

ROYAL SCOTTISH FORESTRY SOCIETY

Charity No. SCO 002058

FINANCIAL STATEMENTS

FOR

THE YEAR ENDED

31 DECEMBER 2017

**Reference and Administrative Details
For the year ended 31 December 2017**

The trustees serving during the year and since the year end were as follows:

Board members:	James Hepburne Scott	President (Vice President to 9 May 2017)
	James Robertson	Vice President
	Simon MacGillivray	
	Dr Thomas Mitchell	Honorary Treasurer
	Sir Patrick Hunter Blair	Past President (President to 9 May 2017)
	Rod Pimm	
	Simon Blackett	
	Syd House	Chair of RSFS Forest Trust Company (appointed 9 May 2017)
	Chris Allan	(appointed 9 May 2017)
	Wilma Harper	Past President (resigned 9 May 2017)
	His Honour William Crawford	(resigned 31 December 2016)
	Steve Brown	(resigned 31 December 2016)
	Robert Gladstone	(resigned 31 December 2016)
	Dr Bill Mason	(resigned 31 December 2016)
	Lord Norrie	(resigned 31 December 2016)
	James Ogilvie	(resigned 31 December 2016)
Gavin Strachan	(resigned 31 December 2016)	
Michael Strachan	(resigned 31 December 2016)	
Jeremy Thompson	(resigned 31 December 2016)	
Ruth Tittensor	(resigned 31 December 2016)	
Gareth Whyment	(resigned 31 December 2016)	

The name and composition of the governing body were amended with effect from 31 December 2016. The new Board was set up with five office bearers. The list of Board Members shown above advises the appointments to the Board and resignations of Council members.

Executive Director: George Moore

Bankers:	CAF Bank Limited	Royal Bank of Scotland
	25 Kings Hill Avenue	142-144 Princes Street
	Kings Hill	Edinburgh
	West Malling	EH2 4EQ
	ME19 4JQ	

Independent Examiner: James Anderson C.A.
Pentland Estate
Straiton
Edinburgh
EH20 9HQ

Registered Office: Lilliebow
The Stell
Kirkcudbright
DG6 4SA

Charity Registration No: SCO 002058

Governing Document: Constitution

Report of the Trustees For the year ended 31 December 2017

The trustees present their annual report and financial statements of the charity for the year ended 31 December 2017. The financial statements have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP FRS 102).

Objectives and activities

The Society is an educational charity with voluntary members whose prime objective is the “Advancement of forestry in all its branches”. Membership is open to all who wish to support the objectives of the Society.

The Royal Scottish Forestry Society actively promotes education and training in the sound management of trees and woodlands for the benefit of all. By organising lectures and field meetings the Society seeks to educate each new generation in the essential benefits of the science and art of forestry and its practical application. The members organise field meetings, lectures, excursions and conferences that reinforce that educational objective.

The Society’s journal “*Scottish Forestry*”, seeks to disseminate original research and technical innovation that will enhance the creation of diverse woodlands, encourage their management for multiple benefits and ensure the wide enjoyment of Scotland’s woodland environment by all. The RSFS encourages the use of Scotland’s woodlands and timber in new, innovative and beautiful ways.

Achievements and performance

The Royal Scottish Forestry Society successfully changed status to a SCIO (Scottish Charitable Incorporated Organisation) in May 2017.

The Society, through its Regional Committees, organised 16 field visits and 1 seminar on various aspects of Forestry in Scotland. An excellent Spring Excursion, organised by South West Region, was held in South Central Scotland based at the Moffatt House Hotel, Moffatt. Attendance was strong and all aspects of the visits were enjoyed by all taking part.

The journal, Volume 71, was published in three issues in full colour. The editor was Carol Crawford who continues to develop the content and quality of the journal. The Society also has continued to develop the journal ensuring the maintenance of the high standards and universal respect that “*Scottish Forestry*” enjoys. “*Scottish Forestry*” is well received by the members of the wider forestry community.

Details on the progress to achieving our objectives are discussed in depth at each Board meeting. Of the 17 objectives established in the 2015 strategic plan, 14 have been achieved and the remaining 3 are in progress or close to completion.

Financial Review

Results for the year

The results for the year are as stated in the Statement of Financial Activities on page 7.

The Charity had unrestricted fund income amounting to £67,817 (2016: £58,798) and unrestricted fund expenditure of £64,483 (2016: £62,514) resulting in a net surplus for the year of £3,334 (2016: deficit of £3,716). The increase in income arises mainly from an increase in annual and corporate subscriptions. The most significant element of expenditure is the costs of producing the Society’s journal ‘*Scottish Forestry*’.

In addition the unrestricted fund has benefitted from an increase in valuation of investment assets of £6,400 (2016: £4,590).

**Report of the Trustees (Continued)
For the year ended 31 December 2017****Financial Review (continued)**

Restricted Fund income includes a significant grant from the Forestry Commission for the Monitor Woods project and also three trustees donated their time in connection with this project. In addition a grant was awarded by the Patrons Fund for upgrading the Charity's website. A most generous donation to support the third edition of 'Scottish Forestry' was received from Sir Henry Angest Foundation. This is the second year that the donation has been made. The movements on restricted funds are confirmed in pages 7, 16 and 17.

The Society continued to operate as a charity between 1 January 2017 and 31 December 2017 wholly in terms of its objectives, details of which have been submitted to OSCR.

Investment Policy and Performance

The Charity, having regard to its liquidity requirements, holds a modest portfolio of shares. The shareholdings are held for long-term capital growth and the Charity will invest in shares within the London Stock Exchange Index of 100 Leading Shares. Performance of the portfolio is reviewed every quarter.

Surplus cash is held in deposit accounts with CAF (Charities Aid Foundation) Bank Limited and Royal Bank of Scotland. Both accounts have an interest rate of 0.05%.

The return on investments in 2017 was a capital growth of 9.9% (2016: 9.3%) and an income return of 3.5% (2016: 3.6%).

The performance of the FTSE all share index in 2017 was an increase of 13.1% (2016: 12.4%).

Reserves policy

The Charity has considered the reserves required and have taken into account their current and future liabilities. The trustees aim to maintain free reserves in unrestricted funds to fund the equivalent of three months unrestricted charitable expenditure. The trustees consider that this level will provide sufficient funds to ensure that support and governance costs are covered.

An analysis of Net Assets between Reserve Funds is disclosed in Note 15 of the accounts. At 31 December 2017 free reserves amounted to £73,545 (2016: £63,688) which is equivalent to expenditure for 14 months.

Risk Management

The Charity has for a number of years actively managed its risk profile. There are two principal risks faced by the Charity:

An aging and declining membership. Membership numbers are actively reviewed at each Board meeting and the outcomes of the steps taken to halt, slow or indeed reverse the attrition are reviewed. Several innovations in the past three years are having a positive impact with membership numbers broadly static now. The exposure to the risk has not declined, merely that the mitigating actions have had a positive impact.

The revival of the Journal to three issues in full colour has been accompanied by an increase in the advertising revenue and sales. However the production costs, although supported by a £7,000 donation, are in excess of the income generated to the extent that support is required from the annual subscription income. The financial position of the Journal remains under constant review.

The Board regularly reviews all of the risks to which the charity is exposed and the procedures in place to manage these risks.

**Report of the Trustees (Continued)
For the year ended 31 December 2017****Plans for the future**

The Charity will continue to organise field visits and seminars and to publish the journal, "Scottish Forestry". It will also continue to sponsor educational prizes and exhibitions.

Consideration is being given to how RSFS and FTC align strategic plans, share resources and best deliver their priorities.

As noted last year the Society continually seeks out new ways of aiming to meet their objectives and in early 2017 a successful application was made to obtain grant funding to conduct a pilot and feasibility study of our Monitor Woods scheme. The Monitor Woods scheme (MWS) aims to benchmark exemplar woodlands and forests, and highlight good and best practice.

Using the funding granted by the Forestry Commission Scotland (FCS), a pilot study was run successfully on 13 sites. The results of this pilot have been reported to FCS and a further funding application submitted to assist RSFS to roll out MWS across Scotland.

There is a tremendous sense of optimism and renewal which your Board hopes is permeating throughout the Society. As we move into 2018-19, we shall be revisiting our Strategic Plans which we shall share with members at the earliest opportunity.

Structure, Governance and Management*Governing Document*

On 9 May 2017 Royal Scottish Forestry Society was incorporated as a Scottish Charitable Incorporated Organisation (SCIO) in terms of the new Constitution adopted on 9 May 2017 by the members and approved by the Office of the Scottish Charity Regulator (OSCR) on 5 December 2016. The charity was previously an unincorporated association and the assets of the unincorporated association were transferred to the SCIO on 9 May 2017. The unincorporated association was instituted on 16th February 1854 and was registered as a charity by OSCR with effect from 2004 charity number SCO2058. We have retained our charity number on incorporation. Prior to 2004, the Society was granted charitable status by HM Revenue & Customs.

Appointment of New Trustees (Board Members)

The detail of the previous Council of the Society and the new Board of Management is confirmed on page 1. In future Board members will be proposed by the Board and elected by vote of members at the Annual Business Meeting which is usually held in May each year.

Recruitment of new Trustees

The President usually holds office for two years. Other office bearers are eligible for re-election at the AGM. New office bearers are proposed by the Board from people who have the necessary skills.

The Board proposes members who represent a balance of skills within the Board. Each Region may propose representatives for their Region. All proposed members are elected or approved at the AGM.

An executive director is outsourced on a rolling annual contract to carry out the business of the Society.

Induction and training of Board members

New Board members are briefed on their legal obligations under charity law, the content of the Constitution, the decision making processes and recent performance of the charity.

Structure

The Board decide the policy and programme of the Society and meet on a quarterly basis or more often if necessary. Regional Committees organise activities within their Regions.

The Executive Director is responsible for implementing the Board's policy and assisting the Regional Committees.

Parent Undertaking

Royal Scottish Forestry Society submitted an application for membership of RSFS Forest Trust Company on 1 January 2017 and thereby became a Parent Member of that organisation with the rights attached to that membership in terms of its Articles of Association. The two organisations have similar objectives, align strategic plans and share resources.

**Report of the Trustees (Continued)
For the year ended 31 December 2017****Key management remuneration policy**

The trustees consider the Board of Management and the 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. All Board members give of their time freely and no trustee remuneration was paid in the year. Details of trustee expense payments are disclosed in note 3.

Trustees are required to disclose all relevant interests and register them with the Executive Director and in accordance with the Charity's policy to withdraw to from decisions where a conflict of interest arises.

The trustees have outsourced the role of Executive Director. The level of the fee rate is reviewed annually in accordance with rates appropriate for the role.

Reference and administrative information

The information is contained in page 1 of the report.

Statement of Trustees' responsibilities

The Charity's trustees are responsible for preparing a Trustees' 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 charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing the financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the applicable Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charity Accounts (Scotland) Regulations 2006 (as amended), and the Charity's constitution. They are also responsible for safeguarding the assets of the charity and 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.

Independent Examiner

James Anderson C.A. has indicated his willingness to continue in office and a resolution proposing his re-appointment will be put to the Annual General Meeting.

James Hepburne Scott
President

8 May 2018

**Independent Examiner's Report to the Members
For the year ended 31 December 2017**

I report on the accounts of the Charity for the year ended 31 December 2017 which are set out on pages 7 to 17.

Respective responsibilities of committee and independent examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity's trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44 (1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of Independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the Society and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given in the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 44 (1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulationshave not been met, or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

James Anderson
Chartered Accountant (ICAS)
Pentland Estate
STRAITON
Edinburgh
EH20 9QH

8 May 2018

**Statement of Financial Activities
For the Year ended 31 December 2017**

	Notes	Unrestricted Fund £	Restricted Funds £	Endowment Fund £	Total Funds 2017 £	Total Funds 2016 £
Income and Endowments						
• Donations and legacies	4	43,182	7,000	-	50,182	44,078
• Charitable activities	5	9,557	20,800	-	30,357	8,997
• Investment income	6	2,378	208	-	2,586	2,394
• Other trading activities	7	12,700	-	-	12,700	10,832
Total Income		<u>67,817</u>	<u>28,008</u>	<u>-</u>	<u>95,825</u>	<u>66,301</u>
Expenditure						
Raising funds	8	1,561	-	-	1,561	431
Charitable activities	9	62,922	27,939	-	90,861	70,177
Total Expenditure		<u>64,483</u>	<u>27,939</u>	<u>-</u>	<u>92,422</u>	<u>70,608</u>
Net Income / (Expenditure)		3,334	69	-	3,403	(4,307)
Transfers between funds	16	-	-	-	-	-
Gain on revaluation of investment assets	11	6,400	184	-	6,584	5,631
Net movement in funds		<u>9,734</u>	<u>253</u>	<u>-</u>	<u>9,987</u>	<u>1,324</u>
Reconciliation of funds						
Total funds brought forward	15	<u>107,509</u>	<u>33,784</u>	<u>5,497</u>	<u>146,790</u>	<u>145,466</u>
Total funds carried forward	15	<u>117,243</u>	<u>34,037</u>	<u>5,497</u>	<u>156,777</u>	<u>146,790</u>

Balance Sheet
As at 31 December 2017

	Notes	2017 £	2016 £
Fixed Assets	10	43,698	43,821
Investments	11	82,967	74,437
Current Assets			
Stock	12	1,841	2,088
Debtors	13	11,939	15,548
Cash at bank & on hand		30,452	25,472
		<u>44,232</u>	<u>43,108</u>
Creditors:			
Amounts falling due within one year	14	14,120	14,576
		<u>30,112</u>	<u>28,532</u>
Net Current Assets			
		<u>30,112</u>	<u>28,532</u>
Net Assets		156,777	146,790
		<u>156,777</u>	<u>146,790</u>
Funds:			
Permanent endowment fund	15	5,497	5,497
Restricted funds	15	34,037	33,784
Unrestricted funds	15	117,243	107,509
		<u>156,777</u>	<u>146,790</u>

The notes on pages 9 to 17 form part of these accounts.

The financial statements were approved and signed on behalf of the Board of Trustees on 8 May 2018.

James Hepburne Scott President

Dr Thomas Mitchell Honorary Treasurer

**Notes to the Financial Statements
For the Year ended 31 December 2017****1. Statutory Information**

Royal Scottish Forestry Society is a Scottish Charitable Incorporated Association (SCIO) which was registered in its current legal form on 9 May 2017. The charity was previously an unincorporated association which transferred its assets to the SCIO on 9 May 2017.

The presentation currency of the financial statements is the Pound Sterling (£).

2. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation and uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP - FRS 102 effective 1 January 2015) the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

Royal Scottish Forestry Society meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant notes to these accounts.

Going concern

The financial statements have been prepared on a going concern basis as the Trustees consider that there are no material uncertainties about the charity's ability to continue to operate as a going concern. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Funds structure

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

Restricted funds can only be used for specified restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund are disclosed in note 16.

Income recognition

All income is recognised once the charity 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.

Donations and grants are recognised when they have been communicated in writing with notification of both the amount and settlement date. In the event that a donation or grant is subject to conditions that require a level of performance before the charity 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 charity and it is probable that those conditions will be fulfilled in the reporting period.

Advertising income is recognised in the year in which the edition of 'Scottish Forestry' was issued in which the adverts appear.

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

Notes to the Financial Statements (Continued)**2. Accounting Policies Continued****Donated services**

The society benefits greatly from the involvement and support of its volunteers. In accordance with FRS 102 and the Charity's SORP (FRS 102) economic contribution of volunteers is not recognised in the accounts.

Expenditure recognition

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured 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.

All expenditure relates to charitable actions and governance costs being an Independent Examiner, book keeper and investment manager.

Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Tangible fixed assets and depreciation

All assets costing more than £1000 are capitalised and valued at historical cost. Depreciation is charged from the year of acquisition on furniture and equipment on a 15% reducing method. Artefacts which have been gifted to the Society over many years have been introduced at independent historic valuation and are subject to an annual impairment review.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Fixed asset investments

Investments are initially recognised at their transaction value and subsequently measured by the investment manager at their market 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 year.

Stocks

The stock of merchandise on hand is valued at the lower of cost price or net realisable value.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Notes to the Financial Statements (Continued)**2. Accounting Policies Continued****Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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 year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Taxation

No provision for corporation tax is necessary as the charity does not trade. The charity suffers input VAT on some of its expenditure which it is unable to recover.

Consolidated financial statements

As permitted by Charities SORP (FRS 102), advantage has been taken of the exemption available to small groups not to prepare consolidated accounts as the combined gross income of the Royal Scottish Forestry Society and the RSFS Forest Trust Company is less than £500,000.

3. Related party transactions and trustees' expenses and remuneration

The trustees give freely of their time and expertise without any form of remuneration or other benefit in cash or kind (2016: £nil). Travel expenses paid to one trustee in the year totalled £180 (2016: £nil).

The charity's trustees J Robertson, Sir P Hunter Blair and S House received payment for professional services supplied to the charity during the year totalling £4,500 (2016: £nil), but all three donated their fees back to the charity.

No payments were made to other related parties.

Payments to the key management personnel of the charity in the year amounted to £22,000 (2016 - £22,383).

	2017	2016
	£	£
4. Income and Endowments		
<i>Donations and legacies</i>		
Donations	185	796
Annual subscriptions	33,227	30,229
Gift aid recovery	4,520	3,943
Corporate subscriptions	5,250	2,110
	<u>43,182</u>	<u>37,078</u>
<i>Restricted fund income</i>		
Sir Henry Angest Foundation		
Donation to support a third edition of 'Scottish Forestry'	<u>7,000</u>	<u>7,000</u>

Notes to the Financial Statements (Continued)

	2017 £	2016 £
5. Charitable Activities		
Journal sales	3,077	3,337
Event sales	-	675
Spring excursion	6,480	4,685
	<u>9,557</u>	<u>8,697</u>
<i>Restricted fund income</i>		
Lecture grant	-	300
Forestry Commission - Monitor Woods grant	12,000	-
Donations towards Monitor Woods project	5,100	-
Patrons Fund - upgrading website grant	2,500	-
Central conference - sponsorship	765	-
Central conference – admission fees	335	-
Sponsorship of Scottish forestry	100	-
	<u>20,800</u>	<u>300</u>
6. Investment Income		
Dividends on listed investments	2,090	2,161
Bank interest	288	30
	<u>2,378</u>	<u>2,191</u>
<i>Restricted fund income</i>		
Dividends on listed investment	<u>208</u>	<u>203</u>
7. Other trading activities		
Advertising in the Journal	10,035	10,021
Sale of merchandise	85	375
Raffle & shoot	2,203	436
Royalties	61	-
Tree sales – game fair takings	316	-
	<u>12,700</u>	<u>10,832</u>
8. Expenditure on raising funds		
Cost of merchandise sold	72	300
Cost of merchandise written off	62	-
Raffle & shoot costs	1,427	131
	<u>1,561</u>	<u>431</u>

Notes to the Financial Statements (Continued)

	2017	2016
	£	£
9. Expenditure on Charitable Activities		
Spring excursion costs	5,550	3,049
Brochure printing	-	319
Subscriptions	65	65
Directors' fees	22,000	17,833
Administrator's fee	-	4,640
Investment manager's fee	148	86
Leaving gift	-	115
General printing stationery & advertising	270	833
Postage & telephone	945	950
Internet & web page costs	740	1,669
Insurances	444	460
Meeting & travel expenses	2,372	1,849
Exhibition expenses	1,670	881
Bank charges refunded	(213)	1,089
Book-keeping fees	1,392	1,392
Independent examiner's fee	780	720
Depreciation	123	145
	<u>36,286</u>	<u>36,095</u>
<i>Scottish Forestry Volume 71 1-3</i>		
Printing & distribution	9,575	17,073
Editor's fee	20,530	9,250
Editor's expenses	120	1,170
Advertising agency	3,511	4,053
Research cost	-	250
	<u>33,736</u>	<u>31,796</u>
Digitisation of Journal	-	1,192
	<u>33,736</u>	<u>32,988</u>
Transfer of 'Scottish Forestry' costs to restricted fund	(7,100)	(7,000)
	<u>26,636</u>	<u>25,988</u>
<i>Restricted Fund Expenditure</i>		
Central conference	941	-
Monitor Woods project	16,898	-
Donation to other charity	200	200
'Scottish Forestry' costs	7,100	7,000
Lecture expenses	-	618
Digitisation of Journal	-	226
College prize awarded	100	50
Contribution to Scottish School of Forestry field trip	200	-
Web page costs	2,500	-
	<u>27,939</u>	<u>8,094</u>
Total expenditure on charitable activities	<u>90,861</u>	<u>70,177</u>

Notes to the Financial Statements (Continued)

10. Tangible Fixed Assets

	Furniture & Office Equipment £	Gifted Artefacts £	Total £
Cost			
1 January 2017 & 31 December 2017	1,176	43,000	44,176
Depreciation			
1 January 2017	355	-	355
Charge for year	123	-	123
31 December 2017	478	-	478
Net book value 31 December 2017	698	43,000	43,698
Net book value 1 January 2017	821	43,000	43,821

Artefacts which have been gifted to the Society over many years have been included at independent valuation and subject to annual impairment review.

11. Investments

Equities	Year Purchased	Cost £	Market Value 31/12/16 £	Market Value 31/12/17 £
Alliance Trust Plc 990 Ordinary Shares of 2.5p	April 2002	2,982	6,316	7,391
Edinburgh Investment Trust Plc 1500 Ordinary Shares of 25p	1980	411	10,740	10,545
Foreign & Colonial Investment Trust Plc 2200 Ordinary Shares of 25p	Sep 1999	4,887	11,968	14,234
JP Morgan Claverhouse Investment Trust Plc 1000 Ordinary Shares of 25p	Nov 1999	4,544	6,220	7,305
Murray Income Trust Plc 1000 Ordinary Shares of 25p	April 2000	4,673	7,240	7,970
CF Adam Worldwide Fund 1380.35 units	April 2002	2,997	7,989	8,689
HSBC Holdings Plc 682 Ordinary Shares of \$.5	Oct 2003	6,080	4,480	5,230
Lloyds Banking Group PLC 1062 Ordinary Shares of 10p	Nov 2006	2,497	664	723

Notes to the Financial Statements (Continued)

11. Investments Held at 31 December 2017 Continued

Equities	Year Purchased	Cost £	Market Value 31/12/16 £	Market Value 31/12/17 £
SSE Plc 184 Ordinary Shares of 25p	Nov 2006	2,489	2,858	2,429
Vodafone Group 1012 Ordinary Shares of 0.209524 US dollars	Nov 2006	2,500	2,040	2,399
		<u>34,060</u>	<u>60,515</u>	<u>66,915</u>
<i>Restricted Fund Investments</i>				
Securities Trust of Scotland Plc 3500 Red. Ordinary Shares of 1p	Nov 1991	2,513	5,871	6,055
		<u>36,573</u>	<u>66,386</u>	<u>72,970*</u>
Cash on deposit			<u>8,051</u>	<u>9,997</u>
Balance Sheet Total			<u>74,437</u>	<u>82,967</u>
			2017 £	2016 £
*Gain on revaluation of investment assets			<u>6,584</u>	<u>5,631</u>
12. Stock				
Stock of merchandise			<u>1,841</u>	<u>2,088</u>
13. Debtors				
Trade debtors			-	3,583
Other debtors			<u>11,735</u>	<u>11,965</u>
			<u>11,735</u>	<u>15,548</u>
14. Creditors				
Amounts falling due within one year				
Creditors & accruals			11,773	12,670
Inter regional balances			-	113
Subscriptions in advance			1,197	415
Journal subscriptions in advance			240	1,378
Annual excursion fees in advance			910	-
			<u>14,120</u>	<u>14,576</u>

Notes to the Financial Statements (Continued)

15. Funds

	Unrestricted Fund £	Restricted Funds £	Permanent Endowment Fund £	Total £
Balance 1 January 2016	106,011	33,958	5,497	145,466
Net expenditure	(3,716)	(591)	-	(4,307)
Gain on revaluation Of investment assets	4,590	1,041	-	5,631
Transfers Life members fund Credit taken	624	(624)	-	-
Balance 31 December 2016	<u>107,509</u>	<u>33,784</u>	<u>5,497</u>	<u>146,790</u>
Balance 1 January 2017	107,509	33,784	5,497	146,790
Net income	3,334	69	-	3,403
Gain on revaluation & sale of investment assets	6,400	184	-	6,584
Balance 31 December 2017	<u>117,243</u>	<u>34,037</u>	<u>5,497</u>	<u>156,777</u>
Analysis of net assets between funds:				
Tangible fixed assets	43,821	-	-	43,821
Listed investments	55,108	5,781	5,497	66,386
Investment cash	8,051	-	-	8,051
Net current assets	529	28,003	-	28,532
31 December 2016	<u>107,509</u>	<u>33,784</u>	<u>5,497</u>	<u>146,790</u>
Tangible fixed assets	43,698	-	-	43,698
Listed investments	61,418	6,055	5,497	72,970
Investment cash	9,997	-	-	9,997
Net current assets	2,130	27,982	-	30,112
31 December 2017	<u>117,243</u>	<u>34,037</u>	<u>5,497</u>	<u>156,777</u>

The General Fund represents the unrestricted funds which the Charity is free to use in accordance with its charitable objectives.

The Endowment Fund represents those assets which must be held permanently by the Charity.

The Restricted Funds represent funds received and raised for specific purposes. A detailed schedule follows.

Notes to the Financial Statements (Continued)

16. Schedule of Restricted Funds

	Balance 1/1/16 £	Income £	Investment Revaluation £	Payments Made £	Transfers Out £	Balance 31/12/16 £
Binding Fund	226	-	-	226	-	-
Excursions Fund	1,242	-	-	-	-	1,242
Trophy Fund	1,200	-	-	-	-	1,200
Educational Fund	5,900	203	1,041	250	-	6,894
Life Members Fund	624	-	-	-	624	-
Conference Fund	1,938	-	-	-	-	1,938
Overseas Groups Fund	403	-	-	-	-	403
Silvicultural Group Fund	6,766	-	-	-	-	6,766
McNeil Bequest	3,000	-	-	-	-	3,000
Jeffrey Schools Competition Fund	12,230	-	-	-	-	12,230
Lecture Fund	429	300	-	618	-	111
'Scottish Forestry' Fund	-	7,000	-	7,000	-	-
	<u>33,958</u>	<u>7,503</u>	<u>1,041</u>	<u>8,094</u>	<u>624</u>	<u>33,784</u>

	Balance 1/1/17 £	Income £	Investment Revaluation £	Payments Made £	Transfers Out £	Balance 31/12/17 £
Excursions Fund	1,242	-	-	-	-	1,242
Trophy Fund	1,200	-	-	-	-	1,200
Educational Fund	6,894	208	184	500	-	6,786
Monitor Woods Fund	-	17,100	-	16,898	-	202
Conference Fund	1,938	1,100	-	941	-	2,097
Overseas Groups Fund	403	-	-	-	-	403
Silvicultural Group Fund	6,766	-	-	-	-	6,766
McNeil Bequest	3,000	-	-	-	-	3,000
Jeffrey Schools Competition Fund	12,230	-	-	-	-	12,230
Lecture Fund	111	-	-	-	-	111
'Scottish Forestry' Fund	-	7,100	-	7,100	-	-
Website upgrade fund	-	2,500	-	2,500	-	-
	<u>33,784</u>	<u>28,008</u>	<u>184</u>	<u>27,939</u>	<u>-</u>	<u>34,037</u>

The restricted revenue funds are for use in terms of the grants awarded by the donors as follows:

Excursion Fund – fund to provide grants for foresters on Society's excursions.

Trophy Fund – fund to maintain trophy.

Education fund – income used for educational prizes.

Monitor woods fund – to benchmark exemplar woodlands & forests.

Conference fund – to fund attendance at conferences.

Overseas Groups fund – to fund visits from overseas visitors.

Silvicultural Group fund – balance of funds held by the dissolved Silvicultural Group.

McNeil Bequest – funds to support tree planting by school children in Midlothian to further their education.

Jeffrey Schools Competition fund – to fund prizes in the annual competition.

Lecture fund – to provide funds for an annual lecture.

'Scottish Forestry' fund – to provide support for the production of a third edition of '*Scottish Forestry*'.

Website upgrade fund – to provide funds for upgrading the website.