ROYAL SCOTTISH FORESTRY SOCIETY

A SCOTTISH CHARITABLE INCORPORATED ORGANISATION

Charity No. SC 002058

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2022

Reference and administrative information

For the year ended 31 December 2022

Charity registration number of the Royal Scottish Forestry Society (RSFS) is SC002058.

Trustees

The trustees serving during the year and since the year end were as follows (those in bold form the current board):

Simon MacGillivray	President resigned 31st Dec 2022
Wilma Harper	President appointed 1st Jan 2023 Vice President retired 31st Dec 2022
Raymond Henderson	Vice President appointed 1st Jan 2023 Vice President elect appointed 16th Nov 2022
Dr Thomas Mitchell	Honorary Treasurer
Dr Jennifer Johnson	Communications Trustee
Syd House	resigned 30th June 2021
Byron Braithwaite	resigned 31st Dec 2022
Steve Brown	
Virginia Harden Scott	appointed 1st Jan 2023
Colin Kennedy	
James Robertson	resigned 1st January 2021
Fenning Welstead	appointed 4th May 2021
Gareth Whymant	

Corporate services

George Moore

Editor

Gavin McGregor

Bankers and investment managers

CAF Bank Limited	Investec Wealth Management
25 Kings Hill Avenue	Quartermile One
Kings Hill	15 Lauriston Pl
West Malling	Edinburgh
ME19 4JQ	EH3 9EN

Independent Examiner

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

Addresses

Registered office:	*Correspondence address:*
Pentland Estate	2 Walker Street
Straiton, Edinburgh	Edinburgh
EH20 9HQ	EH3 7LP

Report of the Trustees
For the year ended 31 December 2022

The trustees present their annual report and financial statements of the charity for the year ended 31 December 2022. 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 seeks to meet the needs for practical forestry and woodland education by supporting those in forestry and woodland management meet their development needs and by promoting sustainable forestry more widely. We do this by:

- Offering membership: personal, corporate and associate;
- Our publications: *Scottish Forestry*, *RSFS eNews*;
- Regional field days and Annual study tour;
- Promoting forestry education: bursaries and prizes;
- Promoting public engagement with sustainable forestry and woodland management through our subsidiary Cashel Forest Trust which owns Cashel Estate on East Loch Lomondside.

We aspire to continue to move to a model of impact reporting to measure our achievements and performance. Due to the constraints of the Pandemic, this has proved more difficult than expected; in particular the development of outcome metrics as we continue to rely on output metrics again this year.

We use each of the six strategic strands to develop objectives and measures against which we will report. It is also our intention to introduce more innovative means of conveying information to readers of these accounts.

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 promotes a greater understanding of the use of Scotland's woodlands and timber in new, innovative and beautiful ways.

Achievements and performance

Membership

Membership comprises three main types: personal, corporate and associate/affiliate.

Membership numbers are consistent with prior years and the number of individual members remains above 600. Since offering membership through the online channel, numbers have stabilised.

Corporate membership remains strong. The Vice President is undertaking a review of our Corporate and Affiliate/Associate membership structures, benefits and role within the Society. He is due to report at the end of May 2023 and the trustees will consider the proposals in due course.

Publications

Publications are a core method for RSFS to engage with the broad diaspora of people in the forestry sector through accessible articles, peer reviewed articles, Society news and advertising.

Gavin McGregor was appointed as Editor of *Scottish Forestry* in 2022 bringing a wealth of experience. We are indebted to the retiring Editor Carol Crawford and wish to thank her for her service.

Scottish Forestry is now available in two formats:

- Paper – as circulated to all Personal, Corporate and Affiliate members; and
- Digital – a "Flipping Book" a flipbook is an interactive online publication with the look and feel of a real, page-turning publication and is commonly read on iPad's and Tablets.

Report of the Trustees (continued)
For the year ended 31 December 2022

During 2021 a new "digital edition" of *Scottish Forestry* (SF Online) was launched on a third-party platform, with Associate Members electing to give access to all of their staff solely through this innovative new route; SF Online allowed those remote working during the pandemic to continue to access *Scottish Forestry*. However, access was limited to those editions published during 2021.

During 2022 we migrated the digital edition to an improved platform that gives access to the entire back catalogue of more than 300 editions of *Scottish Forestry* (since 1947) and *Transactions of the Scottish Arboricultural Society* (1858 to 1947). These are available to all members of the Society by logging in to our website.

In 2022, we migrated to a new platform for delivering our eNews to members. We also brought it under the management of the Editor for the first time. These changes have delivered quality improvements and resulted in positive feedback. Back editions of the *RSFS eNews* are also now available to members, in the member's area of the RSFS website.

Regional field days

We are aiming to develop improved knowledge of whether our RFD remain attractive across the membership and other users. We are considering this as a part of our strategic planning work. We do consider that utilisation of RFD for CPD purposes is, generally, a positive outcome but needs to be much better understood. Corporate members are increasingly supportive of sending their staff to RFDs. We continue to hold successful RFD but need to plan for the future.

Annual study tour (AST)

Our Annual Study Tours are a means of providing members an opportunity to understand the diversity of forestry in a particular region and the opportunities and challenges faced by owners and managers. It also brings a wide group of people together to share their expertise and build a network of contacts. The 2022 AST was hosted by Lothian and Borders Region and based in Peebles.

Forestry education

Each year two prizes are awarded for articles appearing in *Scottish Forestry*. This year's and recent winners are:

Sir George Campbell Memorial Trophy – for "the best paper by forestry professionals"

2022 - Bill Mason, Victoria Stokes, Andy FS Taylor for The role of nursing mixtures in forestry in upland Britain. Vol 76(1).

2021 – Euan AD Bowditch and Elspeth Macdonald for The elm is dead! Long live the elm!. Vol 75(2).

2020 – Worrell R, Ruhsam M, Renny J, Jessop W and Finlay G for Malus sylvestris: ecology and management V74(1) and Malus sylvestris: genetic issues and conservation V73(2)

2019 – Professor Andrew Cameron for Creating a permanent irregular forest: a review of the transformation at Faskally Forest, Perthshire, Vol 73(1).

2018 – Mason WL, MacDonald F, Parratt M and McClean JP for What alternative tree species can we grow in Western Britain? 85 years of evidence form the Kilmun Forest Garden

Neil Findlay Memorial Trophy for papers that "portray wider perspectives of people's involvement with trees, woodland and the environment"

2022 – Ben Harrower and Katie Harrower for Hot on the trail – How advances in thermal imaging are transforming deer management. Vol 76(3).

2021 – Nicky Hume for Plastic-free forests – a discussion, Vol 75(1).

2020 – Clements V for A more wooded Scotland – the long, long road from here to there. V74(2)

2019 – Professor Paul Smith for Shelterbelt trials in the Outer Hebrides after 50 years: a study in the competition, survival and succession, Vol 73(1).

2018 - Kate Holl for Beech and sycamore in Scotland's native woods – a way forward? Vol 72(1)

2017 – Cosgrove P, McInnes N, Dolby S, Gunn D, Shields D, Cosgrove C and Kartland K for Forest management and freshwater pearl mussels. Vol 71(1)

Trustees considered that the Society needs to look for opportunities to re-engage with formal forestry education, both participants and providers. Trustees do consider this to be a significant area where the Society could deliver a positive benefit and our approach is being reviewed for future years. Consideration is being given to rationalising our academic awards to include a small financial award, a new prize for Mensuration has been established.

Report of the Trustees (continued)
For the year ended 31 December 2022

Fundraising

The year ended 31st December 2019 was the first year the Society formally considered fundraising as a separate activity. Due to the limited success of the President's Fund during the early part of that year; it was decided to some of the funds raised to engage a Fundraiser to develop:

- Case for Support;
- Fundraising strategy; and
- Fundraising funding programme.

The preliminary Case for Support was prepared in 2019 and the fundraising strategy is underway. However, the restrictions around COVID-19 meant that work stalled. We commissioned a review of fundraising and available funders in 2021 and are relaunching our work on development of a fundraising strategy in 2023 as we reach a conclusion on the strategic plan.

We are delighted to have received the first instalment of funding in memory of Ian and Patricia Murgitroyd. A foundation in their memory was established by their family and the foundation is donating a substantial sum to fund up to four awards (an academic prize and three bursaries) each year for the next 25 to 50 years.

Summary

We continue to align more closely our reporting of achievements and performance with our charitable objectives and delivery programme. Trustees will continue to refine our approach in order that we can demonstrate to members and those who provide valuable support to us for the work of the Society to **provide practical forestry education.**

Going concern and post-balance sheet events

The Scottish government introduced restrictions due to the Coronavirus pandemic (COVID-19) which resulted in the cancellation of the Annual Study Tour 2020 and around two thirds of the Regional Study Days 2020.

The Coronavirus pandemic (COVID-19) resulted in the cancellation of the Annual Study Tour 2020 and around two thirds of the Regional Study Days 2020. These events restarted in a limited way during 2021 and a full programme of events was held during 2022.

The Society is remains reasonably financially secure, as the bulk of our income is increasingly derived from a broad spectrum of activities.

The investment portfolio did not perform well in 2022, showing an unrealised loss of £29.4k (2021: £17.4k gain). This was largely due to the impact on world markets of the Ukraine Invasion and the instability of the UK government during autumn 2022.

Taking all of the foregoing into account, the trustees have formed the view that the Society remains a Going Concern and has adequate funds in place to sustain its on-going operations.

Financial Review

Results for the year

The results for the year are as stated in the Statement of Financial Activities on page 15.

The Charity had unrestricted fund income amounting to £101.8k (2021: £104k) and unrestricted fund expenditure of £76.8k (2021: £87.2k) resulting in a net surplus for the year of £25.0k (2021: £16.8k). The change in level of surplus is a result of continuing improvements in the operations of the charity offset by unrealised losses on the investment portfolio. Around half of our unrestricted costs are attributable to the costs of producing the Society's journal '*Scottish Forestry*' and outsourced corporate services. This proportion journal costs is falling due to improved efficiencies achieved.

Our surpluses continue to be invested in the future of the Society and its activities.

The investment assets valuation decreased the general fund by £17.2k (2021: increase £13.5k).

The movements on restricted funds are confirmed in pages 22 to 24.

Report of the Trustees (continued)
For the year ended 31 December 2022

The Society continued to operate as a charity between 1 January 2022 and 31 December 2022 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 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. The Society's portfolio is managed by Investec Wealth Management on a discretionary basis.

Surplus cash is held in deposit accounts with CAF (Charities Aid Foundation) Bank Limited.

Risk Management

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

As the charity continues to grow and develop, our reliance on a small number of volunteers, contractors and employees acts as a constraint on the capacity of the charity to meet its plans and aspirations.

The nature of membership of the Society is changing. Of itself this is not a risk *per se*. However, the change does require reconsideration of our constitutional arrangements. In making these changes, whilst giving new forms of membership the franchise, we must ensure that existing member groups are not disenfranchised.

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 15 of the accounts. At 31 December 2022 free reserves amounted to £211,002 (2021: £199,106) which is equivalent to expenditure for 12 months.

Plans for the future

Production of a new strategic plan for the Society was initiated during 2022. It was apparent during the initial discussions that this had to be holistic in nature also taking in the work of Cashel Forest Trust, of which RSFS is the Parent Charity. Three joint days have been held between the trustees of both charities and good progress is being made in setting out plans for RSFS 2023 to 2028.

The overarching purpose of RSFS remains to:

Meet the needs for practical forestry and woodland education through supporting those in forestry and woodland management meet their development needs and by promoting sustainable forestry more widely.

To do this we will be:

- Developing our learning & development offering;
- Collating information on current research, thinking and forest practice from diverse sources and promulgating that through publications, events and other channels;
- Establishing a clear strategy for Cashel supporting RSFS and implementing it;
- Reviewing our membership framework;
- Developing a more inclusive and diverse membership to better reflect those active in the sector;
- Developing closer links with key partners and stakeholders.

Report of the Trustees (continued)
For the year ended 31 December 2022

Recognising the role of RSFS as a Scottish charity which supports practical forestry education, consideration will be given as to how we can:

- Ensure that our Regional Study Days and Annual Study Tour provide the level of engagement, focus on the topics and benefit sought by those attending.
- Develop a suite of training days to provide those active in the sector or who are entering it with relevant Continuous Professional Development

These will require us to:

- Promote what we do more widely;
- Continue developing and maintaining effective governance, health and safety, financial, technology & delivery strategies;
- Continue developing and pursuing Communications and Fundraising Strategies to support our delivering good outcomes for the Society.

There continues to be a tremendous sense of optimism and renewal which the trustees hope is now permeating throughout the Society.

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 trustees of the Society are listed on page 1. New trustees are proposed by the Board and confirmed by a vote of the members at the Annual General Meeting which is ordinarily held in May each year.

Recruitment of new Trustees

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

Five trustees are appointed as a consequence of their being the Chair of their regional committee. All other trustees are proposed and appointed to ensure that there is a balance of skills within the Board.

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.

Parent Undertaking

Royal Scottish Forestry Society submitted an application for membership of Cashel Forest Trust (then called 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 2022

Key management personnel remuneration
The trustees consider themselves to comprise the key management personnel of the charity in charge of directing and controlling the charity. Three contractors were engaged during 2022 to deliver:

- Monitor Woods – to manage the database, conduct site visits and identify future sites. Ongoing work on Monitor Woods was suspended during 2022;
- Editorial Services – to produce *Scottish Forestry* and the fortnightly *RSFS eNews*; and
- Corporate Services – to manage membership, act as Board Secretary, maintain financial records in support of the bookkeeper and independent examiner, and act in a development capacity.

During 2022 the trustees decided to restructure the operations of the charity and have worked towards implementing this in 2023. There are eight principal delivery channels:

- Operational management – overseen by the Officers of the charity;
- Regional Field Days and Annual Study Tour – delivered by the Regional Committees;
- Membership services – a new Membership Officer, Rhona Lyon was appointed with effect from 4th Jan 2023;
- Education and training – this remains on a voluntary basis at present;
- Editorial – outsourced to Gavin McGregor, an independent editor;
- Financial management - outsourced to CGPM Consulting LLP;
- Fundraising – this will be outsourced to an independent contractor shortly;
- Governance and Secretariat – outsourced to CGPM Consulting LLP.

All trustees give of their time freely and no remuneration was paid to them during in the year in respect of their duties as a trustee. Details of trustee expense payments are disclosed in note 3.

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

The level of the fee rate paid to the Corporate Services provider is reviewed annually in accordance with market rates.

Reference and administrative information
The information is contained in page 1 of the report.

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.

Report of the Trustees (continued)
For the year ended 31 December 2022

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.

Wilma Harper
President
9th May 2023

Independent Examiner's Report to the trustees of the Society
For the year ended 31 December 2022

I report on the accounts of the Society for the year ended 31 December 2022 which are set out on pages 15 to 25.

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

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

9th May 2023

Statement of Financial Activities
For the year ended 31 December 2022

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2022 £	Total Funds 2021 £
Income from:						
Donations and legacies	4	60,889	56,000	-	116,889	65,275
Charitable activities	5	14,826	-	-	14,826	28,909
Investment income	6	7,396	-	-	7,396	5,044
Other trading activities	7	18,749	-	-	18,749	22,055
Total income		**101,860**	**56,000**	**-**	**157,860**	**121,283**
Expenditure on:						
Raising funds	8	2,425	-	-	2,425	9,999
Charitable activities	9	74,372	23,640	-	98,012	110,086
Total expenditure		**76,797**	**23,640**	**-**	**100,437**	**120,085**
Net income		**25,063**	**32,360**	**-**	**57,423**	**1,198**
Gain/(loss) on revaluation of investment assets	12	(17,165)	(11,633)	(643)	(29,441)	17,367
Net movement on funds		**7,898**	**20,727**	**(643)**	**27,982**	**18,565**
Fund balances brought forward	14	246,104	100,655	5,497	352,256	333,691
Fund balances carried forward	14	**254,002**	**121,382**	**4,854**	**380,238**	**352,256**

Balance Sheet
At 31 December 2022

	Note		2022		2021
			£		**£**
Fixed assets					
Tangible assets	10		43,000		46,998
Investments	11		275,180		255,996
Current assets					
Debtors	12	24,604		15,349	
Cash at bank and in hand		61,483		60,507	
		86,087		75,856	
Creditors – amounts falling due within one year	13	(24,029)		(26,594)	
Net current assets			62,058		49,262
Net assets			**380,238**		**352,256**
Funds					
Permanent endowment fund	14		4,854		5,497
Unrestricted funds	14		254,002		246,104
Restricted funds	14		121,382		100,655
Total charitable funds			**380,238**		**352,256**

The notes on pages 13 to 25 form part of these accounts.

The financial statements were approved and signed on behalf of the Board of the Society on **9th May 2023.**

Dr Thomas Mitchell Honorary Treasurer

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 financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

2. Accounting Policies

The principal accounting policies adopted, judgement 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 under the historical cost convention unless otherwise specified, within these accounting policies and in accordance with:

- United Kingdom Accounting Standards, including Financial Reporting Standard 102. 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ("FRS 102") (United Kingdom Generally Accepted Accounting Practice);
- Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP - FRS 102 effective 1 January 2019);
- Update Bulletin 1 to the SORP published in February 2016;
- The Charities and Trustee Investment (Scotland) Act 2005; and
- The Charities Accounts (Scotland) Regulations 2006 (as amended).

Advantage has been taken of the exemption permitted in section 1A of FRS102 not to prepare a Cash Flow Statement and accompanying notes.

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 financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items as fair value. 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.

The COVID-19 pandemic and the ensuing economic shutdown has had a modest impact on the charity's operations. In line with Government guidelines all field visits and study tours stopped from 20 March 2020. These activities restarted in September 2021. There was no impact on activities during 2022.

2. Accounting Policies (continued)

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.

Endowment funds represent those assets which must be held permanently by the charity, principally investments. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

Further explanation of the nature and purpose of each fund are disclosed in note 14.

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.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

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) Government and other grants

Government and other grants are recognised at fair value when the charity has entitlement, after any performance condition is met, where it is probably that the income will be received, and the amount can be measured reliably.

f) 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.

2. Accounting Policies (continued)

g) 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, bookkeeper and investment manager.

h) Irrecoverable VAT

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

i) 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 operating assets on a 15% reducing method and on Canopy development at 20% straight line. 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.

j) 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.

k) 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.

l) Stocks

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

m) 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.

n) 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.

2. Accounting Policies (continued)

o) 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.

p) 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.

q) 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.

r) 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.

s) 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 were not paid or received any other benefits from employment. An honorarium of £1,000 was paid to Dr Thomas Mitchell, the Treasurer. Services were provided by CGPM Consulting LLP £2,125 (2021 £1,405), a partnership in which Dr Thomas Mitchell is a partner.

The market value of time spent by the trustees on Monitor Woods Project was £nil (2021: £16,600).

The value of expenses paid to 2 trustees during the year was £244.45 (2021: nil).

Royal Scottish Forestry Society is the parent member of Cashel Forest Trust (CFT). Where Cashel Forest Trust generates revenues via debit and credit cards and Paypal, it uses the RSFS merchant accounts. RSFS incurs certain costs on behalf of CFT and recharges them. Recharges between RSFS and CFT are through and intercompany account with periodic settlement of any balances. The amounts due to and from CFT are disclosed in notes 12 and 13.

Payments to the key management personnel of the charity in the year amounted to £13,060 (2021: £20,295).

	Unrestricted Funds £	Restricted Funds £	Total £

4. Donations and legacies 2022

	Unrestricted Funds £	Restricted Funds £	Total £
Donations	1,246	56,000	57,246
Individual subscriptions	34,009	-	34,009
Corporate subscriptions	16,070	-	16,070
Gift Aid recovery	7,564	-	7,564
Legacies	2,000	-	2,000
	60,889	56,000	116,889

Donations and legacies 2021

	Unrestricted Funds £	Restricted Funds £	Total £
Donations	6,100	1,200	7,300
Annual subscriptions	42,871	-	42,871
Gift Aid recovery	7,789	-	7,789
Corporate subscriptions	7,315	-	7,315
	64,075	1,200	65,275

5. Charitable activities 2022

	Unrestricted Funds £	Restricted Funds £	Total £
Journal sales	1,249	-	1,249
Publication income	759	-	759
Training events	4,945	-	4,945
Annual Study Tour	7,873	-	7,873
	14,826	-	14,826

Charitable activities 2021

	Unrestricted Funds £	Restricted Funds £	Total £
Journal sales	3,396	-	3,396
Publication income	3,783	-	3,783
Event	350	-	350
Annual Study Tour	6,380	-	6,380
Monitor Woods Fund	-	15,000	15,000
	13,909	15,000	28,909

6. Investment income 2022

	Unrestricted Funds £	Restricted Funds £	Total £
Dividends on listed investments	7,094	-	7,094
Interest on listed investments	302	-	302
	7,396	-	7,396

Investment income 2021

	Unrestricted Funds £	Restricted Funds £	Total £
Dividends on listed investments	3,008	1,055	4,063
Interest on listed investments	973	-	973
Bank interest	8	-	8
	3,889	1,055	5,044

7. Other trading activities 2022

	Unrestricted Funds £	Restricted Funds £	Total £
Advertising in the journal	17,468	-	17,468
Journal Royalties	1,281	-	1,281
	18,749	-	18,749

Other trading activities 2021

	Unrestricted Funds £	Restricted Funds £	Total £
Advertising in the journal	20,245	-	20,245
Income from raffle and shoot	1,200	-	1,200
Journal Royalties	610	-	610
	22,055	-	22,055

8. Expenditure on raising funds 2022

	Unrestricted Funds £	Restricted Funds £	Total £
Advertising by RSFS	-	-	-
Fundraising costs	2,425	-	2,425
	2,425	-	2,425

Expenditure on raising funds 2021

	Unrestricted Funds £	Restricted Funds £	Total £
Advertising agency fees	8,822	-	8,822
Events - raffle and shoot costs	1,177	-	1,177
	9,999	-	9,999

9. Charitable activities 2022

	Unrestricted Funds £	Restricted Funds £	Total £
Cost of direct activities			
Treasurer's Honorarium	1,000	-	1,000
Recruitment fees	348	-	348
Scottish Forestry costs	22,032	14,336	36,368
Education Bursary	5,600	-	5,600
Grants and donations	200	3,000	3,200
Training event costs	4,173	-	4,173
Publication costs	104	-	104
Annual Study Tour	7,867	-	7,867
Non trustee training	-	-	-
Depreciation	301	3,697	3,998
	41,625	21,033	62,658
Cost of administration			
Corporate office	13,550	1,000	14,550
Sundry office costs	423	-	423
Investment management fees	2,446	-	2,446
IT costs	2,512	1,607	4,119
Professional fees	4,899	-	4,899
Financial costs	7,248	-	7,248
Governance costs *(see below)*	1,669	-	1,669
	32,747	2,607	35,354
Total 2022	74,372	23,640	98,012

	Unrestricted Funds £	Restricted Funds £	Total £
Governance costs			
Board secretariat	625	-	625
Independent examination	800	-	800
Trustees' expenses	244	-	244
	1,669	-	1,669

RSFS employed no staff in 2022 (2021: 0). Accordingly, no employee was paid more than £60,000 in 2021 or 2022.

9. Charitable activities 2021

	Unrestricted Funds £	Restricted Funds £	Total £
Cost of direct activities			
Treasurer's Honorarium	1,000	-	1,000
Monitor Woods	-	21,973	21,973
Scottish Forestry costs	28,257	-	28,257
Meeting and travel expenses	1,221	-	1,221
Education Bursary	-	5,725	5,725
Publication costs	6,718	3,412	10,130
Event costs	4,554	-	4,554
Sundry expenses	35	-	35
Non trustee training	60	-	60
Depreciation	114	1,305	1,419
Donations made	200	-	200
Council – gifts made	126	-	126
	42,285	32,415	74,700
Cost of administration			
Corporate services	20,295	-	20,295
Insurance	439	-	439
Office accommodation	576	-	576
Investment management fees	1,990	513	2,503
Printing, stationery and advertising	373	-	373
Postage and telephone	1,497	-	1,497
Software and maintenance fees	1,059	-	1,059
Web hosting	1,855	-	1,855
Bank charges	1,478	-	1,478
Book-keeping fees	1,536	-	1,536
Independent examiner's fee	1,410	-	1,410
Consultancy fees	2,365	-	2,365
	34,873	513	35,386
Total 2021	77,158	32,928	110,086

10. Tangible fixed assets

	Operating Assets £	Canopy Development £	Heritage Assets £	Total £
Cost				
At 31st December 2021	1,176	6,525	43,000	50,701
Additions	-	-	-	-
Disposals	-	-	-	-
At 31st December 2022	1,176	6,525	43,000	50,701
Depreciation				
At 31st December 2021	875	2,828	-	3,703
Charge for the year	301	3,697	-	3,998
Disposals	-	-	-	-
At 31st December 2022	1,176	6,525	-	7,701
At 31st December 2022	-	-	43,000	43,000
At 31st December 2021	301	3,697	43,000	46,998

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. During the year, the charity undertook an impairment review. The review concluded that Canopy would not be developed further in its current form and should be written down.

11. Investments

	2022 £	2021 £
Market value at 1 January	255,996	179,297
(Decrease) Increase in amounts held as cash	655	(1,948)
Additions at cost (net of equalisations)	64,172	61,280
Disposals at carrying value	(16,201)	-
Net gain on revaluation	(29,442)	17,367
Market value at 31 December	275,180	255,996

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.

	2022 £	2021 £
12. Debtors		
Trade receivables	1,146	-
Other debtors and prepayments	21,479	15,349
Intercompany account	1,979	-
	24,604	15,349

13. Creditors

Amounts falling due within one year

	2022 £	2021 £
Creditors & accruals	12,736	23,262
Intercompany account	7,428	1,638
Income in advance	3,865	1,694
	24,029	26,594

14. Statement of funds 2022

	Balance at 1 January 2022 £	Income £	Expenditure £	Investment Revaluation £	Balance at 31 December 2022 £
Unrestricted funds	246,104	101,860	(76,797)	(17,165)	254,002
Excursions Fund	1,242	-	-	(201)	1,041
Trophy Fund	1,200	-	-	(194)	1,006
Educational Fund	43,906	-	-	(4,856)	39,050
Monitor Woods Fund	28,273	-	(6,447)	(3,239)	18,587
Conference Fund	2,097	-		(358)	1,739
Overseas Groups Fund	403	-	-	-	403
Silvicultural Group Fund	6,766	-	(6,766)	-	-
McNeil Bequest	3,000	-	(3,000)	-	-
Jeffrey Schools Competition Fund	12,230	-	-	(1,944)	10,286
Lecture Fund	111	-	-	-	111
Scottish Forestry Fund	-	6,000	(6,000)	-	-
Technology Fund	1,427	-	(1,427)	-	-
Murgitroyd Fund	-	50,000	-	(841)	49,159
Restricted funds total	100,655	56,000	(23,640))	(11,633)	121,382
Permanent Endowment	5,497	-	-	(643)	4,854
Total funds	352,256	157,860	(100,437)	(29,441)	380,238

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.

14. Statement of funds 2021

Statement of funds 2021	Balance at 1 January 2021 £	Income £	Expenditure £	Investment Revaluation £	Balance at 31 December 2021 £
Unrestricted funds	215,695	104,028	(87,157)	13,538	246,104
Excursions Fund	1,242	-	-	-	1,242
Trophy Fund	1,200	-	-	-	1,200
Educational Fund	44,060	2,255	(6,238)	3,829	43,906
Monitor Woods Fund	36,551	15,000	(23,278)	-	28,273
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	-	-	-	-	-
Publication fund	3,412	-	(3,412)	-	-
Technology Fund	1,427	-	-	-	1,427
Restricted funds total	112,499	17,255	(32,928)	3,829	100,655
Permanent Endowment	5,497	-	-	-	5,497
Total funds	333,691	121,283	(120,085)	17,367	352,256

The restricted funds of the Society and the purposes for which they have been given are:

Restricted fund name	Purpose
Conference fund	Amounts donated for the purpose of supporting RSFS attendance at conferences and seminars.
Davidson fund	A donation made for the purpose of funding bursaries.
Education fund	Donations made to fund educational prizes.
Excursion fund *Incorporating the* *Gilbert Brown Memorial fund* *George Leven Memorial fund*	The surpluses accrued on sponsorship received in support of the attendance of young foresters at the Society's Annual Study Tour.
Hunter-Blair Trophy fund	A grant made to fund the maintenance of the RSFS trophies.
Jeffrey Schools Competition fund	A grant made Mrs Jeffrey on the passing of former RSFS President Graham Jeffrey for the purpose of funding competition prizes for Primary 7 children following a visit to Cashel Estate.
Lecture fund	The surpluses accrued from RSFS lectures to fund future lectures.
McNeil Bequest	A bequest made by Mrs McNeil to support tree planting by school children in Midlothian to further their education
Monitor Woods fund	A grant to fund the pilot study for the benchmarking of exemplar forest and woodlands and the systems and processes to support this.
Murgitroyd fund	A bequest made for the purpose of funding a range of bursaries and prizes in memory of Ian Murgitroyd.

14. Statement of funds (continued)

Restricted fund name	Purpose
Overseas Groups fund	A donation made to support overseas foresters attend RSFS events in the UK.
Publication fund	Grants received in support of updating and publishing the third edition of Tall Trees, Small Wood by Prof. Bill Mutch a former RSFS President and distributing a copy to all 2021 forestry students in the UK.
Scottish Forestry fund	Grants received in support of the production of the Journal of Scottish Forestry published by the Society.
Silviculture Group fund	The balance of the funds held by the RSFS' dissolved Silviculture Group used for the dissemination of knowledge and information by the Society
Technology fund	A donation received to upgrade the Society's operational technology platforms.

15. Analysis of net assets between funds 2022

	Fixed Assets £	Listed Investments £	Investment Cash £	Net Current Assets £	Total £
Unrestricted funds	43,000	147,615	1,961	61,426	254,002
Restricted funds	-	119,063	1,687	632	121,382
Permanent endowment	-	4,854	-	-	4,854
	43,000	271,532	3,648	62,058	380,238

15. Analysis of net assets between funds 2021

	Fixed Assets £	Listed Investments £	Investment Cash £	Net Current Assets £	Total £
Unrestricted funds	46,998	204,604	1,612	(7,110)	246,104
Restricted funds	-	42,901	1,382	56,372	100,655
Permanent endowment	-	5,497	-	-	5,497
	46,998	253,002	2,994	49,262	352,256

16. Prior year Statement of Financial Activities

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2021 £	Total Funds 2020 £
Income from:						
Donations and legacies	4	64,075	1,200	-	65,275	119,968
Charitable activities	5	13,909	15,000	-	28,909	34,556
Investment income	6	3,989	1,055	-	5,044	2,491
Other trading activities	7	22,055	-	-	22,055	9,338
Total income		**104,028**	**17,255**	**-**	**121,283**	**166,353**
Expenditure on:						
Raising funds	8	9,999	-	-	9,999	3,922
Charitable activities	9	77,158	32,928	-	110,086	91,671
Total expenditure		**87,157**	**32,928**	**-**	**120,085**	**95,593**
Net income		**16,871**	**(15,673)**	**-**	**1,198**	**70,760**
Gain/(loss) on revaluation of investment assets	12	13,538	3,829	-	17,367	488
Net movement on funds		**30,409**	**(11,844)**	**-**	**18,565**	**71,248**
Fund balances brought forward	14	215,695	112,499	5,497	333,691	262,443
Fund balances carried forward	14	**246,104**	**100,655**	**5,497**	**352,256**	**333,691**

17. Events after the reporting date

Following government policy, the Society recognises that the Coronavirus pandemic *per* se has ended. However, the effects of ongoing Coronavirus management are now considered to be "business as usual" and precautions are managed within the Society's ongoing Health & Safety management systems.