ROYAL SCOTTISH FORESTRY SOCIETY

A SCOTTISH CHARITABLE INCORPORATED ORGANISATION

Charity No. SC 002058

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2023

Reference and administrative information

For the year ended 31 December 2023

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

Membership services

Rhona Lyon

Editor

Gavin McGregor

Bankers and investment managers

CAF Bank Limited	Investec Wealth Management
25 Kings Hill Avenue	Quartermile One
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Independent Examiner

Chris Spalding C.A.
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Addresses

Registered office:	*Correspondence address:*
Pentland Estate	2 Walker Street
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Report of the Trustees
For the year ended 31 December 2023

The trustees present their annual report and financial statements of the charity for the year ended 31 December 2023. 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 student;
- Our publications: *Scottish Forestry*, *RSFS eNews*;
- Regional field days and Annual study tour;
- Offering CPD quality training days;
- 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.

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

During 2023 the Membership structure of the Society was modified to better reflect the nature of the sector. A new Corporate Membership scheme was introduced during 2023 ready for the 2024 membership year. The scheme enables organisations to nominate three or more staff members in exchange for a modest discount. The staff named members are then eligible to access all member benefits of the Society, with the exception of paper copies of the Journal, a limited number of which are sent to corporate offices.

The revised structure is now:

- Individual – unchanged;
- Corporate – open to organisations with more than 3 people;
- Student – any person who is a registered student may claim a maximum of 4 years' membership at a heavily discounted rate. Trustees feel that is important to provide access to networks, knowledge and practical education to those still engaged in their education.

Membership numbers are consistent with prior years and the number of individual members remains above 600. The revised corporate scheme has brought an additional 450 members into the Society. Since offering membership through the online channel, numbers have stabilised, numbers of student members have increased.

Publications

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

Report of the Trustees (continued)
For the year ended 31 December 2023

Gavin McGregor was appointed as Editor of *Scottish Forestry* in 2022 bringing a wealth of experience. Since then Gavin has made several well-received changes to *Scottish Forestry* and the eNews.

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.

Our platform 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.

Changes initiated in 2022 have been consolidated in 2023 and continue to deliver quality improvements and ongoing positive feedback. Our email opening rates and article click through rates exceed digital newsletter norms. Back editions of the *RSFS eNews* are also now available to members, in the member's area of the RSFS website.

Our programme of Regional Field Days (RFD) continue to be well attended. During 2023 we held 14 RFD across Scotland.

During 2023, the Society developed a new suite of workshops aimed at:

- Fostering a culture of sharing practical knowledge in the sector;
- Supporting members to meet any CPD requirements they may have as a result of any professional membership they hold;
- Filling gaps in practical education curricula;
- Diversifying the Society's income

Whilst we refer to these courses as CPD workshops, there is no CPD requirement for membership of the Society.

Regional field days

Our regional field days showcased the breadth of Scotland's woodland types and management objectives. We also ran training events on forest mensuration and on indicator plants and soils, meeting the growing demand for practical learning. Many events were fully subscribed. Work is under way in the regions for the 2024 programme, and all field days are published on the homepage of our website and listed in the fortnightly eNews. We now expect members to book online. This helps the organisers and means that we can contact you if details change.

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 2023 AST was hosted by South West Region and was based in Newton Stewart.

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"

2023 - Domen Finzgar, Richard Ennos, Richard Whittet, Joan Cottrell for Measuring and managing genetic diversity in the British Sitka spruce improvement programme. Vol 77(2).

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

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

2023 - Virginia Harden Scott for Focus on forest plastics: Reducing single-use plastics in forestry. Vol 77(3).

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).

Report of the Trustees (continued)
For the year ended 31 December 2023

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

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).

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

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).

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.

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 use 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, with the restrictions around COVID-19, 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.

Recognition

It's always welcome to be recognised, and in February 2023, as part of the celebrations of the 40th anniversary of the Scottish Forestry Trust, a special award for 'Education and Outreach' was awarded to RSFS for its work at Cashel Forest. In recent years, Cashel has developed from a low-profile native forest with walking routes into a site offering a range of events and activities. During 2023, the RSFS and Cashel Boards worked closely together, and will continue to assess the priorities for Cashel going forward. We now have a better understanding of the opportunities which could be developed there, but this has come with greater awareness of the challenges which need to be addressed.

Volunteers

RSFS is a small charity, and the trustees wish to ensure that we tread the careful path between meeting the necessary standards of compliance and good governance while looking for ways to streamline our operations and keep things as simple as we can. Like most charities, the RSFS depends on the support of people who volunteer for various roles or take on particular tasks. Fulfilling a voluntary role is satisfying in its own right, and can provide a range of experience and contribute to professional development. If you feel you can help in any way, let us know. The Society's lifeblood is enriched by new – particularly young – people with fresh ideas and enthusiasm.

Report of the Trustees (continued)
For the year ended 31 December 2023

Summary

RSFS is enriched by its members, people who share a belief in and passion for all the benefits brought to us by Scotland's trees, woods and forests.

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 Society remains reasonably financially secure, as the bulk of our income is increasingly derived from a broad spectrum of activities. Over the past 10 years we have broadened our income sources from primarily membership dues to include investment income, fees from courses and a small number of large donations.

The investment portfolio performed better than in 2022 but still lags industry benchmarks, showing an unrealised gain of £4.4k (2022: £29.4k loss). The underperformance of the portfolio is the result of the Investment Manager actively deciding not to hold shares in, or funds holding, the so-called "Magnificent 7" technology stocks that were behind any of the market gains in 2023.

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 11.

The Charity had unrestricted fund income amounting to £102.4k (2022: £101.8k) and unrestricted fund expenditure of £70.3k (2022: £76.8k) resulting in a net surplus for the year of £32.2k (2022: £25.0k). 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 of 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 increased the general fund by £2.1k (2022: decrease £17.2k).

The movements on restricted funds are confirmed in pages 23 to 25.

The Society continued to operate as a charity between 1 January 2023 and 31 December 2023 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.

Report of the Trustees (continued)
For the year ended 31 December 2023

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 2023 free reserves amounted to £235,188 (2022: £211,002). The charity has in excess of 12 months unrestricted reserves available.

Plans for the future

Production of a new strategic plan for the Society was initiated during 2022 and completed during 2023 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.

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 workshops 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.

Having stabilised and begun to grow the charity over the past 10 years, we are now looking to improve the operating resilience. This will be achieved through improved resourcing, succession planning and having more robust processes underpinning operational activity.

During 2024 the first tranche of CPD workshops will take place. Six are planned, but it is hoped to offer significantly more in future years, provided anticipated demand is realised. These days are open to both members and non-members, though members do receive a discount.

Report of the Trustees (continued)
For the year ended 31 December 2023

We are looking to refresh our Reginal committees during 2024. Two committees in particular, North and North East, are seeking fresh blood and younger more active membership. Serving on a Regional committee can at times be demanding (organising RFD, organising an AST one year in five, promoting the Society within the sector locally, etc), but rewarding and it is important that from time to time they are refreshed. Committee membership gives an excellent opportunity to develop a range of contacts and to promote the general wellbeing of forestry.

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.

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. Two contractors were engaged during 2023 to deliver:

- 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 to implement 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;

Report of the Trustees (continued)
For the year ended 31 December 2023

- 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.

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.

Raymond Henderson
Vice President
13th May 2024

Independent Examiner's Report to the trustees of the Society
For the year ended 31 December 2023

I report on the accounts of the Society for the year ended 31 December 2023 which are set out on pages 11 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 (as amended). 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

13th May 2024

Statement of Financial Activities
For the year ended 31 December 2023

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2023 £	Total Funds 2022 £
Income from:						
Donations and legacies	4	76,840	63,830	-	140,670	116,889
Charitable activities	5	8,643	7,061	-	15,704	14,826
Investment income	6	8,037	-	-	8,037	7,396
Other trading activities	7	8,874	-	-	8,874	18,749
Total income		**102,394**	**70,891**	**-**	**173,285**	**157,860**
Expenditure on:						
Raising funds	8	-	-	-	-	2,425
Charitable activities	9	70,256	8,376	-	78,632	98,012
Total expenditure		**70,256**	**8,376**	**-**	**78,632**	**100,437**
Net income		**32,138**	**62,515**	**-**	**94,653**	**57,423**
Gain/(loss) on revaluation of investment assets	12	2,097	2,046	349	4,492	(29,441)
Net movement on funds		**34,235**	**64,561**	**349**	**99,145**	**27,982**
Fund balances brought forward	14	254,002	121,382	4,854	380,238	352,256
Fund balances carried forward	14	**288,237**	**185,943**	**5,203**	**479,383**	**380,238**

Balance Sheet
At 31 December 2023

	Note		2023		2022
			£		£
Fixed assets					
Tangible assets	10		53,050		43,000
Investments	11		278,322		275,180
Current assets					
Debtors	12	42,542		24,604	
Cash at bank and in hand		174,068		61,483	
		216,610		86,087	
Creditors – amounts falling due within one year	13	(68,599)		(24,029)	
Net current assets			148,011		62,058
Net assets			**479,383**		**380,238**
Funds					
Permanent endowment fund	14		5,203		4,854
Unrestricted funds	14		288,237		254,002
Restricted funds	14		185,943		121,382
Total charitable funds			**479,383**		**380,238**

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 **13th May 2024.**

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.

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 Advertising Agency collects and remits the income.

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) Revaluation

Tangible assets may be subject to an external expert valuation from time to time to ensure that their carrying value reflects an approximation of fair value. Any changes in value (unless reversing a previous loss) following a valuation must be recognised as a gain in an equity account – the revaluation reserve. If it is reversing a previous loss that was recognised in the profit and loss account, for up to that amount it must be recognised in the profit and loss, with the excess recognised as a gain and in the revaluation reserve.

l) 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.

m) Stocks

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

n) 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.

2. Accounting Policies (continued)

o) 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.

p) 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.

q) 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.

r) 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.

s) 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.

t) 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, trustees' expenses and key management 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 in 2022; no payment was made in 2023. Services were provided by CGPM Consulting LLP £5,500 (2022: £2,125), a partnership in which Dr Thomas Mitchell is a partner.

The value of expenses paid to 2 trustees during the year was £212 (2022: 244.45).

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 £12,008 (2022: £13,060).

	Unrestricted Funds £	Restricted Funds £	Total £
4. Donations and legacies 2023			
Annual subscriptions	38,654		38,654
Corporate subscriptions	18,768		18,768
Gift Aid recovery	8,031		8,031
Donations	11,387	63,830	75,217
	76,840	63,830	140,670

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

5. Charitable activities 2023

	Unrestricted Funds £	Restricted Funds £	Total £
Journal sales	2,867	-	2,867
Publication income	345	-	345
Training events	5,431	-	5,431
Annual Study Tour	-	7,061	7,061
	8,643	7,061	15,704

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

	Unrestricted Funds £	Restricted Funds £	Total £
6. Investment income 2023			
Dividends & interest on listed investments	7,463	-	7,463
Bank interest	1,924	-	1,924
Realised gains and (losses)	(1,350)	-	(1,350)
	8,037	-	8,037
Investment income 2022			
Dividends & interest on listed investments	7,094	-	7,094
Bank interest	302	-	302
	7,396	-	7,396
7. Other trading activities 2023			
Advertising in the journal	7,702	-	7,702
Journal Royalties	1,047	-	1,047
Other income	125	-	125
	8,874	-	8,874
Other trading activities 2022			
Advertising in the journal	17,468	-	17,468
Journal Royalties	1,281	-	1,281
	18,749	-	18,749
8. Expenditure on raising funds 2023			
Fundraising costs	-	-	-
	-	-	-
Expenditure on raising funds 2022			
Fundraising costs	2,425	-	2,425
	2,425	-	2,425

9. Charitable activities 2023

	Unrestricted Funds £	Restricted Funds £	Total £
Cost of direct activities			
Administrator expenses	360	-	360
Scottish Forestry costs	34,049	-	34,049
Education Bursary	210	5,850	6,060
Training event costs	4,424	-	4,424
Publication costs	44	-	44
Annual Study Tour	-	2,526	2,526
	39,087	8,376	47,463
Cost of administration			
Corporate office	11,796	-	11,796
Sundry office costs	75	-	75
Investment management fees	31	-	31
IT costs	4,040	-	4,040
Professional fees	4,486	-	4,486
Financial costs	6,789	-	6,789
Governance costs *(see below)*	3,952	-	3,952
	31,169	-	31,169
Total 2023	70,256	8,376	78,632
Governance costs			
Board secretariat	2,500	-	2,500
Legal & professional	40	-	40
Independent examination	1,200	-	1,200
Trustees' expenses	212	-	212
	3,952	-	3,952

RSFS employed no staff in 2023 (2022: 0). Accordingly, no employee was paid more than £60,000 in 2022 or 2023.

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
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
Governance costs			
Board secretariat	625	-	625
Independent examination	800	-	800
Trustees' expenses	244	-	244
	1,669	-	1,669

10. Tangible fixed assets

	Operating Assets £	Canopy Development £	Heritage Assets £	Trophies & Prizes £	Total £
Cost or valuation					
At 31st December 2022	1,176	6,525	40,000	3,000	50,701
Valuation	-	-	-	10,050	10,050
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31st December 2023	1,176	6,525	40,000	13,050	60,751
Depreciation					
At 31st December 2022	1,176	6,525	-	-	7,701
Charge for the year	-	-	-	-	-
Disposals	-	-	-	-	-
At 31st December 2023	1,176	6,525	-	-	7,701
At 31st December 2023	-	-	40,000	13,050	53,050
At 31st December 2022	-	-	40,000	3,000	43,000

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. These comprise heritage assets on loan to museums and trophies and prizes offered in recognition of academic achievement. During the year, the charity had its trophies and prizes revalued for insurance purposes; these previously had been held at £3,000 value.

11. Investments

	2023 £	2022 £
Market value at 1 January	275,180	255,996
(Decrease) Increase in amounts held as cash	2,876	655
Additions at cost (net of equalisations)	38,909	64,172
Disposals at carrying value	(43,134)	(16,201)
Net gain on revaluation	4,491	(29,442)
Market value at 31 December	278,322	275,180

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.

12. Debtors

	2023 £	2022 £
Trade receivables	19,449	1,146
Other debtors and prepayments	19,098	21,479
Intercompany account	3,995	1,979
	42,542	24,604

13. Creditors

Amounts falling due within one year

	2023 £	2022 £
Creditors & accruals	32,481	12,736
Intercompany account	17,452	7,428
Income in advance	18,666	3,865
	68,599	24,029

Income in advance – membership

	2023 £	2022 £
Opening balance	888	-
Income released in the year	(888)	-
Income received in advance	15,729	888
Being subscriptions relating to the new financial year received (individual) or paid (corporate) during current financial year	15,729	888

Income in advance – Journal subscription

	2023 £	2022 £
Opening balance	1,472	-
Income released in the year	(485)	-
Income received in advance	-	1,472
Being subscriptions relating to the new financial year received during current financial year	487	1,472

Income in advance – Annual study tour

	2023 £	2022 £
Opening balance	1,505	561
Income released in the year	(1,505)	(561)
Income received in advance	2,450	1,505
Being income relating to the annual study tour relating to the new financial year received during current financial year.	2,450	1,505

14. Statement of funds 2023

	Balance at 1 January 2023 £	Income £	Expenditure £	Investment Revaluation £	Balance at 31 December 2023 £
Unrestricted funds	254,002	102,394	(70,256)	2,097	288,237
Conference Fund	1,739	-	-	24	1,763
Educational Fund	39,050	-	(5,600)	2,204	35,654
Excursions Fund	1,041	7,061	(2,526)	14	5,590
Glen Grant Fund	-	63,830	-	-	63,830
Jeffrey Schools Competition Fund	10,286	-	-	142	10,428
Lecture Fund	111	-	-	-	111
Monitor Woods Fund	18,587	-		257	18,844
Murgitroyd Fund	49,159	-	(250)	(615)	48,294
Overseas Groups Fund	403	-		6	409
Trophy Fund	1,006	-		14	1,020
Restricted funds total	121,382	70,891	(8,376)	2,046	185,943
Permanent Endowment	4,854	-	-	349	5,203
Total funds	380,238	173,285	(78,632)	4,492	479,383

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 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 During the year, the trustees sought and received consent from OSCR to modify the terms of the fund to extend its geographic reach to include East Dumbartonshire and to permit the application of the funds for the amended purposes of supporting transport costs and to providing prizes to P7 children for written or media work in connection with Cashel or Cashel's activities in alignment with Curriculum for Excellence or any successor thereto.
Lecture fund	The surpluses accrued from RSFS lectures to fund future lectures.

14. Statement of funds (continued)

Restricted fund name	Purpose
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.
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.

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

15. Analysis of net assets between funds 2023

	Fixed Assets £	Investment Portfolio £	Investment Cash £	Net Current Assets £	Total £
Unrestricted funds	53,050	154,040	1,544	79,603	288,237
Restricted funds	-	112,554	4,981	68,408	185,943
Permanent endowment	-	5,203	-	-	5,203
	53,050	271,797	6,525	148,011	479,383

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

16. Prior year Statement of Financial Activities

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

17. Events after the reporting date

No reportable events.