



A company limited by guarantee registered in Scotland

Annual report and financial statements

Year ended 31 March 2016

**Scottish charity number SC005792
Company number SC040247**

Report of the trustees for the year ended 31 March 2016

The trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiary for the year ended 31 March 2016 which are also prepared to meet the requirements for a director's report and accounts for Companies Act purposes.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, 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 (FRS 102) (effective 1 January 2015) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Message from the Chairman

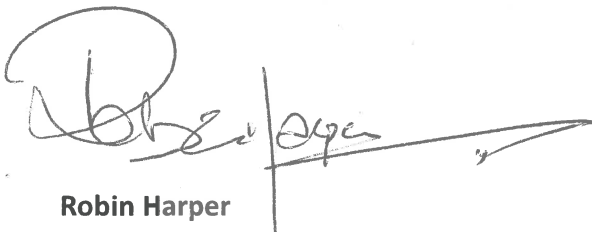
Welcome to the Annual report and accounts for the Scottish Wildlife Trust. The report gives details of the charity's work, demonstrating the impressive breadth and depth of work carried out by the Trust in the financial year from 1 April 2015 to 31 March 2016.

This has been a busy year for us all. All the volunteers, staff and trustees involved in our Trust work so hard, so willingly and so passionately for nature in Scotland. It is both an honour and a pleasure to be helping lead the Scottish Wildlife Trust during one of the most exciting and innovative periods in its history.

I am delighted with the progress and impact the Trust continues to make towards its vision of healthy, resilient ecosystems across Scotland's land and seas. Please take a moment to read the detailed report on our achievements which is attached to the Annual report and accounts.

One part of our work involves environmental education. Last year, I spent an inspiring afternoon in the Scottish Borders with one of our thirty Wildlife Watch Groups. Seeing the children enjoying themselves through creative play in the woodland environment reminded me of the importance that outdoor experiential learning provides. Through such learning, our young members develop a deep empathy for the natural world and become passionate about wildlife protection. These kids are the future and will be the next generation of champions for wildlife and wild places.

Therefore my sincerest thanks go to everyone who has supported the Trust in all it achieves; our members, volunteers, staff, donors, legators, charitable trusts, and corporate and public bodies for their wonderful generosity, dedication and support. I would like to give particular thanks to People's Postcode Lottery, Scottish Natural Heritage, Heritage Lottery Fund and the Esmeé Fairbairn Foundation for their generous and much needed support.

A handwritten signature in black ink, appearing to read 'Robin Harper', with a long horizontal flourish extending to the right.

Robin Harper

Director and Chairman of Council

Chief Executive's report

Once again, I'm hugely proud of what the Scottish Wildlife Trust has achieved in 2015/16 as both a thought-leader and an organisation that consistently delivers high-quality conservation projects on the ground. Our success is in no small part down to the quality of our people. Our staff team are exceptional but are only the tip of an iceberg that includes around 1,000 active volunteers, trustees, watch leaders, member group office bearers, donors and many, many partners.

The Trust remains the primary non-governmental organisation for the conservation of all of Scotland's wildlife. In 2015/16 we continued to ensure that our goals remain relevant to the ever-changing challenges that face Scotland's natural environment. This included strengthening our role in ensuring the conservation of nature benefits a broad range of people, communities and interests throughout Scotland. All the staff and trustees take huge pride in the way we deliver our charitable purpose, living by our values of being pioneering, inclusive and innovative.

There have again been so many notable achievements in 2015/16 it is not possible to summarise them all here. Readers looking for more detail will find examples of specific projects and activities detailed towards the end of this Review.

At the heart of the Trust's vision is a commitment to restore nature at seriously big scales across Scotland's land and seas. We were therefore delighted we were able to further strengthen delivery on the ground within our three Living Landscapes programmes in the past year. Our pioneering work continues in Coigach–Assynt area with a wide range of partners co-operating to drive forward a coherent suite of projects which when taken together will add up to one of the largest landscape and seascape-scale restoration projects in Europe. Meanwhile, in the central belt, both Cumbernauld and Edinburgh Living Landscapes continue to drive systemic changes in the way greenspaces are managed, moving away from mown grass prairies towards richer and more complex urban habitats such as wildflower meadows.

Our Saving Scotland's Red Squirrels initiative received a boost during the year when the Trust secured a pledge of interest, and associated development funding, from the Heritage Lottery Fund to help us deliver a new exciting phase of the project. By fostering increased community engagement, this next phase of the initiative will seek to put in place a sustainable long-term approach which, we believe, will secure a thriving future for red squirrels in Scotland.

The Trust has a long history of standing up for peatlands, the so-called 'Cinderella habitat'. In 2015/16 we continued to host and chair the successful IUCN UK Peatland Programme which promotes peatland restoration through partnerships, strong science, and sound policy and innovative practice. On our own reserves the Trust is, as always, walking-the-walk through several peatland re-wetting projects. This work is helping secure a brighter future for rare lowland raised bog plants such as sundew, cranberry and bog rosemary whilst also contributing positively to climate change targets by preventing carbon emissions from peat erosion.

In November, we ran a major international conference on the subject of Natural Capital at which our Patron, HRH Prince Charles gave an address along with Scotland's First Minister and several other world class speakers. Natural Capital is the world's stocks of natural assets which include geology, soil, air, water and all living things. It is from this Natural Capital that humans derive a wide range of services, often called ecosystem services, which make human life possible. The most obvious ecosystem services include the food we eat, the water we drink and the plant materials we use for fuel, building materials and medicines. There are also many less visible ecosystem services such as the climate regulation and natural flood defences provided by forests, the billions of tonnes of carbon

stored by peatlands, or the pollination of crops by insects. The World Forum on Natural Capital was a great success in that over 600 delegates attended from nearly 50 countries. However, the most important outcome is that it continues to spur action for nature in Scotland by providing businesses and government with the right tools and knowledge to conserve nature.

The Trust is always keen to stimulate thought, debate and action for wildlife and to this end, 2015 also saw the launch of a new publication; 50 for the Future. Here we set down 50 things that we believe need to happen in the next 50 years if we are to fully protect and restore Scotland's natural environment for future generations. From saving the Scottish wildcat in our uplands, to bringing back beavers to our lowlands, from de-paving our urban areas to ending the overfishing of our seas - the final 50 cover a huge range of issues and have been the subject of weekly articles by Trust staff, volunteers and guest contributors. I would encourage everyone to read this series of articles on our website and help spread the word.

The Trust's Living Seas programme saw some notable successes in 2015/16 with high level advocacy work with Scottish Environment LINK's marine task-force complemented by some fascinating scientific work in the seas off the coast of Wester Ross. The marine team organised a successful seabed habitat survey in the Wester Ross Marine Protected Area which enhanced our knowledge of the distribution of the rare and fragile maerl habitat with a view to securing its better protection. Maerl is a type of coralline red algae that forms beds which serve as nursery areas for the juvenile stages of commercial fish species such as cod, saithe, pollack and also scallops but is easily damaged by dredging and towed fishing gear. The Trust also worked with over 200 school children across five schools in the Ullapool and Lochinver areas with a marine-themed education programme.

At the legislation and policy level, the Trust continued to provide a voice for wildlife to the Scottish Parliament and Government on topics which included land reform, sustainable deer management, pollinators and neonicotinoid pesticides, the European Union's review of the Habitats and Birds Directives, Scotland's land use strategy and number of planning matters at local and national level. This campaigning and advocacy work is critical to the future of wildlife in Scotland as ultimately it is a combination of regulation and the way public funds are spent by Government - for example through the Scottish Rural Development Programme - which are the two most important drivers of wildlife loss or decline on land or in our seas.

Finally, the Trust continues to deliver many thousands of practical conservation interventions on the ground. Once again this year, over 90% of features on our wildlife reserves were assessed as being in favourable or recovering condition, testament to the expertise of our network of reserves managers and reserves project officers. The cumulative impact of this practical action is enormous and extends well beyond the boundaries of our own reserves and visitor centres. This includes the work of our twenty strong Local Groups network who work ceaselessly to foster an interest in, and encourage action for local wildlife.

I will end by thanking not just our fantastic staff team, but also all those involved with the Trust who have donated time, expertise, funds or inspiration to help us achieve our vision. I would also like to give a special thanks to those staff who, whilst not on the 'conservation front-line', work quietly behind the scenes to enable the Trust to achieve the impact it does - be they in membership recruitment, administration, fundraising, marketing, communications, IT or human resources.

I do hope you enjoy reading this Annual Review for 2015/16 and I look forward to as productive a year in 2016/17.

Jonathan Hughes, Chief Executive

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Independent auditor's report to the Council and members of the Scottish Wildlife Trust

We have audited the financial statements of The Scottish Wildlife Trust for the year ended 31 March 2016, which comprise the group and parent charitable company statement of financial activities (incorporating the income and expenditure account), the group and parent charitable company balance sheets, the group and parent charitable company cash flow statement and its related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

This report is made exclusively to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity's directors, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members and the charity's Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and its Council as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Council and Auditor

As explained more fully in the Council's Responsibilities Statement, the Council (who are directors of the charitable company for the purposes of company law and trustees for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards of Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Council; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Financial Statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2016 and of the group's and the parent charitable company's incoming resources and application of resources, including the group's and the parent income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the annual report (including the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the parent charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records or returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Michael Crerar (Senior Statutory Auditor)

for and on behalf of Geoghegans
Chartered Accountants and Statutory Auditor

30 June 2016

6 St Colme Street
Edinburgh
EH3 6AD

Geoghegans is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Our purpose and activities

The Scottish Wildlife Trust was established to advance the conservation of Scotland's biodiversity for the benefit of present and future generations. The Trust delivers a breadth of activities across Scotland, working in partnership and collaboration with a number of organisations.

At the heart of its work, the Trust manages 120 wildlife reserves, encompassing 20,000 hectares, and spanning the breadth of Scotland - from Orkney's Hill of White Hamars in the north to Carsegowan Moss in the south, from the Isle of Eigg on the west to Longhaven Cliffs on the Aberdeenshire coast. The Trust's reserves are managed for biodiversity and provide valuable habitats for a range of wildlife species as well as being inspirational places to visit. The Trust continues to work to link wildlife reserves with wider landscape-scale initiatives in its ongoing goal to establish a national ecological network across Scotland.

Our visitor centres provide a gateway to wildlife for people of all ages. Captivating species impress thousands of visitors each year with their stories: from the epic 3,000 mile journey made by ospreys returning from West Africa to breed in Perthshire, to the 80,000 pink-footed geese who overwinter on the tidal basin at Montrose. Just as compelling are the day-to-day stories played out in our wildlife gardens and ponds.

Volunteers play a pivotal role in our work and throughout Scotland the Trust's work is supported by dedicated Local Groups who amongst other things deliver practical conservation, hold walks and talks and get involved in defending locally sensitive sites through planning work.

Our environmental education work engages young people and communities with wildlife through programmes of events and activities, and children are encouraged to take first steps into nature through our network of Wildlife Watch groups.

While operational activities touch the lives of individuals, increased impact is achieved by effective advocacy, influencing policy-making at a Scottish and sometimes also European level. The Scottish Wildlife Trust has a suite of well researched and considered policy positions on a range of environmental issues and continues to build relationships and partnerships in order to bring about long-term benefits for biodiversity.

But it doesn't end there. The Trust is a founding member of the Scottish Forum on Natural Capital – an innovative initiative bringing together leaders from the public, private and voluntary sectors to find ways in which we can protect the natural assets on which society, the economy and wildlife all ultimately rely.

Our vision and objectives

The 25 Year Vision - *Natural Connections – A vision for rebuilding Scotland's wildlife* - provides a contemporary perspective on nature conservation by advocating the re-building of biodiversity at an ecosystem-scale. The Vision outlines what the Trust wants to see achieved for wildlife over 25 years, what should be done and how the Trust intends to contribute to this action. This Vision has placed the Trust in the vanguard of conservation reform in Scotland.

At the heart of the delivery of the vision is an integrated approach by Government, the voluntary and the private sectors and the people of Scotland. It requires a strategic and spatial approach to planning and management of key threats to biodiversity in Scotland, along with an acceptance that natural processes should be the main driver for determining the development of wildlife communities. The Vision provides the context for the Trust's Five Year Plan.

Our nature, our Future – the Trust's Five Year plan for taking action 2012-2017 takes the vision of achieving a network of healthy and resilient ecosystems supporting Scotland's wildlife and sets out objectives for the Trust over a five year period across three clear strategic aims and one supporting objective as follows:

To champion: To secure a measurable improvement in the health of Scotland's ecosystems

To demonstrate: To implement and demonstrate best conservation practice on the ground

To inspire: To inspire people to care for and engage with Scotland's wildlife and wild places

Supporting objective: To be efficient and effective in securing and managing the resources we need to deliver conservation objectives

The current Five Year Plan was developed through a consultative process. The Chief Executive is responsible for producing the Annual Operational Plan, the delivery of which is reviewed quarterly by Council.

Over the course of 2015/16, Council and senior staff have been working together to develop the foundations for the next five year plan for 2017-2022.

Our partnerships

The Trust is in the partnership of The Wildlife Trusts (TWT), which comprises the UK's 47 Wildlife Trusts, and is a corporate member of the Royal Society of Wildlife Trusts.

The Trust established a concordat agreement (Framework Agreement) with Scottish Natural Heritage in 1997 in order to deliver the mutual objectives of both organisations and thus to benefit Scotland's natural heritage.

The Trust works in partnership with over 35 environmental charities in Scotland through the co-ordinating body of Scottish Environment LINK. Some of the Trust's parliamentary and political work is delivered through joint working under the LINK banner.

The Trust works with a variety of other project partners including the Royal Zoological Society of Scotland, Forestry Commission Scotland; Scottish Land and Estates; John Muir Trust; Isle of Eigg Heritage Trust; Partnership for Action Against Wildlife Crime; RSPB; Woodland Trust Scotland; City of Edinburgh Council; Edinburgh and Lothians Greenspace Trust; Royal Botanic Garden Edinburgh; North Lanarkshire Council; Assynt Foundation; Culag Community Woodland Trust; Red Squirrel Survival Trust; Scotland's 2020 Climate Group; Institute of Directors; ICAS; University of Edinburgh; International Union for Conservation of Nature (IUCN) and a wide range of private landowners including Eisd Brachaidh Estate, Ardtornish Estate and Scourie Estate.

STRATEGIC REPORT

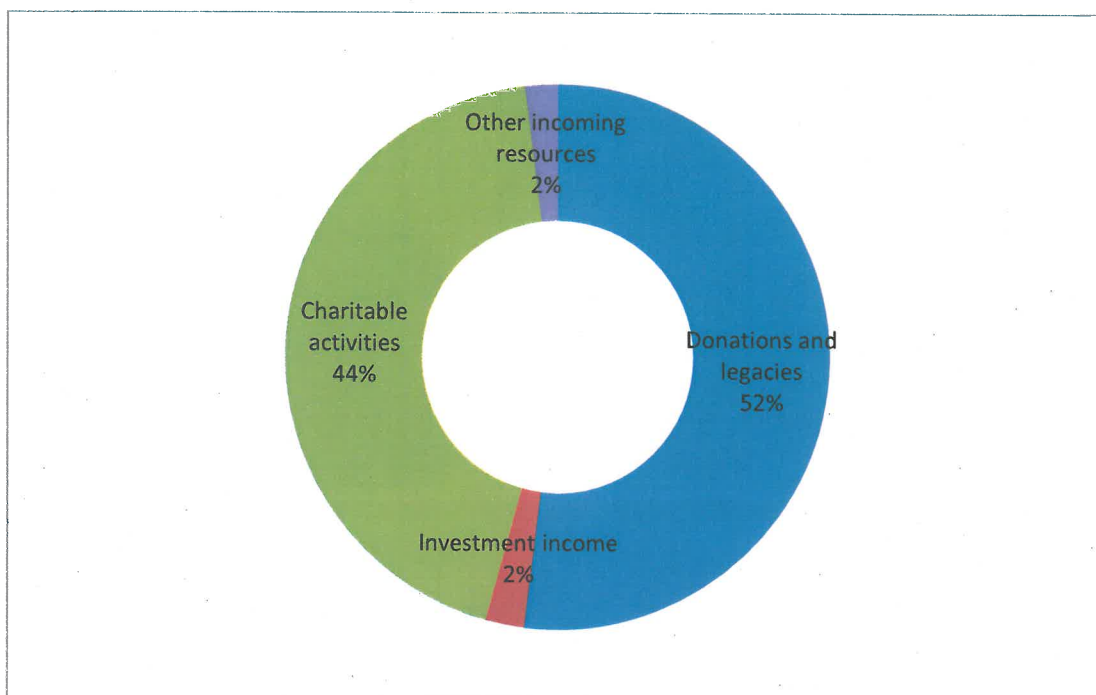
Achievements and performance

A summary of some key achievements within the 2015/16 financial year is included within the Chief Executive's report above. More detailed information on progress with specific annual operational targets is also provided in the tables at the end of the Annual report and accounts (pages 56 to 64).

Financial review

Results for the year

Incoming resources totalled £4.8m in 2015/16 and the categorisation is shown below.



Membership subscriptions, donations and legacies made up 52% of the Trust's income, within which total membership subscriptions and associated donations provided 21% of income.

Income arising from charitable activities made up 44% of total income. Grant income (including Scottish Natural Heritage, Landfill Communities Fund and Community Jobs Scotland) provides 27% of overall income, with Scottish Natural Heritage being the largest single provider of grant in 2015/16.

Spend continues to be tightly controlled with considered decision-making as to where cost reductions can be made to ensure the best use is made of limited resources whilst continuing to deliver effective outcomes for wildlife conservation. In recognition of the need to fund long-term aspirations, the Trust has continued to invest in legacy marketing and membership recruitment throughout 2015/16. Going forward, there will be increased focus on income generation with priorities developed through an evidence-based approach.

The Trust, in common with the other participating employers in the Wildlife Trusts' pension scheme, continues to make payments in line with the agreed deficit recovery plan. The present value of these payments is now reported as a liability on the Trust's balance sheet as part of new disclosure requirements. This impacts on financial results as payments towards the pension deficit are now excluded from reported expenditure because the liability was recognised in an earlier financial period.

The trading company, Natural Capital Scotland Limited, successfully delivered a second World Forum on Natural Capital in November 2015. The financial results were also good and the directors of Natural Capital Scotland agreed a generous donation to the Scottish Wildlife Trust.

Financial reserves

Financial reserves are at a level in line with agreed Trust policy, with free reserves in the middle of the range set by Council. This currently represents around 5 months of unrestricted expenditure (2015: 5 months), or almost 4 months (2015: 3 months) worth of total expenditure.

Designated reserves are earmarked funds to support delivery of projects of strategic importance to the Trust. Given the pressure on unrestricted reserves, the Trust has carefully reviewed its priorities and released in excess of £100,000 from designated reserves into free funds. There also continues to be prudent financial management of those projects supported by designated funds in order to be able to create the greatest impact from the earmarked funding. Actions during 2015/16 have included securing additional funding to support the Coigach-Assynt Living Landscape and reducing costs in the Saving Scotland's Red Squirrels project.

Endowment funds continue to be extremely valuable to the Trust, including the provision of long-term core funds for our work in Cumbernauld and Irvine.

Activity financed from restricted funding is predicted to continue to grow with receipt of legacy income gifted for projects on wildlife reserves, development of a new phase of Saving Scotland's Red Squirrels (anticipated to start in 2017-18) and delivery of the Coigach-Assynt Living Landscape Project (anticipated to start in August 2016).

Investment powers and policy

The value of the Trust's investment portfolios decreased during the year, in line with the wider stock markets.

Council reviewed the Trust's Investment Policy in December 2014, agreeing to invest any monies of the Trust not immediately required for its purpose in investments with a balanced approach to growth of income and capital over the medium term. The investment portfolio has a low-medium risk profile. The Scottish Wildlife Trust will not invest in securities of organisations whose activities directly conflict with its aims and objectives.

The implementation of the policy is monitored with the assistance of our investment managers, Brooks MacDonald. The performance of investment managers is reviewed annually.

Financial Reserves policy and going concern

The Scottish Wildlife Trust holds three main types of financial reserves: Endowment, Restricted and Unrestricted.

Endowment income funds are held which represent funds gifted from Cumbernauld Development Corporation and Irvine Development Corporation. These funds are required to be held in perpetuity to allow the Trust to manage the towns' greenspaces to benefit of town residents and wildlife.

Restricted funds fall into three main areas:

- Property which represents the net book value of property and leasehold improvements.
- Wildlife reserves where the reserve represents the capital value of property owned by the Trust which are held at cost as they are treated as heritage assets.

- Other – the net of funds received which are restricted in their nature and the expenditure associated with delivery.

Unrestricted funds are the cumulative total of unrestricted surpluses and deficits. It is important to identify free funds separately, as included within unrestricted balances are unrealised gains on investments (revaluation reserves), the undepreciated portion of tangible assets and amounts earmarked for certain activities but as yet unspent (designated reserves). Therefore free funds are the amount of reserves which essentially protect against fluctuations in ongoing unrestricted activities.

Council reviewed its policy in relation to free funds during the prior year. The policy is:

"The Scottish Wildlife Trust aims to retain sufficient free funds to ensure the effective delivery of the Five Year Plan. To this end it aims to maintain unrestricted funds in the range £750,000–£1,250,000". This takes a risk based which recognises that, due to variability of income, particularly legacies, free funds may sometimes be outside this range. This risk is taken into consideration within the free financial reserves policy as the Trust expects variability in its results from year to year.

Group free funds at 31 March 2016 were £1,098,121 (2015: £1,060,195) which is within the target range and, in the considered opinion of Council, provides enough resilience to demonstrate the Trust is a going concern. The break-down of the calculation of free funds is shown below.

	2016	2015
	£	£
Total unrestricted reserves	1,409,224	1,284,562
<u>Less</u> Unrestricted revaluation reserve	(289,066)	(347,104)
Designated reserves	(1,130,291)	(1,217,595)
Pension liability	1,222,191	1,349,207
Fixed assets net book value	(113,937)	(121,183)
<u>Add</u> Share of operating loss of joint ventures	-	112,308
Free funds	<u>1,098,121</u>	<u>1,060,195</u>
Free funds including pension liability		
<u>less</u> Pension liability	(1,222,191)	(1,349,207)
<u>add</u> Designated fund for pension liability	525,000	475,000
Free funds including pension liability	<u>400,930</u>	<u>185,988</u>

Plans for future periods

The objectives for 2016/17 continue to deliver the strategic aims detailed in the Five Year Plan: *Our Nature, Our Future*. Of particular note are:

To Champion

- Successfully support the further development and implementation of Ecosystem Health Indicators and a National Ecological Network
- Develop and implement a biodiversity outreach programme to the built environment sector in order to enhance urban biodiversity
- Achieve improved conservation of the marine environment through the Living Seas programme and partnership working with Scottish Environment Link
- Produce and disseminate another Policy Futures publication in order to influence critical biodiversity issues

To Demonstrate

- Maintain our network of wildlife reserves in favourable condition and showcase effective wildlife-friendly land management practices in the countryside and urban environment
- Lead and deliver partnership objectives for Coigach-Assynt Living Landscape and Cumbernauld Living Landscape projects
- Continue successful delivery of the Saving Scotland's Red Squirrels project
- Protect and restore lowland peatlands by working with the IUCN Peatland Programme.

To Inspire

- To continue to increase membership and deliver support to volunteer-led local groups and Wildlife Watch groups
- Increase and enhance the volunteer programme
- Maintain first class visitor centres and wildlife engagement programmes

Supporting Objectives

- Achieve high standards of governance
- Provide a safe and healthy working environment for staff volunteers and visitors
- Maintain levels of financial reserves required by Council
- Secure sufficient funding for the agreed projects portfolio
- Strengthen the Trust's profile and reputation
- Maintain and enhance the operational effectiveness of operational infrastructure
- Achieve and maintain the highest levels of membership care
- Maintain a highly motivated and productive staff team

Reference and administrative details

Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purposes of charity law. The trustees and officers serving during the year and since the year end were as follows:

Patron	HRH The Prince Charles, Duke of Rothesay	
Chairman	Robin Harper	
Vice Chairman (Conservation)	Dr Jon Barnes	
Vice Chairman (Groups and Watch)	Karen Chambers Col Patric Baird	Appointed September 2015 Until June 2015
Vice Chairman (Finance)	Amanda Forsyth	
Elected members of Council	Tony Cameron CB Dr Tim Duffy Alastair Grier Tim Hailey Professor John Harwood Deryck Irving Michael Johnston David Lindgren Robbie Mann Nicola Munro CB Professor Chris Spray MBE Dr Kenny Taylor	Until September 2015 From September 2015 From September 2015 From September 2015 From September 2015 Until September 2015
Company Secretary	Susan McKenzie	

Key management personnel

Chief Executive	Jonathan Hughes	
Director of Conservation	Susan Davies Simon Jones	From May 2016 Until September 2015
Director of Finance	Susan McKenzie	
Director of Public Affairs	Jo Pike	

Our advisers

Auditors

Geoghegans
Chartered Accountants
6 St Colme Street
Edinburgh
EH3 6AD

Bankers

The Royal Bank of Scotland plc
36 St Andrew Square
Edinburgh
EH2 2YB

Investment advisers

Brooks MacDonald Asset
Management,
10 Melville Crescent
Edinburgh
EH3 9GL

Solicitors

Morton Fraser
Quatermile Two
2 Lister Square
Edinburgh
EH3 9GL

Other

Scott-Moncrieff
Exchange Place 3
Sempie Street
Edinburgh
EH3 8BL

Our address

Registered address

Harbourside House
110 Commercial Street
Edinburgh
EH6 6NF

Principal address

Harbourside House
110 Commercial Street
Edinburgh
EH6 6NF

Structure, governance and management

Governing document

The Scottish Wildlife Trust was incorporated on 14 April 1964 as a company limited by guarantee and without a share capital (number SC040247). The company is a recognised Scottish Charity (number SC005792) and is governed by a Memorandum and Articles of Association¹ as amended by Special Resolutions passed on 13 November 1982, 6 October 2001, 23 June 2007 and 19 September 2015. The Trust is registered as a charity with the Office of the Scottish Charity Regulator (OSCR).

There are currently 40,083 members (2015: 38,231).

Appointment of trustees

The Trust is governed by a Council of a maximum of 14 Trustees and a Chairman.

New members of Council are nominated from the membership and elected at the Annual General Meeting. A postal vote of members is conducted if there are more candidates than vacancies. Trustees have the power to co-opt further members to fill specialist roles.

All members are invited to nominate trustees prior to the AGM requesting nominations for the AGM. When considering co-opting trustees, Council has regard to the requirement for any specialist skills needed, as well as the geographical spread of Council membership.

All Trustees are registered at Companies House as directors of the Scottish Wildlife Trust. Trustees must retire for a minimum of one year following two three-year periods on Council.

The chair of the trustees is elected by Council.

Trustee induction and training

New trustees undergo an orientation day to brief them on their responsibilities including charity and legal obligations, constitutional and policy matters. Trustees are given an introduction to the aims and objectives of the Trust as set out in the Five Year Plan, as well as briefings on operational planning and financial management. During induction, new trustees meet key employees and other Council members.

Council is kept updated on matters of strategic importance to the Trust through a combination of formal papers and verbal briefings. There is a rolling programme of presentations by staff which gives the opportunity for trustees to consider key aspects of the business in more detail.

Trustees are also encouraged to attend appropriate training events where these will facilitate the undertaking of their role.

¹ http://scottishwildlifetrust.org.uk/docs/002_001_general_MemorandumOfAssoc07_1250595044.pdf
http://scottishwildlifetrust.org.uk/docs/002_001_general_ArticlesOfAssoc07_1250595043.pdf

Organisation

The board of trustees normally meets quarterly to oversee the business, with additional meetings held periodically to consider other matters including forward planning.

Council is supported by three committees, none of which have delegated decision making powers. These are:

- Conservation Committee - which advises Council on natural heritage conservation matters including wildlife reserves, the wider countryside, biodiversity and the development of national policy, advocacy and campaigns.
- Finance and Audit Committee - whose main role is to advise Council on finance and resources related matters including audit, financial planning & management, human resources management, and risk management and internal controls in relation to finance and resources.
- Nominations Committee - which advises Council on all trustee and senior management appointments.

The Chief Executive is appointed by trustees to manage the day-to-day operations of the charity. The Chief Executive has delegated authority for operational matters including the development and delivery of the Annual Operational Plan.

The Chief Executive is assisted in this task by the three departmental directors of Conservation, Finance and Resources, and Public Affairs.

The support of volunteers is essential to the effective operation of the Trust. Volunteers are engaged in most Trust-related activities, including governance, local groups, committees, reserve management and maintenance, Wildlife Watch groups, surveying and recording, visitor centres, species protection programmes and administration.

Related parties and co-operations with other organisations

None of the trustees receives remuneration or other benefit from their work with the charity. Any connection between a trustee or senior manager of the charity and a related party must be disclosed to the Council. In the current year no such related party transactions were reported.

The Trust has a wholly owned subsidiary company Natural Capital Scotland Limited. The main business of Natural Capital Scotland Limited is to deliver the World Forum on Natural Capital.

Pay policy for senior staff

The Council, as trustees, and the senior management team comprise the key management personnel in charge of directing and controlling, running and operating the Trust on a day to day basis.

All members of Council give of their time freely and no director received remuneration in the year. Details of directors' expenses and related party transactions are disclosed in note 11 to the accounts.

The pay of senior staff, in common with other staff, is reviewed annually and normally increased in accordance with published average earnings indices.

Remuneration is set taking into consideration an evaluation of job role scope, breadth, knowledge and skills required and qualification and experience required. Pay is benchmarked against pay levels across the Trust and in other organisations of similar size, nature and location.

Control environment

Trustees are committed to continuous improvement in the control environment. A considered approach is taken to ensure assets are safeguarded. The tone is set from the top of the organisation and the Trust aspires to demonstrate and communicate high ethical values, transparency, integrity and competence. The Trust continues to review its structures and policies to ensure the highest standards are communicated clearly and effectively throughout the organisation.

During 2015 a Finance and Audit Committee was established to oversee financial management and risk, including consideration of the internal control environment. Work continues to ensure the Trust has effective policies and procedures which support delivery of our objectives.

In Spring 2016, as part of routine controls, a financial irregularity was identified. Immediate action was taken to safeguard the Trust from further losses, police were notified and a member of staff subsequently resigned. A co-ordinated response plan was implemented to ensure a proportionate and thorough investigation, action and reporting. In the view of Trustees this irregularity does not have a significant impact on the ability of the charity to fulfil its purposes.

The trustees have an agreed strategy to manage risk which comprises:

- An annual review of the principal risks and uncertainties that the charity and its subsidiary face
- The establishment of policies, systems and procedures to mitigate those inherent risks
- The identification and implementation of further actions designed to minimise or manage potential impact on the charity should those risks materialise

Risk management is inherent in all activities, from risk assessments from health and safety to consideration as part of project development and delivery. Significant risks are escalated and considered by Management Team. The most significant risks identified during the year include the following:

Risk area	Management action to mitigate risks
Fundraising regulation and practice	This area is closely monitored to ensure that our fundraising team deliver the highest standards of supporter care.
Shortfall in (or failure to maximise) unrestricted funding	Due to the uncertainty of certain income sources, we review financial results and keep the financial reserves policy under review, taking into account statistical evidence and risk.
	The Trust is committed to growing its supporter base as evidenced through investment in membership recruitment, legacy marketing and review of staffing structures to improve our performance in this area.
	The Trust continues to work closely with key funders in recognition and appreciation of their support.
Financial performance and uncertainty in relation to income sources	The Trust monitors its financial performance frequently to allow early identification of areas of concern so that remedial action can occur.
	During 2015, a Project Excellence Team was established which aims to share good practice, support delivery and provide effective planning, management, monitoring and evaluation of projects.
	The Director of Conservation will be leading a strategic review of wildlife reserves in 2016-17.
Wildlife Trust's final salary pension scheme	As well as monitoring this area of risk, the Trust continues to pay contributions towards the pension deficit and an increasing amount is set aside within designated reserves.
	A member of Council sits on the Wildlife Trust pension fund.
Risk of interruption to business activities through loss or limited access to digital, physical or staff resources	The Trust invested in network security and offsite backup centre for digital resources. Further work will occur to test and evidence the effectiveness of business continuity plans.
	The Trust is working towards the Healthy Working Lives Bronze Award, committed to continuous improvement in terms of a safer, healthier and more motivated workforce.
	The Trust has reviewed its absence management policy and provided clear guidance to staff on managing absence.

Staff and trustees continue to monitor risks throughout the organisation and ensure that these are communicated so appropriate mitigating actions are taken.

List of funders and supporters

The Scottish Wildlife Trust thanks all those who pledged or gave support during the financial year 2015-2016.

Our members

The Trust's members are at the heart of the charity's activities and ethos. They contribute to the organisation's work at all levels. Subscriptions and donations provide a vital source of funding which is unrestricted and can therefore be used where the need is greatest.

Key funding partners



The support from players of People's Postcode Lottery has continued this financial year, bringing with it increased profile for the Trust in addition to a very generous unrestricted sum of £525,000. A minimum of 27.5% of the price of every ticket goes to good causes across Great Britain, including the Scottish Wildlife Trust.

The Trust has now received over £3.8 million thanks to players. The flexible funding from this relationship has enabled us to increase the range and scale of our conservation programmes as well as reduce financial risk in major projects. Increasingly, our longstanding partnership with the People's Postcode Lottery has also helped the Trust to further strengthen its strategic focus. Most recently this has included an emphasis on identifying, measuring and achieving even greater long-term impact for wildlife and people.



Scottish Natural Heritage provides invaluable support for the work of the Scottish Wildlife Trust through an annual funding agreement which this year provided £275,000 of unrestricted funding. Amongst other things, this funding has helped us connect tens of thousands of people with their natural environment.

Scottish Natural Heritage grants have also provided the Trust with a valuable source of match funding, which has helped us work with other grant providers and thereby broaden the range of work that we can deliver.

In 2015/16, Scottish Natural Heritage also provided restricted funding for several projects, most notably £150,000 towards the Saving Scotland's Red Squirrels project.

Corporate members



MACRAE

Business donations and sponsorship (in alphabetical order)

Community Windpower Ltd
John Saunderson Butchers (Edinburgh)
Robertson Group
SSE Sustainable Development Fund
William Grant Foundation
Scottish Power

Tesco Bags of Help Programme
Valentine Art Reproductions
Verdant Leisure Ltd
Vine House Farm
Wilkos

Landfill Communities Fund (in alphabetical order)

Aberdeen Greenspace Trust
Angus Environmental Trust
Highland Council
Land Trust
Solway Heritage
Veolia Environmental Trust
Viridor Credits
WREN

Charitable trusts, foundations and other grant-making bodies (in alphabetical order)

Aberdeen City Council
Alphaone Trust
Carpenter Charitable Trust
Clark Bradbury Charitable Trust
Clyde and Avon Valley Landscape Partnership Scheme
Coastal Communities Fund
Crown Estates
D'Oyly Carte Charitable Trust
Dolly Knowles Charitable Trust
Dr Robert Andrew Rutherford Trust



The Faslane Trust
Gannochy Trust
Garfield Weston Foundation
Gunter Charitable Trust



Hugh Fraser Foundation
Inchcape Foundation
J & JR Wilson Trust
Margaret Davis Charitable Trust
Martin Wills Wildlife Maintenance Trust
Mrs MA Lascelles' Charitable Trust
People's Postcode Lottery - Postcode Green Trust
People's Trust for Endangered Species
Ronald Miller Foundation
Royal Society of Wildlife Trusts
RSPB
St Katharine's Fund
Tekoa Trust
Tennant Southpark Charitable Trust
Vellore Trust

Statutory sector and other public bodies (including European Union)

Central Scotland Green Network Development Fund
European Union ERASMUS +
European Union LIFE+
Forestry Commission Scotland
Loch Lomond & Trossachs National Park Authority

National Health Scotland
North Lanarkshire Council
Scottish Government
Scottish Natural Heritage
Scottish Rural Development Programme - Rural Priorities

World Forum on Natural Capital 2015

Funding partner

Royal Society of Wildlife Trusts

Principal sponsors

Alliance Trust

Ministry of Economic Affairs of the Netherlands

Scottish Government

Lead sponsors

Natural Capital Partners

Platform BEE

Visit Scotland

Other sponsors

Baillie Gifford

AECOM

Earthwatch Institute

Marketing Edinburgh

Scottish Environmental Protection Agency

Scottish Natural Heritage

Scottish Power

World Bank Group

Scottish Wildlife Trust local groups

We extend our thanks to our 20 local groups for their fantastic local fundraising efforts, which in total raised over £20,000 in 2015/16.

Individual donations and legacy gifts

In 2015/16, the Scottish Wildlife Trust received almost £365,000 from gifts in Wills. This is an invaluable form of support for our work, and we extend our sincere thanks to those who have incorporated a gift to the Trust in their Will.

We also thank the many individuals who donated to help protect Scotland's wildlife last year – their support underpins the Trust's work.

SWT Foundation members

SWT Foundation members support the work of the Scottish Wildlife Trust through significant donations and/or pledges of gifts in their will – we thank them for their valued patronage.

We also thank the many other individual donors and supporters, too numerous to mention by name.

Trustees' responsibilities in relation to the financial statements

The charity trustees, known collectively as Council (who are also directors for the purposes of company and charity law) 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).

Company law requires charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Council is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and accounting 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the groups' auditor is unaware; and
- the trustees, having made enquiries of fellow directors and the groups auditor that they ought to have individually taken, have each taken all steps that s/he is obliged to make as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

In approving the Annual Report, the trustees also approve the Strategic Report included therein, in their capacity as company directors. By order of the Council on and authorised to sign on its behalf:



Robin Halper
Chairman of Council, 30 June 2016

Consolidated statement of financial activities (including consolidated income and expenditure account) for the year ended 31 March 2016

	notes	Unrestricted Funds £	Restricted Funds £	Endowments £	2016 Total £	2015 Total £
Donations and legacies	3	2,269,915	234,199	-	2,504,114	2,373,158
Charitable activities	3	977,588	1,130,724	-	2,108,312	1,755,120
Other incoming resources	3	11,946	3,343	-	15,289	11,143
Investment income	3	55,923	50	54,005	109,978	109,649
Joint venture – release of loss	32	79,295	-	-	79,295	-
TOTAL INCOME		3,394,667	1,368,316	54,005	4,816,988	4,249,070
Raising funds	7	654,551	-	9,413	663,964	692,090
Charitable activities	7, 31	2,258,861	1,539,738	77,462	3,876,061	3,771,101
Joint venture – share of loss	32	-	-	-	-	13,272
TOTAL EXPENDITURE		2,913,412	1,539,738	86,875	4,540,025	4,476,463
Realised (losses)/gains	6	(18,657)	-	(14,668)	(33,325)	30,424
Unrealised (losses)/gains	6	(54,575)	-	(68,375)	(122,950)	197,767
(Losses)/gains on investments		(73,232)	-	(83,043)	(156,275)	228,191
Net (expenditure)/income		408,023	(171,422)	(115,913)	120,688	798
Transfers between funds		(283,361)	271,647	11,714	-	-
NET MOVEMENT IN FUNDS		124,662	100,225	(104,199)	120,688	798
<u>Reconciliation of funds</u>						
Total funds brought forward		1,284,562	2,347,052	2,155,989	5,787,603	5,786,805
Total funds carried forward		1,409,224	2,447,277	2,051,790	5,908,291	5,787,603

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing operations.

Charity statement of financial activities (including income and expenditure account) for the year ended 31 March 2016

	notes	Unrestricted Funds £	Restricted Funds £	Endowments £	2016 Total £	2015 Total £
Donations and legacies	4	2,269,915	234,199	-	2,504,114	2,373,158
Charitable activities	4	653,571	1,130,724	-	1,784,295	1,755,120
Other incoming resources	4	11,946	3,343	-	15,289	11,143
Investment income	4	55,828	50	54,005	109,883	109,626
TOTAL INCOME		2,991,260	1,368,316	54,005	4,413,581	4,249,047
Raising funds	7	654,551	-	9,413	663,964	692,090
Charitable activities	7	1,967,762	1,539,738	77,462	3,584,962	3,738,065
TOTAL EXPENDITURE		2,622,313	1,539,738	86,875	4,248,926	4,430,155
Realised (losses)/gains	6	(18,657)	-	(14,668)	(33,325)	30,424
Unrealised (losses)/gains	6	(54,575)	-	(68,375)	(122,950)	197,767
(Losses) / gains on investments		(73,232)	-	(83,043)	(156,275)	228,191
Net (expenditure)/income		295,715	(171,422)	(115,913)	8,380	47,083
Transfers between funds		(283,361)	271,647	11,714	-	-
NET MOVEMENT IN FUNDS		12,354	100,225	(104,199)	8,380	47,083
<u>Reconciliation of funds</u>						
Total funds brought forward		1,396,870	2,347,052	2,155,989	5,899,911	5,852,828
Total funds carried forward		1,409,224	2,447,277	2,051,790	5,908,291	5,899,911

The Statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing operations.

Consolidated and charity balance sheet as at 31 March 2016

	Notes	Group		Charity	
		2016 £	2015 £	2016 £	2015 £
Tangible assets	16	920,096	999,667	920,096	999,667
Heritage assets	17	1,048,858	1,048,858	1,048,858	1,048,858
Investments	18	3,892,632	4,062,500	3,892,632	4,062,500
Joint venture	32	-	(79,295)	-	-
TOTAL FIXED ASSETS		5,861,586	6,031,730	5,861,586	6,111,025
Stock		25,197	27,757	25,197	27,757
Debtors	19	360,967	562,126	402,169	551,215
Cash at bank and in hand		1,413,371	1,085,277	1,361,636	1,025,696
TOTAL CURRENT ASSETS		1,799,535	1,675,160	1,789,002	1,604,668
Liabilities					
Amounts due within one year	20	(698,989)	(733,845)	(688,456)	(630,340)
Net assets before pension provision		1,100,546	941,315	1,100,546	974,328
Amounts due outwith one year	21	(1,053,841)	(1,185,442)	(1,053,841)	(1,185,442)
		46,705	(244,127)	46,705	(211,114)
TOTAL NET ASSETS		5,908,291	5,787,603	5,908,291	5,899,911
<u>The funds of the charity</u>					
Restricted income funds	26	2,447,277	2,347,052	2,447,277	2,347,052
Endowment funds	25	2,051,790	2,155,989	2,051,790	2,155,989
Unrestricted funds	24	1,120,158	937,458	1,120,158	1,049,766
Unrestricted revaluation reserve	24	289,066	347,104	289,066	347,104
TOTAL FUNDS		5,908,291	5,787,603	5,908,291	5,899,911

The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 44 of the Charities and Trustee Investment (Scotland) Act 2005. The notes that follow form part of these accounts.



Signed by **Robin Harper**, Chairman of trustees on behalf of the trustees
Approved by the trustees on 30 June 2016

Scottish Wildlife Trust company number: SC040247

Statement of cash flows and consolidated statement of cash flows for the year ended 31 March 2016

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Cash used in operating activities (note 29)	214,062	(264,558)	222,003	(302,844)
Cash flows from investing activities				
Investment income	109,978	109,649	109,883	109,626
Payments to acquire investments	(576,773)	(674,915)	(576,773)	(674,915)
Proceeds from disposal of investments	325,531	702,517	325,531	702,517
Payments to acquire tangible fixed assets	(28,352)	(33,706)	(28,352)	(33,706)
Proceeds from disposal of tangible fixed assets	15,289	11,143	15,289	11,143
Cash provided by (used in) investing activities	(154,327)	114,688	(154,422)	114,665
Cash flows from financing activities				
Net investment cash flows	268,359	(8,431)	268,359	(8,431)
CASH USED IN FINANCING ACTIVITIES	268,359	(8,431)	268,359	(8,431)
CHANGE IN CASH AND CASH EQUIVALENTS IN YEAR	328,094	(158,301)	335,940	(196,610)
Cash & cash equivalents at 1 April	1,085,277	1,243,578	1,025,696	1,222,306
CASH & CASH EQUIVALENTS AT 31 MARCH	1,413,371	1,085,277	1,361,636	1,025,696

Notes to the financial statements for the year ended 31 March 2016

Notes to the financial statements

1. Accounting policies

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

a) Basis of preparation

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

The Scottish Wildlife Trust 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 accounting policy note(s).

b) Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

At the date of transition in applying the requirement to recognise liabilities arising from employee benefits, a liability was recognised for short-term compensated absence arising from employee entitlement of the parent charity to paid annual leave. The initial liability recognised at the date of transition was for the holiday entitlement carried forward and for the entitlement arising in the year which was due but not taken. The initial liability was for £20,875. No other restatements were required, including treatment of the interest in the joint venture on transition from the gross equity to equity method, in accordance with the requirements of FRS 102 a reconciliation of opening balances is provided.

Reconciliation of group funds and balances

	31 March 2015 £	31 March 2014 £
Fund balances as previously stated	7,157,685	7,275,624
Short-term compensated absences	(20,875)	(20,875)
Pension liability	(1,349,207)	(1,467,944)
Fund balances as restated	5,787,603	5,786,805
Unrestricted reserves	2,654,644	2,870,021
Adjustment for FRS102	(1,370,082)	(1,488,819)
Unrestricted reserves restated	1,284,562	1,381,202

Notes to the financial statements for the year ended 31 March 2016

c) Preparation of accounts on a going concern basis

The Trust reported a cash inflow/(outflow) of £335,939 (2015: (£196,611)) for the year and £328,094 (2015: (£158,301)) on a group basis. The trustees are of the view that the management measures are appropriate and that on that basis that the charity is a going concern.

d) Group financial statements

The consolidated financial statements include the charitable company's wholly owned trading subsidiary, Natural Capital Scotland Limited, and the share of its joint venture, Ben Mor Hydro Limited. In accordance with the requirements of the SORP, the joint venture has been accounted for on an equity method. The trading subsidiary has been incorporated on a line by line basis.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, if it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether capital or revenue, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Subscriptions and donations are credited to the income and expenditure account and statement of financial activities with specific amounts allocated to specific accounts and funds following the wishes of their donor.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material (see note 22).

f) Donated services and facilities

Donated professional services and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market. A corresponding amount is then recognised in expenditure in the period of receipt.

Notes to the financial statements for the year ended 31 March 2016

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

h) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purpose of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Trust's work or conservation projects being undertaken by the Trust.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- costs of raising funds comprise the membership administration and recruitment, the fundraising team and the marketing & communications team.
- expenditure on charitable activities includes the costs of work supporting the delivery of the Trust's charitable objective to "advance the conservation of Scotland's biodiversity for the benefit of present and future generations". This includes but is not restricted to work on reserves, policy and advocacy work as well as education activities.
- other expenditure represents those items not falling into any other heading

All expenditure is allocated between categories on a cost centre by cost centre basis and is accounted for on an accruals basis. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Support costs include the head office functions of general management, finance, information communications technology, human resources and health and safety. These costs are allocated across the costs of generating funds and the various categories of charitable expenditure on the basis of the direct expenditure incurred.

k) Operating leases

Operating lease rentals are charged on a straight line basis over the lease term.

Notes to the financial statements for the year ended 31 March 2016

l) Tangible fixed assets

Fixed assets costing £2,500 or more are included in the balance sheet at cost. Depreciation is provided on all fixed assets, with the exception of wildlife reserves, in the year in which the fixed assets are purchased. Depreciation rates are calculated to write off the costs of assets evenly over its expected useful life as follows:

Properties – owned	20 - 50 years
Properties – leasehold improvements	Remaining lease term
Properties – fixtures and fittings	4 years
Plant and machinery	6 years
Vehicles	3 years
Office equipment	4 years
Computers and software	3 years

Depreciation is not provided on nature reserves, in line with the guidance on heritage assets. The Trust has a published policy on reserves acquisition and disposal, this is entitled Wildlife Reserves Development Policy and can be found on the Trust's website at <http://scottishwildlifetrust.org.uk/what-we-do/policy-and-campaigns/policies-and-consultations/#go-pgtab-1>.

m) Stock

Stock is comprised of goods for re-sale and is valued at the lower of cost 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.

o) Cash at bank and in hand

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

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

Notes to the financial statements for the year ended 31 March 2016

r) Pensions

The Scottish Wildlife Trusts makes contributions on behalf of its employees to two separate pension schemes, the Wildlife Trusts defined benefit scheme and a stakeholder (money purchase) scheme. Contributions to the money purchase scheme are accounted for on an actual basis. The Fund for the defined benefit scheme is valued every three years by a professionally qualified independent actuary, the rates of contribution payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates. However, as the defined benefit scheme is run in such a way that the Scottish Wildlife Trust is unable to identify its share of the underlying assets and liabilities, contributions are also accounted for on an actual basis.

Accordingly, as the Trust has a funding agreement in place to eliminate the pension scheme deficit, the Trust has included a liability in the balance sheet equal to the net present value of the future deficit reduction payments. These payments are discounted to the present value using the market yield on high quality corporate bonds. The Trust has used the published iBoxx Sterling Corporate AA index rate over 15 years.

s) Investments

Quoted investments are stated at market value, unquoted at par value on the basis that Council do not consider them readily realisable. Net investment gains/losses for the year are shown in the income and expenditure account and statement of financial activities.

Investment income is credited to the income and expenditure account and statement of financial activities in the year in which it is receivable.

t) Taxation

The company is registered as a charity with HMRC and is therefore not liable for taxation to the extent that any surplus or gains arising are wholly applied to its charitable objects. Consequently, all taxation recoverable or estimated to be recoverable has been incorporated in the financial statements.

The company is registered for VAT. Much of the income is either exempt or outwith the scope of VAT. Consequently, it is not possible to recover all the VAT incurred on expenditure.

u) Local Groups

The transactions of the Local Groups have been incorporated into the charity and consolidated statements of financial activities and their bank balances included in the charitable and consolidated balance sheets.

2. Legal status of the Trust

The Trust is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1.

Notes to the financial statements for the year ended 31 March 2016

3. Income - Consolidated statement of financial activities (including income and expenditure account) for the year ended 31 March 2016

	Year ended 31 March 2016				Year ended 31 March 2015			
	Unrestricted funds (£)	Restricted funds (£)	Endowments (£)	2016 total (£)	Unrestricted funds (£)	Restricted funds (£)	Endowments (£)	2015 total (£)
Subscriptions	648,017	-	-	648,017	611,771	-	-	611,771
Donations through membership	354,408	5,806	-	360,214	333,835	6,561	-	340,396
Other donations	167,723	110,879	-	278,602	89,183	128,873	-	218,056
Gift aid	255,568	18,503	-	274,071	240,009	13,250	-	253,259
Community fundraising	13,121	9,748	-	22,869	14,634	1,769	-	16,403
Subscriptions & donations	1,438,837	144,936	-	1,583,773	1,289,432	150,453	-	1,439,885
Legacies	331,078	64,263	-	395,341	352,923	5,350	-	358,273
People's Postcode Lottery	500,000	25,000	-	525,000	575,000	-	-	575,000
Donations and legacies	2,269,915	234,199	-	2,504,114	2,217,355	155,803	-	2,373,158
Scottish Natural Heritage	275,000	230,225	-	505,225	275,000	276,324	-	551,324
Landfill Communities Fund	-	173,550	-	173,550	-	247,657	-	247,657
Community Jobs Scotland	-	47,229	-	47,229	-	54,858	-	54,858
Other grant income (note 5)	9,048	559,842	-	568,890	24,077	522,103	-	546,180
Business support	17,281	54,109	-	71,390	35,481	55,370	-	90,851
Commercial contracts	5,780	-	-	5,780	5,819	3,942	-	9,761
Other - sales / rents / fees	346,462	65,769	-	412,231	201,942	52,547	-	254,489
Trading subsidiary (note 31)	324,017	-	-	324,017	-	-	-	-
Charitable activities	977,588	1,130,724	-	2,108,312	542,319	1,212,801	-	1,755,120
Asset sales	11,946	3,343	-	15,289	8,343	2,800	-	11,143
Other incoming resources	11,946	3,343	-	15,289	8,343	2,800	-	11,143
Investment income (trading)	95	-	-	95	23	-	-	23
Investment income (note 6)	55,828	50	54,005	109,883	57,253	148	52,225	109,626
Investment income	55,923	50	54,005	109,978	57,276	148	52,225	109,649
Joint venture - release of loss	79,295	-	-	79,295	-	-	-	-
Joint venture - release of loss	79,295	-	-	79,295	-	-	-	-
Total income	3,394,667	1,368,316	54,005	4,816,988	2,825,293	1,371,552	52,225	4,249,070

The amount of grants received from government during the year was £31,000 (2015: £15,000) and related to funding of the Scottish Forum of Natural Capital, the World Forum of Natural Capital and funding for blood sampling in relation to testing for squirrel-pox.

Notes to the financial statements for the year ended 31 March 2016

4. Income - Charity statement of financial activities (including income and expenditure account) for the year ended 31 March 2016

	Year ended 31 March 2016				Year ended 31 March 2015			
	Unrestricted funds (£)	Restricted funds (£)	Endowments (£)	2016 total (£)	Unrestricted funds (£)	Restricted funds (£)	Endowments (£)	2015 total (£)
Subscriptions	648,017	-	-	648,017	611,771	-	-	611,771
Donations through membership	354,408	5,806	-	360,214	333,835	6,561	-	340,396
Other donations	167,723	110,879	-	278,602	89,183	128,873	-	218,056
Gift aid	255,568	18,503	-	274,071	240,009	13,250	-	253,259
Community fundraising	13,121	9,748	-	22,869	14,634	1,769	-	16,403
Subscriptions & donations	1,438,837	144,936	-	1,583,773	1,289,432	150,453	-	1,439,885
Legacies	331,078	64,263	-	395,341	352,923	5,350	-	358,273
People's Postcode Lottery	500,000	25,000	-	525,000	575,000	-	-	575,000
Donations and legacies	2,269,915	234,199	-	2,504,114	2,217,355	155,803	-	2,373,158
Scottish Natural Heritage	275,000	230,225	-	505,225	275,000	276,324	-	551,324
Landfill Communities Fund	-	173,550	-	173,550	-	247,657	-	247,657
Community Jobs Scotland	-	47,229	-	47,229	-	54,858	-	54,858
Other grant income (note 5)	9,048	559,842	-	568,890	24,077	522,103	-	546,180
Business support	17,281	54,109	-	71,390	35,481	55,370	-	90,851
Commercial contracts	5,780	-	-	5,780	5,819	3,942	-	9,761
Other - sales / rents / fees	346,462	65,769	-	412,231	201,942	52,547	-	254,489
Charitable activities	653,571	1,130,724	-	1,784,295	542,319	1,212,801	-	1,755,120
Asset sales	11,946	3,343	-	15,289	8,343	2,800	-	11,143
Other incoming resources	11,946	3,343	-	15,289	8,343	2,800	-	11,143
Investment income (note 6)	55,828	50	54,005	109,883	57,253	148	52,225	109,626
Total income	2,991,260	1,368,316	54,005	4,413,581	2,825,270	1,371,552	52,225	4,249,047

Notes to the financial statements for the year ended 31 March 2016

5. Other grant income

The principle grant funders included within "Other grant income" in the statement of financial activities were as follows;

	Charity	
	2016	2015
	£	£
Aberdeen City Council/AWPR Mitigation Fund	38,622	-
Big Lottery Fund	-	11,679
Big Lottery Fund/Coastal Communities Fund	94,464	-
British Council / European Union Erasmus+	48,265	24,555
Central Scotland Green Network	30,795	-
Communities and Families Fund	-	7,050
The D'Oyly Carte Charitable Trust	-	5,000
Esmée Fairbairn Foundation	139,891	-
Forestry Commission Scotland	36,672	59,585
Forth Valley LEADER 2007-2013 Programme	(8,840)	10,185
The Gannochy Trust	10,000	10,000
Garfield Weston Foundation	-	30,000
Heritage Lottery Fund	65,497	155,259
J & J R Wilson Trust	1,000	5,000
John Muir Trust	-	15,000
Loch Lomond & Trossachs National Park Authority	5,643	10,000
North Lanarkshire Council	19,500	-
People's Trust for Endangered Species	-	30,000
Plantlife/Heritage Lottery Fund	20,547	20,844
Red Squirrel Survival Trust	-	5,000
The Robertson Trust	-	9,000
Royal Society of Wildlife Trusts	-	53,240
RSPB	15,068	-
Scottish Environmental Protection Agency	-	14,000
Scottish Government (Inc. Rural Priorities)	15,000	28,199
West Highland Coastal Trust	-	10,000
Other grants <£5k	36,766	32,584
	<u>568,890</u>	<u>546,180</u>

Notes to the financial statements for the year ended 31 March 2016

6. Investment income

	2016			2015	
	Unrestricted	Restricted	Endowment	Total	
	£	£	£	£	£
Investment income – charity	55,828	50	54,005	109,883	109,626
Investment income - trading	95	-	-	95	23
Investment income	55,923	50	54,005	109,978	109,649
Realised (losses) / gains	(18,657)	-	(14,668)	(33,325)	30,424
Unrealised (losses) / gains	(54,575)	-	(68,375)	(122,950)	197,767
	(73,232)	-	(83,043)	(156,275)	228,191

The group's investment income of £109,978 (2015: £109,649) arises from a combination of income from investments and from money held in interest bearing deposit accounts.

7. Summary analysis of expenditure for charitable activities

	2016			2015	
	Unrestricted	Restricted	Endowment	Total	
	£	£	£	£	£
Inspire	712,210	268,942	-	981,152	888,910
Champion	206,107	58,079	-	264,186	200,023
Demonstrate	1,049,445	1,212,717	77,462	2,339,624	2,649,132
	1,967,762	1,539,738	77,462	3,584,962	3,738,065
Trading subsidiary	291,099	-	-	291,099	33,036
Charitable activities	2,258,861	1,539,738	77,462	3,876,061	3,771,101
Raising funds	654,551	-	9,413	663,964	692,090

This table shows the cost breakdown of the three main charitable activities.

	Staff costs	Other direct expenditure	Total direct costs	Support costs	2016	2015
		£	£	£	£	£
Inspire	456,397	376,382	832,779	148,373	981,152	888,910
Champion	186,509	37,726	224,235	39,951	264,186	200,023
Demonstrate	1,077,725	908,093	1,985,818	353,806	2,339,624	2,649,132
	1,720,631	1,322,201	3,042,832	542,130	3,584,962	3,738,065
Raising funds	309,708	255,273	564,981	98,983	663,964	692,090
Support costs	500,988	140,125	641,113	(641,113)	-	-
	2,531,327	1,717,599	4,248,926	-	4,248,926	4,430,155

Support and governance costs are allocated on the basis of direct costs.

Notes to the financial statements for the year ended 31 March 2016

8. Charitable activities by team

The Trust reports its activities under team headings and this reconciles to the charitable spend as shown below.

	Inspire £	Champion £	Demonstrate £	2016 £	2015 £
Projects	183,496	145,520	1,068,522	1,397,538	1,491,284
Reserve management	40,222	-	875,661	915,883	1,009,541
Visitor centres	254,529	-	-	254,529	216,089
Marketing	233,935	-	-	233,935	193,740
People & wildlife	98,721	-	-	98,721	115,865
Other conservation	-	29,265	41,636	70,901	88,957
Policy	-	49,450	-	49,450	49,518
Members Groups	21,875	-	-	21,875	22,413
	<u>832,778</u>	<u>224,235</u>	<u>1,985,819</u>	<u>3,042,832</u>	<u>3,187,407</u>

9. Analysis of support costs

The total support costs have been apportioned to the various Trust activities on the basis of direct expenditure as follows:

Support Costs	Fundraising £	Inspire £	Champion £	Demonstrate £	2016 £	2015 £
Finance & governance	43,856	65,739	17,701	156,760	284,056	264,006
Head office	19,615	29,403	7,917	70,112	127,047	137,107
Human resources	13,072	19,594	5,276	46,724	84,666	82,190
Management	11,772	17,646	4,751	42,079	76,248	83,772
Health & safety	2,222	3,331	897	7,943	14,393	14,935
ICT	8,446	12,660	3,409	30,188	54,703	68,685
	<u>98,983</u>	<u>148,373</u>	<u>39,951</u>	<u>353,806</u>	<u>641,113</u>	<u>650,695</u>

Payments to the pension liability are excluded from support costs and total £163,765 (2015: £159,304)

Notes to the financial statements for the year ended 31 March 2016

10. Net income/ (expenditure) for the year:

Net income / (expenditure) for the year is stated after charging:

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Auditors' remuneration - current year	8,375	8,375	6,975	6,975
Auditors' remuneration - accountancy	1,300	1,300	-	-
Auditors' remuneration – tax compliance	1,200	1,200	-	-
Depreciation on all other fixed assets	107,923	143,169	107,923	143,169
Operating leases	83,472	88,961	83,472	88,961
Professional indemnity insurance	1,467	890	1,467	890

11. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Salaries and wages	2,071,377	2,094,446	2,071,377	2,094,446
Social security costs	174,953	175,577	174,953	175,577
Pension costs	277,195	256,332	277,195	256,332
	<u>2,523,525</u>	<u>2,526,355</u>	<u>2,523,525</u>	<u>2,526,355</u>
Accrual for annual leave	7,226	20,875	7,226	20,875
Redundancy costs	576	9,828	576	9,828
TOTAL	<u>2,531,327</u>	<u>2,557,058</u>	<u>2,531,327</u>	<u>2,557,058</u>

The staff recharge by the Trust to Natural Capital Scotland Limited was £92,757 (2015: £25,639).

One employee had emoluments exceeding £70,000 but not more than £80,000 (2015: one employee exceeding £70,000 but not over £80,000). This employee was a member of the defined contribution pension scheme (2015: one employee).

The charity trustees were not paid or received any other benefits from employment with the Trust or its subsidiary in the year (2015: £nil). No expenses in relation to travel and subsistence costs were reimbursed to Council members (In 2015 three Council members received reimbursement amounting to £435). No charity trustee received payment for professional or other services supplied to the charity (2015: £nil).

The Trust's key management personnel are trustees and the senior staff. Senior staff, comprising the Chief Executive and Directors of Conservation, Finance and Resources and Public Affairs received employee benefits totalling £208,381 (2015: £207,983). The subsidiary company does not employ staff directly, instead an arm's length recharge occurs on the basis of actual hours worked.

Redundancy payments of £576 (2015: £9,828) were made during the year. The Trust's policy is to expense redundancy payments at the time that the redundancy payment becomes due.

Notes to the financial statements for the year ended 31 March 2016

12. Staff numbers

The average monthly number of full-time equivalent employees (including casual and part-time staff) during the year was as follows:

	2016 Number	2015 Number
Permanent	59	59
Projects/Seasonal	32	27
Trainees (weekly average)	5	5

The average number of individuals employed during the year was 96 (2015: 110).

13. Pension contributions

During the year the Scottish Wildlife Trust made pension contributions to the following Schemes:

	2016 £	2015 £
The Wildlife Trusts Pension Scheme	163,765	143,267
Friends Provident - stakeholder scheme	113,430	113,065
	<u>277,195</u>	<u>256,332</u>

The Scottish Wildlife Trust participates in the Wildlife Trusts Pension Scheme, a hybrid multi-employer pension scheme, which provides benefits to members on a defined benefit or a defined contribution basis, as decided by each employer.

The Trust participates only in the defined benefit section. However, the scheme is run in such a way that the Trust is unable to identify its share of the underlying assets and liabilities of the defined benefit section. While the underlying share of assets and liabilities cannot be readily identified, Council has taken the decision to designate funds on an annual basis to meet the liability arising under the Scheme. Further details of this designated fund are included in note 21 to the financial statements.

Contributions to the defined benefit section of the scheme are determined on the basis of triennial actuarial valuations carried out by an independent, qualified actuary. The last full valuation was carried out as at 1 April 2013. At that point the scheme deficit was £5.9 million though the actuary estimated that by 1 April 2015 this had risen to £6 million. All employers in the scheme increased their contributions to a level which should see the scheme 100% funded by 2024.

The share of the deficit attributable to the Scottish Wildlife Trust was estimated to be in the region of just over £1.2 million. However, it should be noted that this is a notional liability as the scheme actuary is unable to identify the share of the assets and liabilities of the respective members on a consistent and reliable basis.

Scottish Wildlife Trust's required payment in 2015/16 was £163,765 (2015: £159,304). Contributions rose sharply following completion of the 2013 triennial valuation when a recovery plan was agreed. Payments rise at 2.8% per annum until July 2024 when the final instalment is due.

Notes to the financial statements for the year ended 31 March 2016

14. Related party transactions

The Trust enjoys a close working relationship with the Royal Society of Wildlife Trusts (RSWT) and Natural Capital Scotland Limited, its subsidiary company. In 2016 the following transactions took place between RSWT and the Trust:

- payment of membership subscription totaling £43,690 (2015: £41,660);
- whilst there was no grant received during 2015/16, the Trust received £90,000 in 2014/15 in support of the Trust's work on Natural Capital.

In 2015/16 the following transactions took place between the Trust and its wholly owned subsidiary, Natural Capital Scotland Limited:

- the provision of staff on an arm's length basis totaling £92,757 (2015: £25,611)
- the repayment of £50,000 previously granted by Scottish Wildlife Trust during 2014/15

Trustees monitor the relationship with its subsidiary to ensure that funds support the delivery of charitable interests in the longer-term.

The total amount of donations and subscriptions received from members of Council during the year was £232 (2015: £1,959). This does not include donations which were made anonymously.

15. Corporation tax

The Trust operates visitor centres and produces promotional material in the support of its charitable objectives. Some of these activities provide an income to the charity (although this income is generally less than expenditure on these activities) and are designed to enhance public engagement with wildlife conservation. Certain activities are however, treated as trading for the purposes of corporation tax and accordingly the charity completes an annual corporation tax return. The tax paid in 2016 was £nil (2015: £nil).

16. Tangible fixed assets

	Long leasehold land and buildings	Plant, machinery and motor	Office	Computers	Total
<u>COST</u>	£	£	£	£	£
As at 1 April 2015	1,624,018	597,648	10,589	175,548	2,407,803
Additions	-	23,596	-	4,756	28,352
Disposals	-	(39,190)	-	-	(39,190)
As at 31 March 2016	1,624,018	582,054	10,589	180,304	2,396,965
<u>DEPRECIATION</u>					
As at 1 April 2015	674,087	574,308	6,354	153,387	1,408,136
Charge for year	79,329	15,900	2,118	10,576	107,923
Disposals	-	(39,190)	-	-	(39,190)
As at 31 March 2016	753,416	551,018	8,472	163,963	1,476,869
<u>NET BOOK VALUE</u>					
As at 31 March 2015	949,931	23,340	4,235	22,161	999,667
As at 31 March 2016	870,602	31,036	2,117	16,341	920,096

Notes to the financial statements for the year ended 31 March 2016

17. Heritage assets

The Trust's wildlife reserves are held to advance the conservation objectives of the charity and therefore are recognised as heritage assets. Such assets are central to the achievements of the Trust. Purchased heritage assets are included in the balance sheet at cost. Donated assets are only included in the balance sheet where a reliable valuation can be obtained at the date of donation.

The Trust has a published policy on reserves acquisition and disposal, this is entitled Wildlife Reserves Development Policy and can be found on the Trust's website at <http://scottishwildlifetrust.org.uk/what-we-do/policy-and-campaigns/policies-and-consultations/#go-pgtab-1>.

	2015/16	2014/15	2013/14	2012/13	2011/12
Wildlife reserves	£	£	£	£	£
Cost brought forward	1,048,858	1,048,858	1,048,858	1,046,059	966,059
Purchases in year	-	-	-	2,799	80,000
Disposals in year	-	-	-	-	-
Cost carried forward	1,048,858	1,048,858	1,048,858	1,048,858	1,046,059

	As at 1 April 2015	Additions during year	Disposals during year	As at 31 March 2016
Wildlife reserves	£	£	£	£
28 at £Nil cost	-	-	-	-
38 costing less than £10k each	138,592	-	-	138,592
15 costing more than £10k but less than £30k each	247,273	-	-	247,273
Balgavies Loch	34,100	-	-	34,100
Hill of White Hamars original	36,371	-	-	36,371
Montrose Basin	37,379	-	-	37,379
Linga Holm	38,851	-	-	38,851
Ayr Gorge Woodlands	40,701	-	-	40,701
Loch of the Lowes extension	65,000	-	-	65,000
Nethan Gorge extension (links upper and lower)	80,000	-	-	80,000
Hill of White Hamars ext 2006	116,115	-	-	116,115
Grey Hill Grasslands	214,476	-	-	214,476
	1,048,858	-	-	1,048,858

In addition, a number of wildlife reserves are managed through an agreement or lease. The costs associated with entering these leases are expensed. Amounts spent maintaining these assets are integral to the work of the Trust and are not separately identified.

Public access to the sites is generally unrestricted subject to health and safety, temporary operational or other restrictions.

Notes to the financial statements for the year ended 31 March 2016

18. Investments

The investment powers of the Trust are contained in the Memorandum of Association allowing investment of "the monies of the Scottish Wildlife Trust not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law and subject also as hereinafter provided".

Brooks MacDonald Asset Management is responsible for the day-to-day management of the investments and the custody of the related documents of title. All investments are held in the UK. There are no investments whose market value represents more than 5% of the total portfolio. The unrestricted main fund includes unquoted securities of £12,500 valued at par (2015: £12,500).

Group and Parent	Unrestricted main fund		Endowment sub-total		Total	
	2016	2015	2016	2015	2016	2015
	£	£	£	£	£	£
Market Value at b/fwd	1,663,269	1,745,996	1,890,114	1,903,560	3,553,383	3,649,556
Purchases	261,017	404,476	315,756	270,439	576,773	674,915
Disposals	(148,238)	(570,095)	(177,293)	(430,662)	(325,531)	(1,000,757)
Donated shares	3,523	1,477	-	-	3,523	1,477
Gains/ (losses)	(73,232)	81,415	(83,043)	146,776	(156,275)	228,191
Market value c/fwd	1,706,339	1,663,269	1,945,534	1,890,113	3,651,873	3,553,382
Cash	133,780	253,040	106,979	256,078	240,759	509,118
As at 31 March	1,840,119	1,916,309	2,052,513	2,146,191	3,892,632	4,062,500
Cost at 31 March	1,551,052	1,569,205	1,612,946	1,599,182	3,163,998	3,168,387

Group and Parent	Cumbernauld		Irvine		Endowment sub-total	
	2016	2015	2016	2015	2016	2015
	£	£	£	£	£	£
Market Value b/fwd	1,085,613	1,076,275	804,501	827,285	1,890,114	1,903,560
Purchases	198,770	175,300	116,986	95,139	315,756	270,439
Disposals	(105,186)	(251,447)	(72,107)	(179,215)	(177,293)	(430,662)
Donated shares	-	-	-	-	-	-
Gains/ (losses)	(56,144)	85,485	(26,899)	61,291	(83,043)	146,776
Market value c/fwd	1,123,053	1,085,613	822,481	804,500	1,945,534	1,890,113
Cash	63,304	163,090	43,675	92,988	106,979	256,078
As at 31 March	1,186,357	1,248,703	866,156	897,488	2,052,513	2,146,191
Cost at 31 March	948,403	938,088	664,543	661,094	1,612,946	1,599,182

Notes to the financial statements for the year ended 31 March 2016

Group and Parent	Unrestricted Main fund		Endowment sub-total		TOTAL	
	2016	2015	2016	2015	2016	2015
	£	£	£	£	£	£
Unquoted	12,500	12,500	-	-	12,500	12,500
Fixed interest	487,262	489,013	184,721	160,428	671,983	649,441
UK equities	439,058	467,588	662,842	723,579	1,101,900	1,191,167
Overseas equities	311,570	295,370	708,363	668,788	1,019,933	964,158
Alternatives	234,758	213,007	263,792	210,122	498,550	423,129
Property funds	221,190	185,791	125,815	127,196	347,005	312,987
As at 31 March	1,706,338	1,663,269	1,945,533	1,890,113	3,651,871	3,553,382
Cash	133,781	253,040	106,980	256,078	240,761	509,118
	<u>1,840,119</u>	<u>1,916,309</u>	<u>2,052,513</u>	<u>2,146,191</u>	<u>3,892,632</u>	<u>4,062,500</u>

Group and Parent	Cumbernauld		Irvine		Endowment sub-total	
	2016	2015	2016	2015	2016	2015
	£	£	£	£	£	£
Unquoted	-	-	-	-	-	-
Fixed interest	88,887	70,433	95,834	89,995	184,721	160,428
UK equities	392,245	431,271	270,597	292,308	662,842	723,579
Overseas equities	387,116	370,474	321,247	298,314	708,363	668,788
Alternatives	194,894	152,702	68,898	57,420	263,792	210,122
Property funds	59,910	60,733	65,905	66,463	125,815	127,196
As at 31 March	1,123,052	1,085,613	822,481	804,500	1,945,533	1,890,113
Cash	63,304	163,090	43,676	92,988	106,980	256,078
	<u>1,186,356</u>	<u>1,248,703</u>	<u>866,157</u>	<u>897,488</u>	<u>2,052,513</u>	<u>2,146,191</u>

The following investments, all within the General Fund are considered to be material in the context of the value of the portfolio as collectively they represent over 10% of the portfolio:

	2016
	£
Invesco Fund Managers Perpetual Corporate Bond	87,459
M&G Secure Corporate Bond	92,195
AXA Investment Managers (UK) US Short Duration High Yield	95,040
JP Morgan Asset Management UK Ltd Strategic Bond Fund	96,279
Picton Property Income Limited	83,700
	<u>454,673</u>

The Scottish Wildlife Trust holds the entire share capital of Natural Capital Scotland Limited (1 ordinary share of £1). Further details are shown within note 31.

Notes to the financial statements for the year ended 31 March 2016

19. Debtors

	Group		Charity	
	2016	2015	2016	2015
Amounts falling due within one year	£	£	£	£
Sundry debtors	68,489	31,423	68,489	37,537
Prepayments and accrued income	176,662	233,224	219,499	224,424
Income tax recoverable	68,686	117,465	68,686	117,465
VAT	1,635	8,225	-	-
Grants receivable	45,495	171,789	45,495	171,789
	<u>360,967</u>	<u>562,126</u>	<u>402,169</u>	<u>551,215</u>

20. Creditors

	Group		Charity	
	2016	2015	2016	2015
Amounts due within one year:	£	£	£	£
Other taxation and social security	-	-	-	-
Other creditors	472,731	535,392	462,198	431,887
Pension liability	168,350	163,765	168,350	163,765
Prepaid Income	<u>57,908</u>	<u>34,688</u>	<u>57,908</u>	<u>34,688</u>
	<u>698,989</u>	<u>733,845</u>	<u>688,456</u>	<u>630,340</u>
Prepaid income				
Balance brought forward	34,688	41,886	34,688	41,886
Income released in year	(20,780)	(25,217)	(20,780)	(25,217)
Income deferred in year	<u>44,000</u>	<u>18,019</u>	<u>44,000</u>	<u>18,019</u>
Balance carried forward	<u>57,908</u>	<u>34,688</u>	<u>57,908</u>	<u>34,688</u>

The Trust is required to recognise income in line with accounting requirements, when we can demonstrate entitlement, measurement and probability, the income is necessarily recognised at this point. As income may not have been received at this time, the income is treated as prepaid income within debtors.

Notes to the financial statements for the year ended 31 March 2016

21. Amounts due outwith one year

Historically the Trust has not been required to recognise the pension liability on its balance sheet. New accounting requirements mean that a provision has now been made on the face of the balance sheet. The liability has been calculated on the basis of discounted future cashflows.

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Amounts due outwith one year:				
Pension liability	1,222,191	1,349,207	1,222,191	1,349,207
Pension liability				
Balance brought forward	1,349,207	1,467,944	1,349,207	1,467,944
Payments made in year	(163,765)	(159,304)	(163,765)	(159,304)
Change in net present value	36,749	40,567	36,749	40,567
Balance carried forward	<u>1,222,191</u>	<u>1,349,207</u>	<u>1,222,191</u>	<u>1,349,207</u>
Amounts due within one year	168,350	163,765	168,350	163,765
Amounts due outwith one year	<u>1,053,841</u>	<u>1,185,442</u>	<u>1,053,841</u>	<u>1,185,442</u>
Pension liability	<u>1,222,191</u>	<u>1,349,207</u>	<u>1,222,191</u>	<u>1,349,207</u>

22. Contingent assets – legacy income

As at 31 March the charity had been notified of 21 legacies (2015: 12) that were not fully recognised in the Trust's financial statements as they were not sufficiently progressed to demonstrate entitlement.

Five of these were residual legacies that are subject to life interests held by third parties. The likely income from these is in the region of £200,000 (2015: £200,000). Of the remainder, fourteen were residual and two pecuniary, the likely income is in the region of £216,400.

23. Contingent liabilities

The Trust is a member of a multi-employer pension scheme as disclosed in note 13. As such the Scottish Wildlife Trust has a contingent liability for the share of the scheme deficit borne by the other 17 scheme employers in the event of one or more of those employers becoming insolvent. The Council consider the likelihood of such an event occurring and having a material impact on the charitable company's liabilities to be remote.

Notes to the financial statements for the year ended 31 March 2016

24. Analysis of charitable funds

The Trust allocates overheads across all its activities. Where it receives income with a restriction, the direct costs plus the directly attributable overhead allocation is not always met in entirety by the restricted income. This results in a transfer from unrestricted activities effectively supporting restricted activities. The Trust acknowledges this, and promotes a policy of Full Cost Recovery wherever possible. The Trust is grateful for the external funding available and considers each case on its own merits to ensure that investment of unrestricted funds best supports delivery of the Trusts aims and objectives.

Funds summary

	Balance b/fwd £	Income £	Spend £	Transfers £	Investment gains/ (losses) £	Loss on joint venture	Balance c/fwd £
Restricted funds	2,347,052	1,368,316	(1,539,738)	271,647	-	-	2,447,277
Endowment funds	2,155,989	54,005	(86,875)	11,714	(83,043)	-	2,051,790
Unrestricted funds	1,396,870	2,991,260	(2,622,313)	(283,361)	(73,232)	-	1,409,224
Charity	5,899,911	4,413,581	(4,248,926)	-	(156,275)	-	5,908,291
<u>Unrestricted</u>							
Group adjustments	(112,308)	324,112	(291,099)	-	-	79,295	-
Group	<u>5,787,603</u>	<u>4,737,693</u>	<u>(4,540,025)</u>	<u>-</u>	<u>(156,275)</u>	<u>79,295</u>	<u>5,908,291</u>

Unrestricted funds

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Designated reserves	1,130,291	1,217,595	1,130,291	1,217,595
Fixed assets net book value	113,937	121,183	113,937	121,183
Share of operating loss of joint ventures	-	(112,308)	-	-
Pension liability	(1,222,191)	(1,349,207)	(1,222,191)	(1,349,207)
Free funds	<u>1,098,121</u>	<u>1,060,195</u>	<u>1,098,121</u>	<u>1,060,195</u>
Unrestricted funds	1,120,158	937,458	1,089,158	1,049,766
Unrestricted revaluation reserve	<u>289,066</u>	<u>347,104</u>	<u>289,066</u>	<u>347,104</u>
Total unrestricted reserves	<u>1,409,224</u>	<u>1,284,562</u>	<u>1,409,224</u>	<u>1,396,870</u>

Notes to the financial statements for the year ended 31 March 2016

Designated funds

Some unrestricted funds are designated, recognising the Trust's commitment to particular projects. Movements on designated funds in 2015/16 are shown below

	Balance at 01/04/2015	New designation	Changes to Designations	Spend in year	Balance at 31/03/2016
Saving Scotland's Red Squirrels	330,000	-			330,000
Beaver reintroduction trial	46,659	-	(46,659)		-
Cumbernauld Living Landscape	71,320	-	-	(17,145)	54,175
Coigach-Assynt Living Landscape	76,920	-	-	(12,298)	64,622
Wildlife reserve maintenance	100,000	300,078	-	(300,078)	100,000
Edinburgh Living Landscape Project	10,000	-	-		10,000
Scottish Wildlife Trust Foundation	634,899	300,078	(46,659)	(329,521)	558,797
Business development activity	31,766	-	(31,766)	-	-
Landscape architecture	30,000	-	-	-	30,000
Land agent	16,494	-	-	-	16,494
Energy efficiency	29,436	-	(29,436)	-	-
Pension deficit	475,000	50,000	-	-	525,000
Total designated funds	1,217,595	350,078	(107,861)	(329,521)	1,130,291

Scottish Wildlife Trust Foundation

Council has a policy of designating all unrestricted legacy income through the Scottish Wildlife Trust foundation. The following funds are in existence:

- 1) Saving Scotland's Red Squirrels – due to uncertainties and challenges in relation to securing income, cost savings had to be found to continue to deliver the project. The Trust also continues to support the project but absorb this cost. Over the past year, the project worked within the resources available and there was no call on the designated fund this year.
The Trust plans to deliver a more sustainable financial model longer term, and is delighted to have been successful in securing an indication of an HLF grant to support delivery of this goal. Funding challenges continue to exist in the interim and the likelihood is that the designated fund will be called upon going forward.
- 2) Scottish Beaver Trial – a decision around the future of the beaver population was expected during 2015/16 but no announcement had been made as this report was finalised. Whilst the Trust remains committed to beaver reintroduction, it is expected that restricted funding would support future work in this area.
- 3) Cumbernauld Living Landscape – a number of projects support delivery of this initiative and whilst significant funding has been secured, there continues to be heavy calls on this fund both in real terms and to underwrite uncertain funding. A much larger fund is desirable given the aspirations for a flagship project over an extended time period.
- 4) Coigach-Assynt Living Landscape – plans continue to be developed for the Landscape Partnership Scheme in relation to the funding secured from the Heritage Lottery Fund. A much larger fund is desirable given the aspirations for a flagship project over an extended time period.
- 5) Wildlife reserve maintenance and improvements – income from legacies is set aside each year for the purpose of maintaining and enhancing the Trust's wildlife reserves.
- 6) Edinburgh Living Landscape – continues to be developed and delivered in partnership with several other partners.

Notes to the financial statements for the year ended 31 March 2016

Other designated funds

- 1) Business development activity – there were no firm plans to call upon this fund and, given pressure on free reserves, this fund has been released into general funds.
- 2) Landscape architecture – work on green infrastructure policy and advocacy continues and this fund will be used to support delivery of this activity during 2016/17.
- 3) Land agent – it is anticipated that recent legislation on land reform will increase costs for the Trust and that this fund will be called upon during 2016/17.
- 4) Energy efficiency – greening the Trust continues to be a core value but with no firm plans to call upon this fund and, given pressure on free reserves, this fund has been released into general funds.
- 5) Pension deficit – Council continues to be committed to designating £50,000 per annum until the designation matches the estimated liability in the final salary pension scheme.

25. Endowment funds

The Cumbernauld fund was set up in 1995 with £832,000 received from the Cumbernauld Development Corporation. The Irvine fund was set up in 1996 with £530,000 received from the Irvine Development Corporation. Both funds were established to enable the Scottish Wildlife Trust to manage the towns' green spaces in perpetuity for the benefits of the residents and wildlife. Any unspent balance and gains / losses arising are credited back to the endowment fund.

Endowment spend is limited to the terms of the gift. Additional spend of £23,055 and £19,867 was spent during the year on wildlife reserves within Cumbernauld and Irvine respectively.

Group and parent Endowment funds	As at 1 April 2015	Investment income	Expenditure	Investment gains/ (losses)	Transfers	As at 31 March 2016
	£	£	£	£	£	£
Cumbernauld	1,244,967	30,937	(51,759)	(56,144)	6,979	1,174,980
Irvine	911,022	23,068	(35,116)	(26,899)	4,735	876,810
Total	2,155,989	54,005	(86,875)	(83,043)	11,714	2,051,790

26. Restricted funds

Group and parent Restricted funds > £50k	Balance at 1 April 2015	Income Received	Expenditure	Transfers	Balance at 31 March 2016
	£	£	£	£	£
Property	851,915	-	(69,224)	10,468	793,159
Wildlife reserves	1,027,735	-	-	-	1,027,735
Saving Scotland's Red Squirrels	86,226	351,259	(442,997)	66,992	61,480
Other funds	381,176	1,017,057	(1,027,517)	194,187	564,903
	2,347,052	1,368,316	(1,539,738)	271,647	2,447,277

Both the property and wildlife reserves funds reflect the carrying value of assets acquired through restricted funding. The Saving Scotland's Red Squirrels (SSRS) restricted fund is disclosed separately due to the project value. A large number of other projects, for which restricted income was received during 2014/15, are included within the heading of "Other funds".

Notes to the financial statements for the year ended 31 March 2016

27. Analysis of group net assets between funds

	General unrestricted fund £	Restricted funds £	Endowment funds £	Total funds £
Fixed assets	113,937	1,855,017	-	1,968,954
Investments	1,840,119	-	2,052,513	3,892,632
Net current assets	509,009	592,260	(723)	1,100,546
Long-term liabilities	(1,053,841)	-	-	(1,053,841)
	<u>1,409,224</u>	<u>2,447,277</u>	<u>2,051,790</u>	<u>5,908,291</u>

28. Post-balance sheet events

There were no post balance sheet events.

29. Reconciliation of net movement in funds to net cash flow from operating activities

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Net movement in funds	120,688	798	8,380	47,082
Add back depreciation charge	107,923	143,169	107,923	143,169
Deduct investment income	(109,978)	(109,649)	(109,883)	(109,626)
Deduct donated shares	(3,523)	(1,477)	(3,523)	(1,477)
Deduct realised gains/(losses) on investments	33,325	(30,424)	33,325	(30,424)
Deduct unrealised gains/(losses) on investments	122,950	(197,767)	122,950	(197,767)
Add share of operating loss on joint venture	(79,295)	13,272	-	-
Deduct gain on sale of fixed assets	(15,289)	(11,143)	(15,289)	(11,143)
(Increase)/decrease in stocks	2,559	(3,808)	2,559	(3,808)
(Increase)/decrease in debtors	201,159	(6,545)	149,046	(6,545)
Increase/(decrease) in creditors	(39,441)	57,753	53,531	74,688
Increase/(decrease) in pension	(127,016)	(118,737)	(127,016)	(206,993)
Net cash inflow/(outflow) from operating activities	214,062	(264,558)	222,003	(302,844)

Notes to the financial statements for the year ended 31 March 2016

30. Financial instruments

Financial instruments measured at amortised cost comprise the loan financing provided under non-cancellable operating leases and their expiry dates were as follows:

	2016 Land and buildings £	2015 Land and buildings £
Amounts payable falling due within one year	30,588	34,324
Amounts payable falling due in more than one year but less than five years	-	5,000
Amounts payable falling due after five years	272,345	326,814
Total	302,933	366,138

31. Natural Capital Scotland Limited

Natural Capital Scotland Limited is a wholly owned subsidiary of the Scottish Wildlife Trust. A second World Forum on Natural Capital was held on 23rd – 24th November 2015.

Natural Capital Scotland Limited is a wholly owned trading subsidiary of the Scottish Wildlife Trust (a company registered in Scotland, registered number SC424744). It is used as a vehicle to run the World Forum on Natural Capital conference for reasons of risk management. A summary of the trading results is shown below.

The summary financial performance of the subsidiary alone is:

	2016 £	2015 £
Turnover	324,017	-
Other interest receivable and similar income	95	23
Cost of sales	(236,400)	-
Admin expenses	(54,699)	(32,960)
Net profit	33,013	(32,937)
Tax on/loss on ordinary activities	-	(76)
Net profit/(loss)	33,013	(33,013)
Total funds brought forward	(33,013)	-
	-	(33,013)

The assets and liabilities of the subsidiary were;

Debtors	1,150	17,025
Cash at bank and in hand	51,735	59,581
Creditors	(52,884)	(109,618)
Total assets less current liabilities	1	(33,012)
Called up share capital	1	1
Profit and loss account	-	(33,013)
Shareholder funds	1	(33,012)

Notes to the financial statements for the year ended 31 March 2016

32. Ben Mor Hydro Limited

On 31 March 2016 ownership of Ben Mor Hydro, previously a joint venture company, transferred to new owners who are now wholly responsible for the successful completion of the hydro project and management thereafter. 12.5% of any future net income will be paid to the Scottish Wildlife Trust.

Previously the cumulative up front investment costs for the joint venture had been consolidated within group accounts. This amount has now been removed from the 2015/16 accounts. Cumulative losses at 31 March 2015 totalled £79,295, with administrative costs of £13,272 being incurred in 2014/15.

Achievements and performance in 2015/16

To Champion: to secure a measurable improvement in the health of Scotland's ecosystems

Five Year Plan operational objective	Achievements in 2015/16
Successfully campaign for the development and delivery of a National Ecological Network and a set of Ecosystem Health Indicators in Scotland	<p>Aim(s): to publish long-term indicators for three Living Landscape programmes, based on the Scottish Government's Ecosystem Health Indicators (EHIs).</p> <ul style="list-style-type: none"> a. Building on the Trust's initial development of EHIs, the Scottish Government and its agencies have now identified and published a series of indicators which work at a number of geographical scales. Work is expected to further refine these indicators and use them to drive effective conservation action in future. b. A new indicator on natural capital was included in the Scottish Government's National Performance Framework in 2016. c. Indicators to track long-term changes in ecological condition of Living Landscape areas were developed for both Edinburgh and Cumbernauld Living Landscapes. Draft EHIs were developed for Coigach-Assynt Living landscape area.
Develop and implement a biodiversity outreach programme to the built environment sector in order to enhance urban biodiversity in selected local authority areas	<p>Aim(s): to develop a Natural Capital Planning Standard based on ideas developed by the Trust on ecological urbanism; to work with planners, developers and other professionals to get the standard widely applied in new developments.</p> <ul style="list-style-type: none"> a. Significant progress made in developing Natural Capital Standard. By year end this was in the final draft stages. b. Trust has also been liaising with developers in Cumbernauld about applying 'greening' measures in large housing developments planned for the town.
Achieve improved conservation of the marine environment through the Living Seas programme and partnership working with Scottish Environment LINK	<p>Aim(s): to initiate marine planning and marine community engagement projects to promote stewardship of the marine environment; to ensure designation of four MPAs proposed to protect four mobile species by leading a basking shark campaign (<i>this has been on hold since the consultation on mobile species MPAs has been postponed</i>); to advocate marine biodiversity interests in relation to sustainable oil and gas decommissioning through participation in Living North Seas initiative events</p> <p>Marine Planning:</p> <ul style="list-style-type: none"> a. Organised a successful seabed habitat survey in the Wester Ross MPA, increasing knowledge and protection of maerl habitat. b. Established communication with BG Group and Resources for Change and began consultation responses for decommissioning programmes in the North Sea. (<i>NB Activity has been low since Living North Sea Initiative has ceased to operate</i>). c. Contributed to Scottish Environment LINK by writing a joint consultation response on MPA management and <i>Living with the Seas</i> report.

Achievements and performance in 2015/16

	<p>Marine Community Engagement:</p> <ul style="list-style-type: none"> d. Engaged with 24 key stakeholders to explore partnership projects in Wester Ross region. e. Reached 200 primary school pupils from five local schools utilising a marine-themed education programme. f. Organised four beach cleans and a mini wildlife festival in Ullapool harbour, and participated in Summer Isles Festival.
Have planning volunteers active in 90% of local authority areas to review planning applications and protect local biodiversity sites	<p>Aim(s): to protect important places for wildlife from damaging developments through work of local planning volunteers and staff.</p> <ul style="list-style-type: none"> a. Positively influenced over 30 significant planning applications. b. Delivered staff-led planning support to Local Groups and planning volunteers, including site visits and a national planning workshop for volunteers.
Achieve positive wildlife legislation and policies by influencing the Scottish Government and Parliament through parliamentary briefings, MSP visits and public consultation responses	<p>Aim(s): to positively influence wildlife legislation and policies.</p> <ul style="list-style-type: none"> a. Wrote and submitted: seven parliamentary briefings (including: sustainable deer management, neonicotinoids and draft budget); six consultation responses (including: EU REFIT (review of Birds & Habitat's Directive), land use strategy, planning issues and pollination strategy); 15 policy bi-laterals with Ministers and MSPs (topics discussed include: land reform, deer management, MPA management, beavers and Living Landscape projects). b. Engaged with MSPs at a Trust-led event at Scottish Parliament sponsored by Graeme Dey MSP, discussing 'Moving beyond neonicotinoids'. c. Elicited 780 responses to a Trust-led campaign (working with Buglife Scotland) to encourage members of the public to email their local MSPs in support of a permanent ban on neonicotinoids. d. Positively influenced the Land Reform Bill, with key amendments on deer management accepted by Scottish Government.
Reduce wildlife crime in Scotland through the provision of advice to the Partnership Against Wildlife Crime Scotland and by assessing and reporting wildlife crime on our reserves	<p>Aim(s): to continue to provide advice to Government through the Partnership Against Wildlife Crime (PAWC) Ministerial group.</p> <ul style="list-style-type: none"> a. Provided advice to the Minister for Environment through PAWC group. b. Proactively campaigned against the indiscriminate culling of mountain hares in parts of the uplands. This resulted in high profile media coverage calling for landowners to show restraint until more is known about the mountain hare population.
Implement an indicator and keystone species action plan in support of our Living Landscapes objectives, achieving a minimum of one species led biodiversity awareness campaign per year	<p>Aim(s): to implement and promote year 3 of the juniper translocation project in partnership with Grants Distillers in South Ayrshire.</p> <ul style="list-style-type: none"> a. Propagated 500 cuttings in three separate nurseries. b. Planted 700 trees to act as protection for the seedlings when they are planted.

Achievements and performance in 2015/16

Produce and disseminate three Policy Futures publications in order to pioneer/influence critical biodiversity issues	<i>This has been postponed until 2016/17.</i>
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To Demonstrate: to implement and demonstrate best conservation practice on the ground.

Five Year Plan operational objective	Achievements in 2015/16
Implement management plans/statements for all our wildlife reserves	Aim(s): to complete 13 management plans/statements. a. 13 management plans/statements reviewed and updated
Achieve all Level One wildlife reserve maintenance tasks and Level Two tasks on selected reserves	Aim(s): to complete 90% of Level 1 and Level 2 (subject to funding) budgeted tasks on reserves. a. Peatland restoration work completed at Cander Moss and Carsegowan Moss. b. Northside Wood woodland restructuring project completed in Cumbernauld. c. Removal of 400 tonnes of non-native timber at Falls of Clyde. d. 'Flying Flock' grazing project extended to include Bawsinch & Duddingston Loch reserve in Holyrood Park.
Achieve "favourable condition" for 98% of Designated Features on our reserves	Aim(s): to achieve effective conservation management on the suite of national and international protected areas the Trust manages. a. 94.4% of designated features on Trust reserves were assessed as being in favourable or recovering condition – a decrease of 1% on the previous year.
Lead and deliver partnership objectives for Coigach-Assynt Living Landscape programme (CALL)	Aim(s): to complete and submit a successful Stage Two Landscape Partnership Scheme Application to HLF. a. HLF Stage Two Application completed and submitted to HLF in November 2015. b. Partnership Agreement completed and signed by all 14 partners. c. Secured £443K towards the scheme's overall (5 year) match funding target. d. Strengthened the Partnership through involvement of The Woodland Trust.
Lead and deliver the partnership objectives for the Cumbernauld Living Landscape Programme	Aim(s): to inspire good urban design that integrates new and existing developments into the green network; to engage communities in conservation projects; to secure sufficient restricted funding to deliver the project programme. a. Principles of Cumbernauld Living Landscape and its Green

Achievements and performance in 2015/16

(CLL)	<p>Network Guidance were directly referred to in key planning documents for 1,700 new houses.</p> <ul style="list-style-type: none"> b. Coordinated 37 disadvantaged young people to deliver environmental action plans with local volunteers. c. Reached over 6,500 people at events and supported four interns/trainees and 36 volunteers. d. Attracted a new Programme Leader (The Conservation Volunteers) into the Partnership.
Protect and restore peatlands by working with the IUCN Peatland Programme and implement a lowland peatland demonstration project	<p>Aim(s): to continue to host and chair the IUCN UK Peatland Programme; to deliver the agreed targets under the programme plan including the development and launch of the Peatland Code.</p> <ul style="list-style-type: none"> a. Staff team of four delivered a range of policy and technical briefings; organised several outreach and training events; and produced a draft 'opportunity map' for peatlands in Scotland. b. Launched the Peatland Code (v. 1.0) at the World Forum on Natural Capital in November 2015 to an international audience.
Complete the Scottish Beaver Trial and develop and implement post trial strategy	<p>Aim(s): to ensure the post-trial strategy is implemented pending a decision from Scottish Ministers on the future of beavers in Scotland.</p> <p><i>NB The Trust is still awaiting a decision from Scottish Ministers about the future of beavers in Scotland. In the meantime:</i></p> <ul style="list-style-type: none"> a. The established population of beavers in Knapdale continues to be active (at least two kits born in summer 2015). b. The Trust provided advice and support to the Tayside Beaver Group.
Lead and deliver partnership objectives for Saving Scotland's Red Squirrels Project and develop a long-term plan for red squirrel conservation	<p>Aim(s): to implement the project plan and all agreed targets for 2015/16 as part of Phase Three of Saving Scotland's Red Squirrels.</p> <ul style="list-style-type: none"> a. Collated and verified over 10,000 squirrel distribution records for publication on the National Biodiversity Network. b. Delivered grey squirrel control in North East Scotland, the Central Lowlands and South Scotland in concert with 177 landowners under the Scottish Rural Development Programme or through participation in our trap-loan scheme. c. Coordinated grey squirrel control in six Priority Areas for Red Squirrel Conservation (PARCs) in South Scotland. d. Carried out squirrelepox sampling in the Central Belt to provide the Scottish Government with better information on the spread of this disease. e. Developed a highly successful and novel approach to trapping and surveying in publicly accessed areas of urban Aberdeen.
Reduce total annual energy consumption of Scottish Wildlife Trust operations by 20%	<p>Due to competing priorities, we have not had sufficient resources to monitor this accurately during the past financial year. A more detailed assessment will be made at the end of 2016/17 as this remains an important priority for the Trust.</p>

Achievements and performance in 2015/16

Complete detailed base-line monitoring surveys on 10 principal reserves and basic site monitoring on 50 other reserves	Aim(s): to implement nine baseline monitoring surveys and seven specialist surveys as recommended in the Wildlife Monitoring Strategy. a. Completed all nine baseline monitoring surveys and seven specialist surveys.
Commence the integration of wildlife reserves into two new Living Landscape programmes	Aim(s): to undertake and review any opportunities to better align the Trust's work on reserves which fall within a Living Landscape programme, with the priorities of that Living Landscape. <i>Task deferred to 2016-17 in order that detailed projects on selected reserves can be incorporated into a Strategic Reserve Review</i>

To Inspire: to inspire people to care for and engage with Scotland's wildlife and wild places

Five Year Plan operational objective	Achievements in 2015/16
Grow membership to 50,000	Aim(s): To grow membership to 40,000 by March 2016. a. Passed the 40,000 member mark for the first time (membership as of 31 March 2016 = 40,083) b. Achieved an increase in membership of 5.3% on the previous year. <i>NB The five-year target remains unrealistic and is recognised to have been over-ambitious. Nevertheless, membership continues to grow.</i>
Have a network of at least 23 members' groups	Aim(s): to have a sustainable network of at least 20 Local Groups by March 2016 who champion wildlife at a local level. a. The Trust is currently supporting a network of 21 Local Groups, run by over 120 volunteers who champion wildlife at a local level and carry out vital work throughout Scotland.
Increase our volunteer programme to include over 800 volunteers	Aim(s): to provide an effective, structured and meaningful volunteer programme that meets the needs of the Trust and the volunteer. a. A total of 1,032 volunteers registered as of 31 March 2016, including 150 Flexi volunteers. This equated to approx. 44,485 hours of volunteer time. b. Promoted 55 volunteer opportunities and delivered 12 training courses for over 40 volunteers. c. Hosted: 11 corporate volunteer groups; one staff volunteer group; 17 European Voluntary Service volunteers for 12-months; 12 unpaid interns for 3-months; and three paid interns. d. Established two new volunteer groups.

Achievements and performance in 2015/16

Achieve high standards of governance in accordance with OSCR & Companies House requirements and guidelines	<p>Aim(s): to continue to develop and deliver high standards of governance.</p> <p>a. All requirements of OSCR and Companies House met and best practice guidance applied consistently and effectively.</p>
Play an active part in the UK Wildlife Trusts' movement	<p>Aim(s): To play an active part in the UK Wildlife Trust's movement.</p> <p>a. Continued to play an active part in the UK Wildlife Trusts movement, in particular: championing and implementing Living Landscape and Living Seas UK objectives; supporting development of Wildlife Watch; and helping the movement to gain a better understanding of Natural Capital.</p>
To have reached 20,000 per year through informal education and/or wildlife recreation programmes and self-guided walks	<p>Aim(s): to inspire people to enjoy, learn about and take action for wildlife by delivering a diverse and exciting programme of public events, guided walks and talks, open days and regional recreational activities throughout Scotland.</p> <p>a. Engaged an informal education audience of over 27,911 people during 2015/16.</p>
Have a sustainable network of 30-35 Wildlife Watch groups	<p>Aim(s): to provide opportunities for young people to explore, learn about and care for the natural world through Wildlife Watch.</p> <p>a. Established six new groups, bringing the total to 32. Of particular note is the evolution of Moray Group into Scotland's first teenage Wildlife Watch Group.</p> <p>b. The Newcastleton and Jupiter Wildlife Watch Groups were awarded Highly Commended in the 'Best Watch Group of the Year' category of the Wildlife Trusts' National Wildlife Watch Awards.</p>
Deliver formal education programmes to 12,000 people per year through our visitor centres and major project education programmes	<p>Aim(s): to provide curriculum-based learning opportunities to 6,000 people that enables learners to see, learn from and enjoy wildlife, and gain greater understanding of and contribute to the conservation of Scotland's biodiversity.</p> <p>a. Over 6,565 learners were reached via formal education programmes at visitor centres, wildlife reserves and other outreach activities.</p> <p>b. New formal education programmes being developed and delivered through CALL, North Ayrshire Community Engagement Programme and Living Seas Community Project.</p>
To provide 30,000 people per year with a positive wildlife experience through our visitor centres	<p>Aim(s): To provide 45,000 people per year with a positive wildlife experience through our visitor centres.</p> <p>a. A total of 53,548 visitors were engaged at our three visitor centres.</p> <p>b. A total of 10,478 visitors engaged at Jupiter Urban Wildlife Centre</p>

Achievements and performance in 2015/16

Recruit, train and retain a highly motivated and productive staff team	<p>Aim(s): to continue to support the staff by providing a good level of support and training.</p> <ul style="list-style-type: none"> a. A total of 39 new employees joined the Trust, made up of 3 core staff, 16 fixed term/project staff, 6 seasonal staff and 11 Community Jobs Scotland trainees. 36 employees left the Trust's employment, made up of 9 core staff, 16 fixed term/project/seasonal staff, 2 teacher naturalists and 9 Community Jobs Scotland trainees. Of the 9 core positions, 4 were reappointed, 1 post was removed from the staff structure and 4 posts await appointment. b. Senior staff carried out three regional road shows. c. The Trust implemented a training plan focused on health and safety and first aid. <p><i>The employee Net Promoter Score, designed to measure staff morale will be covered on a two yearly basis, with the next measure due in the summer of 2017.</i></p>
Reach 50% of the population of Scotland through our 50th Anniversary celebrations in 2014	<p>Not applicable to the current year. This target was previously met and exceeded.</p>

Supporting Objectives: to be efficient and effective in securing and managing the resources we need to deliver conservation objectives

Five Year Plan operational objective	Achievements in 2015/16
Maintain levels of financial reserves required by Council	See Financial Review
Operate within the Council approved annual budget including meeting targets for unrestricted income	<p>Aim(s): To secure sufficient unrestricted funding to fund ongoing core expenditure.</p> <ul style="list-style-type: none"> a) Continued focus on investing in membership recruitment during the year resulting in reaching the target of 40,000 members. b) Invested further in legacy marketing materials in order to expand the unrestricted income available to the Trust. c) Wrote to a group of our members to explain the vital role which legacy gifts play for the Trust. 48 people asked for further information and 33 let us know that they had incorporated a gift to the Trust within their Will. d) Established relationship with Wilkos in order to benefit from their single use bag levy funds. <p>See also Financial Review</p>

Achievements and performance in 2015/16

<p>Secure sufficient restricted funding to secure the project programme</p>	<p>Aim(s): To secure sufficient restricted funding to secure the project programme.</p> <ul style="list-style-type: none"> a. Secured a Stage One pass from HLF for £2.47million towards a major new phase of Saving Scotland's Red Squirrels and secured extension funding from SNH. b. Secured HLF funding to plan and finance the next five year phase of works Saving Scotland's Red Squirrels: Developing Community Action. c. Completed a Stage Two submission to HLF for £2.9million towards the Coigach – Assynt Living Landscape Partnership. d. Secured a number of other grant awards towards projects, including: upgrade to Montrose Basin Visitor Centre; peatland restoration; Cumbernauld Living Landscape; and Irvine-to-Girvan Nectar Network. e. Secured funding from Esmée Fairbairn Foundation for a 3-year Marine Planning Officer (MPO) post based in Leith and a 3-year Living Seas Community Officer (LSCO) post based in Wester Ross.
<p>Minimise any negative impacts of our operations on the environment</p>	<p>Due to competing priorities, we have not had sufficient resources to monitor this accurately during the past financial year. A more detailed assessment will be made at the end of 2016/17 as this remains an important priority for the Trust.</p>
<p>Provide and maintain a safe and healthy working environment for our staff, volunteers, members and visitors</p>	<p>Aim(s): to continuously improve the working environment to ensure the safety and welfare of staff and volunteers.</p> <ul style="list-style-type: none"> a. Launched an online programme of manual handling training. b. Reviewed approx. 250 risk assessments, safety policies and training briefs in order for these to be made available to staff and volunteers through the Trust website. c. Developed a Health and Safety Improvement plan. d. Reviewed the Health and Safety policy which was widely consulted upon.
<p>Strengthen our brand, enhance our reputation and raise our public profile. To include positive media coverage and a strong online presence</p>	<p>Aim(s): to ensure the profile of the Trust continues to grow.</p> <ul style="list-style-type: none"> a. Attracted over 31,000 unique users per month to the Trust's website. Online traffic came from 193 countries during the year. b. Continued to attract media coverage (broadcast, print and online) across a wide range of subjects including ospreys, beavers, pink-footed geese and neonicotinoids. c. Significantly increased the Trust's following on social media. d. Launched a blog series following the publication of <i>50 for the Future</i>. e. Gained extensive coverage and high engagement with the Trust's legacy campaign across broadcast, print and online.

Achievements and performance in 2015/16

<p>Maintain and enhance the operational effectiveness of infrastructure for information technology, general administrative support and data management</p>	<p>Aim(s): to deliver continuous improvement in operational effectiveness of infrastructure.</p> <ul style="list-style-type: none"> a. Implemented and tested a new offsite data recovery site. b. Introduced a new IT Helpdesk system to support better management of support systems. c. Provided IT security training to Trust staff to promote better awareness and understanding of risks to Trust systems.
<p>Achieve the highest standards of supporter care for our members, donors, legacy pledgers and partners</p>	<p>Aim(s): to ensure that supporters continue to feel valued by, engaged with, and informed about the Scottish Wildlife Trust.</p> <ul style="list-style-type: none"> a. Hosted a summer Chairman's Reception designed around key individual donors and supporters. b. Undertook two fundraising appeals focused on the Coigach – Assynt Living Landscape woodland expansion project and the Trust's Perthshire Ranger function.