



*A Scottish company and a company limited by guarantee registered in Scotland*

## **Annual report and financial statements**

**Year ended 31 March 2021**

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**Scottish charity number SC005792  
Company number SC040247**

## **Report of the trustees for the year ended 31 March 2021**

The trustees are pleased to present their annual directors' report together with the consolidated financial statements of the Scottish Wildlife Trust for the year ended 31 March 2021. These are also prepared to meet the requirements for a directors' 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 and the Trust's Memorandum and Articles of Association. These also comply with the 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 2019) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

## Message from the Chair

Welcome to the annual report and accounts for the Scottish Wildlife Trust. The report gives an overview of the work of the Trust for the very exceptional financial year 1 April 2020 to 31 March 2021. I am pleased to report that in difficult circumstances the Trust has been able to continue much of its vital work protecting Scotland's wildlife.

The lockdowns due to Covid-19 meant that we had to pause some of our activities and furlough staff, particularly those directly involved with the public. We put in place measures to ensure we could operate safely as soon as the restrictions were reduced and put them back in place when the risks increased again. This meant that from the summer until the second lockdown, our visitor centres reopened and volunteers were again able to work on our reserves. Staff were also able to restart outdoor activities, including providing support for disadvantaged and vulnerable groups. I am very grateful to all our staff and volunteers for their hard work, resilience and flexibility in very challenging circumstances.

We have continued throughout to provide a strong Scottish voice for the environment, working with other organisations to create an agenda and momentum for transformational change. In May, together with the Scottish Environment Protection Agency, we published a 'Route Map to £1 Billion' to highlight new mechanisms for financing nature conservation in ways that will deliver multiple benefits. In August, in partnership with RSPB Scotland and WWF, we published A Nature Recovery Plan - 11 key asks relating to action for nature in Scotland. In November, with the National Farmers' Union of Scotland we launched Champions for Change, an initiative to highlight how farmers and crofters can deliver for the environment.

Our project work has continued throughout Scotland and we are very grateful to our funders for the flexibility they have shown in supporting us, so that we can continue to safeguard our red squirrel populations, improve our Living Landscapes, and help people, who might not otherwise have an opportunity, to connect with nature.

Our AGM and Members' Day were delivered online for the first time and we had excellent attendance and wonderful contributions and speakers. We were very pleased to welcome two new elected members to Council and since the AGM we have co-opted one additional Trustee to ensure we have a rounded mixture of skills and expertise.

Local groups held events online and there were record attendances for online talks on a huge range of wildlife topics.

Many organisations are facing very difficult financial pressures at this time. The effects of the pandemic are substantial and will last many years. Like many others we are having to draw on reserves as we move into the second year. Trustees are very grateful for the response to our appeals and very generous legacy bequests to help us carry on with this important work at this critical time.

More than ever, people are understanding our need to protect and restore our wildlife. Your support in enabling the voice of nature to be heard loudly in Scotland is hugely appreciated. Thank you to our members, donors, volunteers, staff and all our supporters and partners.



**Linda Rosborough**  
Chair of Council

## Chief Executive's report

The past year has been a challenging one for most organisations, and the Trust has been no exception. The pandemic led to severe restrictions being placed on some activities while others had to cease altogether. Nevertheless, the Trust rose to the challenge and was able to move forward positively on a number of fronts. This annual report captures some of the difficulties we faced, the factors which enabled us to respond positively to many of these difficulties and the lessons we learned that will be invaluable to us in the future.

First and foremost, this year tested the Trust's resilience on multiple counts. Financially, we faced significant uncertainty, with key funding sources put on hold due to the global situation, and other vital income sources (especially our ability to sign up new members), almost drying up altogether. However, two aspects of our members' and supporters' generosity made all the difference: first, we went into lockdown in a strong position thanks to the kindness and generosity of a supporter who had left a generous gift in her Will shortly before the Covid-19 situation took hold. It is hard to overstate the importance of these kinds of gifts which, if 'unrestricted', can be used wherever the need is greatest. This makes them invaluable in helping to deal with the unexpected. Second, our members and supporters responded extremely generously to our emergency appeal in the summer, which helped us to maintain our focus on the priorities for biodiversity even as the rest of the world focused on Covid-19. We saw increased expenditure in certain areas, for example in connection with anti-social behaviour on our reserves, which sadly included vandalism and flytipping. However, on a practical level there were some financial savings in other areas, where activity reluctantly had to be scaled back.

Operationally, some parts of the Trust's work were able to carry on relatively uninterrupted. With the focus on the rescheduled UN Climate Summit - COP26 - continuing to generate a lot of attention on biodiversity issues, the policy team were kept busy and were fortunately able to carry out the majority of their work remotely, albeit without the benefit of the usual face-to-face conversations and visits. Our major projects, most notably the Coigach & Assynt Living Landscape, Cumbernauld Living Landscape, Edinburgh Living Landscape and Saving Scotland's Red Squirrels, were each able to deliver a revised programme of activity, with funders being flexible in agreeing changes to planned outputs. On wildlife reserves, we were able to continue throughout the year with many activities, including conservation grazing and a variety of prioritised tasks such as habitat creation and the removal of invasive non-native species, although what we were able to achieve was limited by not being able to engage volunteers in the usual way. Our Riverwoods initiative had to be paused while the staff team focused on a range of other urgent priorities associated with Covid-19, and our community engagement work, including education, was impacted seriously. Despite this, our investment in digital technology over the previous few years, combined with a new digital resilience project called Project Water Bear paid off enormously and enabled the staff team not only to carry on in many cases without interruption but also to innovate and develop new ways of engaging people online. In many cases, including when staff worked closely with our local groups, this was a great success and events that might previously have attracted dozens of attendees instead attracted hundreds.

From a staff perspective, the impact on some has been significant, particularly with the burdens of home schooling and lack of contact with colleagues. However, as with other challenges, this has also led to innovation within the Trust, such as the introduction of a weekly wellbeing hour, which has been extremely well received (and which, as a result of our strengthening relationship with National Farmers' Union Scotland has now also been adopted by their staff team).

Strategically, the staff and trustees remained focused on maximizing our impact for biodiversity, and this included continuation of our plans for the development of the Trust's Strategy 2030, including the largest consultation with members to date (which was still live as of 31 March).

At a time like this when the biodiversity crisis requires urgent action from us all, the pandemic has caused an untimely pause, which has been significantly disruptive. However, it has also been a chance to press the reset button, which is something we can only hope will lead to lasting changes within society, including a greater appreciation of environmental issues. In our advocacy work, this has been an opportunity to emphasise the importance of taking a holistic approach to decision making within government, which will be vital if we are to achieve a green and fair recovery from the pandemic.

Within the Trust, the last year has also provided an opportunity to reflect on how we can be more inclusive in future, for example by using technology to reach some people who for mobility reasons or simple geography might never previously have been able to engage. Conversations about inequalities more broadly, which have been brought into sharp focus during the pandemic, have also accelerated thinking about how the Trust can go further and faster in breaking down barriers to involvement in nature conservation so that we can realise our goal to see 'everyone a conservationist'.

The increased contact with nature that the general public has had over the past year, through both choice and necessity, has led to a realisation of the importance of the biodiversity on our doorsteps. We need to build on this and ensure that this more rounded relationship with nature can be sustained well beyond the pandemic, as we strive to reverse nature's decline and restore healthy and resilient ecosystems for the benefit of present and future generations.

**Jo Pike**  
Chief Executive

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# **Independent auditor's report to the Scottish Wildlife Trust**

## **Opinion**

We have audited the financial statements of Scottish Wildlife Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Group and Charity Statement of Financial Activities, the Group and Charity Balance Sheet, and the Statement of Cash Flows and Consolidated Statement of Cash Flows, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 2021 and of its incoming resources and application of resources, 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 requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

## **Basis for opinion**

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 that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

## **Independent auditor's report to the Scottish Wildlife Trust (continued)**

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

#### **In our opinion, based on the work undertaken in the course of the audit:**

- the information given in the strategic report and the directors' report prepared for the purposes of company law and included within the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report and the strategic report, included within the trustees' annual report, have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report or the strategic report included within the trustees' annual report.

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) require us to report to you if, in our opinion:

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

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, set out on page 37, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

# **Independent auditor's report to the Scottish Wildlife Trust (continued)**

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework, that the group and parent charitable company operates in and how the group and parent charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud; and
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the Trust's charitable objectives, and inspecting minutes of meetings of the Council and relevant sub-committees.

## **Independent auditor's report to the Scottish Wildlife Trust (continued)**

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Data Protection Act 2018 and the Management of Health and Safety at Work Regulations 1999. We performed audit procedures to inquire of management whether the group and charitable company are in compliance with these law and regulations and inspected reports available on the Health and Safety Executive and the Information Commissioner's Office websites respectively, and inspecting minutes of meetings of the Council and relevant sub-committees.

The audit engagement team identified the risk of management override of controls and the risk of cut-off in revenue recognition for legacies, donations and grants as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates such as the provision for dilapidations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, 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 members and the charitable company's trustees 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, its members as a body, and its trustees as a body for our audit work, for this report, or for the opinions we have formed.



Kelly Adams CA MA (Hons) (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
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Date: 30 June 2021

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# Structure, governance and management

## Governing document

The Scottish Wildlife Trust was incorporated on 16 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 Articles of Association<sup>1</sup> adopted on 22 September 2018, and a Memorandum of Association as amended by Special Resolutions passed on 13 November 1982, 6 October 2001, 23 June 2007.

The Trust is registered as a charity with the Office of the Scottish Charity Regulator (OSCR). Its Scottish charity number is SC005792.

At 31 March 2021, there were 22,905 memberships (2020: 23,773) and 40,967 members (2020: 42,927).

## Appointment of trustees

The Trust is governed by a Council of a maximum of 14 trustees and a Chair.

Up to four trustees are co-opted, with the remainder nominated from the membership and elected at the Annual General Meeting (AGM). A ballot of members is conducted if there are more candidates than vacancies.

All members are invited to nominate trustees for election to Council at the AGM. When considering co-opting trustees, Council seeks to address in the Council as a whole any gaps in skills, experience, diversity and geographical representation.

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 planning, operational delivery 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.

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<sup>1</sup> <https://scottishwildlifetrust.org.uk/wp-content/uploads/2018/09/Articles-of-Association-22-Sep-2018.pdf>  
<https://scottishwildlifetrust.org.uk/wp-content/uploads/2016/12/Memorandum-of-Association.pdf>

## Organisation

The Council normally meets quarterly to oversee routine 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.
- Nominations Committee - which advises Council on Chair, Trustee and Chief Executive appointments and constitutional matters.

Working groups are formed from time to time to perform deep dives. Where this occurs, the group is usually convened for a defined period, has clear Terms of Reference and membership comprises a combination of staff and trustees.

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 External 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, Wildlife Watch groups, surveying and recording, visitor centres, species protection programmes and administration.

## Scottish Governance Code

Council agreed to formally adopt the Scottish Governance Code in June 2019. Council formally agreed actions to deliver the Trust's ongoing commitment in this area. Progress has included:

- At their annual strategy session in October 2020, trustees considered the Trust's next strategic plan, including timeframes for key milestones and to scale up the Trust's impact. Employees are being consulted on contents alongside a wider engagement with members.
- Trustees have agreed a framework for action to increase equality, diversity and inclusion. Trustees recognise that removing barriers and increasing access will allow the Trust to benefit from different ways of thinking, new perspectives, a wider audience and a more resilient network of staff, volunteers and supporters. The framework for action was developed with input from the Council for Ethnic Minority Voluntary Organisations (CEMVO) and its implementation is being led by an internal group of employees who will make recommendations to Management Team for action in 2021 and beyond.
- The Trust has begun work to deliver the Fundraising Strategy agreed by Council in March 2020. This strategy seeks to diversify income streams in order to provide greater financial resilience but also to provide a stronger foundation upon which to deliver the Trust's strategic vision.
- Council now carries out due diligence on nominees ahead of the election process.

## Related parties and co-operations with other organisations

None of the trustees receive remuneration or other financial 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, a company limited by shares registered in Scotland (SC424744). The subsidiary company has not traded since November 2017 and continues to be dormant.

## Pay policy for senior staff

The Council, as trustees, and the Senior Management Team (SMT) comprise the key management personnel. Trustees direct and control the Trust and have put in place specific delegations to SMT in relation to day-to-day running and operation of the Trust.

Council members give their time freely and no non-executive director received remuneration in the year. Details of directors' expenses and related party transactions are disclosed in note 10 to the accounts.

The pay of senior staff, in common with other staff, is reviewed annually with reference to published average earnings indices and affordability.

The Scottish Wildlife Trust remuneration policy is that employees should be paid as fairly and consistently as possible across the organisation. All roles are evaluated in the same way by SMT and the Head of Human Resources to ensure the complexity and responsibilities of each role are properly considered. This process takes into account scope, breadth, knowledge required, qualifications and/or experience required, the nature of contact with various audiences, the complexity of problem solving anticipated, extent of guidance and supervision involved, the level of decision-making and management of resources. Each evaluation is then sense checked to confirm whether or not it fits with other roles within the Trust. Periodic comparisons are made with other organisations of similar size, nature and location.

The Trust is committed to providing flexible working arrangements to support employee work-life balance whilst remaining productive. Flexible arrangements cover a range of options, including flexible and reduced-time working, job share, home working, compressed, annual or staggered hours.

<u>Gender pay gap (male/(female) bias)</u>	<b>2020/21</b>	<b>2019/20</b>
Mean pay differential	(4%)	(2%)
Median pay differential	1%	4%

<u>Distribution of employees</u>	<b>2020/21</b>		<b>2019/20</b>	
	Female	Male	female	male
Upper quartile	59%	41%	57%	43%
Upper middle quartile	59%	41%	50%	50%
Lower middle quartile	71%	29%	70%	30%
Lower quartile	47%	53%	48%	52%

Note: Figures include employees on fixed term and permanent contracts. They do not include individuals on zero hours contracts.

## OBJECTIVES AND ACTIVITIES

### 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. It delivers a breadth of activities across Scotland, working in partnership and collaboration with well over 120 different organisations.

At the heart of its work, the Trust manages 116 wildlife reserves, encompassing 19,000 hectares, and spanning the breadth of Scotland - from Orkney's Hill of White Hamars in the north, to Carsegowan Moss in the south, and from the Isle of Eigg in the west, to Longhaven Cliffs on the Aberdeenshire coast.

The Trust's reserves are wonderful places to visit and encompass a diversity of habitats which support a wide range of wildlife. These reserves contribute to the Trust's continuing work towards wider landscape-scale initiatives such as achieving a Nature Network across Scotland.

Visitor centres in Montrose, Dunkeld, New Lanark and Grangemouth provide a gateway to wildlife for people of all ages. Younger audiences are enthused by activities such as wildlife tracking, den-building and pond-dipping, led by dedicated staff and volunteers. Wildlife enthusiasts are able to follow the exploits of breeding ospreys; enjoy the dusk and dawn spectacle of around 80,000 overwintering pink-footed geese gathering to roost; and watch badgers pottering around their setts.

Each and every volunteer helps to broaden the impact of the Trust's work. From individual office workers and a small group of European volunteers, to the Trust's valued and dedicated army of local groups who deliver practical conservation, organise events and get involved in defending locally-sensitive sites through planning work.

The Trust's environmental education work continues through a network of Wildlife Watch groups. Wildlife Watch leaders regularly engage with families to create memorable wildlife experiences and to teach the next generation about the importance of stewarding Scotland's natural assets.

The Trust continues to be a thought leader and key influencer at the very highest levels across the whole range of conservation and environmental issues, being particularly active in marine policy, agricultural and environmental policy post-Brexit, and nature-based solutions (and their role in addressing the climate and biodiversity crises). This has enabled the Trust to build on its suite of well-researched and considered policy positions and facilitated further relationship building and partnerships with a range of stakeholders for the long-term benefit of biodiversity.

Pioneering work on natural capital continues through the Trust's leading role on the Scottish Forum on Natural Capital, and the Trust, in conjunction with the Scottish Environment Protection Agency, led the pioneering Scottish Conservation Finance project.

The Trust continues to work in partnership to find ways to protect, restore and enhance the natural world whilst advocating its importance to decision-makers.

## Our vision and objectives

The Trust's 25-Year Vision - *Natural Connections – A vision for rebuilding Scotland's wildlife* – was launched in 2006, outlining what the Trust believes needs to happen for wildlife over 25 years and how it intends to lead action to make the vision happen.

At the heart of the vision is an integrated approach which calls on Government, the voluntary and the private sectors and the people of Scotland to work together for nature's recovery. That requires a strategic, systemic 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 strategic plans and is supported by six core values, which were adopted in 2016. These are: We are pioneers; we are collaborative; we are evidence-based; we are impact-focused; we act with integrity; we are always learning.

The Trust's five-year plan for 2017-2022, sets out four strategic goals (below) and is available to view on the Trust's website.

### Healthy Ecosystems

- Landscape-scale approaches to the protection and restoration of nature are widely adopted
- Fragmented wildlife habitats are more connected and resilient

### Protected Places

- Our wildlife reserves are delivering multiple benefits for wildlife and people
- Critical habitats are safeguarded and restored

### Thriving Species

- The decline of key priority species has been reversed
- There is increased support for the return of keystone species to Scotland

### A Scotland that Values and Benefits from Nature

- People are more connected to nature and are increasingly championing its benefits
- The value of nature is understood by the public and private sectors and given prominence in decisions

Delivery of the strategic goals is supported by Strong Foundations

- Staff and volunteers continue to be motivated, skilled and highly effective
- Our organisational capacity and resilience have increased
- We have a knowledge and evidence base that is highly respected and well used

The activities identified to deliver these objectives are set out in the Annual Operational Plan which is approved by Council each year. Achievements and performance in relation to the in-year objectives are reported at the end of the Annual Report and Financial Statements.

The Trust continues to achieve its goals in the following ways:

- Champion the ecological, moral, social and economic reasons to protect and restore nature.
- Demonstrate best practice in practical conservation and the creation of Living Landscapes and Living Seas.
- Inspire people to experience, learn about and care for wildlife and wild places.

## **Our partnerships and collaborations**

The Trust is a member of The Wildlife Trusts (TWT) movement, which comprises the UK's 46 Wildlife Trusts, and is a corporate member of the Royal Society of Wildlife Trusts.

The Trust works with a large number of organisations which have played an active role in the delivery of our objectives. The Trust also works through membership of Scottish Environment LINK, an umbrella organisation of environmental charities in Scotland. Some of the Trust's parliamentary and political work is delivered through joint working under the LINK banner.

## STRATEGIC REPORT

### Achievements and performance

The Trust's five-year plan covers the period 1 April 2017 – 31 March 2022. The Trust's vision of a connected network of healthy, resilient ecosystems supporting Scotland's wildlife and people is underpinned by our goals (as outlined on page 14). The Annual Report and Financial Statements report expenditure associated with each goal.

Detailed information on progress in relation to specific annual operational targets is monitored by Management Team and reported to Council. Key achievements in 2020-21 for each of the five-year plan goals were as follows:

#### HEALTHY ECOSYSTEMS

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- Landscape-scale approaches to the protection and restoration of nature are widely adopted
  - **Published our Nature Recovery Plan in partnership with RSPB and WWF Scotland** with key recommendations taken on board by Scottish Government and featuring in 2021 party manifestos.
  - **Successfully delivered the first phase of Champions for Change** in partnership with NFU Scotland, highlighting how farmers and conservationists can join forces in calling for change to help address climate change and biodiversity loss.
  - **Contributed to the development of the Salmon Interactions Working Group recommendations** which focus on reducing the impact of salmon farming on wild salmon populations.
  - **Published our Fisheries Management Policy** which includes a series of recommendations essential for a sustainable future for Scotland's fishing industry.
  - **Completed upgrading the spectacular and historic Postie's Path walking route** on Ben Mor Coigach reserve as part of the Trust-led Coigach & Assynt Living Landscape.
  - **Successfully engaged the communities in Coigach and Assynt with our Achlochan Coastal Heritage Project**, resulting in the formation of a local environmental conservation group.
  - **Grew and sold over 55,000 trees** at the Trust's Little Assynt Tree Nursery near Lochinver
  - **Finalised an Ecological Coherence Plan for the City of Edinburgh** as part of the Trust-led Edinburgh Living Landscape. Also conducted 11 online consultation workshops and feedback sessions in which at least 30 partner organisations participated.
  - **Adapted the Creating Natural Connections programme** – the current phase of the Trust led Cumbernauld Living Landscape - to account for the pandemic, utilising digital communication to reach new audiences and encourage them to engage with nature. The excellent work we are leading on was chosen by the National Lottery Heritage Fund to feature as a wellbeing case-study.
  - **Grew the Irvine to Girvan Nectar Network**, adding seven new sites and expanding south with the help of partners and landowners.
  - **Sowed new wildflower meadows and improved public access at the Trust's Shewalton Wood Wildlife Reserve in Ayrshire** as part of the Garnock Connections Landscape Partnership.
- Fragmented wildlife habitats are more connected and resilient
  - Continued to advocate for a **Scottish Nature Network** in the Nature Recovery Plan, and Scottish Government recognised the need for greater connectivity for biodiversity in their statement of intent on the Scottish Biodiversity Strategy post-2020.

- Established a governance structure and specialist groups for the **Riverwoods** initiative. Agreed an allocation from the estate of Donald McVean to redouble efforts going in to 2021-22.

## PROTECTED PLACES

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- Our wildlife reserves are delivering multiple benefits for wildlife and people
  - Continued to manage our **116 wildlife reserves** adapting and responding to changes in visitor pressure associated with Covid-19 restrictions including increased footfall and antisocial behaviour such as flytipping, littering and fire-making.
  - **Completed two new sand martin banks**, one at Gales Marsh and one at Montrose Basin, to facilitate breeding of this long-distance migratory species.
  - **Continued invasive non-native species removal** including removing giant hogweed, Himalayan balsam and Japanese knotweed at sites such as Spey Bey, Montrose Basin, Tummel Shingle Islands and Shewalton Sandpits.
  - Implemented a conservation grazing regime on 18 Trust reserves. Achieved **noticeable improvements in the grassland habitat at Petershill Wildlife Reserve** in West Lothian following three conservation grazing sessions with our Flying Herd of cattle.
  - Helped plan a **new interpretative experience for visitors to the Isle of Eigg**.
- Critical habitats are safeguarded and restored
  - Continued to **restore lowland peat bogs** on nine reserves – working to reinstate their hydrology for the benefit of biodiversity and carbon capture. Actively participated in the Board of the IUCN Peatland Programme (a project hosted by the Trust).
  - Targeted campaign and planning casework to protect habitats – **participated in consultations regarding emerging national planning guidance** advocating the need for biodiversity to be integrated into decision making.

## THRIVING SPECIES

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- The decline of key priority species has been reversed
  - Resumed strategic grey squirrel control as soon as government regulations allowed to protect native red squirrels as part of the Trust-led **Saving Scotland's Red Squirrels** project.
  - **Recorded red squirrels in several places they have not been seen for years**, including Moffat town centre and had a record year for sightings of red squirrels in the heart of Aberdeen City.
  - **Received a record number of sightings during the week-long Great Scottish Squirrel Survey** and trained 15 volunteers to verify squirrel sightings submitted through the website.
  - **Recorded some positive trends for breeding seabirds on Handa Island**, including the highest population of guillemots seen on the island since 2004 and an increased number of Arctic skua nests.
- There is increased support for the return of keystone species to Scotland
  - **Successfully completed the Scottish Beavers Reinforcement Project** in partnership with the Royal Zoological Society of Scotland, boosting the number and genetic diversity of beavers in Knapdale.

## A SCOTLAND THAT VALUES AND BENEFITS FROM NATURE

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- People are more connected to nature and are increasingly championing its benefits
  - Co-ordinated and delivered an (ongoing) **programme of national wildlife webinars** organised in collaboration with local groups.
  - **Safely reopened our visitor centres** when Covid restrictions allowed and welcomed over 2,000 people to both Montrose Basin and Loch of the Lowes during this time.
  - **Launched a new online Learning Zone** with over 60 nature-based activities that young people could do to stay connected with nature during Covid restrictions.
  - **Developed an online skills building initiative as part of the Earn Your Stripes project** in collaboration with Scottish Badgers.
  - **Launched a new user login section of the Trust's website**, providing supporters with an enhanced and more personalised online experience.
  - **Delivered a Wildlife Watch webinar series** to replace the regular face-to-face training day event
  - **Successfully facilitated over 1,600 days of work on wildlife reserves** to enhance employability for young nature conservationists as part of the European Voluntary Service project.
  - **Supported the Young Leaders to deliver several key engagement activities** including a climate change event for young people and a video series focused on the Trust's Nature Recovery Plan.
- The value of nature is understood by the public and private sectors and given prominence in decisions
  - **Published our Route Map to £1 Billion, in partnership with the Scottish Environment Protection Agency (SEPA)** as part of the Scottish Conservation Finance project and created an online space for stakeholder engagement and discussion.
  - **Organised and chaired a Marine Conservation Finance webinar** to discuss options for investing in the marine environment with engaged stakeholders.
  - Under the auspices of the **Scottish Forum on Natural Capital** (of which we are a founding partner), organised the 4th annual public sector leaders' roundtable on natural capital, this year focusing on nature-based solutions for a green recovery.
  - Our ongoing **advocacy on nature-based solutions** was recognised in a number of key government reports including the Climate Change Plan Update and vision for national planning framework. We secured funding and staffing for a new project to scale up this work.

## STRONG FOUNDATIONS

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- Staff and volunteers continue to be motivated, skilled and highly effective
  - **Successfully recruited and appointed 33 new employees** over the course of the year.
- Our organisational capacity and resilience have increased
  - **Held successful online AGM and National Members' Day events** for the first time in the Trust's history.
  - **Developed the strategic framework for the Trust's Strategy 2030.**
  - **Developed a Financial Resilience Plan and developed a number of new income streams** to augment face-to-face recruitment, which see a break-even position within five years.
  - **Created a financial resilience designated reserve**, made possible thanks to the generosity of a legacy gift received in March 2020.

- 11 supporters let us know that they had incorporated a gift to the Trust in their Will; we liaised with the executors of 25 estates and were honoured to receive more than **£919k of legacy gifts**.
  - **Received, processed and sent thanks for more than 5,000 donations** paid to us online, over the phone, by text or cheque. Were boosted by a record-breaking response to our three fundraising appeals - most notably to our Covid response appeal which raised over £60k. Developed and launched an ongoing Resilience Fund to help place the Trust in the strongest possible position to respond to the twin crises of climate and biodiversity.
  - **Diversified our methods of recruiting members:** piloting Facebook advertising, contacting lapsed members, promoting a January sales offer and instigating a Book-a-chat facility.
- We have a knowledge and evidence base that is highly respected and well used
    - **Launched the Trust's first intranet, Mycelium**, to facilitate better staff collaboration and streamline information management across the Trust.
    - **Launched new finance software** to support improved financial control and reporting.
    - Managed and hosted the Development Officer for the Scottish Biodiversity Information Network and **achieved a high level of advocacy for the SBIF review recommendations**.
    - Compiled an initial compendium of online resources associated with **digital transformation in the environment sector** and shared this with other eNGO and government stakeholders working in partnership with NatureScot.

## Financial review

### Results for the year

The results for the year are strong despite Covid-19. Although other risks were present, the main financial issue from Covid-19 restrictions was the long-term cumulative impact of ceasing face-to-face recruitment. The Trust minimised costs during 2020/21 and has received a phenomenal level of financial support. However, our membership numbers have fallen, and this reduced baseline will impact on our ability to generate income. Results in future years are therefore predicted to be loss-making. The financial reserves coming into this period were robust - thanks particularly to an extremely generous legacy gift received in March 2020 for which we remain profoundly grateful. We anticipate that our reserves will be sufficient to allow us to continue the current levels of activity, until income levels recover.

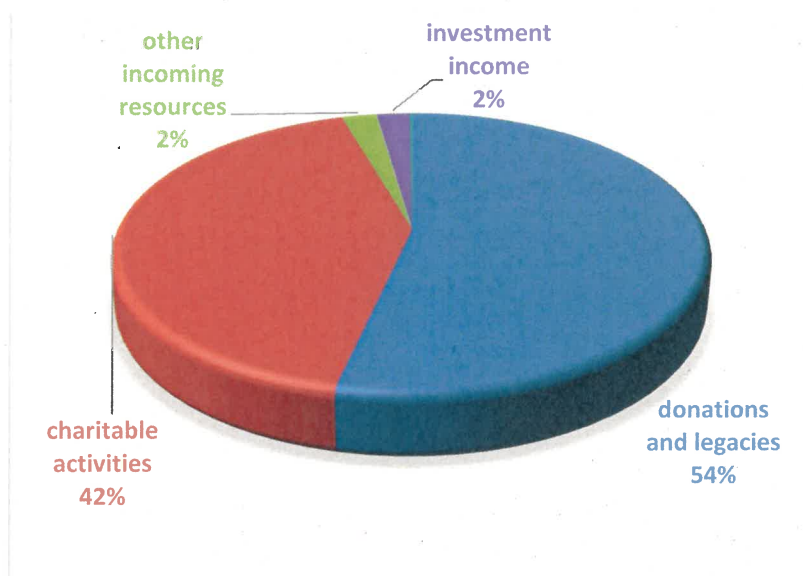
The first quarter of 2020/21 was particularly difficult because lockdown restrictions affected how our operations were carried out, but the Trust's commitment to its vision remained strong and a range new working and delivery methods quickly emerged.

Funders have been consistently supportive and flexible throughout, providing emergency funding and working constructively with staff to redesign project delivery models. Staff found new opportunities to engage with each other and with others throughout Scotland and beyond; holding our first online AGM, hosting a range of online talks, webinar events and virtual learning modules.

Despite an initial drop in giving, supporters have remained as generous, if not more generous, than ever. Throughout 2020/21 however, the cessation of public events and the associated inability to engage in face-to-face recruitment has perhaps presented the most significant long-term issue for the Trust's finances. The drop in members attest to this with the number of memberships at the year-end 22,905 (2020: 23,773), members now total 40,967 (2020: 42,927).

Whilst we have long been committed to finding ways to diversify, broaden and strengthen income sources, the refreshed Fundraising Strategy approved in March 2020, identified a number of priority areas. Last year this included the launch of our new Resilience Fund, the development of an online events portal, Facebook advertising, delivery of a campaign to reconnect with lapsed members and a January sale promotion.

Going forward we hope to resume face to face recruitment and aim to extend this into the West of Scotland. We are also committed to a member recruitment doordrop, ongoing appeals and legacy awareness adverts. We also intend to deliver a public engagement campaign. All of these activities are intended to increase awareness of the Trust's work, engaging individuals as well as providing ways to generate funds.



The results for the year show a surplus on unrestricted and a deficit on both restricted and endowment funds. The Trust received income in excess of £6m in 2020/21. We were privileged to be in receipt of just less than £920k of gifts in Wills and this was augmented by the generosity of our supporters – both grant funders, individuals and corporates.

Income from charitable activities made up 42% (from 43% in 2019/20) of total income.

National Lottery Heritage Fund grants continue to be pivotal, not only in delivering a number of transformational conservation projects including Coigach & Assynt Living Landscape, Cumbernauld Living Landscape and Saving Scotland's Red Squirrels, but also supporting the Trust's Project Water Bear which has brought transformational change in information and financial management throughout the Trust.

Donations and legacies made up 53% (2020: 54%) of the Trust's overall income. The generosity of our supporters underpins our work and ability to deliver our vision.

The Scottish Wildlife Trust, as part of the wider Wildlife Trusts movement, is very grateful to receive generous support from players of People's Postcode Lottery. Their support funds a range of vital activities including visitor centres which educate and inspire many thousands of people each year, and the delivery of practical conservation work on reserves around Scotland. The long-term and flexible nature of this support is particularly valued as it allows the Trust to spend the money wherever the need is greatest. This is even more important in circumstances such as those presented by the pandemic.

The Trust continues to benefit from ongoing support from the Esmée Fairbairn Foundation, to whom we are particularly grateful for funding our nature-based solutions and Living Seas work.

The Trust is grateful for the ongoing support of NatureScot which continued to provide funding for a range of activities during the financial year.

The generosity of the Scottish Landfill Communities' Funds, charitable trusts, foundations and other grant-making bodies continues to be invaluable in funding conservation projects on the ground.

Expenditure during the year continued to be well controlled. Any increase in restricted expenditure is funded through the generosity of our supporters.

Where income is given for a restricted purpose, the funds are ring-fenced and will only be spent in accordance with the instruction. Whilst predominantly associated with defined project work in delivery, the Trust has also been gifted amounts which are restricted but support longer-term ambitions. As part of work to ensure the Trust's vision is delivered, staff have identified a portfolio of both new and succession projects. Included amongst the new projects are initiatives which will optimise the use of donations gifted for restricted purpose.

### **Trading company**

The trading company, Natural Capital Scotland Limited, did not trade during the 2020/21 financial year. The company continues to be dormant.

### **Investment powers and policy**

Brown Shipley continue to manage investments on behalf of the Trust. Individual stocks are screened on a global basis, providing assurance in terms of environment, social and governance performance and therefore supporting the Trust's ethical policy. The Trust's holdings also feature positive and proactive investment in ethical funds.

The Trust specifically seeks to support ethical and environmental enterprises and not to invest in anything, either directly or indirectly, in conflict with the Trust's aims and objectives. It has also articulated aspirational targets for investment, such as expressing a preference for companies which are signed up to the Natural Capital Protocol and score highly on Sustainalytics measures. Negative screens include, but are not limited to, not investing in:

- fossil fuel extraction companies;
- corporates producing neonicotinoids;
- large-scale users of pesticides;
- companies that rely on peat extraction or damage to wetlands for their business;
- fishery aquaculture without Marine or Aquaculture Stewardship Council accreditation;
- timber that is not Forestry Stewardship Council, or equivalent, certified.

The Investment Policy states that both endowment funds are invested for a balanced return from income and growth - seeking above inflation returns. The general fund is income-seeking against a background of modest capital growth over the medium-term, with a below-medium risk profile.

The performance of investment managers is formally reviewed annually, however a report is received by the Finance and Audit Committee on a quarterly basis.

Amid the threat from Covid-19 in March 2020, global markets plummeted and the value of the Trust's investment portfolio fell. Markets subsequently rallied and the Trust has seen investment gains totalling £955,744 during 2020/21, during the same period investment losses of £69,534 were realised.

The value of investment holdings at the year-end was £5.3m (2020: £4.4m).

## Financial Reserves policy and going concern

The Trust holds three types of financial reserve.

Restricted funds are amounts received for a specific purpose. Restricting income provides confidence to the Trust's supporters that their contributions are used as requested.

Endowment funds are amounts which have been gifted to the Trust where the investment income must be used for restricted purpose.

Unrestricted funds are the excess of income over expenditure which the Trust can use for any purpose supporting delivery of the Trust's objects. Within unrestricted funds, the Trust identifies the following:

- Amounts designated for various financial commitments:
  - essential spend or specific purpose
  - amounts spent on fixed assets
  - revaluation reserve being the unrealised gain or loss on investments
- Free reserves which is the amount available to support delivery of the charity's objects.

The amount of free reserves required by the Trust is considered annually. Trustees take a risk-based approach to considering target free fund levels – balancing the risk of unexpected events against ensuring the effective delivery of the five-year plan. Considerations include the unexpected loss of a major funder, exceptional levels of expenditure and fluctuations in legacy income. Trustees have agreed to hold a separate designated reserve to fund losses arising from the pandemic.

To this end the Trust aims to maintain free funds in the range of £750,000 to £1,300,000.

Due to the generosity of a legator in March 2020, the Trust has been able to establish a designated reserve for financial resilience. This has been created especially to support the current uncertainty in relation to membership subscriptions and associated giving – not least due to enforced cessation of face-to-face recruitment, but also due to ongoing economic uncertainty.

Trustees carefully considered the budget for 2021/22, which shows budgeted unrestricted losses of £319k due to lower levels of projected income. Options such as cutting spend were considered but rejected by trustees as it would impact on the ability of the charity to deliver its objects and was deemed inappropriate when the Trust had reserves that could be utilised.

Financial forecasts support the decision to maintain existing levels of operations. The forecast shows that the Trust can draw down from the newly created designated reserve whilst maintaining free reserves within the target range. Forecasts which show free reserves within the target range, allows the Trust to be resilient in the face of financial risk such as exceptional unforeseen income or cost events. Based upon the plans to diversify income and resume face-to-face recruitment, income is anticipated to increase to the point where it covers costs in 2025/26. After careful scrutiny and discussion Council approved the budget, reassured by the commitment to monitoring financial results during the year.

Going forward, the Trust is encouraged by the increased awareness of the importance of nature and climate change. It is hoped that this increases the Trust's ability to engage and influence with individuals and communities about the importance of Scotland's wildlife.

Free reserves currently represent around 8.6 months of unrestricted expenditure (2020: 9.5 months), or 3.0 months (2020: 3.5 months) worth of total expenditure. Free funds (note 25) at 31 March 2021 were above the upper end of the target range at £1,390,175 (2020: £1,779,095). The Trust has recognised the long-term pension liability through its free reserves and a repayment plan for The Wildlife Trusts' pension scheme is in place. The Trust also has a designated reserve which affords the current assessment of pension repayments. The Trust has strong cash balances and no loans. In the considered opinion of Council this provides sufficient resilience to demonstrate the Trust is a going concern for at least 12 months after the date of signing the financial statements and the Trust will continue to seek to consolidate, grow and diversify its income sources in order to reinforce operational activity.

### **Fundraising activities**

Our work is only possible because of the generosity of our supporters and members. We raise funds from the public by encouraging subscriptions, donations and legacy gifts.

- We write to a carefully selected section of our supporter base regarding fundraising appeals a maximum of four times per annum – we did this on four occasions in 2020-21.
- The Trust did not purchase any mailing lists nor did it undertake any (non-addressed) door-drops in 2020-21.
- In the past year, the Trust utilised telephone fundraising as part of an integrated campaign to reach out to ex-members and encourage them to re-join the Trust. Before calls were made, the dataset was screened against the Telephone Preference Service and all calls are recorded for monitoring purposes. 755 individuals were spoken to and following these conversations 73 memberships were confirmed.
- We employ a team of three membership recruiters who work principally at information stands at events, exhibitions and shopping centres in order to inspire members of the public to sign up as members (we operate occasional 'secret shoppers' to monitor the work of this team). Our in-house team is supplemented by a longstanding contract with a small professional fundraising consultancy who undertake a low-pressure door-to-door recruitment process on our behalf. All of our membership recruiters are required to adhere to the Code of Fundraising Practice, honouring no cold-call zones, clearly identifying themselves and their relationship to the Trust, and handling personal data confidentially and timeously.
- Due to Covid-19 restrictions our face-to-face recruitment was severely curtailed in 2020-21 with no door-to-door activity and limited presence at events and private sites. Where possible, the latter activity was undertaken in accordance with government guidance, adhering to Covid-19 best practice issued by the Fundraising Regulator and following Covid-19 risk assessments.
- The Trust endeavours to optimise funds claimed from the HMRC administered Gift Aid scheme. We have Gift Aid declarations recorded for 94% of our members.

The Trust is supported by a small team of fundraising staff and a network of 19 community based Local Groups who fundraise on behalf of the charity.

All of our fundraisers are trained to the highest standards, have clear guidance in place to help them when faced with a difficult situation, and are members of relevant professional bodies – such as the Institute of Fundraising. Fundraising is mainly carried out by our own staff, but where other organisations are employed, contractual arrangements ensure we continue to meet the high standards and obligations that the Trust and the public expect.

The Scottish Wildlife Trust is committed to best practice fundraising; we self-regulate alongside other Scottish charities overseen by the Office of the Scottish Charity Regulator (OSCR). The Trust guarantees to operate in line with the values of the Code of Fundraising Practice administered by the Fundraising Regulator; we aim to be legal, open, honest and respectful in all our fundraising.

Whilst we endeavour to provide an exemplary service, we do occasionally receive complaints. We operate a formal Complaints Procedure which is promoted on our website; should we be unable to resolve a complaint, we acknowledge the authority of the [Scottish Fundraising Complaints Service](#) to make a final adjudication. A register of complaints is scrutinised by our Management Team on a quarterly basis in order to evaluate trends and ensure any learning is shared. In 2020-21 the Trust recorded 11 complaints linked to fundraising (2020: six) – none of these required external adjudication.

The Scottish Wildlife Trust has a formal arrangement with one business which runs promotions which publicises a donation of business proceeds to the Trust:

- Vine House Farm Bird Foods – when a new customer residing in Scotland places an order and cites the Wildlife Trust as their referrer, £10 comes to the Scottish Wildlife Trust alongside 4% of ongoing orders from that individual.

In 2020-21, this partnership raised a fantastic £8,901 for the Scottish Wildlife Trust.

When engaging with businesses we endeavour to ensure that everyone is working to shared goals. To this end where a transfer of money, skills or other resources is proposed from a commercial entity to the Trust we assess the partnership against our Corporate Partnership Policy – two key premises of this policy is that any partnership should (i) provide a net benefit for wildlife and (ii) not provide undue benefit to the corporate.

Applying the principles of our Corporate Partnership Policy in 2020-21 resulted in the decision to decline potential funding partnerships with two businesses.

## Plans for future periods

The Trust's Operational Plan for 2021/22 was approved by Council in March 2021. Targets continue to support achievement of the 2017-22 five-year plan strategic goals. Plans for 2021/22 include:

### Healthy Ecosystems

- Get **nature-based solutions** across land and sea hard-wired into key government policies and maximise influencing opportunities, with a specific strategy for COP15 and COP26.
- Formalise and coalesce the strands of our **urban nature engagement**.
- Secure a clear way forward for **Living Landscapes** and **Living Seas**, ensuring they make a meaningful contribution to the Decade on Ecosystem Restoration in the context of the Trust's Strategy 2030.
- Secure plans for a **Scottish Nature Network** in key government strategies.
- Collaboratively develop a clear long-term strategy to ensure **Riverwoods** delivers ecological restoration that will benefit biodiversity and inspire action at scale.

### Protected Places

- Undertake priority tasks on all **reserves**.
- Identify the **knowledge** gaps preventing a greater understanding of the impact of our work on reserves and seek to address these to ensure our reserve work supports our education, engagement and advocacy activity.
- Continue to represent the Trust on the Steering Group of the **IUCN UK Peatland Programme**, with particular emphasis on the Scottish policy context.

### Thriving Species

- Deliver the successful conclusion of **Saving Scotland's Red Squirrels** - Developing Community Action (SSRS-DCA) and agree the legacy plan with the project partners.
- Advocate for a Scottish Species Conservation Action Plan for **beavers**.
- Bring together a range of voices to explore the topic of **lynx** reintroduction from the perspective of a variety of stakeholders in Scotland and communicate this in an accessible and engaging way.

### A Scotland that Values and Benefits from Nature

- Mobilise high levels of engagement amongst increasingly diverse range of Trust audiences, including an emphasis on **digital content**, alongside high-quality communications, visitor centre engagement and social media content.
- Deliver a flagship **public engagement** campaign for the Trust that mobilises diverse communities to reconnect with, and take action for, nature.
- Establish a coherent policy knowledge base, and mainstream media content to help drive forward the evidence-based **nature-based solutions** campaign, which allows key influencers to share the evidence and insights underpinning our key policy asks.
- Ensure the **Scottish Forum on Natural Capital** and its subgroups achieve a high profile and are regarded as the place to be to advance the natural capital agenda in Scotland within the context of COP26, conservation finance and the green recovery.

## Principal risks and uncertainties

Council is 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.

The Finance & Audit Committee continues 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.

The Risk Register is produced as follows:

- A quarterly review by individual members of Management Team of each of their areas of responsibility, providing written amendments to the Strategic and Operational Risk Registers;
- Consideration of quarterly project exception reporting by the Project Excellence Team;
- Management Team discuss actions required to manage risks;
- Responses, actions and responsibilities are recorded within the Risk Registers.

The Risk Management process is overseen by Council as follows:

- Strategic Risk Register is presented to Finance and Audit Committee on a quarterly basis for oversight of risks and actions;
- The Strategic Risk Register is provided to Council on a quarterly basis, with the minute from Finance & Audit Committee and a verbal update flagging matters of significance;
- Finance & Audit Committee will identify areas for which they require further assurance and instruct deep-dives in those areas.

Risk management is inherent in all activities, from risk assessments to consideration as part of project development and delivery. Significant risks are escalated and mitigating actions taken in order to manage risk appropriately. The most significant risks identified during the year are shown below.

<b><i>Risk</i></b>	<b><i>Controls in place to mitigate risks</i></b>
That the existing volunteer activity delivered by Reserve Project Groups, Visitors Centres, Reserve Conveners and (Local) Groups reduces or ceases in the long-term resulting in loss of local organised support	<ul style="list-style-type: none"> <li>• Dedicated staff resource to support and engage volunteers.</li> <li>• Range of new models of volunteering being tested to broaden offer to active members.</li> </ul>
Declining brand awareness as brands from other organisations dominate in partnerships and coalitions resulting in loss of brand impact and associated influence and income reduction	<ul style="list-style-type: none"> <li>• Regular review of levels of investment (time and resources) in marketing and communications activity.</li> <li>• Involvement of communications and marketing team in major project development and delivery including communications protocols in place with partners for major projects.</li> <li>• Clear plan for securing policy capacity and ensuring strategy clarity in the lead up to COP26 developments.</li> </ul>
Falling membership and income from membership resulting in dilution of impact and reduced resources available for delivery of five-year plan	<ul style="list-style-type: none"> <li>• Regularly review levels of investment in membership, payback period and return on investment.</li> <li>• Regularly benchmark attrition and review key touchpoints.</li> </ul>

	<ul style="list-style-type: none"> <li>• Regularly seek feedback from members to inform membership engagement processes.</li> <li>• 2020 membership survey distributed online and via Summer magazine.</li> <li>• Fundraising strategy refreshed.</li> <li>• Review resilience of membership recruitment channels.</li> </ul>
Economic downturn as a result of Covid-19 resulting in dilution of impact and reduced resources available for delivery of five-year plan	Continued investment in fundraising and implementation of the approved strategy, with modifications due to Covid-19.
Weakened environmental protection as a result of Brexit resulting in increased rates of wildlife decline	<ul style="list-style-type: none"> <li>• High level advocacy around the importance of environmental protection and restoration linked to social and economic agendas.</li> <li>• Collaboration with Scottish Environment LINK to ensure Scotland plays an equal part in the development of any UK-wide frameworks. Joint work to secure and support new Scotland environmental watchdog.</li> <li>• Collaboration with The Wildlife Trusts and Greener UK to ensure maximum alignment and impact for legislation and policy at UK level.</li> </ul>
Failure to secure the legislative and policy changes advocated by the Trust, resulting in declines in habitats and wildlife	<ul style="list-style-type: none"> <li>• Maintain multiple channels of communication and good relations with Scottish Ministers, MSPs, special advisors and government officials, challenging where necessary.</li> </ul>
Financial risk – the need to work within balanced budgets which supports long-term financial resilience results in an inability to adequately resource the delivery of our goals	<ul style="list-style-type: none"> <li>• 5 Year Plan and strict annual budget setting process.</li> <li>• Monitoring through monthly management accounts with projected outturns.</li> <li>• Finance &amp; Audit Committee advising Council.</li> <li>• Financial reserves policy in place with annual review to ensure adequacy when setting budgets.</li> <li>• Strict control over permanent additions to staff and remuneration levels.</li> <li>• Excellent relationships with funders.</li> <li>• Fundraising Strategy in place.</li> </ul>
Debt in relation to the Wildlife Trust's Final Salary Pension Scheme becomes repayable resulting in large financial liability in the short term	<ul style="list-style-type: none"> <li>• Increased control and influence via representation on The Wildlife Trust's Pension Scheme Board.</li> <li>• Ensure retention of active membership of pension scheme.</li> </ul>
Reduction in the health of Scotland's ecosystems resulting in failure to deliver Trust vision	<ul style="list-style-type: none"> <li>• Monitor and if necessary change strategy to address declines in Ecosystem Health Indicators.</li> <li>• Advocate an integrated ecosystem-based approach to land use and sea management.</li> <li>• Advocate for a new challenging biodiversity strategy with nature-based solutions and legally binding targets at its heart.</li> <li>• Advocacy and influencing work around the Scottish Forestry Strategy consultation and Grouse Moor Management Group.</li> </ul>
Overstretch of staff (including the impact of major projects) combined with the	<ul style="list-style-type: none"> <li>• Number of controls including line management, 3 Core Goal framework and timesheets.</li> </ul>

additional challenge of Covid-19 both to staff and volunteers resulting in failure to deliver Trust vision	<ul style="list-style-type: none"> <li>• Exploring automation opportunities and regular review of how best to allocate resources and prioritise activities.</li> </ul>
Failure to meet desired management standards (conservation and infrastructure) on our wildlife reserves resulting in reduction of biodiversity, criticism of land management practices, lack of compliance with statutory requirements	<ul style="list-style-type: none"> <li>• Resources available allocated according to task priority e.g. legal obligations, health and safety, land management requirements.</li> </ul>

The most significant risk and uncertainty the Trust faced continued to be from Covid-19 and its implications – both directly to the Trust but also the broader economic effects.

The impacts have included closure of visitor centres, offices and the suspension of face-to-face activities involving members of the public and volunteers. This has included community engagement and outreach, events and activities, membership recruitment and reserve management activities.

Key areas of risks continue to be the wellbeing of our staff, financial resilience and the impact of stopping, or significantly modifying, certain activities.

The Trust continues to be sincerely grateful for the continued and overwhelming support from funders and supporters.

## 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			
Chair	Linda Rosborough		<i>Due to retire 2023</i>	✓
<u>Vice Chairs</u>				
Groups and Watch	Karen Chambers	Elected	<i>Due to retire 2021</i>	✓
Finance	Bill Lambert	Co-opted	<i>From 12 September 2020 and co-opted until 2022</i>	✓
Finance	Amanda Forsyth	Elected	<i>Until 12 September 2020</i>	
Conservation	Dr Kenny Taylor	Elected	<i>Due to retire 2021</i>	✓
Other members of Council	Andrew Binnie	Elected	<i>Until 12 September 2020</i>	
	Carey Coombs	Co-opted	<i>Co-opted until 2022</i>	✓
	Dr Tim Duffy	Elected	<i>Eligible for re-election 2021</i>	✓
	Deryck Irving	Elected	<i>Due to retire 2021</i>	✓
	Ian Jardine	Co-opted	<i>Co-opted until 2024</i>	✓
	Alasdair Lemon	Elected	<i>Eligible for re-election 2023</i>	✓
	Karen McKellar	Co-opted	<i>Co-opted until 2021</i>	✓
	John Morris	Elected	<i>Eligible for re-election 2021</i>	✓
	Nicola Munro CB	Elected	<i>Due to retire 2021</i>	✓
	Anthony Robson	Elected	<i>Eligible for re-election 2021</i>	✓
	Jane Stuart-Smith	Elected	<i>Eligible for re-election 2021</i>	✓
	Emma Steel	Elected	<i>Eligible for re-election 2023</i>	✓
Company Secretary	Susan McKenzie			✓

✓ - individuals serving at 24 June 2021.

### Key management personnel

Chief Executive	Jo Pike
Director of Conservation	Sarah Robinson
Director of External Affairs	Ruchir Shah
Director of Finance & Resources	Susan McKenzie

## **Our advisers**

### Auditors

RSM UK Audit LLP  
Chartered Accountants  
First Floor, Quay 2  
139 Fountainbridge  
Edinburgh  
EH3 9QG

### Bankers

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

### Investment advisers

Brown Shipley  
2 Multrees Walk  
Edinburgh  
EH1 3DQ

### Solicitors

Morton Fraser  
Quartermile Two  
2 Lister Square  
Edinburgh  
EH3 9GL

## **Our address**

### Registered office and principal address

Harbourside House  
110 Commercial Street  
Edinburgh  
EH6 6NF

## **List of funders and supporters**

The Scottish Wildlife Trust thanks all those who pledged or gave support during the financial year 2020/21.

### **Our members**

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

### **Our core funding partner:**



The Scottish Wildlife Trust is very grateful for the support received from players of People's Postcode Lottery ever since it launched in Scotland in 2008.

People's Postcode Lottery is a charity lottery in Great Britain where players play with their postcodes to win cash prizes whilst raising money for charities. A minimum of 32% of every ticket sale goes directly to good causes like the Scottish Wildlife Trust

During the last financial year, this support continued with an extremely generous donation of £520,000.

2021 marks 13 years of support from players of People's Postcode Lottery, with their continued backing enabling us to spend more than £6.3m in support of Scotland's wildlife. It is thanks to players' support that the Trust is able to demonstrate such diversity in its achievements and to do so in spite of the Covid-19 pandemic.

Support from players helps us maintain a network of 116 wildlife reserves throughout Scotland and develop ground-breaking new projects that take conservation beyond reserve boundaries, as well as helping to educate and inspire people of all ages through our four visitor centres. In addition to this, over the past year, PPL support has helped the Trust:

- Take a leading position to ensure that the economic recovery from the Covid-19 crisis is a truly green and transformative one.
- Jointly lead an initiative with NatureScot to support Scotland's environment sector, including NGOs and government agencies, to collaborate on digital transformation.
- Respond to the Covid-19 pandemic by developing alternative methods of engagement including videos on an incredibly diverse range of nature-based topics and a new Learning Zone on the website.

## Our corporate members



Est.1948



### Business Donations and sponsorship (in alphabetical order)

Jacobs  
Robertson Group  
Sanctuary Group  
Skye Photo Academy

Tam Brig's Surgery, Ayr  
Tesco Bags of Help  
The R&A  
Vine House Farm

### In-kind support – donations of materials, services, office space or labour (in alphabetical order)

ESRI  
Google Adwords  
Loch Lomond & Trossachs National Park  
Authority

NatureScot  
Royal Bank of Scotland  
Shearwater Cruises, Ullapool  
The Ceilidh Place, Ullapool

Calachem provides the land on which the Trust has established the Jupiter Urban Wildlife Centre (Grangemouth) at no cost on a rolling one-year agreement.

### Businesses who encourage their customers to support the Trust

Millbrae House B&B, Dalbeattie

Verdant Leisure

## Scottish Landfill Communities Fund



Viridor Credits

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



Bryson Corbett Charitable Trust  
Calouste Gulbenkian Foundation  
Campsies Centre Cumbernauld Ltd  
Daphne Hamilton Trust  
Dr Robert Andrew Rutherford Trust  
Dulverton Trust



Fairways Foundation, The  
Faslane Trust  
Fidra  
Friends of Cumbernauld Station



Graham & Henrietta Somervell Wildlife Trust



Hugh Fraser Foundation  
Inchcape Foundation  
J&R Wilson Trust  
John Ellerman Foundation  
KMF Maxwell-Stuart Charitable Trust  
Lund Trust  
Margaret Davis Charitable Trust  
Mrs M A Lascelles Charitable Trust  
Pilgrim Trust  
Ronald Miller Foundation  
RSPB  
Scottish Power Foundation  
St Katharine's Fund  
Tennant Southpark Charitable Trust  
The Wildlife Trusts  
Vellore Trust

## Statutory sector and other public bodies (including European Union) (in alphabetical order)

Aberdeen Council  
Crown Estate Scotland  
Dumfries & Galloway LEADER 2014-2020 Programme  
European Solidarity Corps  
European Union - ERASMUS +  
Forestry and Land Scotland  
Loch Lomond & Trossachs National Park Authority

NatureScot  
North Ayrshire Green Health Partnership  
Paths for All – Smarter Choices, Smarter Places  
Scottish Forestry  
Scottish Government  
Scottish Rural Development Programme: Rural  
Priorities

### **Scottish Wildlife Trust Local Groups**

We extend our thanks to our 19 Local Groups for their fantastic local fundraising efforts which, despite restrictions, raised over £5,326 in 2020/21.

### **Individual donations and legacy gifts**

In 2020/21, the Scottish Wildlife Trust received an exceptional £919,981 from gifts in Wills. This is an invaluable source 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 the Trust last year. Whilst too numerous to mention by name, each played an important role in our collective effort to protect Scotland's wildlife for the future.

### **Wildlife Guardians**

Lastly, we thank our 313 Wildlife Guardians, who elect to support the Trust by regular, monthly donations of £7.50 or more.

The Scottish Wildlife Trust hosts two projects on behalf of wider partnerships:

### **IUCN UK Peatland Programme**

Baillie Gifford  
DEFRA (Dept of Environment, Food & Rural  
Affairs)



NatureScot  
South West Water  
Welsh Government (Welsh Peatlands  
Sustainable Management Scheme)

### **Scottish Biodiversity Information Forum**



## 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 2019 (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 group's 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:



**Linda Rosborough**  
Chair of Council, 24 June 2021

## Group and charity statement of financial activities (including income and expenditure account) for the year ended 31 March 2021

	notes	Unrestricted Funds £	Restricted Funds £	Endowments £	2021 Total £	2020 Total £
<i>Income and emoluments from:</i>						
Donations and legacies	3	3,030,753	230,416	-	3,261,169	3,896,313
Charitable activities	3	224,115	2,336,285	-	2,560,400	3,104,372
Other incoming resources	3	132,509	2,350	-	134,859	19,899
Trading	3	8,900	1,500	-	10,400	11,953
Investment income	3,5	68,057	61,283	-	129,340	175,931
<b>TOTAL INCOME</b>		<b>3,464,334</b>	<b>2,631,834</b>	<b>-</b>	<b>6,096,168</b>	<b>7,208,468</b>
<i>Expenditure on:</i>						
Raising funds	6	233,501	289,866	-	523,367	593,764
Charitable activities	6	1,800,026	3,374,693	-	5,174,719	5,386,726
<b>TOTAL EXPENDITURE</b>		<b>2,033,527</b>	<b>3,664,559</b>	<b>-</b>	<b>5,698,086</b>	<b>5,980,490</b>
Realised gains/(losses)	5	(38,348)	-	(31,184)	(69,532)	89,842
Unrealised gains/(losses)	5	447,983	-	506,761	954,744	(352,074)
Gains/(losses) on investments		409,635	-	475,577	885,212	(262,232)
Actuarial gain / (loss) on defined benefit pension scheme	21	81,738	-		81,738	(4,726)
<b>Net income /(expenditure)</b>		<b>1,922,180</b>	<b>(1,032,725)</b>	<b>475,577</b>	<b>1,365,032</b>	<b>961,020</b>
Transfers between funds		(599,422)	599,422	-	-	-
Initial recognition of defined benefit pension scheme	21	-	-	-	-	815,287
<b>NET MOVEMENT IN FUNDS</b>		<b>1,322,758</b>	<b>(433,303)</b>	<b>475,577</b>	<b>1,365,032</b>	<b>1,776,307</b>
<u>Reconciliation of funds</u>						
Total funds brought forward		3,405,307	5,781,569	2,295,634	11,482,510	9,706,203
<b>Total funds carried forward</b>		<b>4,728,065</b>	<b>5,348,266</b>	<b>2,771,211</b>	<b>12,847,542</b>	<b>11,482,510</b>

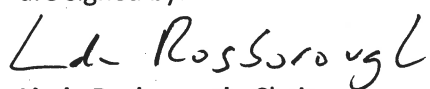
The Statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing operations.

## Group and charity balance sheet as at 31 March 2021

	Notes	Group and charity	
		2021 £	2020 £
Tangible assets	15	1,099,824	1,106,296
Heritage assets	16	1,048,860	1,048,858
Investments	17	5,277,727	4,415,867
<b>TOTAL FIXED ASSETS</b>		<b>7,426,411</b>	<b>6,571,021</b>
Stock		26,690	25,995
Debtors	18	634,260	785,612
Cash at bank and in hand		6,033,942	5,495,107
<b>TOTAL CURRENT ASSETS</b>		<b>6,694,892</b>	<b>6,306,714</b>
Liabilities			
Amounts due within one year	19	(634,417)	(561,041)
<b>Net assets before pension provision</b>		<b>6,060,475</b>	<b>5,745,673</b>
Provision for dilapidations	20	(272,707)	(264,289)
Defined benefit pension obligation	21	(366,637)	(569,895)
		<b>5,421,131</b>	<b>4,911,489</b>
<b>TOTAL NET ASSETS</b>		<b>12,847,542</b>	<b>11,482,510</b>
<u>The funds of the charity</u>			
Restricted income funds	25	5,348,266	5,781,569
Endowment funds	25	2,771,211	2,295,634
Unrestricted free funds	25	1,390,175	1,754,497
Designated funds (unrestricted)	25	3,337,890	1,650,810
<b>TOTAL FUNDS</b>		<b>12,847,542</b>	<b>11,482,510</b>

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 financial statements.

The financial statements were approved by the Board of Trustees and authorised for issue on 24 June 2021 and are signed by:



Linda Rosborough, Chair

Scottish Wildlife Trust company number: SC040247

## Statement of cash flows and consolidated statement of cash flows for the year ended 31 March 2021

	Group and charity	
	2021	2020
	£	£
<b>Cash used in operating activities (note 28)</b>	<b>546,017</b>	<b>1,006,497</b>
<b>Cash flows from investing activities</b>		
Investment income	129,340	175,931
Payments to acquire investments	(376,381)	(840,843)
Proceeds from disposal of investments	491,014	671,115
Payments to acquire tangible fixed assets	(162,830)	(325,169)
Proceeds from disposal of tangible fixed assets	2,957	19,899
<b>Cash provided by (used in) investing activities</b>	<b>84,100</b>	<b>(299,067)</b>
<b>CASH USED IN FINANCING ACTIVITIES</b>	<b>(91,282)</b>	<b>269,576</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN YEAR</b>	<b>538,835</b>	<b>977,006</b>
Cash & cash equivalents at 1 April	5,495,107	4,518,101
<b>CASH &amp; CASH EQUIVALENTS AT 31 MARCH</b>	<b>6,033,942</b>	<b>5,495,107</b>

## 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 accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) published in March 2018 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019.

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). The financial statements are presented in Sterling (£).

### b) Preparation of accounts on a going concern basis

The Trust reported a cash inflow from operating activities of £546,017 (2020: inflow of £1,006,497) for the year. The trustees are of the view that the management measures are appropriate and on that basis that the charity is a going concern having reviewed a five year forecast to March 2026 in March 2021. The Trust has updated its five year budget and cashflow forecasts as a result of Covid-19 as noted in the Trustees Report and concluded that the Trust is still a going concern for the foreseeable future with no material uncertainties.

### c) Group financial statements

The consolidated financial statements include the charitable company's wholly owned trading subsidiary, Natural Capital Scotland Limited. The trading subsidiary has been incorporated on a line by line basis.

### d) 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, 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. Donations are recognised when they are received. When an annual membership subscription is received, the element relating to the subsequent financial years is deferred.

For legacies, entitlement exists when the charity has sufficient evidence that a gift has been left to them and the executor is satisfied that the gift in question will not be required to satisfy claims in the estate. Receipt is considered probable when 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

## Notes to the financial statements for the year ended 31 March 2021

probable when the amount can be measured reliably. 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).

The Charity received monies from the Coronavirus Job Retention Scheme in the year. This is included within other income and is not set off against the staff costs which the grant was expected to compensate, and is recognised in the same period as the related staff costs were incurred.

### **e) 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.

### **f) 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.

### **g) Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes 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. Donor specified restrictions are always respected. Where gifts are restricted to use for core activities the gift is accounted for accordingly.

### **h) Transfers**

Whilst support costs are allocated on the basis outlined below, sufficient restricted and endowment income is not always received in order to fund the total expenditure including support costs. To recognise this a transfer is made between unrestricted and restricted activities.

### **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 recruitment and administration of members combined with the provision of membership benefits and costs of the fundraising team.

## Notes to the financial statements for the year ended 31 March 2021

- 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 (including adjustments to the pension creditor) 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.

### l) Tangible fixed assets and heritage 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 which are held in heritage assets, 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	8 years
Office equipment	4 years
Computers and software	3 years

Depreciation is not provided on wildlife 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 [Wildlife Reserves Development Policy](#).

### 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 maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### **p) Creditors**

Creditors 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 are normally recognised at their settlement amount after allowing for any trade discounts due.

### **q) Provisions**

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. Provisions are normally recognised as the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

### **r) Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Trust's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

#### *Provision for dilapidations*

A dilapidations provision is included in respect of the Trust's current rental lease. The provision is reviewed on an annual basis by the Trustees and is included in note 20. Over the lifetime of the lease an annual transfer is made to the provision to ensure sufficient funds are available at the end of the lease. This approach is recommended by property surveyors and is calculated as a rate per square foot.

#### *Defined benefit pension obligation*

The estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the liability and the annual defined benefit expenses (as analysed in note 21).

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### **s) 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.

### t) Pensions

The Scottish Wildlife Trust 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.

In previous years, the Trust was unable to recognise its share of the scheme assets and scheme liabilities, therefore had included a liability in the balance sheet equal to the net present value of the future deficit reduction payments. The Trust has a funding agreement in place to eliminate the pension scheme deficit.

For the year ended 31 March 2020, the Trust was able to identify its share of the scheme assets and scheme liabilities and therefore has applied defined benefit accounting from this date onwards. The scheme assets are measured at fair value. Scheme liabilities are measured on an actuarial basis.

The deficit funding that was previously recognised within provisions derecognised on the 1 April 2020, and the initial net defined benefit pension liability was recognised at this date in the statement of financial position. The resulting net difference on initial recognition of the Wildlife Trusts pension scheme obligation was recognised in other comprehensive income.

As at the year ended 31 March 2021, the net defined benefit pension deficit liability was given a valuation of £366,637, which has been included within the defined benefit obligation in the financial statements. Refer to note 21 for further details.

### u) Investments

Quoted investments are stated at market value and unquoted investments 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.

### v) Endowments

The Trust holds two endowment funds. There is a cap to the level of capital that can be used each year so the capital will be held in perpetuity. As there are specific restrictions in place in relation to the use of the income, the Trust treats endowment income and expenditure as restricted.

### w) 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. Income and expenditure are shown exclusive of recoverable VAT.

### **x) 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. Local Groups are not separate legal entities.

## **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.

The registered office is Harbourside House, 110 Commercial Street, Edinburgh EH6 6NF.

## Notes to the financial statements for the year ended 31 March 2021

### 3. Income – Group and charity

	Year ended 31 March 2021				Year ended 31 March 2020			
	Unrestricted funds (£)	Restricted funds (£)	Endowments (£)	2021 total (£)	Unrestricted funds (£)	Restricted funds (£)	Endowments (£)	2020 total (£)
Subscriptions	771,041	-	-	771,041	741,830	-	-	741,830
Donations through membership	353,919	-	-	353,919	350,224	-	-	350,224
Other donations	189,941	176,872	-	366,813	96,805	113,949	-	210,754
Gift aid	285,463	31,475	-	316,938	290,339	18,155	-	308,494
Community fundraising	10,627	1,850	-	12,477	16,084	4,900	-	20,984
Subscriptions & donations	1,610,991	210,197	-	1,821,188	1,495,282	137,004	-	1,632,286
Legacies	909,762	10,219	-	919,981	1,281,193	482,834	-	1,764,027
People's Postcode Lottery	510,000	10,000	-	520,000	500,000	-	-	500,000
<b>Donations and legacies</b>	<b>3,030,753</b>	<b>230,416</b>	<b>-</b>	<b>3,261,169</b>	<b>3,276,475</b>	<b>619,838</b>	<b>-</b>	<b>3,896,313</b>
National Lottery Heritage Fund	-	971,144	-	971,144	-	1,206,818	-	1,206,818
NatureScot	-	347,070	-	347,070	-	250,758	-	250,758
Landfill Communities Fund	-	45,140	-	45,140	-	115,690	-	115,690
Community Jobs Scotland	-	-	-	-	-	13,514	-	13,514
Other grant income (note 4)	73,100	872,433	-	945,533	20,560	1,094,496	-	1,115,056
Business support	16,550	78,310	-	94,860	10,546	77,381	-	87,927
Commercial contracts	595	1,810	-	2,405	5,892	1,016	-	6,908
Other - sales / rents / fees	133,870	20,378	-	154,248	238,518	69,183	-	307,701
Trading subsidiary (note 31)	-	-	-	-	-	-	-	-
<b>Charitable activities</b>	<b>224,115</b>	<b>2,336,285</b>	<b>-</b>	<b>2,560,400</b>	<b>275,516</b>	<b>2,828,856</b>	<b>-</b>	<b>3,104,372</b>
Furlough income	131,902	-	-	131,902	-	-	-	-
Asset sales	607	2,350	-	2,957	14,774	5,125	-	19,899
<b>Other incoming resources</b>	<b>132,509</b>	<b>2,350</b>	<b>-</b>	<b>134,859</b>	<b>14,774</b>	<b>5,125</b>	<b>-</b>	<b>19,899</b>
Corporate sponsorship	8,900	1,500	-	10,400	7,953	4,000	-	11,953
<b>Trading activities</b>	<b>8,900</b>	<b>1,500</b>	<b>-</b>	<b>10,400</b>	<b>7,953</b>	<b>4,000</b>	<b>-</b>	<b>11,953</b>
Investment income (note 5)	68,057	61,283	-	129,340	99,177	76,754	-	175,931
<b>Investment income</b>	<b>68,057</b>	<b>61,283</b>	<b>-</b>	<b>129,340</b>	<b>99,177</b>	<b>76,754</b>	<b>-</b>	<b>175,931</b>
<b>Total income</b>	<b>3,464,334</b>	<b>2,631,834</b>	<b>-</b>	<b>6,096,168</b>	<b>3,673,895</b>	<b>3,534,573</b>	<b>-</b>	<b>7,208,468</b>

The amount of grants received from government during the year was £17,500 (2020: £17,500).

## 4. Other grant income

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

	Group and charity	
	2021	2020
	£	£
Aberdeen City Council/AWPR Mitigation Fund	13,840	13,587
Angus Council/Scottish Government	40,000	-
Arcadia	-	(39,256)
Calouste Gulbenkian Foundation	20,000	80,000
Campsies Centre Cumbernauld Ltd via North Lanarkshire Council	-	300,000
Coigach Community Development Company	6,168	-
Daphne Hamilton Trust	5,000	-
DEFRA	9,364	1,386
Dumfries and Galloway LEADER 2014 – 2020 Programme	19,447	(36,094)
Edinburgh City Council/NLHF & National Trust Future Parks Accelerator	6,172	19,131
Esmée Fairbairn Foundation	441,532	292,361
European Solidarity Corps	-	44,786
European Union – Erasmus	29,755	93,396
European Union Life+ per SNH	-	(27,494)
Fairways Foundation	14,209	-
Fidra	25,000	-
Garfield Weston Foundation	-	50,000
Highland Council	6,000	-
John Ellerman Foundation	-	32,579
National Trust for Scotland	-	9,500
Newcastle University	-	12,904
North Ayrshire Green Health Partnership	5,000	-
North Lanarkshire Council	-	20,000
North Pennines Area of Outstanding Beauty Partnership	-	10,000
Northern Ireland Environment Agency	-	10,000
Paths for All	6,642	-
Perth & Kinross Council/Scottish Government	20,500	-
RSPB	28,399	25,000
RSPB/NLHF (Garnock Connections)	26,732	10,954
Scottish Badgers/NLHF (Earn Your Stripes)	8,461	-
Scottish Environment Protection Agency	-	45,228
Scottish Forestry (previously Forestry Commission Scotland)	142,927	112,370
Scottish Government (Inc. Rural Priorities)	17,500	(125)
South West Water	5,000	-
Visit Scotland	24,000	-
Other grants <£5k	23,885	34,843
	<b>945,533</b>	<b>1,115,056</b>

## 5. Investment income

Group and charity	2021				2020
	Unrestricted £	Restricted £	Endowment £	Total £	£
Investment income	68,057	61,283	-	129,340	175,931
Realised gains/(losses)	(38,348)	(31,184)	-	(69,532)	89,842
Unrealised (losses) / gains	447,983	506,761	-	954,744	(352,074)
	409,635	475,577	-	885,212	(262,232)

The group's investment income of £129,340 (2020: £175,931) arises from a combination of income from investments and from money held in interest bearing deposit accounts.

## 6. Summary analysis of expenditure for charitable activities

	2021				2020
	Unrestricted £	Restricted £	Endowment £	Total £	£
Healthy Ecosystems	75,808	1,173,650	-	1,249,458	1,316,618
Protected Places	932,409	617,569	-	1,549,978	1,834,665
Thriving Species	128,806	923,164	-	1,051,970	949,117
A Scotland that values and benefits from nature	663,003	660,310	-	1,323,313	1,286,326
	1,800,026	3,374,693	-	5,174,719	5,386,726
Trading subsidiary	-	-	-	-	-
Charitable activities	1,800,026	3,374,693	-	5,174,719	5,386,726
Raising funds	233,501	289,866	-	523,367	593,764
Total spend	2,033,527	3,664,559	-	5,698,086	5,980,490
2019/20 charitable costs	2,218,806	3,761,684	-	5,980,490	5,204,173

## 6. Summary analysis of expenditure for charitable activities (continued)

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

	Staff costs (note 10)	Other direct expenditure	Total direct costs (note 7)	Support costs (note 8)	2021	Total direct costs 2020	2020
	£	£	£	£	£	£	£
Healthy Ecosystems	473,104	637,778	1,110,882	138,576	1,249,458	1,131,524	1,316,618
Protected Places	838,366	540,732	1,379,098	170,880	1,549,978	1,576,742	1,834,665
Thriving Species	639,442	296,840	936,282	115,688	1,051,970	815,688	949,117
A Scotland that values and benefits from nature	643,109	534,017	1,177,126	146,187	1,323,313	1,105,490	1,286,326
	2,594,021	2,009,367	4,603,388	571,331	5,174,719	4,629,444	5,386,726
Raising funds	405,920	58,651	464,571	58,796	523,367	510,290	593,764
Support costs (note 8)	392,171	237,956	630,127	(630,127)	-	840,756	-
	3,392,112	2,305,974	5,698,086	-	5,698,086	5,980,490	5,980,490

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

## 7. Charitable activities by team

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

	Healthy Ecosystems	Protected Places	Thriving Species	A Scotland that values and benefits from nature	2021	2020
	£	£	£	£	£	£
Projects	1,053,398	331,427	838,281	589,234	2,812,339	2,741,514
Reserve management	921	992,738	53,562	8,687	1,055,909	1,206,071
Visitor centres	-	-	-	196,215	196,215	241,658
Marketing	-	-	-	272,591	272,591	259,418
People & wildlife	-	1,906	1,911	100,647	104,465	127,002
Policy	56,563	53,027	42,528	9,752	161,869	53,781
	1,110,882	1,379,098	936,282	1,177,126	4,603,388	4,629,444

## 8. Analysis of support costs

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

		Healthy	Protected	Thriving	A Scotland that values and benefits from nature	2021	2020
Support Costs	Fundraising	Ecosystems	Places	Species			
	£	£	£	£	£	£	£
Finance & governance	15,347	36,173	44,605	30,198	38,159	164,482	366,860
Head office	16,361	38,550	47,538	32,184	40,668	175,301	185,290
HR and pension	6,495	15,312	18,881	12,783	16,153	69,624	125,053
Management	11,155	26,294	32,423	21,951	27,738	119,561	72,025
Health & safety	1,504	3,546	4,373	2,960	3,741	16,124	15,908
ICT	7,934	18,701	23,060	15,612	19,728	85,035	75,620
	<b>58,796</b>	<b>138,576</b>	<b>170,880</b>	<b>115,688</b>	<b>146,187</b>	<b>630,127</b>	<b>840,756</b>

Payments to the pension liability of £215,745 (2020: £206,709) are excluded from support costs.

## 9. Net income/ (expenditure) for the year:

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

	Group and charity	
	2021	2020
	£	£
Auditors' remuneration	16,588	11,760
Services provided by entities related to auditor	2,344	3,600
Depreciation on all other fixed assets	169,338	137,359
Operating leases	108,971	146,239
Professional indemnity insurance	873	728

## 10. Analysis of staff costs, and expenses, and the cost of key management personnel

	Group and charity	
	2021	2020
	£	£
Salaries and wages	2,836,501	2,697,867
Social security costs	236,392	233,007
Pension costs	220,189	218,227
	<b>3,293,082</b>	<b>3,149,101</b>
Defined benefit pension costs (note 21)	94,226	-
Accrual for annual leave	4,804	(6,239)
<b>TOTAL</b>	<b>3,392,112</b>	<b>3,142,862</b>

## 10. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel (continued)

One employee had emoluments exceeding £70,000 but not more than £80,000 (2020: one employee exceeding £70,000 but not over £80,000). This employee was a member of the defined contribution pension scheme (2020: one employee).

The charity trustees were not paid nor received any other benefits from employment with the Trust or its subsidiary in the year (2020: £nil). No expenses in relation to travel and subsistence costs were reimbursed to Council members during the year (2020: £1,635). No charity trustee received payment for professional or other services supplied to the charity (2020: £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 External Affairs received employee benefits totalling £259,875 (2020: £224,385).

No redundancy payments were made during the year (2020: £nil). The Trust's policy is to expense redundancy payments at the time that the redundancy payment is notified.

## 11. Staff numbers

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

	2021	2020
	Number	Number
Conservation	31.4	27.8
Projects	44.5	41.3
External Affairs	18.8	19.7
Finance & Resources	18.6	18.6
Chief Executive	1.0	1.0
	<u>114.3</u>	<u>108.4</u>

The average number of individuals employed during the year was 137 (2020: 130).

## 12. Pension contributions

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

	2021	2020
	£	£
The Wildlife Trusts Pension Scheme	215,745	209,549
Royal London - stakeholder scheme	<u>220,189</u>	<u>218,227</u>
	<u>435,934</u>	<u>427,776</u>

The Royal London defined contribution scheme is treated through the Statement of Financial Activities whereas the Wildlife Trusts Pension Scheme is a defined benefit scheme and further information is available in note 21.

### 13. Related party transactions

The Vice-Chair of Finance is Chair of the Wildlife Trusts Pension Scheme which is an unremunerated position.

The total amount of donations and subscriptions received from members of Council during the year was £984 (2020: £1,474). This does not include donations which were made anonymously.

### 14. 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 2020 was £nil (2019: £nil).

### 15. Tangible fixed assets

Group and charity	Long leasehold land and buildings	Plant, machinery and motor vehicles	Computers	Total
<b><u>COST</u></b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
As at 1 April 2020	1,624,018	973,231	80,223	2,677,472
Additions	-	116,380	46,450	162,830
Disposals	-	(63,933)	-	(63,933)
<b>As at 31 March 2021</b>	<b>1,624,018</b>	<b>1,025,678</b>	<b>126,673</b>	<b>2,776,369</b>
<b><u>DEPRECIATION</u></b>				
As at 1 April 2020	1,038,498	454,500	78,178	1,571,176
Charge for year	79,336	82,881	7,085	169,302
Disposals	-	(63,933)	-	(63,933)
<b>As at 31 March 2021</b>	<b>1,117,834</b>	<b>473,448</b>	<b>85,263</b>	<b>1,676,545</b>
<b><u>NET BOOK VALUE</u></b>				
<b>As at 31 March 2021</b>	<b>506,184</b>	<b>552,230</b>	<b>41,410</b>	<b>1,099,824</b>
<b>As at 31 March 2020</b>	<b>585,520</b>	<b>518,731</b>	<b>2,045</b>	<b>1,106,296</b>

## 16. 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 [Wildlife Reserves Development Policy](#).

Group and charity	2020/21	2019/20	2018/19	2017/18	2016/17
<b>Wildlife reserves</b>	£	£	£	£	£
Cost brought forward	1,048,858	1,048,858	1,048,858	1,048,858	1,048,858
Adjustments in year	2				
Purchases in year	-	-	-	-	-
Disposals in year	-	-	-	-	-
Cost carried forward	1,048,860	1,048,858	1,048,858	1,048,858	1,048,858

30 (2020: 30) wildlife reserves continue to be managed solely 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.

The Trust ceased management of one wildlife reserve during the year: the management agreement at Yetholm Loch came to an end and could not be renewed.

	As at 1 April 2020	Additions during year	Disposals during year	As at 31 March 2021
<b>Purchase cost of wildlife reserves</b>	£	£	£	£
37 costing less than £10k each	124,210	2	-	124,212
16 costing more than £10k but less than £30k each	261,655	-	-	261,655
Balgavies Loch	34,100	-	-	34,100
Hill of White Hamars	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	-	-	1,048,860

## 17. Investments

The investment powers of the Trust are contained in the Memorandum of Association allowing investment of “any funds which are not immediately required for the Trust’s activities in such investments as may be considered appropriate (and to dispose of, and vary, such investments)”.

Brown Shipley 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 eight investments whose market value represented more than 5% of the total portfolio in either year, these are the Rathbone Ethical bond, Royal London Asset Management Ethical Bond, Trojan Ethical Income, F&C Responsible Global Equity, The Renewables Infrastructure Group and Aberforth Smaller Companies Trust.

Group and charity	Unrestricted main fund		Endowment sub-total		Total	
	2021	2020	2021	2020	2021	2020
	£	£	£	£	£	£
Market Value at b/fwd	2071,255	1,900,931	2,195,003	2,211,196	4,266,258	4,112,127
Purchases	243,041	568,771	133,340	335,805	376,381	904,576
Disposals	(267,560)	(554,638)	(223,454)	(180,210)	(491,014)	(734,848)
Donated shares	-	246,636	-	-	-	246,636
Gains/ (losses)	409,636	(90,444)	475,576	(171,788)	885,212	(262,232)
Market value c/fwd	2,456,372	2,071,256	2,580,465	2,195,003	5,036,837	4,266,259
Cash	106,499	93,213	134,391	56,395	240,890	149,608
<b>As at 31 March</b>	<b>2,562,871</b>	<b>2,164,469</b>	<b>2,714,856</b>	<b>2,251,398</b>	<b>5,277,727</b>	<b>4,415,867</b>
Cost at 31 March	2,159,921	2,189,036	2,232,761	2,272,212	4,392,682	4,461,248

Group and charity	Cumbernauld		Irvine		Endowment sub-total	
	2021	2020	2021	2020	2021	2020
	£	£	£	£	£	£
Market Value b/fwd	1,279,729	1,287,959	915,274	923,237	2,195,003	2,211,196
Purchases	74,951	196,333	58,389	139,472	133,340	335,805
Disposals	(129,431)	(104,303)	(94,023)	(75,907)	(223,454)	(180,210)
Gains/ (losses)	276,276	(100,261)	199,300	(71,527)	475,576	(171,788)
Market value c/fwd	1,501,525	1,279,728	1,078,940	915,275	2,580,465	2,195,003
Cash	77,629	30,179	56,762	26,216	134,391	56,395
<b>As at 31 March</b>	<b>1,579,154</b>	<b>1,309,907</b>	<b>1,135,702</b>	<b>941,491</b>	<b>2,714,856</b>	<b>2,251,398</b>
Cost at 31 March	1,297,973	1,321,405	934,788	950,807	2,232,761	2,272,212

## 17. Investments (continued)

Group and charity	Unrestricted Main fund		Endowment sub-total		TOTAL	
	2021	2020	2021	2020	2021	2020
	£	£	£	£	£	£
Unquoted	-	-	-	-	-	-
Fixed interest	649,890	598,114	458,610	426,097	1,108,500	1,024,211
UK equities	723,073	478,623	823,550	616,863	1,546,623	1,095,486
Overseas equities	717,563	604,237	1,013,608	821,434	1,731,171	1,425,671
Other	365,846	390,282	284,697	330,609	650,543	720,891
As at 31 March	2,456,372	2,071,256	2,580,465	2,195,003	5,036,837	4,266,259
Cash	106,499	93,213	134,391	56,395	240,890	149,608
	2,562,871	2,164,469	2,714,856	2,251,398	5,277,727	4,415,867

Group and charity	Cumbernauld		Irvine		Endowment sub-total	
	2021	2020	2021	2020	2021	2020
	£	£	£	£	£	£
Fixed interest	264,042	247,950	194,568	178,147	458,610	426,097
UK equities	480,741	357,795	342,809	259,068	823,550	616,863
Overseas equities	586,447	477,190	427,161	344,244	1,013,608	821,434
Other	170,295	196,793	114,402	133,816	284,697	330,609
As at 31 March	1,501,525	1,279,728	1,078,940	915,275	2,580,465	2,195,003
Cash	77,629	30,179	56,762	26,216	134,391	56,395
	1,579,154	1,309,907	1,135,702	941,491	2,714,856	2,251,398

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 41% of the portfolio:

	2021	2020
	£	£
Aberforth Smaller Companies Trust	238,781	131,665
F&C Fund Management Ltd	299,187	214,326
HICL Infrastructure Ltd	219,871	214,547
IShares IV Plc	202,407	137,867
Trojan Ethical Income	293,010	267,274
Rathbone Unit Trust Management Ethical Bond	361,707	331,962
Royal London Ethical Bond	351,923	329,466
The Renewables Infrastructure Group	239,069	251,631
	2,205,955	1,878,738

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.

## 18. Debtors

	Group and charity	
	2021	2020
	£	£
<b>Amounts falling due within one year</b>		
Sundry debtors	213,533	240,189
Prepayments and accrued income	338,868	447,748
Income tax recoverable	81,859	75,991
Grants receivable	-	21,684
	<u>634,260</u>	<u>785,612</u>

## 19. Creditors

	Group and charity	
	2021	2020
	£	£
<b>Amounts due within one year:</b>		
Other taxation and social security	12,890	-
Other creditors	352,171	375,351
Prepaid Income	269,356	185,690
<b>Total creditors</b>	<u>634,417</u>	<u>561,041</u>

### Prepaid income

Balance brought forward	185,690	228,165
Income released in year	(65,104)	(107,578)
Income deferred in year	148,770	65,103
<b>Balance carried forward</b>	<u>269,356</u>	<u>185,690</u>

## 20. Provisions

	Group and charity	
	2021	2020
	£	£
Provision for dilapidations	272,707	264,289
Balance brought forward	264,290	256,234
Provided within year	8,417	8,055
<b>Balance carried forward</b>	<u>272,707</u>	<u>264,289</u>

## 21. Defined benefit obligation

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.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

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. Based upon the 2019 valuation, scheme employers make contributions aimed on funding 100% of the deficit by 2026. The next Scheme Funding assessment will have an effective date of 1 April 2022 which is the point at which any changes in employers' contributions would be determined. An update is issued each year to give an indication of the Scheme's financial position.

The Scheme is classified as a 'last man standing arrangement'. Therefore, the Trust is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

Under the defined benefit pension accounting, the net deficit as at 1 April 2020 is £569,895 and is £366,637 as at 31 March 2021.

The information disclosed below is in respect of the Trust's share of the assets and liabilities of the whole scheme. The assumptions used by the Trust, as disclosed below, were recommended by independent actuaries for application, approved by the Wildlife Trusts' Pension Scheme and adopted by the Trust.

	2021	2020
	£	£
Fair value of assets attributed to the Trust	4,534,594	3,847,270
Present value of defined benefit obligation attributed to the Trust	4,901,231	4,417,165
Net deficit recognised as a liability in the balance sheet	(366,637)	(569,895)

Changes in the present value of the defined benefit obligation attributed to the Trust are as follows:

	2021	2020
	£	£
Opening defined benefit obligation attributed to the Trust	4,417,165	4,560,998
Current service cost	-	-
Administration cost	72,215	31,341
Interest cost	98,371	107,623
Employee contributions	-	-
Actuarial losses/(gains)	476,444	(97,095)
Benefits paid including expenses	(162,964)	(185,702)
Closing defined benefit obligation attributed to the Trust	4,901,231	4,417,165

Changes in the fair value of assets attributed to the Trust are as follows:

	2021	2020
	£	£
Opening fair value of assets attributed to the Trust	3,847,270	3,832,798
Interest income on assets attributed to the Trust	87,035	92,446
Employee contributions	-	-
Contributions paid by the Trust	205,071	224,165
Gains/(losses) on assets attributed to the Trust	558,182	(116,437)
Benefits paid including expenses	(162,964)	(185,702)
Closing defined benefit obligation attributed to the Trust	<u>4,534,594</u>	<u>3,847,270</u>

The amounts recognised in expenditure in the statement of financial activities are as follows:

	2021	2020
	£	£
Administration expenses	72,215	31,341
Adjustment to contributions	10,674	-
Net interest on the net defined benefit liability	<u>11,336</u>	<u>15,177</u>
Total recognised in the statement of financial activities	<u>94,225</u>	<u>46,518</u>

The amounts recognised in the other recognised gains and losses section of the statement of financial activities are as follows:

	2021	2020
	£	£
Gains/(losses) on assets attributed to the Trust	558,182	(23,991)
Less: amounts included in net interest on the net defined liability	<u>-</u>	<u>(92,446)</u>
Return on scheme assets excluding interest income	558,182	(116,437)
Actuarial gain/(loss)	(476,444)	97,095
Adjustment to contribution	<u>-</u>	<u>14,616</u>
Remeasurement (loss) recognised in other recognised gains and losses	<u>81,738</u>	<u>(4,726)</u>

The fair value of the scheme's assets attributed to the Trust, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

	2021	2020
	£	£
UK equities	194,988	153,890
Overseas equities	1,355,844	857,941
Diversified growth funds	1,065,630	861,788
UK Government fixed interest bonds	648,447	723,287
UK Government index linked bonds	666,585	650,189
UK corporate bonds	439,856	396,269
Property	95,226	96,182
Cash	<u>68,018</u>	<u>107,724</u>
Fair value of assets attributed to the Trust	4,534,594	3,847,270
Present value of defined benefit obligation attributed to the Trust	<u>(4,901,231)</u>	<u>(4,417,165)</u>
Net deficit recognised as a liability in the balance sheet	<u>(366,637)</u>	<u>(569,895)</u>

Scottish Wildlife Trust's required payment towards the past service deficit in 2020/21 was £215,745 (2020: £209,549) as disclosed in note 12; a timing difference of £10,674 has been adjusted in the pension movement figures above. The latest contribution proposal reflects the most recent valuation and will result in an increase in the monthly repayment increasing from £18,205 to £18,751 per month from August 2021. Payments will then rise 3% in August each year until July 2026 when the final instalment is due. These contractual obligations allow the pension deficit to be funded. FRS102 prohibits the recognition of these contributions as a liability when defined benefit accounting is adopted. As at the 31 March 2021 the liability for the past service deficit payments which is not recognised on the balance sheet is £1,272,232 (2020: £1,485,664).

The actuarial assumptions used were as follows:

	As at 31 March 2021	As at 31 March 2020
Discount rate	1.94%	2.25%
Retail Prices Index (RPI) Inflation	3.45%	2.70%
Consumer Prices Index (CPI)	2.65%	1.70%
Future increases to deferred pensions	2.65%	1.70%
Rate of increase to pensions in payment		
- Fixed 5% pa	5.00%	5.00%
- RPI max 5% pa	3.20%	2.65%
Mortality (before and after retirement)		
- Males: % of S3PA	96%	95%
- Females: % of S3PA	95%	96%
- CMU_2018 with a long term rate of improvements of % pa;	1.25%	1.25%
- Initial addition to mortality improvements of %	0.50%	0.50%
Cash commutation		
- Members assumed to take % of their pension as tax-free cash subject to HMRC restrictions, using cash commutation factors currently in force.	25%	25%
Life expectancy of a male aged 65 at the balance sheet date	22.7	22.5
Life expectancy of a male aged 65 in 20 years from the balance sheet date	24.0	23.9
Life expectancy of a female aged 65 at the balance sheet date	25.0	24.8
Life expectancy of a female aged 65 in 20 years from the balance sheet date	26.4	26.2

## **22. Contingent assets – legacy income**

As at 31 March the charity had been notified of 20 legacies (2020: 17) that were not fully recognised in the Trust's financial statements as they were not sufficiently progressed to demonstrate entitlement, measurability and probability of receipt.

7 (2020: 6) 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 £617,000 (2020: £697,000). Of the remainder, 12 were residual, the likely income is in the region of £126,527 (2020: £154,902).

## **23. Contingent liabilities**

The Trust is a member of a multi-employer pension scheme as disclosed in note 21. 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.

## **24. Capital commitments**

The Trust had entered into contractual commitments (including placed orders) totalling £17,590 (2020: £11,665) prior to the year-end.

## 25. Analysis of charitable funds

The Trust allocates overheads across all its activities. Where it receives restricted income, the direct costs plus the directly attributable overhead allocation is not always covered. 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 Trust's aims and objectives.

### Funds summary

	Balance b/fwd £	Income £	Changes in designation £	New designation £	Spend £	Gains / (losses) £	Transfers £	Balance c/fwd £
<b>Unrestricted funds</b>								
Free funds	1,754,497	3,464,334	(187,080)	(2,409,762)	(1,123,765)	491,373	(599,422)	1,390,175
<b>Total free funds</b>	<b>1,754,497</b>	<b>3,464,334</b>	<b>(187,080)</b>	<b>(2,409,762)</b>	<b>(1,123,765)</b>	<b>491,373</b>	<b>(599,422)</b>	<b>1,390,175</b>
<b>Designated funds</b>								
Wildlife reserve maintenance	-	-	-	909,762	(909,762)	-	-	-
Cumbernauld Living Landscape	100,000	-	-	-	-	-	-	100,000
Coigach & Assynt Living Landscape	100,000	-	-	-	-	-	-	100,000
Robertson Lowes tribute	5,000	-	-	-	-	-	-	5,000
Financial resilience	-	-	-	1,500,000	-	-	-	1,500,000
Capacity building for engagement	298,460	-	-	-	-	-	-	298,460
Pension deficit	915,769	-	(10,175)	-	-	-	-	905,594
Fixed assets net book value	231,581	-	197,255	-	-	-	-	428,836
<b>Total designated reserves</b>	<b>1,650,810</b>	<b>-</b>	<b>187,080</b>	<b>2,409,762</b>	<b>(909,762)</b>	<b>-</b>	<b>-</b>	<b>3,337,890</b>

## Funds summary (continued)

	Balance b/fwd £	Income £	Changes in designation £	New designation £	Spend £	Gains / (losses) £	Transfers £	Balance c/fwd £
<b>Restricted funds</b>								
Property	558,135	-	-	-	(83,416)	-	15,680	490,399
Wildlife reserves	1,027,735	-	-	-	-	-	-	1,027,735
Wildlife reserve management	131,879	-	-	-	(13,396)	-	9,616	128,099
IUCN Urban Nature Alliance	786	-	-	-	-	-	(786)	-
IUCN UK Peatland Programme	139,904	275,128	-	-	(230,856)	-	43,396	227,572
Living Seas	142,400	139,405	-	-	(159,016)	-	29,891	152,680
Creating Natural Connections	307,589	194,171	-	-	(208,361)	-	54,455	347,854
McVean Living Landscapes	880,000	1,219	-	-	(1,065)	-	(94,800)	785,354
SSRS (Developing Community Action)	291,499	777,128	-	-	(762,077)	-	246,636	553,186
Coigach-Assynt Living Landscape Project	620,362	152,471	-	-	(801,613)	-	150,870	122,090
Other	1,681,280	1,092,312	-	-	(1,404,759)	-	144,464	1,513,297
<b>Total restricted funds</b>	<b>5,781,569</b>	<b>2,631,834</b>	<b>-</b>	<b>-</b>	<b>(3,664,559)</b>	<b>-</b>	<b>599,422</b>	<b>5,348,266</b>
<b>Endowment funds</b>								
Cumbernauld	1,324,863	-	-	-	-	276,278	-	1,601,141
Invine	970,771	-	-	-	-	199,299	-	1,170,070
<b>Total endowment funds</b>	<b>2,295,634</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>475,577</b>	<b>-</b>	<b>2,771,211</b>
<b>Total funds</b>	<b>11,482,510</b>	<b>6,096,168</b>	<b>-</b>	<b>-</b>	<b>(5,698,086)</b>	<b>966,950</b>	<b>-</b>	<b>12,847,542</b>

### 25. Analysis of charitable funds (continued)

#### Unrestricted funds – free funds

The Trust's free funds are the unrestricted amounts which support effective delivery of the five-year plan and the Trust's long-term vision. These funds are necessary to provide resilience against unexpected events, for example from fluctuations in income or exceptional levels of expenditure.

#### Unrestricted funds - designated funds

Some unrestricted funds are designated, recognising the Trust's commitment to particular projects. Initiatives or activities by ensuring sufficient funds are set aside to meet medium to long term financial needs. The designated funds which exist focus on areas of significant activity for the Trust, as well as earmarking amounts already spent, such as on fixed assets or as part of unrealised fluctuations in value on the unrestricted investment portfolio.

The following funds are in existence:

- 1) 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.
- 2) Cumbernauld Living Landscape – the Natural Connections project aims to enhance, restore and reconnect green areas of Cumbernauld. This project, supported by the National Lottery Heritage Fund, aims to tackle issues at an ecosystem scale: to expand the existing ecological connections and to create a network of people who are passionate about nature and have the skills to protect and restore the local environment. The designated reserve underpins the project given uncertainties in relation to match funding, as well as providing ability to support other work in the area.
- 3) Coigach & Assynt Living Landscape – working with a broad range of partners, the Trust is in the delivery phase of the Coigach Assynt Living Landscape Partnership project (2016 - 2021), thanks largely to funding secured from the National Lottery Heritage Fund. The Trust continues to develop capacity and outputs of the native woodland tree nursery in the locality. The designated reserve provides resilience for current operations and capacity to support broader work in the living landscape area.
- 4) Financial resilience – the Trust has designated an amount of money to fund interim losses due to the cumulative impact of the cessation of face-to-face recruitment due to covid-19. This reserve will also fund initiatives to make the Trust more financially resilient.
- 5) Engagement – the Trust continues to invest in a number of measures to increase engagement, giving and optimise delivery of its vision. Part of this involves investment in digital transformation which it is hoped will strengthen infrastructure but also equip the Trust with channels to extend reach and more effectively deliver the long-term vision.
- 6) Pension deficit – the Trust participates in the Wildlife Trusts Defined Benefit Pension Scheme. The triennial valuation in 2019 continued to identify a significant deficit and refreshed the existing repayment plan. The Trust continues to be required to pay a significant monthly amount until July 2026. FRS 102 does not permit us to recognise this contractual commitment as a liability on the balance sheet as a liability has already been recognised on the defined benefit basis.
- 7) Fixed assets – this represents the net book value of unrestricted fixed assets, being the amount still to be depreciated.

## Achievements and performance 2020/21

### 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 and the Trust continues to manage wildlife reserves and invest in projects within both Cumbernauld and Irvine.

### Restricted funds

Both the property and wildlife reserves funds reflect the carrying value of assets acquired through restricted funding. Certain restricted funds are disclosed separately due to the materiality of the values involved. A number of other projects, for which restricted income was received during 2019/20, are shown within the heading of "Other funds".

Restricted funds include the following:

- Wildlife reserve management – a generous gift supporting on the ground conservation work across the Trust's wildlife reserves.
- IUCN Urban Nature Alliance – an innovative project exploring ways to take ecological urbanism to scale.
- IUCN UK Peatland Programme – a project hosted by the Trust aiming to help UK peatlands function to their full potential, preventing further loss of peatland ecosystems and providing cost effective solutions for climate change, water and biodiversity.
- Living Seas – a national project aiming to improve the protection, understanding and appreciation of Scottish Seas.
- Creating Natural Connections – a project aiming to realise Cumbernauld Living Landscape's vision to enhance, restore and reconnect green areas of the town.
- McVean Living Landscapes – a generous legacy gift dedicated to supporting delivery of an ambitious and large-scale living landscape project which achieves substantive conservation benefits.
- Saving Scotland's Red Squirrels (Developing Community Action) – a partnership project working with communities to help to ensure red squirrels continue to be a part of Scotland's special native wildlife.
- Coigach Assynt Living Landscape Project - a unique community partnership project which aims to bring environmental and economic benefits to the Coigach and Assynt regions of North West Scotland.

## Achievements and performance 2020/21

### 26. Analysis of net assets between funds

Group and charity	General unrestricted fund £	Restricted funds £	Endowment funds £	2021 Total funds £
Fixed assets	428,836	1,719,841	-	2,148,677
Investments	2,562,871	-	2,714,856	5,277,727
Net current assets	1,369,721	3,628,425	56,356	5,054,502
Defined benefit pension liability	366,637	-	-	366,637
	<u>4,728,065</u>	<u>5,348,266</u>	<u>2,771,212</u>	<u>12,847,543</u>

Group and charity	General unrestricted fund £	Restricted funds £	Endowment funds £	2020 Total funds £
Fixed assets	250,017	1,905,137	-	2,155,154
Investments	2,164,469	-	2,251,398	4,415,867
Net current assets	1,560,716	3,876,432	44,236	5,481,384
Defined benefit pension liability	(569,895)	-	-	(569,895)
	<u>3,405,307</u>	<u>5,781,569</u>	<u>2,295,634</u>	<u>11,482,510</u>

### 27. Post-balance sheet events

There are no post balance sheet events.

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

	Group and charity	
	2021 £	2020 £
<b>Net movement in funds</b>	<b>1,365,032</b>	<b>1,776,307</b>
Add back depreciation charge	169,302	137,359
Deduct investment income	(129,340)	(175,931)
Deduct donated shares	-	(246,636)
Deduct realised gains/(losses) on investments	69,532	(89,842)
Deduct unrealised gains/(losses) on investments	(954,744)	352,074
Deduct gain on sale of fixed assets	(2,957)	(19,899)
(Increase)/decrease in stocks	(695)	(2,901)
(Increase)/decrease in debtors	151,352	201,275
Increase/(decrease) in creditors	81,793	(166,481)
Increase/(decrease) in pension	(203,258)	(758,828)
<b>Net cash inflow/(outflow) from operating activities</b>	<b><u>546,017</u></b>	<b><u>1,006,497</u></b>

### 29. Financial commitments

Financial commitments comprise the loan financing provided under non-cancellable operating leases and their expiry dates were as follows:

	2021	2020
	£	£
Land and buildings		
Amounts payable falling due within one year	101,445	100,434
Amounts payable falling due in more than one year but less than five years	230,614	231,086
Amounts payable falling due after five years	76,773	134,313
Total	408,831	465,833

### 30. Natural Capital Scotland Limited

Natural Capital Scotland Limited is a wholly owned trading subsidiary of the Scottish Wildlife Trust (a company registered in Scotland, registered number SC424744). No further trading activity has occurred or is currently anticipated. The company is now dormant.