Professor I Kotta-Loizou, Member of the Projects and Research Committee  
T Liddon FICFor, Member of the Projects and Research Committee  
Professor J Pendlebury FICFor FRSB MIMMM  
Professor A Kleczkowski FIMA, Member of the Projects and Research Committee  
T Owen FICFor  
Dr I Willoughby FICFor, Member of the Projects and Research Committee

#### Director

A Bryan MICFor (until 19<sup>th</sup> July 2024)  
S Glen (from 3<sup>rd</sup> June 2024)

#### Registered Office

59 George Street, Edinburgh, EH2 2JG (until 21 July 2024).  
Argyle House, 3 Lady Lawson Street, Edinburgh EH3 9DR (from 22 July 2024)

#### Website

[www.scottishforestrytrust.org.uk](http://www.scottishforestrytrust.org.uk)

**Charity Number:** SC053147

#### Auditors

CT Audit Limited, Chartered Accountants & Statutory Auditor, 61 Dublin Street, Edinburgh, EH3 6NL

#### Bankers

Hampden Bank, 20/21 Charlotte Square, Edinburgh, EH2 4DF

#### Legal Adviser

Anderson Strathern, 58 Morrison Street, Edinburgh EH3 8BP

#### Investment Managers

Brewin Dolphin, Sixth Floor, Atria One, 144 Morrison Street, Edinburgh, EH3 8EX

#### Acknowledgement

The Chairman and Trustees wish to gratefully acknowledge the generosity of all our donors to the Trust's funds during the period.

The Trust received donations and legacies of £32,482 during the period. Sincere thanks to M Egedusevic, D Hamilton, A Gunn, K Kirby, MI Magnus (in memory of Bill Mason MICFor) and C Willey for their support. Included in the above amount is a £1,592.35 donation towards the Hylobius Research Fund from Fountains Forestry.

# The Scottish Forestry Trust SCIO

## Report of the Trustees for the period ended 31 March 2025 (Contd.)

The Trustees present their report and the audited financial statements of The Scottish Forestry Trust for the 13 Month period ended 31 March 2025. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

### Objectives of the Trust

The primary objective of The Scottish Forestry Trust is to support forestry across the United Kingdom where forestry is defined in the widest sense to include production and use of all forest products and its contribution to landscape, recreation, wildlife, the environment and rural development.

The Trust can support projects in all the forestry related sciences, but preference is given to proposals that address industry needs related to policy formation and execution, to broad management questions as well as to studies of an applied nature where the scientific, technical and economic information and benefits are more immediately available to the profession. Notwithstanding that, fundamental work with the potential to resolve outstanding problems, or reveal new opportunities, is also supported. Overall, the Trustees take a flexible approach and are open to discuss any new projects within the above scope.

The objectives of the Trust continue to be met fully through grant aiding projects on research, education and training in their broadest sense using the Trust's investment income. A proportion of the activity provides education and training opportunities for postgraduate students, and this remains a focus for the future. All supported projects contribute to improved scientific and technical information and in addition help to make the general public more aware of the many benefits from forestry.

### Grant making criteria

The Trust invites applications from research institutes and individuals normally three times a year, depending on funding availability. Eligibility criteria for both the Trust's general funding assistance and for applications to the Bursary Award Scheme are made available through the website at [www.scottishforestrytrust.org.uk/applications](http://www.scottishforestrytrust.org.uk/applications)

The Trust's Projects and Research Committee considers all eligible applications and then makes recommendations to the full Board of Trustees to approve, defer or reject the applications received. The Projects and Research Committee also monitor the progress of successful applications through regular written progress reports by the grant recipient. Staged payments are only released on receipt of satisfactory progress reports.

Trustees take a flexible approach to the range of projects we can assist and have published broad criteria for both project eligibility and the levels of grant that applicants might expect from the Trust should their application be successful.

### Activities and Achievements

A full list of projects supported since the Trust started providing grant aid in 1986 is provided on our website, [www.scottishforestrytrust.org.uk](http://www.scottishforestrytrust.org.uk). The current portfolio of projects, as reported later, continues to be strong and varied in content. This always places considerable pressure on the Trust's resources, and we are particularly grateful to the Forestry Commission, Scottish Forestry and Natural Resources Wales (and their predecessor bodies), who have provided financial support to enable us to assist PhD students through our Bursary Award Scheme.

We continued to update our website through which we disseminate project updates and summaries of recently completed projects. We continue to disseminate information through social media channels; our Twitter account has 800 followers and our LinkedIn account has 471 followers (figures correct as 24 March 2025).

We continue to promote the work of the Trust at meetings, conferences at events, such as Future Treescapes 24 at University of Glasgow (June 2024), Restoration Science Symposium at the University of Stirling (November 2024), The Durrell Lecture, hosted by RBC Brewin Dolphin (November 2024) and the Confor Annual Dinner and Awards (February 2025).

Details of how to apply for grant assistance, together with the relevant application forms and guidance notes, are available on the Trust's website at [www.scottishforestrytrust.org.uk/applications](http://www.scottishforestrytrust.org.uk/applications)

# The Scottish Forestry Trust SCIO

## Report of the Trustees for the period ended 31 March 2025 (Contd.)

### How our supported projects have performed

The outcomes of the Trust's work supporting research include the education of future researchers, the dissemination of knowledge through making research findings known and the funding of significant new avenues of research in forestry throughout the United Kingdom.

During the period, we spent £48,575 on staged payments to projects where commitments had already been made. This is a decrease of £17,412 on our commitment in 2023-2024. The majority of this decrease was down to the phasing of the staged payments and several projects were awarded final staged payment in April 2025. We were able to approve future commitments of £148,172 towards ten new projects. This is an increase of £107,980 on our commitment in 2023-2024. Ongoing commitments now total £305,817 with projects (and payments) continuing to 2028.

Trustees are pleased with the progress achieved during the period. A summary of projects both completed and approved in the period is provided below along with details of ongoing projects.

### Completed Projects

#### **Addressing uncertainty to improve urban tree management (University of Southampton)**

Field-based survey methods are a commonly used ecological approach for developing a greater understanding of the benefits of urban forests. Such surveys often aim to collect information on trees contained in several pre-specified plot locations. However, uncertainty exists on the total minimum number of survey plots required to effectively quantify urban forest benefits.

The doctoral research project aimed to critically examine urban forest sampling protocols with a view to optimising i-Tree Eco surveying. By clarifying the surveying effort required and maximising output accuracy the project aimed to increase the opportunity for cities to gain the inventory data required for evidence-based policy creation, and development of management strategies that maximise delivery of tree benefits to urban society.

Using statistically robust methodology, the study generated relative population errors simulated under a range of different conditions, with conclusions on the minimum number of survey plots required dependent on which simulation conditions are deemed most appropriate.

The project concluded in 2024.

#### **Inspiring future foresters (Confor and Stemovators)**

A partnership initiative between Confor and the Scottish Council for Development and Industry (SCDI) aimed to expose young people to the range of opportunities that exist within the forestry and timber technologies sector via Science, Technology, Engineering and Mathematics (STEM) club activity in schools.

The three-year pilot, in the first instance, targeted S1-S3 pupils in the Highland Council area on two programmes - Climate Smarter and Highland Celebration of Engineering starting in the Academic Year 2021-2022. The Climate Smarter programme involved pupils engaging in a project around future schools and a resource pack on the use of homegrown timber in buildings was successfully integrated into the programme.

SCDI have access to more than 1,600 primary and secondary schools across Scotland via their Young Engineers and Science Clubs (now rebranded Stemovators) and operate a number of initiatives and competitions to excite and engage young people of all ages. The programme has already been expanded to several other areas with additional sponsorship.

The project concluded in 2024.

# The Scottish Forestry Trust SCIO

## Report of the Trustees for the period ended 31 March 2025 (Contd.)

### Securing good quality acorn supply in the United Kingdom (Future Trees Trust and University of Reading)

The 'boom and bust' (masting) patterns of acorn production have significant impacts for those involved in tree growing and forest management. Masting results in an unreliable annual supply of high quality, well-adapted acorns. Shortages are problematic since recalcitrant seeds cannot easily be stored, and imported seeds may be of an unsuitable provenance and pose biosecurity risks.

The aim of doctoral research led by the Future Trees Trust is to investigate the highly variable acorn production by native oak species in the United Kingdom (*Quercus robur* and *Quercus petraea*), so as to inform seed supply industry and seed stand management. The research aimed to answer the questions,

1. What is the (historic pattern) of masting and mean acorn production in the UK at the seed zone level?
2. When, and at what phenological stage is seed development currently halted (i.e. what are the premature abscission rates at each phenological stage)?

A four-year study of 39 *Quercus robur* found large individual variation in acorn crops among years and trees. There was synchrony in that all trees produced acorns in the mast year (2020) and none in 2021, but 51% of all acorn production over the study was provided by only 18% of the trees studied.

Furthermore, a modelling study of acorn production in *Quercus robur* and *Quercus petraea* over 40 years at 35 sites across Northwest Europe showed inter-annual variation in acorn production. Models of inter-annual variation in acorn production based on weather cues were developed which quantified this data set well but did not predict independent data satisfactorily.

The project concluded in 2024.

### Small Scottish tree nurseries: Phase 1 – Workshop (Future Woodlands Scotland)

In 2023, Future Woodlands Scotland, together with Woodland Trust Scotland and The Trust met to discuss how, in a collective capacity, the organisations could best help promote small native tree nurseries located in the more remote parts of Scotland, including the Western and Northern Isles. These so-called 'nano-nurseries' are increasingly struggling with a wide range of business skills, including training, marketing, supply issues and seed sourcing.

As a result, Future Woodlands Scotland hosted a physical meeting - in a workshop format - bringing together identified key representatives from small-scale and/or remote native tree nursery producers based throughout Scotland.

The intention of project was that the findings assimilated from the workshop would provide a robust platform for the development of a Phase 2 delivery programme of co-ordinated, structured training and associated support for nurseries over a two-to-three-year period.

The project concluded in 2024.

### Working Woods Scotland 2024 (Association of Scottish Hardwood Sawmillers)

Working Woods Scotland is a three-day training course ran by the Association of Scottish Hardwood Sawmillers that offers foresters, forest managers and woodland managers a unique opportunity to increase their knowledge of how to grow and manage broadleaf trees for the production of hardwood timber.

By targeting forest managers and woodland managers, this course focused more on the key aspects of silvicultural management in managing broadleaf woodland for timber. This approach helps delegates capitalise on the increasing opportunities for hardwood production, diversify their skillset and grow a network of colleagues to collaborate with beyond the course.

The project concluded in 2024.

# The Scottish Forestry Trust SCIO

## Report of the Trustees for the period ended 31 March 2025 (Contd.)

### Ongoing Projects

#### **Ancient slope alder wood pasture: Integrated case study for restoration**

The Borders Forest Trust aimed to undertake an innovative, integrated ecological and historical case study of an ancient wood pasture, near Moffat. The case study comprises of four elements - historic map analysis, specialist woodland walkover, dendrochronology study and in-depth ecological surveys - allowing for restoration and expansion of a slope alder wood pasture, a rare surviving habitat in southern Scotland.

The project is scheduled to complete in 2025.

#### **Balancing benefits and trade-offs from future forests (University of Stirling)**

This doctoral research project set out to explore how we create multifunctional forests in the United Kingdom. Multifunctional forests which optimise biodiversity, carbon sequestration and economic value for timber production, and at the same time maximise public acceptability in the context of ambitious targets for forest and woodland expansion and the likelihood of increasing land-use conflict in an environmentally uncertain future.

These objectives have been further focussed into four chapters within the thesis.

3. The investigation into the biodiversity human wellbeing relationship in Continuous Cover Forestry stands
4. The analysis of the benefits and trade-offs of how Continuous Cover Forestry and Rotational Forest Management stands develop through time
5. The exploration of the response of moths as a sensitive woodland specialist in Continuous Cover Forestry managed stands
6. The development of an eDNA metabarcoding in Continuous Cover Forestry stands for fungi, nematode and arthropod communities.

The project integrates a diverse and experienced multidisciplinary team across academia, government agencies and a private landowner to deliver outcomes, including policy and management advice, published outputs in peer reviewed academic and practitioner journals and a Forest Research research note. The project is designed to generate impact through revised guidance in future forestry, land use and biodiversity strategies.

The project is scheduled to complete in 2027.

#### **Dynamic conservation of genetic diversity in juniper (Centre for Ecology and Hydrology)**

This doctoral research project aimed to greatly contribute to the long-term protection of genetic diversity in juniper (*Juniperus communis*), which is under severe pressure in the United Kingdom due to its highly reduced and fragmented population size, low regeneration rates, effects of climate change and the arrival of a novel pathogen, *Phytophthora austrocedri*.

The Centre for Ecology and Hydrology will lead a consortium research project which will address fundamental gaps in the understanding of levels and management of genetic diversity in juniper, and translate these findings into conservation measures via the EUFORGEN dynamic conservation framework. Specifically, the project aimed to,

1. Characterise genetic diversity in natural populations
2. Quantify adaptive genetic variation in experimental populations
3. Translate research findings into guidance for management and restoration.

This project is a continuation from an earlier Scottish Forestry Trust funded project with the MRes student now progressing to complete a PhD. The project is scheduled to complete in 2026.

# The Scottish Forestry Trust SCIO

## Report of the Trustees for the period ended 31 March 2025 (Contd.)

### **An easier route to strength grading UK hardwoods (Edinburgh Napier University)**

Timber grading uses indicating properties, such as visual wood features, acoustic velocity and density for predicting characteristic values (strength, stiffness and density), which are used in structural design. The predictions are based on extensive test programs of full-sized specimens, and the correlations are specific for species and growth region. The expense and effort required means that only major species can be graded this way. For minor species, especially hardwoods grown in the United Kingdom (which have good potential, but little to no previous wood properties research) the effort of producing large enough datasets for these currently required grading approaches would mean destructive testing of a large proportion (if not all) of the available resource.

This doctoral research project aimed to improve strength grading options for home-grown hardwoods, allowing them to be used in construction, raising value, and meeting national objectives for more environmentally friendly buildings.

The current options are limited, so the grant recipient intends to create the foundation for a more cost-effective route and easier-to-apply visual grading rules for small producers. Models will be created for predicting full-size timber properties for three selected species, and it is envisaged that these models may be used for timber grading and transferred to other hardwood species.

The project is scheduled to complete in 2027.

### **Enhancing integrated pest management in forestry (University of Edinburgh)**

Integrated Pest Management (IPM) is an integral part of sustainable forest management, as reflected by its inclusion in requirements for independent certification schemes such as the Forest Stewardship Council (FSC) and UK Woodland Assurance Standard (UKWAS).

This doctoral research project aimed to evaluate the use of entomological Integrated Pest Management in forestry, using case studies to identify the drivers and barriers to successful implementation, and form concluding recommendations to enhance forestry practice.

Progress has been slower than originally planned due to the grant recipient working part-time and undertaking two periods of maternity leave. The project is provisionally scheduled to complete in 2028.

### **Identification of Filamentous Pathogens on Leaves (University of Birmingham)**

This doctoral research project aimed to use Raman spectroscopy to deepen the understanding of fungal infections within trees, specifically ash dieback (*Hymenoscyphus fraxineus*) and oak powdery mildew (*Erysiphe alphitoides*). The technique involves examining the leaf wax and cuticle layers of leaves from the respective trees and using Raman spectroscopy to identify any microscopic chemical changes. This knowledge will then be used to develop a sensor to allow early identification of ash dieback and oak powdery mildew in the field.

The project will be building on current and past research into leaf Raman spectroscopy by developing a detailed model of fungal infection and resistance.

The project is scheduled to complete in 2025.

### **Identifying alternatives to conventional plastic tree shelters (Forest Research, on behalf of the Forest Plastics Group)**

The high cost of returning to a site and removing and disposing of used plastic tree shelters at the end of their useful life has meant that in many cases they are simply left to gradually photodegrade. Not only is this unsightly, but it forms a source of plastic micro pollution in the developing forest.

For this reason, a number of manufacturers have been striving in recent years to develop tree shelters, often made from materials other than conventional plastics, that could in theory be left in situ on site without a need for them to be removed and recycled.

This research project aimed to independently verify the durability and efficacy of a range of these alternative products. Four sites with 20 different treatments have now been established as a part of six-year trial. Depending on results, the intention is to publish at least one paper in a peer-reviewed scientific journal to publicise our findings.

# The Scottish Forestry Trust SCIO

## Report of the Trustees for the period ended 31 March 2025 (Contd.)

In addition, a dedicated webpage will be set up, and at least one trade journal article will be produced to publicise the scientific paper, and to give clear, practical recommendations for managers. The project is scheduled to complete in 2027.

### Improved pretreatments and fractionation of soft and hardwoods to access feedstock chemicals (University of St. Andrews)

Whilst current approaches to the use of wood are highly optimised and integrated, novel technologies can be developed that further improve the efficiency of use of all the possible product streams. The current use of lignin derived from wood is to burn it, and that this represents inefficient use of this potentially valuable resource. More desirable would be the extraction of high-quality lignin, which could be further purified (fractionated) to produce valuable feedstock chemicals.

The doctoral research project aimed to develop improved pretreatments for Sitka spruce (*Picea sitchensis*) co-products in order to deliver high quality lignin and fermentable sugar streams. Fractionation protocols for lignin derived from Sitka spruce and from softwood and hardwood co-products were also assessed and finally, the optimisation of aromatic monomers derived from the production of lignin was explored.

This project was extended to take account of a three-month industrial placement and is scheduled to complete in 2025.

### Improving outcomes in montane woodland restoration (University of Stirling)

Montane scrub is a critically endangered habitat. Formerly much more extensive at the natural treeline, this community is now largely confined to cliffs by overgrazing and burning. However, there is a growing recognition of the importance of montane scrub both in its own right as a component of mountain biodiversity, but also for the associated flora and fauna, particularly insect, birdlife and fungi, it supports, and other ecosystem services, such as increased soil stability.

This doctoral research project led by University of Stirling as part of a wider consortium aimed to investigate how exploiting microsite factors, mycorrhizal associations and natural regeneration potential can be used to improve the outcomes of montane scrub restoration projects in the United Kingdom.

The project will aid the development of conservation management techniques which will create healthy and sustainable upland tree populations, thereby facilitating the long-term resilience of this biodiverse habitat and the expansion of the treeline ecotone.

Progress has been slower than originally planned due to the grant recipient working part-time and taking an approved leave of absence for personal reasons. The project is scheduled to complete in 2026.

### Quantifying the magnitude and duration of tree water stress (Forest Research)

Meteorological drought-induced, radial-longitudinal stem cracks in Sitka spruce (*Picea sitchensis*) are becoming ever more common in spruce stands in the north-east of Scotland. These areas have subsequently been classified as high drought risk, mainly because of the freely-drain soil. However, very little is known about the physiological water stress these trees experience and the physiological processes related to tree water status that leads to stem crack.

This research project aimed to quantify the magnitude and duration of water stress of the soil-plant-atmosphere continuum of Sitka spruce in two locations to evaluate the role of water stress in stem cracks.

The researchers planned to use the latest technology and a newly developed method of quantifying water stress based on electric circuit theory to measure this phenomenon.

The project is scheduled to complete in 2025.

# **The Scottish Forestry Trust SCIO**

## **Report of the Trustees for the period ended 31 March 2025 (Contd.)**

### **Sharing value chain stories to facilitate change (Evolving Forests)**

In order to promote increased woodland management in the United Kingdom to support the use of homegrown timber in construction and increased the volumes of carbon stored in the built environment, Evolving Forests planned to commission a suite of richly visual and compelling media to act as a catalyst to join up stakeholders to discuss current issues, techniques, and innovations, and act as a vehicle to spark deeper debate and forward-looking panel discussions on the current and future possibilities of UK timber in construction and resilient woodland management practices.

This project aims to bring lessons from across Europe in forest management and construction to specific contexts in the United Kingdom. What emerged was a rich and accessible platform for learning, reflection, and cross-sector connection – with direct benefits for the future of forestry in the United Kingdom.

The project is scheduled to complete in 2025.

### **New Projects**

#### **By Trees We Live: The untold story of the people who work in forestry and why we need them (Rebecca Smith, author and freelance journalist)**

Funding has been approved to support the production of a 70,000 word book from Rebecca Smith, author and freelance journalist. Rebecca's previous title, Rural: The lives of the working class countryside, was shortlisted for the Wainwright Prize for Nature Writing in 2024.

The book, which should be out in bookshops by 2028, will reach a broad readership and aims to educate the reader about the many uses timber and forests have to our society as well as help to deepen our nations love of woodland.

The project is scheduled to complete in 2028.

#### **Foresters for the future (Bangor University)**

Forestry in the United Kingdom is facing a severe skills shortage, putting at risk the likelihood of meeting the ambitious tree cover targets necessary to meet net zero commitments. Typical estimates put the necessary increase in workforce of in excess of 70%. Concurrently, women, ethnic minorities and young people from areas of multiple deprivation are currently significantly underrepresented in the sector. Increasing equality, diversity and inclusion (EDI) is vital to ensure the industry can meet these workforce challenges.

The project aims to inspire and educate young people to engage with trees and forestry in their lives and careers. Specifically, the project will centre around a week-long residential summer camp, using the outdoors as a place to learn, exchange ideas and develop. The project will target young people (aged 16-21 years old) who come from groups currently under-represented in the forestry and forest research sector, and who themselves are disadvantaged. The grant recipients aim to seek out bright and talented youth and inspire them to become the future leaders and ambassadors for the sector.

The project is scheduled to complete in 2027.

#### **Inspiring future foresters via STEM activity in schools (Confor and Stemovators)**

One of the big challenges in growing a workforce is increasing the number of new entrants, particularly school leavers. There remains a perception that forestry careers are limited in scope even although there is considerable material available to the contrary. It is important therefore to engage with young people in different ways, and this project aims to do that, reinforcing forestry as a STEM subject, but doing so in a way that is accessible and attractive to young people as they start making decisions about subject choices and future careers.

## The Scottish Forestry Trust SCIO

### Report of the Trustees for the period ended 31 March 2025 (Contd.)

The project aims to build on the three-year pilot, funded by The Scottish Forestry Trust, which targeted S1-S3 pupils in the Highland Council area. The programme will now be extended to include pupils from schools in Dumfries and Galloway and the Borders in the academic year beginning August 2025. More than 1,500 pupils are likely to experience the Climate Smarter programme in 2024-2025.

The project is scheduled to complete in 2027.

### Landscape-scale lowland deer management (Scottish Forestry)

In recent years, the requirement to control wild deer numbers in Scotland has moved up the political agenda. There is now an agreed need to reduce the number of wild deer due to the damage the animals cause to native woodlands and the cost involved in protecting new, establishing woodlands. The focus on deer management to date has been in the Highlands, less emphasis has been placed on the control of wild deer numbers in lowland Scotland.

Under the Forestry Grant Scheme, and as a result of the adoption of the new UK Forestry Standard (UKFS), deer management plans will now form an important part of grant applications and Long-Term Forest Plans.

This project aims to increase understanding of how to write and assess these plans, with a focus on how deer numbers and impacts are monitored, including providing some practical experience in deer management.

The project is scheduled to complete in 2027.

### Modelling forest disease and its carbon budget (University of Oxford)

The past decades have seen a sharp increase in emergent infectious diseases posing a significant threat to the United Kingdom's biodiversity and forest productivity. The most devastating diseases were caused by fungal or fungal-like infections, such as Dutch elm disease (*Ophiostoma novo-ulmi*), chestnut blight (*Cryphonectria parasitica*) and now recently ash dieback (*Hymenoscyphus fraxineus*).

It is vital to understand the mechanism of tree mortality and carbon cycling under invasive forest pathogens for more realistic carbon budget forecasts. However, these mechanisms are currently poorly understood. Vegetation models that account for the effect of forest diseases are very rare, due to the difficulty of large-scale monitoring, low detectability by satellites, and complex host-pathogen-environment interactions at different hierarchical levels.

This doctoral research project aims to fill the modelling gap, developing a general model for predicting dynamics of tree mortality and forest carbon sink under the presence of pests and pathogens.

The project is scheduled to complete in 2027.

### Sitka spruce colonisation at treeline in Scotland (University of Stirling)

Sitka spruce (*Picea sitchensis*) colonisation outside of plantations via natural regeneration is well known – it has high seed production and the potential for long distance, as well as localised, dispersal. This colonisation is generally regarded as a threat to biodiversity.

One area where Sitka spruce colonisation may have significant ecological effects is at the high elevation treeline. Treeline and upland woodland habitats in Scotland are significantly degraded and fragmented and their restoration has benefits for slope stabilisation, flood risk management and habitat provision.

This doctoral research project aims to investigate treeline sites in Scotland that have been colonised by Sitka spruce from plantation sources, seeking to understand spatial patterns and the influence of landscape scale features on colonisation, the impacts on biodiversity and treeline development, and the long-term implications of treeline colonisation. The project takes a neutral perspective and has the potential to identify both risks and benefits of Sitka spruce at treeline sites.

The project is scheduled to complete in 2028.

# The Scottish Forestry Trust SCIO

## Report of the Trustees for the period ended 31 March 2025 (Contd.)

### Working Woods Scotland course 2025 (Association of Scottish Hardwood Sawmillers)

There is a growing interest in making better use of our own home-grown hardwood timber in Scotland, while at the same time broadleaf species play an ever-increasing part in current planting plans for Scotland.

Working Woods Scotland is a three-day training course ran by the Association of Scottish Hardwood Sawmillers that brings together professionals from across the homegrown Scottish hardwood (and premium softwood) industry. The course content covers all aspects of the industry, teaching participants silvicultural practices for growing hardwoods for timber; grading and valuing standing trees, round logs, and sawn boards; timber processing practices (such as sawing and kilning); and finding markets for hardwood timber and timber products.

The course is also designed to help foster links with other professionals in the sector, increasing mutual understanding and encouraging trade and collaboration. This approach helps delegates capitalise on the increasing opportunities for hardwood production, diversify their skillset and grow a network of colleagues to collaborate with beyond the course.

The project will be concluded in 2025.

### The Early Career Researchers Conference Fund

The Early Career Researchers Conference Fund supports conference attendance by recently qualified forestry researchers who are employed in UK research institutes [those with fewer than four years post-doctoral experience, or for non-doctoral staff fewer than seven years post-graduate experience]. The support is aimed at staff attending conferences both in the UK and overseas at which they may be involved in presentations (including posters) or actively building networks or contacts linked to future research funding proposals. Those attending will be expected to provide the Trust with a short report on their experience at the event including any networking outcomes achieved. Applications should be submitted on behalf of the attendees by the employing organisation.

Only one award was made in 2024-2025, to Sarah Wild (Bangor University) to attend the International Association of Wildland Fire (IAWF) Canadian Conference in New Brunswick, 28 October – 1 November 2024.

### Awards

The Dr Cyril Hart Memorial Award is presented to researchers who have received funding support from The Scottish Forestry Trust, and who as a result of their research have produced publicly available, quality papers through a scientific journal, article or practice note, which clearly demonstrates the translation of scientific research into practical information suitable for wider forestry sector consumption. The 2024 Dr Cyril Hart Memorial Award was presented to Dr Heather Dun, for the research paper,

Dun, H.F., Clarke, T.K., Mackay, J.J. and Green, S.(2022). Exploring variation in susceptibility to *Phytophthora ramorum* in Japanese larch (*Larix kaempferi*) published in Forest Pathology (2022) 52:4.

### Financial review

#### Financial information

During the period the Trust's income amounted to £311,486 (2023-2024: £119,084). After deduction of expenses, and before realised and unrealised gains on investments, the net expenditure amounted to £21,751 (2023-2024: £5,704). The market value of investments has increased over the period from £3,229,774 to £3,273,588.

# The Scottish Forestry Trust SCIO

## Report of the Trustees for the period ended 31 March 2025 (Contd.)

### Investment policy

The capital funds held by the Trust are invested with the objective to generate income for the support of charitable beneficiaries as well as protect the real value of the capital over the long-term. The investments are aligned to the charitable purposes of the organisation and the investment policy is reviewed on an annual basis with the investment manager.

The Trustees have made the decision to exclude investment in any company that promotes pornography; where the principal business is in tobacco or weapons; and where there has been evidence of controversies relating to deforestation or permanent removal of natural forests.

At the end of the period, the investment portfolio, which is managed by RBC Brewin Dolphin, was valued at £3,273,588. Brewin Dolphin continue the diversification of the investments globally and into assets such as fixed interest and absolute return funds; these are expected to bear fruit in the longer term. Over the period, the sum of £81,138 was received in income, an amount deemed appropriate by the Trustees based on a conservative approach given ongoing market uncertainty.

Beyond traditional financial metrics, the Trust adheres to a commitment to invest in responsible and sustainable operations in the portfolio and employs an ESG risk metric to measure the degree to which the underlying investments' economic value may be at risk due to material environmental, social and governance factors. The ESG risk metric assesses how a business impacts the environment, its relationships with employees and communities, and its corporate governance practices, including transparency and accountability. A portfolio with a higher score indicates higher exposure to ESG related risk. The Trust's portfolio ESG risk score is 20.84, compared to the Vanguard FTSE (All World) score of 22.01.

In addition, the Trust measures a portfolio's exposure to carbon intensive businesses through a carbon intensity metric recommended by the Task Force on Climate Related Financial Disclosures. The metric is calculated as a weighted average of each portfolio company's of category 1 and 2 carbon emissions, divided by their annual sales. A portfolio with a lower score represents lower carbon intensity. The Trust's portfolio weighted average carbon intensity score is 81.79, compared to the Vanguard FTSE (All World) score of 207.43.

### Risk Management

The Trustees have a formal risk management matrix and disaster recovery plan in place, which is reviewed by Trustees at least annually. During the period, Trustees reviewed our risk classification with our investment managers in order to ensure that our portfolio continues to be managed appropriately.

There are three main risk areas: -

Financial – The Trustees consider variability of investment returns on our portfolio as the most critical risk and in response to that, the Trust has a formal Investment Policy Statement (IPS) with our Investment Managers with which we review the basis of how our investment portfolio is being managed with due consideration to the Trust's aims and objectives. The IPS is reviewed by Trustees every three years and was formally reviewed in late 2020 and from 1 April 2021 a new approach has been taken to managing the funds (Total Investment Approach). Trustees also formally consider the annual target income level, and in 2021-2022 this was set at £85,200 (£7,100 per month), taking into account the performance benchmarks used and the level of risk that Trustees are prepared to accept in terms of our managed investment portfolio. Trustees regularly take professional advice from their investment advisers regarding the market outlook, investment trends and yield and the prospects for future capital growth. Brewin Dolphin manages the Trust's investment portfolio.

Reputational – It is important to the Trust that high quality standards are upheld in both the applications and progress reports we receive so that our reputation as an organisation that supports authoritative research is maintained. To that end, we provide full application details and guidance notes on our website and give applicants clear guidance as to what to do following approval and particularly if there are problems with delivery of the project. As a result, the failure rate of approved projects is minimised. Additionally, the Trust has an active responsible investment policy, and our funds are not invested in any company that promotes pornography or where the principal business is in tobacco or weapons manufacturing or in companies where there has been evidence of controversies relating to deforestation or permanent removal of natural forests. As of April 2022, the Trustees are also satisfied that there are no investments in companies that actively operate in or have a connection to Russia.

# The Scottish Forestry Trust SCIO

## Report of the Trustees for the period ended 31 March 2025 (Contd.)

The Trust has a Fraud Policy and Fraud Action Plan in line with best practice standards required of all Charities. In addition, and in recognition of the new data protection requirements under the UK General Data Protection Regulation (GDPR), the Trust have considered and approved measures to ensure compliance with the new regulation.

**Personnel** – The Trust is only able to maintain the quality of its services through the tireless hard work of the Trustees and in particular, the work of the Trustees who form the Projects and Research Committee. Up until 2021 Trustees would normally serve for a period of ten years and we have ensured that at no time do more than two Trustees retire in any one year so that we can maintain continuity of expertise. From April 2021 this has changed to two terms of 6 years, and the Trust Rules have been adjusted to reflect this. In addition, the Director and Chair of the Trust will not leave post at the same time so that business continuity can be maintained at all times.

In January 2024, Executive Director Amanda Bryan MCFOR tendered her resignation but agreed to serve a six month notice period on reduced hours to enable the Trust to recruit a replacement Executive Director with a planned handover period. As a result, Amanda Bryan MCFOR left the position of Executive Director on Thursday, 18 July 2024.

Dr Stuart Glen took up the position of Executive Director on Monday, 3 June 2024.

### Reserves Policy

Grants are paid out of investment and other income after deduction of administrative expenses. Revenue surpluses brought forward from previous years are available if there is a shortfall.

Trustees have reviewed the need for a formal reserve and have concluded that it would be prudent to hold a cash reserve of £30,000, being the sum required to maintain the functioning of the Trust for a period of one year. Any outstanding payments to approved projects would be paid from unrestricted capital funds should there be a significant shortfall.

### Plans for the Future

Trustees are committed to securing the long-term future for the Trust in order that it can continue supporting research, education and training in forestry in accordance with its objectives. During the year, financial commitments have been made to new projects totalling £148,172 which added to existing commitments brings the forward commitments to £305,817 and this sum will progressively be disbursed over the next five financial years. Careful management of the Trust's portfolio supplemented by additional fundraising activity will ensure that we are able to meet these obligations.

Recognising that pressures on research budgets are intense whilst the demand for research, education and training in forestry increases, combined with the Trust's more visible profile, Trustees are conscious that demand for funds from the Trust is likely to increase in the coming years. With that in mind, we will continue to strive to generate additional income from other private sources over the coming years, including where possible, projects which offer the prospect of shared future Intellectual Property rights. We will also continue to seek strategic alliances with other organisations in order to deliver our funding schemes.

### Structure, Governance and Management of the Trust

The Scottish Forestry Trust was a charitable trust (Registered Charity Number SC008465) and was established in 1983 by the generous gift of share capital of the Scottish Woodland Owners Association Ltd (SWOAC). In June 1986, the Trustees of the Scottish Forestry Trust received an offer from the management of SWOAC to purchase the shareholding and in December 1986, the Trust received a cash sum of £1.52 million, which has since been invested to produce an annual income. The inclusion of the word 'Scottish' in the Trust's name reflects the source of the original funding from Scotland's Woodland Owners Association, who were happy for the Trust's remit to cover the whole of the UK.

Trustees are currently appointed for a period of three years with an option to renew for a further three years depending on individual circumstances [Trustees appointed before 2021 are appointed for five, plus five years]. Continuity of expertise is important to the Trust and so appointments and hence retirements are staggered to ensure that experience and historical knowledge is retained for as long as possible. In replacing Trustees, care is taken to replicate skillsets in so far as is possible, in order to retain the breadth of knowledge necessary to deliver our funding support consistent with our Deeds.

# The Scottish Forestry Trust SCIO

## Report of the Trustees for the period ended 31 March 2025 (Contd.)

On appointment, new Trustees are given an induction pack consisting of a copy of the Trust's Deeds and Rules, the last set of accounts; a historical document describing the Trust's achievements and aims; a project listing and copies of application forms and a copy of the latest guidance from the Office of the Scottish Charity Regulator (OSCR) on their role as a Trustee within a charity. The new Trustee is then invited to the formal Trustees' meeting in December as an observer so that they get a flavour of the work of the Trust. Their appointment then commences formally in January of the following year, at which time a formal induction session is held. All Trustees are given the opportunity to attend charity briefing events held by our fund managers, auditors and other service providers in the sector.

The Board of Trustees has the sole power to make decisions for the Trust. Full meetings of the Trustees are held three times per year. The Director is responsible directly to the Chair for the day-to-day organisation and management of the Trust's business. In appointing Trustees, attention is paid to experience, gender and to maintaining a balance on the Board among landowners, forestry owners, processor representatives, economics expertise, and professional forestry, investment and academic expertise. This balance has worked well in formulating objectives and reaching decisions appropriate to these objectives as well as providing experience and expertise necessary to the effective operation of the Trust.

At the Trustees' meetings, the Trustees agree the broad strategy and areas of activity for the Trust including consideration of recommendations for grant approvals, investment policy, risk management, marketing and promotion planning, and general performance. Trustees give freely of their time. In the case of the Chair and members of the Projects and Research Committee, this is in the region of ten days per person each year, and no Trustee remuneration was paid during the year, although out of pocket expenses to attend meetings are reimbursed.

Biographical notes on the Trustees active during the year can be found on the Trust's website at <https://www.scottishforestrytrust.org.uk/about-the-trust>

The Trust reviewed its Rules in 2020 and new Rules apply from April 2021.

In 2023, the Trust embarked on the transition to a new entity, a Scottish Charitable Incorporated Organisation). It was intended that from July 2024 all Trustees, employees, assets and liabilities of the Scottish Forestry Trust would be transferred to The Scottish Forestry Trust SCIO. After this time The Scottish Forestry Trust would be wound up and cease to be a registered charity (in 2025-2026).

The Scottish Forestry Trust SCIO (Registered Charity Number SC053147) was established on 28 February 2024, and all business was transferred to The Scottish Forestry Trust SCIO on 31 July 2024.

### Key Management Personnel Remuneration

The Trustees consider the Board of Trustees and the Trust's Executive Director as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis.

The Trust's Executive Director is the sole part-time employee and full disclosure of salary is given in note 7 to the financial statements. Pay levels are considered at Trustees meetings on an annual basis and decisions are made on the appropriate level of pay for the coming year. Trust contracts CT (formerly Chiene and Tait LLP) to provide payroll services on behalf of the Trust.

In line with Government requirements for auto enrolment, the Trust has set up a pension scheme which is available to any staff member if they choose to do so.

# The Scottish Forestry Trust SCIO

## Report of the Trustees for the period ended 31 March 2025 (Contd.)

### Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the Trustees to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the requirements of the charity's trust deed. 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 Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### On behalf of the Trustees

*Paul Atkinson*

Paul Atkinson

Chair of Board of Trustees

Date: 19 December 2025

# The Scottish Forestry Trust SCIO



## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF

### THE SCOTTISH FORESTRY TRUST

#### Opinion

We have audited the financial statements of The Scottish Forestry Trust SCIO (the 'charity') for the 13 month period ended 31 March 2025, which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2025 and of its incoming resources and application of resources, including income its and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the provisions available for small entities, in the circumstances set out in note 1 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity'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.

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

#### Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

# The Scottish Forestry Trust SCIO



## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF

### THE SCOTTISH FORESTRY TRUST (continued)

#### **Other information (continued)**

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or

#### **Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of financial statements, which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act.

Our 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 an auditor's report that includes our 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.

# The Scottish Forestry Trust SCIO



## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF

### THE SCOTTISH FORESTRY TRUST (continued)

#### **Auditor's responsibilities for the audit of the financial statements (continued)**

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

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Requesting and reviewing any available correspondence with OSCR;
- Review of minutes of board meetings throughout the period;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements; employment law (including the Working Time Directive); and compliance with Scottish charity legislation.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is aware of it or to recognise the non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*CT Audit*

**CT Audit Limited**  
**Chartered Accountants and Statutory Auditor**  
**61 Dublin Street**  
**Edinburgh**  
**EH3 6NL**

19 December 2025

---

CT Audit Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

## The Scottish Forestry Trust SCIO

### STATEMENT OF FINANCIAL ACTIVITIES For the 13 month period ended 31 March 2025

	Notes	Restricted Funds £	Unrestricted Funds £	2025 Total £	Restricted Funds £	Unrestricted Funds £	2024 Total £
<b>Income and endowments from</b>							
Donations, grants and legacies	2	22,092	204,521	226,613	19,371	11,670	31,041
Investments	3	-	84,873	84,873	-	88,043	88,043
<b>Total income</b>		<u>22,092</u>	<u>289,394</u>	<u>311,486</u>	<u>19,371</u>	<u>99,713</u>	<u>119,084</u>
<b>Expenditure on</b>							
Raising funds:							
Investment management costs		-	22,114	22,114	-	18,547	18,547
Promotion costs		-	3,956	3,956	-	3,737	3,737
Charitable activities:	4						
Research		31,140	24,762	55,902	41,122	32,588	73,710
Education		-	85,360	85,360	-	18,001	18,001
Training		-	8,492	8,492	-	10,792	10,792
<b>Total expenditure</b>		<u>31,140</u>	<u>144,684</u>	<u>175,824</u>	<u>41,122</u>	<u>83,666</u>	<u>124,788</u>
<b>Net (expenditure) before gain/(loss) on investments</b>		<u>(9,048)</u>	<u>144,710</u>	<u>135,662</u>	<u>(21,751)</u>	<u>16,047</u>	<u>(5,704)</u>
Net gain/(loss) on investment assets	9	-	55,424	55,424	-	273,217	273,217
<b>Net income/ (expenditure) and net movement in funds</b>		<u>(9,048)</u>	<u>200,134</u>	<u>191,086</u>	<u>(21,751)</u>	<u>289,264</u>	<u>267,513</u>
<b>Reconciliation of funds</b>							
Total funds brought forward		43,742	3,220,498	3,264,240	65,493	2,931,234	2,996,727
Total funds carried forward		<u>34,694</u>	<u>3,420,632</u>	<u>3,455,326</u>	<u>43,742</u>	<u>3,220,498</u>	<u>3,264,240</u>

All of the above results are derived from continuing activities. All gains and losses recognised in the period are included above.

The notes on pages 22 to 31 form part of these financial statements.

# The Scottish Forestry Trust SCIO

## BALANCE SHEET

As at 31 March 2025

	Notes	2025 £	2024 £
<b>Fixed Assets</b>			
Tangible assets	8	-	134
Investments	9	3,273,588	3,229,774
		<u>3,273,588</u>	<u>3,229,908</u>
<b>Current Assets</b>			
Debtors	10	200,339	3,691
Bank	11	223,017	214,319
		<u>423,356</u>	<u>218,010</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(121,546)</u>	<u>(76,030)</u>
<b>Net current assets</b>		<u>301,810</u>	<u>141,980</u>
<b>Total assets less current liabilities</b>		3,575,398	3,371,888
<b>Creditors: amounts falling due after more than one year</b>	13	<u>(120,072)</u>	<u>(107,648)</u>
<b>Net assets</b>		<u><u>3,455,326</u></u>	<u><u>3,264,240</u></u>
Represented by:			
Restricted funds	14	34,694	43,742
Unrestricted funds	14	3,420,632	3,220,498
		<u>3,455,326</u>	<u>3,264,240</u>

Approved by the Board of Trustees on 19 December 2025 and signed on its behalf by:

Paul Atkinson Chair  
Paul Atkinson

## **The Scottish Forestry Trust SCIO**

The notes on pages 22 to 31 form part of these financial statements

# The Scottish Forestry Trust SCIO

## NOTES TO THE FINANCIAL STATEMENTS

### For the period ended 31 March 2025

#### 1. Accounting Policies

##### General Information

The Scottish Forestry Trust is a charitable trust registered in Scotland. The address of the registered office is given in the administrative information on page 4 of these financial statements.

##### Basis of accounting

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these financial statements. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition – October 2019) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The Trust constitutes a public benefit entity as defined by FRS 102. The financial statements are presented in sterling which is the functional currency of the charity rounded to the nearest pound.

In common with many other charities of our size and nature the Trust uses its auditors to assist with the preparation of the financial statements

These accounts are merged charity accounts and include the transactions of the unincorporated trust (SC008465) and the SCIO (SC053147). On the 28 February 2024, The Scottish Forestry Trust SCIO (SC053147) was established as a Scottish Charitable Incorporated Organisation ('SCIO'). The assets of the unincorporated charity Scottish Forestry Trust (SC008465) were transferred to the SCIO on the 31 July 2024 and it is intended an application will be made to wind up the unincorporated charity. Scottish Forestry Trust (SC008465).

##### Going concern

The financial statements have been prepared on a going concern basis. The Trustees have assessed the Trust's ability to continue as a going concern and have reasonable expectation that the Trust has adequate financial resources to continue in operational existence for the foreseeable future. The Trustees believe there are no material uncertainties related to any events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern. Thus, they continue to adopt the going concern basis of accounting in preparing these financial statements.

##### Funds structure

The Trust has a 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. In addition, the Trust has two restricted funds. The first includes grants received from the Forestry Commission to be used to assist with funding a bursary award scheme. The second includes donations received from Tilhill/QBE for assisting projects that research reducing risks in forestry establishment and management. These funds can be used for no other purpose.

##### Tangible fixed assets

Tangible fixed assets are capitalised at cost. Assets below £100 are not capitalised in the balance sheet.

##### Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life as follows:

Office equipment - 20%

# The Scottish Forestry Trust SCIO

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

### For the period ended 31 March 2025

#### 1. Accounting Policies (contd.)

##### **Investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the period.

The main form of financial risk faced by the Trust is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

##### **Realised gains and losses**

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial period. Unrealised gains and losses are calculated as the difference between the fair value at the period end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities

##### **Income recognition**

All income is recognised once the Trust has entitlement to the income, there is sufficient certainty or receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

##### **Investment income**

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. Interest on funds held on deposit is included upon notification of the interest paid or payable by the bank.

##### **Donations and legacies**

Donations and legacies are recognised when they have been communication has been received of both the amount and expected settlement date.

##### **Grant income**

Grant income receivable is recognised when communication of the grant has been received confirming both the amount and settlement date. In the event that a grant is subject to conditions that require a level of performance before the Trust is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Trust and it is probable that those conditions will be fulfilled in the reporting period.

##### **Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Trust to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measure reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the Statement of Financial Activities.

##### **Grants**

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one year or multi-year grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled conditions attaching to that grant are outside of the control of the Trust.

## **The Scottish Forestry Trust SCIO**

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable.

# The Scottish Forestry Trust SCIO

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

### For the period ended 31 March 2025

#### 1. Accounting Policies (contd.)

##### Expenditure allocation

Where possible, expenditure has been charged direct to charitable expenditure, cost of raising funds or governance costs. Where this is not possible the expenditure has been allocated on the basis of time spent by staff on each activity.

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.
- Costs of raising funds comprise investment management fees and promotion costs.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

##### Value Added Tax

The Trust is not registered for Value Added Tax and accordingly expenditure is stated gross.

##### Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in Statement of Financial Activities immediately. Any reversals of impairment are recognised in Statement of Financial Activities immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

#### 2. Donations, grants and legacy income

	<b>2025</b>	<b>2024</b>
	£	£
Donations	206,413	3,641
Legacies	200	10,000
Government Grants – Scottish Forestry	20,000	17,000
Other Grants	-	400
	<u>226,613</u>	<u>31,041</u>

#### 3. Income from investments

	<b>2025</b>	<b>2024</b>
	£	£
Investment income:		
UK listed investments	81,138	84,732
Interest on cash deposits	3,672	3,192
Royalty payments	63	119
	<u>84,873</u>	<u>88,043</u>

# The Scottish Forestry Trust SCIO

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

### For the period ended 31 March 2025

4. Expenditure on charitable activities	Grant funding £	Support costs £	2025 £	2024 £
Education	75,460	9,900	85,360	18,001
Research	23,571	32,331	55,902	73,710
Training	8,492	-	8,492	10,792
	<u>107,523</u>	<u>42,231</u>	<u>149,754</u>	<u>102,503</u>

5. Grant funding - project grants awarded	Restricted Funds £	Unrestricted Funds £	2025 Total £	2024 Total £
<b>Education</b>				
Pilot Initiative to Inspire future foresters via Creating Canopy	-	-	-	5,000
Developing an easier route to strength grading of UK Foresters of the Future	-	-	-	1,198
By Trees We Live	-	-	-	934
Inspiring Future Foresters via Stem activity in schools	-	29,196	29,196	-
	-	5,000	5,000	-
	-	41,264	41,264	-
<b>Research</b>				
Sitka Spruce Colonisation of Treeline in Scotland	-	-	-	26,826
Pest Management in forestry	-	(6,958)	(6,958)	-
Identifying alternatives to plastic tree shelters	1,140	-	1,140	-
St Andrews University	-	-	-	1,685
Hardwoods	-	-	-	35,001
Dynamic conversation of genetic diversity in juniper	-	(5,611)	(5,611)	12,611
Implications for tree morality	30,000	-	30,000	-
Integrated case study for restoration	-	5,000	5,000	-
<b>Training</b>				
Working Wood for Foresters Training Course	-	-	-	3,392
Small Scottish Tree Nurseries	-	-	-	5,400
Working Woods Scotland 2024	-	-	-	2,000
Working Woods Scotland 2025	-	2,000	2,000	-
Landscape scale lowland deer management	-	5,706	5,706	-
Wildfire exposure and vulnerability assessment	-	786	786	-
<b>Awards (Education)</b>	-	-	-	4,810
	<u>31,140</u>	<u>76,383</u>	<u>107,523</u>	<u>63,856</u>

All of the above research and education grants were made to institutions.

# The Scottish Forestry Trust SCIO

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

### For the period ended 31 March 2025

#### 6. Allocation of support costs

Support costs are allocated on the basis of estimated time spent on each activity and are shown in the table below:

<b>Support and governance costs</b>	<b>Cost of raising funds</b> £	<b>Charitable activity - Education</b> £	<b>Charitable activity - Research</b> £	<b>2025 Total</b> £
Employment costs	2,925	5,847	20,466	29,237
Director's expenses	370	739	2,587	3,696
Pension costs	48	96	337	481
Office costs	351	702	2,456	3,508
Trustees' expenses & meeting costs	131	262	918	1,311
Payroll	94	187	656	937
Bank charges	14	27	96	137
Professional fees	10	21	72	103
Website	2	3	10	15
Depreciation	13	27	94	134
<b>Governance costs</b>				
Audit fee	-	1,989	4,641	6,630
	<u>3,956</u>	<u>9,900</u>	<u>32,331</u>	<u>46,187</u>

<b>Support and governance costs</b>	<b>Cost of raising funds</b> £	<b>Charitable activity - Education</b> £	<b>Charitable activity - Research</b> £	<b>2024 Total</b> £
Employment costs	2,433	3,649	18,247	24,329
Pension costs	135	202	1,010	1,347
Office costs	530	795	3,975	5,300
Trustees' expenses & meeting costs	246	369	1,847	2,462
Payroll	94	141	704	939
Bank charges	15	22	111	148
Professional fees	242	363	1,817	2,422
Website	29	44	219	292
Depreciation	13	20	101	134
<b>Governance costs</b>				
Audit fee	-	1,254	3,757	5,011
	<u>3,737</u>	<u>6,859</u>	<u>31,788</u>	<u>42,384</u>

The employment costs of the Director have been allocated in accordance with time spent on each activity.

# The Scottish Forestry Trust SCIO

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

### For the period ended 31 March 2025

<b>7. Staff costs</b>	<b>2025</b>	<b>2024</b>
	£	£
Director's salary	29,237	24,330
Social Security costs	-	-
Pension cost	481	1,345
	<u>29,718</u>	<u>25,675</u>
	<b>No.</b>	<b>No.</b>
The average number of employees during the period was:	<u>1</u>	<u>1</u>

No employee received emoluments over £60,000.

Total remuneration paid to key management personnel in the period was £29,718 (2024: £25,675).

<b>8. Fixed Assets</b>	<b>Office Equipment</b>
	£
<b>Cost</b>	
At 1 April	<u>670</u>
<b>Depreciation</b>	
At 1 April 2024	536
Charge for the period	<u>134</u>
At 31 March 2025	<u>670</u>
<b>Net Book Value</b>	
At 31 March 2025	<u>-</u>
At 31 March 2024	<u>134</u>

# The Scottish Forestry Trust SCIO

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

### For the period ended 31 March 2025

<b>9. Investments</b>	<b>2025</b>	<b>2024</b>
	£	£
Market value at 1 April	3,229,774	2,970,076
Additions at cost	654,733	1,389,452
Disposal proceeds	(666,342)	(1,402,971)
Net gain on investments	55,424	273,217
	<hr/>	<hr/>
<b>Market value at 31 March</b>	<b>3,273,589</b>	<b>3,229,774</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Historical cost at 31 March</b>	<b>3,229,774</b>	<b>2,684,730</b>
	<hr/> <hr/>	<hr/> <hr/>

All investments are carried at their market value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

As the main source of income to the Trust, the investment portfolio is key to the ongoing financial sustainability of the Trust as set out in the financial review, investment policy and risk management sections of the Trustees' Report.

The main risk to the Trust from financial instruments lies in the combination of uncertain investment markets and volatility to yield. The Trust is reliant on dividend yield to fund its grant-making activities and this leads to a high exposure to the equity markets, not only in the UK but also overseas. However, the Trust holds relatively few overseas investments therefore limiting its exposure to exchange rate risk when converting holdings into sterling. Liquidity risk is anticipated to be low as all assets are traded in markets with good liquidity and high trading volumes and this is expected to continue.

The Trust manages these investment risks by retaining expert advisors and monitoring investment performance. The investment policy is reviewed annually to ensure the correct balance is maintained between dividend yield and capital growth to protect the real value of the portfolio in the longer term.

<b>10. Debtors</b>	<b>2025</b>	<b>2024</b>
	£	£
Accrued income	200,339	3,691
	<hr/>	<hr/>
<b>11. Bank</b>	<b>2025</b>	<b>2024</b>
	£	£
Operating accounts	209,481	184,940
Capital accounts with investment manager	13,536	29,379
	<hr/>	<hr/>
	<b>223,017</b>	<b>214,319</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>12. Creditors due within one year</b>	<b>2025</b>	<b>2024</b>
	£	£
Other creditors	108,345	66,158
Accruals	13,201	9,872
	<hr/>	<hr/>
	<b>121,546</b>	<b>76,030</b>
	<hr/> <hr/>	<hr/> <hr/>

# **The Scottish Forestry Trust SCIO**

# The Scottish Forestry Trust SCIO

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

### For the period ended 31 March 2025

13. Creditors due after more than one year	2025 £	2024 £
Other creditors	120,072	107,648

Included within other creditors in notes 12 and 13 are grants which have been approved but not paid at the period end. Committed grants fall due to be paid as follows:

	2025 £	2024 £
Due within one year	108,345	66,158
Due between one and two years	116,878	84,308
Due between two and five years	3,194	23,340
	<u>228,417</u>	<u>173,806</u>

### 14. Movement in Funds

	Balances at 1 April 2024 £	Incoming Resources £	Outgoing Resources £	Investment gains £	Transfers £	Balances at 31 Mar 2025 £
<b>Restricted funds</b>						
Bursary Award Scheme	32,988	22,092	(30,000)	-	-	25,080
Tilhill/QBE Fund	10,754	-	(1,140)	-	-	9,614
	<u>43,742</u>	<u>22,092</u>	<u>(31,140)</u>	<u>-</u>	<u>-</u>	<u>34,694</u>
<b>Unrestricted funds</b>						
Revenue fund	-	-	(121,297)	-	121,297	-
Capital fund	3,220,498	289,394	(23,387)	55,424	(121,297)	3,420,632
	<u>3,220,498</u>	<u>115,264</u>	<u>(144,684)</u>	<u>55,424</u>	<u>-</u>	<u>3,420,632</u>
	<u>3,264,240</u>	<u>311,486</u>	<u>(175,824)</u>	<u>55,424</u>	<u>-</u>	<u>3,455,326</u>

Restricted funds include a grant received from the Forestry Commission to be used to assist with funding The Bursary Award Scheme, and donations from Tilhill/QBE for assisting projects that research reducing risks in forestry establishment and management.

# The Scottish Forestry Trust SCIO

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

For the period ended 31 March 2025

### Note 14 continued

	Balances at 1 April 2023 £	Incoming Resources £	Outgoing Resources £	Investment losses £	Transfers £	Balances at 31 Mar 2024 £
<b>Restricted funds</b>						
Bursary Award Scheme	54,739	19,371	(41,122)	-	-	32,988
Tilhill/QBE Fund	10,754	-	-	-	-	10,754
	<u>65,493</u>	<u>19,371</u>	<u>(41,122)</u>	<u>-</u>	<u>-</u>	<u>43,742</u>
<b>Unrestricted funds</b>						
Revenue fund	-	-	(64,984)	-	64,984	-
Capital fund	2,931,234	99,713	(18,681)	273,217	(64,984)	3,220,498
	<u>2,931,234</u>	<u>99,713</u>	<u>(83,665)</u>	<u>273,217</u>	<u>-</u>	<u>3,220,498</u>
	<u>2,996,727</u>	<u>119,084</u>	<u>(124,788)</u>	<u>273,217</u>	<u>-</u>	<u>3,264,240</u>

### 15. Analysis of Net Assets between funds

	Restricted Funds £	Revenue Fund £	Capital Fund £	Total £
Fixed Assets	-	-	-	-
Investments	-	-	3,273,588	3,273,588
Current assets	167,901	95,210	147,044	410,155
Current liabilities	(60,186)	(48,159)	-	(108,345)
Liabilities due after more than one year	(73,021)	(47,051)	-	(120,072)
Total net assets	<u>34,694</u>	<u>-</u>	<u>3,420,632</u>	<u>3,455,326</u>

### 2024

	Restricted Funds £	Revenue Fund £	Capital Fund £	Total £
Fixed Assets	-	-	134	134
Investments	-	-	3,229,774	3,229,774
Current assets	193,127	30,143	(5,260)	218,010
Current liabilities	(49,143)	(22,737)	(4,150)	(76,030)
Liabilities due after more than one year	(100,242)	(7,406)	-	(107,648)
Total net assets	<u>43,742</u>	<u>-</u>	<u>3,220,498</u>	<u>3,264,240</u>

# The Scottish Forestry Trust SCIO

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

### For the period ended 31 March 2025

#### 16. Related party transactions

Helen McKay, a Trustee, is part of senior management at Scottish Forestry. The Trust received £20,000 (2024: £17,000) Partner funds from Scottish Forestry. At the year end there were no amounts outstanding from Scottish Forestry. At the year end there were no amounts due from Scottish Forestry (2024; none).

Helen McKay is a honorary fellow of Forest Research. Two other Trustees, James Pendlebury and Ian Willoghby are employees of Forest Research. During the period the Trust paid £6,811 project contributions to projects led by Forest Research. At the year end there were no amounts due to Forest Research (2024; none).

During the period, the trustees received no remuneration, 5 trustees (2024: 6 trustees) received reimbursed expenses totalling £1,311 (2024: £1,212). These expenses were incurred in respect of travel and subsistence while attending Trustees' meetings.

#### 17. Financial Instruments

	2025 £	2024 £
Assets recognised at fair value through profit & loss	3,273,588	3,229,774
Assets measured at fair value through profit and loss comprise investments		

#### 18. Operating Lease Commitments

	2025 £
Due within one year	920
Due after one year	-
	<hr style="border-top: 1px solid black;"/>
	920
	<hr style="border-top: 3px double black;"/>

#### 19. Contingent liability

When reviewing the funding payment schedule from 24/25 until 29/30, for project P23-306 – Early Career Researchers Conference Bursary Fund, the funding schedule displayed an annual funding commitment of £5,000.

However, this £5,000 commitment is an annual maximum budget for the specific project, which can be drawn upon as and when required. This amount has failed to be drawn down fully in both the prior year and current period, with the trust paying out £966 and £4017 respectively.

Given the estimation uncertainty surrounding the annual commitment, the amount fails to meet the recognition criteria for being a long term creditor balance on the balance sheet. As such, the amount has been adjusted to recognise as a contingent liability, totalling £25,000 (being the £5,000 annual commitment for a contracted term of 5 years)

## The Scottish Forestry Trust SCIO

### 20. Analysis of principal Statement of Financial Activities components for the current reporting period

	Scottish Forestry Trust (pre-merger)	The Scottish Forestry Trust SCIO (pre- merger)	Combined Total
	£	£	£
Total income	3,091	-	3,091
Total expenditure	(18,873)	-	(18,873)
Net income/(expenditure)	(15,783)	-	(15,783)
Other gains/(loses)	67,588	-	67,588
<b>Net movement in funds</b>	<b>(51,805)</b>	<b>-</b>	<b>(51,805)</b>

### 21. Analysis of principal Statement of Financial Activities components for the previous reporting period

	Scottish Forestry Trust	The Scottish Forestry Trust SCIO	Combined Total
	£	£	£
Total income	119,084	-	119,084
Total expenditure	124,788	-	124,788
Net income/(expenditure)	(2,584)	-	(2,584)
Other gains/(loses)	273,217	-	273,217
Net movement in funds	267,513	-	267,513
Total funds brought forward	2,996,727	-	2,996,727
<b>Total funds carried forward</b>	<b>3,264,240</b>	<b>-</b>	<b>3,264,240</b>

### 22. Analysis of net assets as at 31 July 2024

	Scottish Forestry Trust	The Scottish Forestry Trust SCIO	Combined Total
	£	£	£
Net assets	3,316,045	-	3,316,045
Represented by:			
Unrestricted funds	3,313,057	-	3,313,057
Restricted funds	29,988	-	29,988
<b>Total funds</b>	<b>3,316,045</b>	<b>-</b>	<b>3,316,045</b>

In 2023, the Trust embarked on the transition to a new entity, a Scottish Charitable Incorporated Organisation). It was intended that from July 2024 all Trustees, employees, assets and liabilities of the Scottish Forestry Trust would be transferred to The Scottish Forestry Trust SCIO. After this time The Scottish Forestry Trust would be wound up and cease to be a registered charity (in 2025-2026).

The Scottish Forestry Trust SCIO (Registered Charity Number SC053147) was established on 28 February 2024, and all business was transferred to The Scottish Forestry Trust SCIO on 31 July 2024.