

ROYAL SCOTTISH FORESTRY SOCIETY

Charity No. SC 002058



FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2018

Reference and administrative information

For the year ended 31 December 2018

Charity registration number of the RSFS is SC002058.

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

Members of Council:

James Hepburne Scott	President
James Robertson	Vice President
Simon MacGillivray	
Dr Thomas Mitchell	Honorary Treasurer
Sir Patrick Hunter Blair	Immediate Past President
Rod Pimm	
Simon Blackett	
Syd House	Chair of RSFS Forest Trust Company
Chris Allan	(resigned 26 February 2019)
Wilma Harper	
Rosie Wilson-Leagas	(appointed 15 June 2018)

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:

Chris Spalding C.A.
James Anderson & Co
Pentland Estate
Straiton
Edinburgh
EH20 9HQ

Registered Office:

West Wing
Carzield House
Kirkmahoe
Dumfries
DG1 1SY

**Report of the Trustees
For the year ended 31 December 2018**

The trustees present their annual report and financial statements of the charity for the year ended 31 December 2018. 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 14 field visits and 1 seminar on various aspects of Forestry in Scotland. An excellent Spring Excursion, organised by Northern Region, was held in North East Scotland based at the Culloden House Hotel, Inverness. Attendance was strong and all aspects of the visits were enjoyed by all taking part.

The journal, Volume 72, 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, 16 have been achieved and the remaining 1 is 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 £81,632 (2017: £72,917) and unrestricted fund expenditure of £69,685 (2017: £72,196) resulting in a net surplus for the year of £11,947 (2017: £721). The increase in income arises mainly from an increase in annual and corporate subscriptions together with donations made by three trustees of their time in connection with the Monitor Woods project. The most significant element of expenditure is the costs of producing the Society's journal 'Scottish Forestry'.

The investment assets valuation decreased the general fund by £6,797 (2017: increased £6,400).

Restricted Fund income includes a grant from the Forestry Commission for the Monitor Woods project. A most generous donation to support the third edition of 'Scottish Forestry' was received from Sir Henry Angest Foundation. This is the third 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.

**Independent Examiner's Report to the Council of the Society
For the year ended 31 December 2018**

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.

The return on investments in 2018 was a capital fall of 10.25% (2017: growth 9.9%) and an income return of 2.8% (2017: 3.5%).

The performance of the FTSE all share index in 2018 was an decrease of 12.95% (2017: increase 13.1%).

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.

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 18 of the accounts. At 31 December 2018 free reserves amounted to £81,085 (2017: £70,932) which is equivalent to expenditure for 12 months.

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 Cashel Forest Trust will 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. Further funding was received in 2018 to support development of a toolkit ("Canopy") and appointment of a project officer.

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.

**Independent Examiner's Report to the Council of the Society
For the year ended 31 December 2018**

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 Trustee Board is confirmed on page 1. Board members are proposed by the Board and confirmed by a vote of the 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.

Key management personnel remuneration

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
(page 11 of the ABM booklet).

**Independent Examiner's Report to the Council of the Society
For the year ended 31 December 2018**

Trustees' responsibilities in relation to the financial statements

The charity trustees are responsible for preparing a trustees' annual report and 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 incoming resources and application of resources, 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 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 business.

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 provisions of the Trust deed. 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.

**James Hepburne Scott
President**

16 May 2019

**Independent Examiner's Report to the Council of the Society
For the year ended 31 December 2018**

I report on the accounts of the Society for the year ended 31 December 2016 which are set out on pages 7 to 18.

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 Council 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 Regulations

have 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.

Christopher Spalding
Chartered Accountant (ICAS)
James Anderson & Co
Chartered Accountant (ICAS)
Pentland Estate
STRAITON
Edinburgh
EH20 9QH

16 May 2019

Statement of Financial Activities
For the year ended 31 December 2018

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2018	Total Funds 2017
		£	£	£	£	£
		£	£	£	£	£
Income from:						
Donations and legacies	4	53,497	13,826	-	67,323	55,282
Charitable activities	5	13,088	25,000	-	38,088	25,357
Investment income	6	2,123	213	-	2,336	2,586
Other trading activities	7	12,924	-	-	12,924	12,700
Total income		81,632	39,039	-	120,671	95,825
Expenditure on:						
Raising funds	8	1,176	-	-	1,176	1,561
Charitable activities	9	68,509	21,009	-	89,518	92,976
Total expenditure		69,685	21,009	-	90,694	94,537
Net (expenditure)/income		11,947	18,030	-	29,977	1,288
Transfers between funds	16	-	-	-	-	-
Gain/(loss) on revaluation of investment assets	11	(6,797)	(683)	-	(7,480)	6,584
Net movement on funds		5,150	17,347	-	22,497	7,872
Fund balances brought forward	16	114,630	34,535	5,497	154,662	146,790
Transfer between funds	16	4,898	(4,898)	-	-	-
Fund balances carried forward	16	124,678	46,984	5,497	177,159	154,662

Balance Sheet
At 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	11	43,593	43,698
Investments	12	77,532	82,967
Current assets			
Stocks	13	1,747	1,841
Debtors	14	21,539	11,939
Cash at bank and in hand		45,319	30,452
		68,605	44,232
Creditors – amounts falling due within one year	15	(12,571)	(16,235)
Net current assets		53,034	27,997
Net assets		177,159	154,662
Funds			
Permanent endowment fund	15	5,497	5,497
Unrestricted funds	15	46,984	34,535
Restricted funds	15	124,678	114,630
Total charitable funds		177,159	154,662

The notes on pages 9 to 18 form part of these accounts.

The financial statements were approved and signed on behalf of the Board of the Society on 16 May 2019.

James Hepburne Scott President

Dr Thomas Mitchell Honorary Treasurer

**Notes to the Financial Statements
For the Year ended 31 December 2018**

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 company's registration number and registered office address can be found on the Reference and Administrative Details on page 1.

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:

a) Basis of preparation and assessment of going concern

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.

b) Going Concern

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern as it has sufficient available funds to meet its anticipated expenditure. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

c) 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 are funds which are to be used in accordance with specific restrictions imposed by the donor.

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

d) 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.

Notes to the Financial Statements
For the Year ended 31 December 2018 (continued)

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.

e) 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.

f) 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.

g) Irrecoverable VAT

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

h) Tangible fixed assets and depreciation

All assets costing more than £1,000 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.

i) 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.

j) 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.

k) Stocks

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

Notes to the Financial Statements
For the Year ended 31 December 2018 (continued)

l) 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.

k) Cash at bank and in hand

Cash at bank and cash in hand includes costs 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.

l) 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.

m) Financial instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are finally recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are realistically measured at amortised cost using the effective interest method.

n) 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.

o) 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.

p) 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. The market value of time spent by the trustees on Monitor Woods Project was £35,470 (2017: nil). Travel expenses paid to one trustee in the year totalled £Nil (2017: £180).

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 £Nil (2017: £4,500), but all three donated their fees back to the charity. Services were provided by CGPM Consulting LLP £5,700 (2017: Nil), a partnership in which is Dr Thomas Mitchell is a partner.

An honorarium was paid to Dr Thomas Mitchell £1,000. No payments were made to other related parties.

Payments to the key management personnel of the charity in the year amounted to £22,667 (2017 - £22,000).

Notes to the Financial Statements
For the Year ended 31 December 2018 (continued)

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
4 Income and endowments				
<i>Donations and legacies</i>				
Donations	4,600	13,826	18,426	5,285
Annual subscriptions	32,219	-	32,219	33,227
Gift Aid recovery	3,998	-	3,998	4,520
Legacies	5,000	-	5,000	-
Corporate subscriptions	7,680	-	7,680	5,250
	53,497	13,826	67,323	55,282
5 Charitable activities				
Journal sales	2,453	-	2,453	3,077
Event	3,375	-	3,375	-
Spring excursion	7,260	-	7,260	6,480
Monitor Woods grant – Forestry Commission	-	25,000	25,000	12,000
Patrons Fund - upgrading website grant	-	-	-	2,500
Central conference - sponsorship	-	-	-	765
Central conference – admission fees	-	-	-	335
Sponsorship of Scottish forestry	-	-	-	100
	13,088	25,000	38,088	25,257
6 Investment income				
Dividends on listed investments	2,090	213	2,303	2,298
Bank interest	33	-	33	288
	2,123	213	2,336	2,586
7 Other trading activities				
Advertising in the journal	11,129	-	11,129	10,035
Sale of merchandise	115	-	115	85
Income from raffle and shoot	1,200	-	1,200	2,203
Royalties	-	-	-	61
Tree sales	380	-	380	316
	12,924	-	12,924	12,700

Notes to the Financial Statements
For the Year ended 31 December 2018 (continued)

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
8 Expenditure on raising funds				
Cost of merchandise sold	94	-	94	72
Merchandise written off	-	-	-	62
Expenses from raffle and shoot	1,082	-	1,082	1,427
	1,176	-	1,176	1,561
	1,176	-	1,176	1,561
9 Expenditure on charitable activities				
<i>Cost of direct activities</i>				
Spring excursion	5,459	-	5,459	5,550
Subscriptions	75	-	75	65
Directors' fee	22,667	-	22,667	22,000
Treasurer's Honorarium	1,000	-	1,000	-
Monitor Woods	-	8,594	8,594	16,898
Scottish Forestry costs	25,794	7,000	32,794	33,736
Meeting and travel expenses	2,990	-	2,990	2,372
Exhibition costs	1,630	-	1,630	1,670
Training	195	-	195	-
Events	2,250	-	2,250	-
Depreciation	105	-	105	123
Central conference	-	-	-	941
Donation to charity	-	200	200	200
Archibald Menzies Memorial prize	-	100	100	-
College prize awarded	-	-	-	100
Scottish Forestry School donation	-	100	100	200
Membership management system	-	4,230	4,230	-
	62,165	20,224	82,389	83,855
	62,165	20,224	82,389	83,855
<i>Cost of administration</i>				
Insurance	466	-	466	444
Investment management fees	135	-	135	148
Printing, stationery and advertising	579	-	579	270
Postage and telephone	1,120	-	1,120	945
Web hosting and development	-	785	785	5,355
Bank charges	1,632	-	1,632	213
Book-keeping fees	1,392	-	1,392	1,392
Independent examiner's fee	1,020	-	1,020	780
	6,344	785	7,129	9,121
	6,344	785	7,129	9,121
Total	68,509	21,009	89,518	92,976

Notes to the Financial Statements
For the Year ended 31 December 2018 (continued)

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
10 Summary of educational activities				
Scottish Forestry				
<i>Income</i>				
Non-member sales	2,453	-	2,453	3,077
Advertising	11,229	-	11,229	10,035
Donation to support Scottish Forestry	-	7,000	7,000	7,000
Sponsorship in Scottish Forestry	-	-	-	100
	13,682	7,000	20,682	20,212
<i>Expenditure</i>				
Production	25,2353	-	25,253	9,575
Editor's fees and expenses	4,556	-	4,556	20,650
Advertising agency fees	2,985	-	2,985	3,511
	32,794	-	32,794	33,736
(Deficit)/surplus	(19,112)	7,000	(12,112)	(13,524)
Monitor Woods				
<i>Income</i>				
Grant from Forestry Commission	-	25,000	25,000	12,000
	-	25,000	25,000	12,000
<i>Expenditure</i>				
Development of Canopy	-	2,175	2,175	-
Recruitment costs	-	719	719	800
Professional fees	-	5,700	5,700	9,266
Trademark & intellectual property costs	-	-	-	670
Subscriptions & administration costs	-	-	-	207
	-	8,594	8,594	16,898
Funds remaining and committed	-	16,406	16,406	(4,898)
Annual study tour				
Income	7,260	-	7,260	6,480
Expenditure	(5,459)	-	(5,459)	(5,550)
Surplus/(deficit)	1,801	-	1,801	930

Notes to the Financial Statements
For the Year ended 31 December 2018 (continued)

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
10 Summary of educational activities (continued)				
Event – Soil day training				
Income	3,375	-	3,375	-
Expenditure	(2,250)	-	(2,250)	-
Surplus/(deficit)	<u>1,125</u>	<u>-</u>	<u>1,125</u>	<u>-</u>
11 Tangible fixed assets		Vessel Restoration £	Vessel Restoration £	Total £
<i>Cost</i>				
At 31 st December 2017		1,176	43,000	44,176
Additions		-	-	-
Disposals		-	-	-
At 31 st December 2018		<u>1,176</u>	<u>43,000</u>	<u>44,176</u>
<i>Depreciation</i>				
At 31 st December 2017		478	-	478
Charge for the year		105	-	105
Disposals		-	-	-
At 31 st December 2018		<u>583</u>	<u>-</u>	<u>583</u>
At 31 st December 2018		<u>583</u>	<u>43,000</u>	<u>43,583</u>
At 31 st December 2017		<u>698</u>	<u>43,000</u>	<u>43,698</u>

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

Notes to the Financial Statements
For the Year ended 31 December 2018 (continued)

	Total 2018 £	Total 2017 £
12 Investments		
Market value at 1 January	82,697	74,437
Increase in amounts held as cash	2,045	1,946
Additions at cost	-	-
Disposals at carrying value	-	-
Net gain on revaluation	(7,480)	6,584
	<hr/>	<hr/>
Market value at 31 December	77,532	82,967
	<hr/>	<hr/>

All investments are carried at their fair 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. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The Society manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Society does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer-term yield total return and historic studies of quoted financial instruments have shown that volatility in any particular 5-year period will normally be corrected.

	Total 2018 £	Total 2017 £
13 Stock		
Merchandise	1,747	1,841
	<hr/>	<hr/>
	1,747	1,841
	<hr/>	<hr/>

14 Debtors		
Other debtors	21,539	11,939
	<hr/>	<hr/>
	21,539	11,939
	<hr/>	<hr/>

15 Creditors		
<i>Amounts falling due within one year</i>		
Creditors & accruals	9,626	13,888
Subscriptions in advance	1,372	1,197
Journal subscriptions in advance	683	240
Excursion fees in advance	890	910
	<hr/>	<hr/>
	12,571	16,235
	<hr/>	<hr/>

Notes to the Financial Statements
For the Year ended 31 December 2018 (continued)

16 Statement of funds 2018	Balance at 1 January 2018 £	Income £	Expenditure £	Investment Revaluation £	Transfers Between Funds £	Balance at 31 December 2018 £
Unrestricted funds	114,630	81,632	(69,685)	(6,797)	4,898	124,678
Excursions Fund	1,242	-	-	-	-	1,242
Trophy Fund	1,200	-	-	-	-	1,200
Educational Fund	6,786	213	(400)	(683)	-	5,916
Monitor Woods Fund	-	25,000	(8,594)	-	(4,898)	11,508
Conference Fund	2,097	-	-	-	-	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	-	7,000	(7,000)	-	-	-
Technology Fund	700	6,826	(5,015)	-	-	2,511
Restricted funds total	34,535	39,039	(21,009)	(683)	(4,898)	46,984
Permanent Endowment	5,497	-	-	-	-	5,497
Total funds	154,662	120,671	(90,694)	(7,480)	-	177,159

Statement of funds 2017	Balance at 1 January 2017 £	Income £	Expenditure £	Investment Revaluation £	Transfers Between Funds £	Balance at 31 December 2017 £
Unrestricted funds	107,509	72,917	(67,298)	6,400	(4,898)	114,630
Excursions Fund	1,242	-	-	-	-	1,242
Trophy Fund	1,200	-	-	-	-	1,200
Educational Fund	6,894	208	(500)	184	-	6,786
Monitor Woods Fund	-	12,000	(16,898)	-	4,898	-
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)	-	-	-
Technology Fund	-	2,500	(1,800)	-	-	700
Restricted funds total	33,784	22,908	(22,341)	184	-	34,535
Permanent Endowment	5,497	-	-	-	-	5,497
Total funds	146,790	95,825	(94,537)	6,584	-	154,662

Notes to the Financial Statements
For the Year ended 31 December 2018 (continued)

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

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

The Unrestricted Fund represents the unrestricted funds which the Council of the Society is free to use in accordance with the charitable objects of the Society.

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'.

Technology fund - to provide funds for upgrading the society's use of technology.

17 Analysis of net assets between funds 2018	Fixed Assets £	Listed Investments £	Investment Cash £	Net Current Assets £	Listed Investments £
Unrestricted funds	43,593	54,620	12,042	11,393	124,678
Restricted funds	-	5,373	-	41,611	46,984
Permanent endowment	-	5,497	-	-	5,497
	43,593	65,490	12,042	56,034	177,159
	43,593	65,490	12,042	56,034	177,159
Analysis of net assets between funds 2017	Fixed Assets £	Listed Investments £	Investment Cash £	Net Current Assets £	Listed Investments £
Unrestricted funds	43,698	61,418	9,997	(483)	114,630
Restricted funds	-	6,055	-	28,480	34,535
Permanent endowment	-	5,497	-	-	5,497
	43,698	72,970	9,997	27,997	154,662
	43,698	72,970	9,997	27,997	154,662

The Royal Scottish Forestry Society

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6 - Motions

No motions have been proposed.

7 - Scottish Forestry and Editor's report

Carol Crawford, our Editor, has continued to develop the journal ensuring the maintenance of the high standards and universal respect that "Scottish Forestry" enjoys.

The journal was restored from two (2015) to three editions in 2016 thanks to the generous support of the Sir Henry Angest Foundation – this has permitted the production of 3 editions in 2016, 2017 & 2018. Sir Henry has recently agreed to continue this support for a further 2 years (2019 & 2020).

An ongoing concern, however, is the cost of producing the Journal for a Society of our size and additional sponsorship would be welcome.

Journal Awards (2018)

The Sir George Campbell Memorial Trophy for "the best paper by forestry professionals" was won by Mason W.L., MacDonald F., Parratt M. and McClean J.P.: *What alternative tree species can we grow in western Britain? 85 years of evidence from the Kilmun Forest Garden*. Vol 72(1). Long, clear (despite technical detail) interesting and comprehensive. Table 3 useful (though English names would help). Good discussion section. Benefitted from peer review

The Neil Findlay Memorial Trophy for papers that are "not detailed accounts of conventional forest management, forest protection or research, but portray wider perspectives of people's involvement with trees, woodland and the environment" was won by Kate Holl - *Beech and sycamore in Scotland's native woods – a way forward?* Vol 72(1). Well-written, clear and to the point. Thoughtful, and thought-provoking, with reference to research. A sensible change in approach from SNH Woodland Adviser. Debunks the idea that environmentalists insist on natives for biodiversity. Nice photos.

8 - Appointment of Office Bearers

The Office Bearers for 2018-19 shall be:

- President: Mr Nander Robertson (2019-2020)
- Vice President: Mr Simon MacGillivray (2019-2020)
- Honorary Treasurer: Dr Tom Mitchell

It is within the Board's gift to co-opt Mr James Hepburne Scott as the Immediate Past President.

9 - Reappointment of the Independent Examiner

As RSFS has become the Parent Member of the RSFS FTC, this creates a Group. However, we are able to take advantage of exemptions from preparing Group Accounts due to the small size of the group.

The Board recommends that James Anderson & Co is reappointed as Independent Examiner for the accounts of the Group members for the year ended 31 December 2019.

10 – The President's remarks

Verbal update

11 - Cashel Forest Trust

Simon Stuart MICfor has been appointed the contract to manage the RSFS Monitor Woods Scheme (MWS). He will plan, lead and execute a development strategy to promote the adoption of MWS across Scotland's forest sector – State, Private and Voluntary -and will visit sites to assess their suitability for recruitment as further Monitor Woods. Simon will also be responsible for data management, ensuring appropriate dissemination of information and learning, through provision and maintenance of "Canopy" – the Society's publicly accessible online data resource.

The MWS and Canopy are designed to provide a unique research and learning resource. The principle objectives are to facilitate good practice in forestry and to encourage more and better-managed woods to deliver an

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optimum range of multiple benefits for public and private good. Monitor Woods of varying sizes will, in the main, be long-term demonstration areas providing examples of various aspects of silviculture. The ongoing support of FCS for the Monitor Woods programme is much appreciated.

12 - Cashel Forest Trust

In 1996, the Royal Scottish Forestry Society decided it would create a native working Scottish forest; the Society set up RSFS Forest Trust Company as an independent organisation but with a common membership. In 2019 The name of the charity was changed to Cashel Forest Trust (CFT). With help from the Millennium Forest for Scotland Trust, CFT bought Cashel Farm, a 3000-acre hill farm on the eastern side of Loch Lomond. With effect from 1st January 2017 the RSFS became the parent member of CFT, once again reuniting the aspirations of RSFS and CFT.

Operating update

The Cashel complex continues to be developed and is attracting increasing numbers of visitors, including local groups using the facilities. A hydro scheme has now been adopted and is providing a useful income stream.

Work is now well underway on constructing and completing the new and upgraded paths at Cashel. The project is slightly over budget, but the CFT is extremely grateful to the Brown Forbes Memorial Fund for a contribution of £5,000 towards the additional costs of the project.

Forest Plan has been submitted, which if approved will allow the Trust to commence thinning and cleaning operations in the woods as well as applying for additional grant support to help manage the public access and conservation elements of Cashel. Agri Environment Climate Scheme application has now been approved by SNH and work will commence shortly on a number of elements including a wildflower meadow, treeline planting to help establish a high elevation seed source, heather cutting for black grouse, as well as habitat and deer monitoring. Hamish Murray has prepared an assessment of work required to enhance our recreation facilities across Cashel. An application has been made to the heritage Lottery Fund for funding to undertake some in-depth assessment of future opportunities to develop

Events Programme 2019

Thanks to the efforts of Trustee Simon Stuart and our on-site warden, Mel Macluskie a good programme has been developed including a spring nature walk, an indicator plant workshop in May, bats and badger walks in September, and an Apple Day at the orchard in October.

13 – Any Other Competent Business

None Notified

14 – Vote of thanks for the President

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