



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

Annual report and financial statements

Year ended 31 March 2022

Scottish charity number SC005792

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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 twelve months from 1 April 2021 to 31 March 2022. It has been heartening to see the Trust's continued success, despite the disruption and uncertainty that the last couple of years have brought to all of us.

The year to March 2022 was the final one of our Five-Year Plan and saw the conclusion of the funded phases of two major projects. We were very pleased to share learning and celebrate success from these, through the newly-popular format of online conferences. I'm delighted to report that our online event to mark the end of the Coigach & Assynt Living Landscape Partnership Scheme was attended by 150 participants from six countries. Meanwhile, the conference marking the end of the five-year Developing Community Action project for Saving Scotland's Red Squirrels was attended by 113 participants and subsequently watched by more than 300 people.

The Trust continues to be an influential voice and we continue to input into new initiatives and policies of the Scottish Government and its agencies. Good examples this year included our influence on the development of a National Beaver Strategy, input into two of the Regional Land Use Partnerships and the creation of the Interim Principles for Responsible Investment in Natural Capital.

Volunteering remains strong, with over 950 volunteers delivering more than 28,000 hours of their time during the year. This is clearly an important and impressive contribution to the Trust's work. At the same time, relationships with funders remain excellent and we are grateful for their continued support and flexibility in dealing with the inevitable things that occasionally don't go to plan.

Our AGM once again took place online and was well received. We warmly welcomed two new elected members to Council and are already benefiting from the skills and experience that they have brought to our governance. During the year, we successfully appointed three members of Council to become Equality, Diversity and Inclusion Champions as part of our efforts to broaden the reach of the Trust and build as inclusive as possible a culture for all our staff, volunteers, visitors, members, supporters, partners and anyone else with whom our work brings us into contact.

Thankfully, we finished the year in a strong financial position. However, like most other charities, the Trust is feeling the impacts of challenging economic circumstances. On behalf of all our trustees, I would like to express our gratitude for the generosity of supporters in responding to our appeals and helping to ensure that the nature crisis does not slip down the priority list, despite other pressing issues. We are also extremely honoured to have been the beneficiary of legacy bequests that are enabling us to continue our vital work to protect wildlife for present and future generations to enjoy.

This decade is a crucial one for bringing about nature's recovery. Your support in putting nature at the heart of Scotland's future 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 12-month period to 31 March 2022 was one of consolidation and planning for the future. Several significant phases of major projects drew to a close, while our new Strategy 2030 – capturing our priorities for the rest of the UN Decade on Ecosystem Restoration – was finalised. It was also a year that saw significant recognition of the Trust's achievements across a wide range of activities.

In the lead-up to the United Nations Climate Change Summit (COP26), as the world's attention turned to Glasgow, our #HelpNatureHelpUs campaign raised awareness of the importance of restoring nature in the fight against climate change. Meanwhile, the Trust's volunteer Young Leaders were instrumental in producing a Youth Manifesto for Action on Climate Change, which was published to coincide with the summit following consultation with young people throughout The Wildlife Trusts movement across the UK. Through the Scottish Forum on Natural Capital, we launched '100 Business Actions for Nature', as well as supporting a successful joint event for COP26 with the Global Ethical Finance Initiative.

In an election year the Trust's advocacy helped achieve new commitments from the Scottish Government on nature targets and nature networks. The Trust was also invited to participate in the stakeholder working group for the new Scottish Biodiversity Strategy and has pressed for greater urgency in addressing the nature crisis.

The Trust's work on natural capital continued to be influential and it was good to see the National Strategy for Economic Transformation recognising that "Scotland has shown an international lead in natural capital thinking", whilst highlighting the importance of a nature positive economy. As part of our Living Seas programme, our Oceans of Value project saw the publication of a Natural Capital Assessment of Orkney Waters, which led directly to the establishment of a new Marine Natural Capital Forum under the umbrella of the Scottish Forum on Natural Capital. This will provide an important opportunity to better join up science, policy making and practice in the future.

On a practical level, we delivered the final year of the Irvine to Girvan Nectar Network project, adding new sites, creating meadow habitat and engaging volunteers in monitoring. Highlights included successfully trialling a green hay wildflower seeding method at Irvine Beach Park, which attracted a hugely positive public reaction, as well as starting a project to save the endangered native wild apple tree, and re-invigorating the Small Blue butterfly work with a volunteer weekend, working closely with Butterfly Conservation Scotland.

Other highlights on our reserves included the enhancement and creation of over 20 hectares of woodland habitat at Loch Ardinning Wildlife Reserve, where we planted more than 11,000 native trees, including oak, birch and hazel.

Our Living Landscapes also continued to go from strength to strength. The latest funded phase of the Coigach & Assynt Living Landscape Project, known as CALLP, was drawing to a close and saw the completion of an impressive 24 projects, focusing on a wide range of topics from coastal heritage and the Postie's Path to sustainable deer management and crofting. The project was the deserving winner of a Highly Commended Community Project Award at the Nature of Scotland Awards.

Among other accolades for the Trust's work, Cumbernauld Living Landscape was mentioned in the Scottish Parliament as one of the great community success stories, helping native flora and fauna thrive in Scotland. It was also chosen as a case study for the Scottish Land Commission's MyLand.Scot, demonstrating the importance of involving local people in land management. Meanwhile, working closely with the City of Edinburgh Council as part of the Edinburgh Living

Landscape, we produced Scotland's first ever Nature Network, which has the potential to be replicated across other local authorities.

Another significant milestone from the past year has been the successful conclusion of the Developing Community Action phase of Saving Scotland's Red Squirrels, with 14 volunteer Red Squirrel Groups established and supported to become independent, along with a further four receiving additional support on the way to becoming fully independent. Red squirrels were detected for the first time in Victoria and Westburn Parks in Aberdeen City, as well as becoming much more widespread in areas in South Scotland such as the Tweed Valley. Moffat has also seen reds returning to the area for the first time since being replaced by grey squirrels. All these are significant successes that reflect the hard work undertaken through the partnership, which has been led by the Trust for over a decade. Importantly, we secured agreement - and funding - from Saving Scotland's Red Squirrels partners for a two-year Transition Phase, starting in April 2022, to help secure the long-term future of this iconic species.

A large variety of activities also took place during the year as part of our efforts to help people become more connected to nature. We ran our highly successful first ever online goose watch event at Montrose Basin (selling a fantastic 476 tickets) and held an online 'Badger Watch Live' event at Falls of Clyde in partnership with Edinburgh Zoo, attracting positive feedback from many who attended. Other highlights included partnering with the Argyle Above and Below project to develop a new snorkel trail; linking up with the Royal Scottish National Orchestra to distribute a series of engagement activities to every nursery and primary school in Scotland; and participating as a partner in Scotland's Climate Festival, organised by Keep Scotland Beautiful.

Excellent feedback was received from the independent monitor in relation to the completion of our 3-year Lottery-funded Ayrshire Community Engagement project, whose achievements this year included 16 people taking part in a voluntary Reserve Warden Scheme. Meanwhile, in South Lanarkshire, the Earn Your Stripes project led by Scottish Badgers and the Scottish Wildlife Trust proved to be an excellent example of successful partnership working between 20+ charities, Councils, schools and colleges. 130 young people with barriers to engagement completed the course this year and received their Earn Your Stripes award.

Finally, it was reassuring to see local groups bouncing back following the earlier phases of the pandemic, delivering a wide range of virtual and in-person events and resuming volunteer work parties at some reserves. The Trust's network of Wildlife Watch groups continued to grow, with 37 groups registered at the end of the year, all engaging the next generation of wildlife champions.

As we embark on Strategy 2030, I look forward to seeing the Trust build on these important past successes to help us achieve our ambitious goals for the future at this pivotal time for nature and people.



Jo Pike
Chief Executive

Report of the trustees for the year ended 31 March 2022

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 2022. 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) Second Edition – October 2019 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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, covering 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 during the year, the Trust secured generous funding from Esmée Fairbairn Foundation in support of a community of practice on financing nature recovery (Scotland).

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 Scottish Wildlife Trust's vision is of a network of healthy, resilient ecosystems on land and sea, supporting Scotland's wildlife and people. During the past year, a collaborative process of strategy development took place and we finalised our new *Strategy 2030: Nature at the heart of Scotland's future*.

The United Nations has designated 2021-2030 as the Decade on Ecosystem Restoration. 2030 is also the deadline for achieving the 17 globally agreed Sustainable Development Goals – the world's 'blueprint to achieve a better and more sustainable future for all'. The next decade is going to be a pivotal one for nature and people.

There are three drivers behind the Trust's new strategy: the nature crisis, the climate crisis, and the disconnect between people and nature. Between now and 2030, we need the biggest effort we've ever seen to help nature recover. We want everyone to have the chance to be part of this, so that we can put nature at the heart of Scotland's future.

Strategy 2030 is underpinned by our six core values:

- We are pioneers
- We are collaborative
- We are evidence-based
- We are impact-focused
- We act with integrity
- We are always learning

Strategy 2030 sets out five strategic goals (below) and is available to view on the Trust's website.

Our wildlife reserves have directly contributed to nature's recovery

- *How we will get there:* We will take action informed by science to save key habitats and species, and in doing so inspire others to act.
- *What we will prioritise:* We will prioritise resources where we can make the greatest contribution to nature's recovery and to tackling the climate crisis.

Communities across Scotland are taking action for nature in an increasingly diverse, collective effort in which everyone can play their part

- *How we will get there:* We will engage new audiences, foster strong networks and encourage a deeper connection with Scotland's wildlife, supporting people to use their skills, abilities and influence to aid nature's recovery.
- *What we will prioritise:* We will prioritise interventions that have the potential to achieve scale, enable a community-led approach and result in positive outcomes for nature, including on our reserves and in partnership initiatives.

We have catalysed large-scale change through collaborative and pioneering initiatives to restore ecosystems on land and sea

- *How we will get there:* We will work with others and seek to pioneer new approaches that will help accelerate nature's recovery across Scotland's land and seas.
- *What we will prioritise:* We will prioritise action through our Living Landscapes, Living Seas and Riverwoods initiatives, focusing on bringing people together to achieve ecosystem restoration.

Scotland is recognised internationally for the part it has played in the UN's Decade on Ecosystem Restoration

- *How we will get there:* We will encourage urgency and leadership from Scotland's decision makers in tackling the key threats to biodiversity and delivering nature-based solutions to the climate crisis and other challenges faced by society.
- *What we will prioritise:* We will prioritise a solutions-focussed and collaborative approach to advocating policies and legislation that protect and restore eco-systems, improve our wellbeing and contribute to the world's Sustainable Development Goals.

Our foundations are stronger and more resilient than they have ever been

- We will foster a diverse and inclusive group of skilled, effective and motivated people, and a culture based on integrity, openness and learning.
- We will strengthen our digital infrastructure and champion purposeful digital transformation.
- We will collect, generate and make the best possible use of data, information, evidence and knowledge.
- We will reduce our negative ecological footprint, including our carbon emissions.
- We will protect and grow our strong identity, reputation and profile.
- We will manage our assets, and grow our financial capacity, ethically and sustainably.
- We will collaborate through strong networks and cross-sectoral partnerships.

The activities identified to deliver these objectives are set out in the Annual Operational Plan which is approved by Council each year.

In order to determine whether we are succeeding in our delivery of Strategy 2030, we will assess, using the best data, tools and techniques available to us, how well we are:

- Building skills, knowledge and connections, in a growing number of communities, in a way that is resulting in meaningful action for nature
- Bringing about change in how our land and seas are managed through our Living Landscapes, Living Seas and Riverwoods initiatives
- Promoting nature's recovery, and preventing its decline, on our wildlife reserves
- Influencing transformations in land management subsidies, marine planning, nature-based solutions and connectivity, as well as the introduction and implementation of new legally binding nature targets.

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. The Trust is also a member of the Scottish Council for Voluntary Organisations, contributing and benefitting from wider engagement with voluntary organisations across Scotland.

STRATEGIC REPORT

Achievements and performance

The Trust's five-year plan covered 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 8). 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 2021-22 for each of the five-year plan goals were as follows:

HEALTHY ECOSYSTEMS

- Landscape-scale approaches to the protection and restoration of nature are widely adopted
 - **Promoted the importance of nature-based solutions** by creating a comprehensive online resource highlighting examples of solutions in different habitats and increased awareness through our #HelpNatureHelpUs campaign launched in the run-up to COP26.
 - **Helped achieve greater recognition of the need to address the nature emergency** in key documents such as the Programme for Government, National Strategy for Economic Transformation and the draft National Planning Framework 4.
 - **Completed and published the Natural Capital Assessment of Orkney Waters** as part of our Living Seas work.
 - **Secured a greater commitment from Scottish Government to protect Scotland's seas**, as advocated in our Nature Recovery Plan. We also launched detailed policy proposals on fisheries management and helped inform Scotland's review of salmon farm regulation, critical issues for the health of the marine environment.
 - **Produced Scotland's first Nature Network in collaboration with the City of Edinburgh Council** which identifies interventions at sites across the city to improve the urban environment for wildlife and people.
 - **Worked closely with the Lloyds Banking Group to identify habitat improvements** at their office space on The Mound in central Edinburgh as part of the Edinburgh Living Landscape.
 - **Completed current phase of the Irvine to Girvan Nectar Network project** which, over its 3-year lifespan, has seen the creation of 25 hectares of pollinator-friendly habitat at 40 sites and engaged over 80 volunteers.
 - **Completed 24 projects as part of the Trust-led Coigach & Assynt Living Landscape** which range from access improvements on the Postie's Path and building a community deer larder, to supporting local crofters through training and advice and producing a habitat map of the region.
 - **Shared learning from the Coigach & Assynt Living Landscape Partnership Scheme** by organising an online conference that was attended by 150 participants from six countries.
 - **Received recognition for our community work in Cumbernauld**, with the Trust-led Cumbernauld Living Landscape being referred to in the Scottish Parliament as one of the great community success stories. The initiative also won Keep Scotland Beautiful's 'Garden for Life' Biodiversity Award 2021 and was awarded a Silver Gilt in the Keep Scotland Beautiful Awards overall.
- Fragmented wildlife habitats are more connected and resilient
 - **Further developed the Riverwoods initiative** by working closely with partners and creating an online storymap that showcases the importance of river woodlands and several of the projects working to restore this habitat.
 - **Secured funding to develop an Investment Readiness Pioneers project** from the Esmée Fairbairn Foundation as part of Riverwoods.

- **Helped secure a new government commitment** for all local authorities to have local nature networks by 2026 to improve ecological connectivity and resilience and help reverse biodiversity loss.

PROTECTED PLACES

- Our wildlife reserves are delivering multiple benefits for wildlife and people
 - **Enhanced and created over 20 hectares of woodland habitat** at Loch Ardinning Wildlife Reserve (Stirling) planting more than 11,000 native trees (including oak, birch and hazel).
 - **Felled a non-native conifer plantation on Hare Moss Wildlife Reserve** (Scottish Borders) and planted 1,000 native trees in its place
 - **Constructed a new sand martin bank at Gales Marsh** (North Ayrshire), as part of the Garnock Connections landscape project; within a few days of their return from migration every hole had sand martin activity.
 - **Undertook vegetation surveys on a dozen reserves** (across Fife, Falkirk and Ayrshire) and utilised the data to inform the levels of conservation grazing required,
 - Dedicated hundreds of staff and contractor hours to **clearing up after several successive winter storms**; with trees down on reserves from Southwick Coast (Dumfries and Galloway) to Gight Wood (Aberdeenshire).
- Critical habitats are safeguarded and restored
 - **Responded to the consultation on the draft National Planning Framework⁴**, highlighting the need for stronger commitments on biodiversity, including giving evidence in parliament.
 - **Responded to specific planning-related queries** and established a new online discussion forum for planning volunteers.
 - **Continued to restore lowland peat bogs** on nine wildlife reserves.
 - **Secured the transfer of the hosting of the IUCN UK Peatland Programme** to the Royal Society of Wildlife Trusts to match the programme's UK-wide remit, with ongoing involvement for the Scottish Wildlife Trust in the programme's governance structure.

THRIVING SPECIES

- The decline of key priority species has been reversed
 - **Successfully completed the Developing Community Action phase of Saving Scotland's Red Squirrels**, with 14 volunteer-led red squirrel groups established and supported to become independent, with a further four groups receiving additional support on the way to becoming fully independent.
 - **Completed a novel study to monitor grey squirrel movements in urban areas** in collaboration with the University of the Highlands and Islands, which has revealed new information that could help in targeting these invasive non-native species which continue to threaten our native red squirrels.
 - **Shared learning from the Saving Scotland's Red Squirrels project** by organising an online conference that was attended by 113 participants and subsequently watched by more than 300 people.
 - **Secured agreement and funding for a further two-years of Saving Scotland's Red Squirrels** to help ensure the long-term future of this iconic species.
 - **Contributed to the stakeholder working group for the new Biodiversity Strategy**, advocating for greater urgency and stronger policy coherence to address the nature crisis.
 - **Successfully campaigned for new legally binding nature targets** in partnership with other members of Scottish Environment LINK, with Scottish Government committing to a new Natural Environment Bill in Year 3 of this parliamentary term.
 - **Improved grassland habitat at Gales Marsh and the surrounding land** to support the successfully translocated population of small blue butterflies. Additionally, the first sighting of the small pearl bordered fritillary butterfly was recorded at this reserve.

- **Had a record year for butterflies at Rahoy Hills**, with a doubling in the numbers of chequered skippers (first recorded on the reserve in 2013), the first record of a small copper and the best year for Scotch argus butterflies since 1994.
 - **Recorded the first successful breeding of golden plovers since 2004 on the Isle of Eigg**, as well as the first recorded breeding success for redshanks. Hen harriers, sparrowhawks, buzzards and kestrels were also observed breeding on the island.
 - **Recorded several rarities in the Strathclyde area** including the Palamino cup fungus, Isle of Man cabbage, shepherd's-cress and the sandpits blood bee.
- There is increased support for the return of keystone species to Scotland
 - Played a key role in the **development of a National Beaver Strategy** (due for completion in summer 2022) and actively participated in the Scottish Beaver Forum - supporting the establishment of the species and championing its value as an ecosystem engineer to Scotland.

A SCOTLAND THAT VALUES AND BENEFITS FROM NATURE

- People are more connected to nature and are increasingly championing its benefits
 - **Reached new audiences through our engagement work**, creating a series of engagement activities that will be sent to every nursery and primary school in Scotland as part of the Royal Scottish National Orchestra's most recent early years programme, and participating in Scotland's Climate Festival organised by Keep Scotland Beautiful.
 - **Continued to grow our network of Wildlife Watch groups**, with 37 groups registered at the end of the year, all engaging the next generation of wildlife champions.
 - **Co-ordinated a wide range of online events**, including a series of national webinars delivered in partnership with our local groups and several events streamed from our visitor centres that showed live footage of badgers at Falls of Clyde and geese at Montrose Basin.
 - **Engaged with 130 young people facing barriers to employment through Earn Your Stripes**, a partnership project run by the Trust and Scottish Badgers. The project proved to be an excellent example of successful partnership working between several charities, councils, schools and colleges and delivered 67 sessions to 30 separate groups over the year.
 - **Developed a new snorkel trail in East Lothian** in partnership with the Scottish Seabird Centre, launching in April 2022. Development also began for trails in Argyll and Torridon.
 - **Completed the 3-year Ayrshire Community Engagement project** funded by the National Lottery with excellent feedback from the independent monitor's report. A total of 2,403 participants engaged in 189 activities and events on 44 sites during the project.
 - **The Trust's local groups successfully bounced back after the pandemic**, delivering a wide range of virtual and in-person events and resuming volunteer work parties at some reserves. The Trust's volunteers on reserves, Wildlife Watch leaders, Young Leaders and planning volunteers have all played an admirable role in helping the Trust resume numerous activities that were on hold during the pandemic.
 - **Promoted our work and reserves through traditional media outlets**, including a series of films from Handa Island featuring on BBC Springwatch, a feature on the Posties's Path on BBC Scotland's Landward, and opinion pieces on a range of environmental issues published in newspapers including the Scotsman and Herald.
- The value of nature is understood by the public and private sectors and given prominence in decisions
 - **Worked with our volunteer Young Leaders to produce a Youth Manifesto for Action on Climate Change** on behalf of the Wildlife Trusts movement, published during COP26 following consultation with young people from across the UK.
 - **Launched '100 Business Actions for Nature' through the Scottish Forum on Natural Capital**, for which we continued to provide the Secretariat and our Chief Executive is Deputy Chair.

- Led on the growth of the **Nature Finance Pioneers Network**, actively involving over 200 people from a range of sectors and backgrounds
- **Led on the establishment of the new Marine Natural Capital Forum** as part of the Scottish Forum on Natural Capital.
- Brought together partners and funding for a practical initiative that will increase our understanding of the best way to make **riverbank biodiversity restoration** ready for private investment in a way that engages local communities.

STRONG FOUNDATIONS

- Staff and volunteers continue to be motivated, skilled and highly effective
 - **Launched a new Employee Assistance Programme** to support staff and their immediate families.
 - **Supported over 950 volunteers** who delivered more than 28,000 hours of volunteering during the year. Established conservation volunteer teams in Highland and Dumfries and Galloway with long term volunteers from the EU (supplementing existing teams in Ayrshire, Perthshire, Angus, Stirling, South Lanarkshire, Moray and Falkirk).
- Our organisational capacity and resilience have increased
 - **Further developed our intranet, Mycelium**, to streamline operations and increase the organisational resilience of the Trust.
 - **Welcomed 1,754 new members to the Trust** and were grateful that 320 existing members elected to increase their monthly giving in response to an appeal for additional financial support.
 - **Received, processed and thanked more than 1,200 generous donations from our supporters** including support for appeals focusing on conservation grazing, red squirrel conservation and our efforts to respond to ash dieback, as well as an emergency appeal to enable us to respond to storm damage over the winter months.
 - **Installed a Commemoration Tree at Loch of the Lowes Visitor Centre**, enabling us to offer recognition to supporters that donate in commemoration of a loved one.
 - **Were honoured to receive over £1,100k in legacy gifts throughout the year** and were notified by 12 supporters that they have chosen to include a gift to the Scottish Wildlife Trust in their Will.
- We have a knowledge and evidence base that is highly respected and well used
 - **Reached 110,000 records that have now been digitised by the Trust**, with regular updates to the National Biodiversity Network Atlas Scotland, giving open access to this data.
 - **Agreed the Terms of Reference for a new Data and the Environment community of practice network** with the Scottish Government and NatureScot as part of our work on digital transformation within the environment sector.
- We are better equipped for the future following the Covid crisis
 - **Analysed thousands of comments from our members that helped shape Strategy 2030**, which captures our priorities for the UN Decade on Ecosystem Restoration.

Financial review

Results for the year

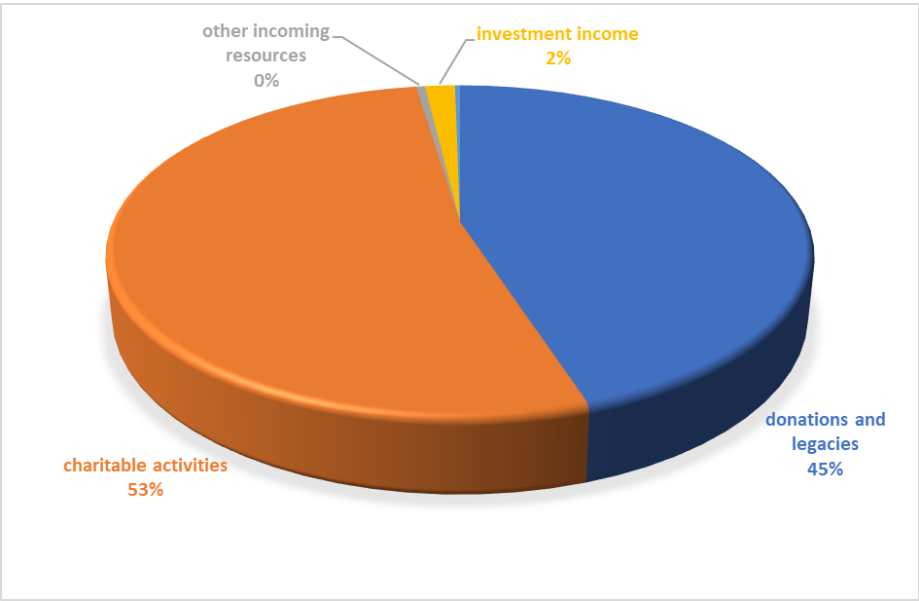
The results for the year are stronger than anticipated and we remain fortunate and grateful to our supporters for their continued generosity.

Income from Wills has been extremely strong in 2021/22, and income from memberships is also beginning to recover. Face-to-face recruitment at public events resumed when restrictions allowed, recruitment via digital channels also augmented supporter numbers resulting in an increased number of memberships at the year-end 23,070 (2021: 22,905), with total members now 41,050 (2021: 40,967).

Costs during 2021/22 remained controlled, however more recently the cost of living crisis combined with the need to ensure salaries keep pace with the competition is increasing the Trust’s cost base. Council plans to utilise financial reserves in order to strengthen the Trust’s overall position. This includes increasing spend in a number of key areas in order to achieve specific targets, such as appointing a fixed-term Head of Major Projects to realise certain ambitions and continuing to invest in the Trust’s fundraising strategy in order to diversify, broaden and strengthen income sources.

The designated reserve for Financial Resilience is projected to fund forecast deficits until a break-even position is resumed in 2024/25. Free reserves also provide additional resilience, and are currently forecast to remain at the top level of the agreed target range.

During 2021/22 we trialled digital promotions, as well as running appeals and legacy awareness adverts. Plans are in place to deliver a public engagement campaign in Spring/Summer 2022, place greater emphasis on digital fundraising, extend face-to-face recruitment and explore longer-term income streams including carbon markets. Fundraising 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 surpluses on unrestricted, restricted and endowment funds. The Trust received income in excess of £7m in 2021/22. We were privileged to be in receipt of almost £1.1 million 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 53% (from 42% in 20/21) of total income.

National Lottery Heritage Fund grants have continued to unlock delivery of a number of transformational conservation projects including Coigach & Assynt Living Landscape and Saving Scotland's Red Squirrels, Cumbernauld Living Landscape, and the Trust's Project Water Bear which concluded during the year. A two-year extension to the previous phase of Saving Scotland's Red Squirrels was agreed during the year.

Donations and legacies made up 45% (2021: 53%) of the Trust's overall income. The generosity of our supporters underpins our work and ability to deliver our vision and we are extremely grateful for this support.

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.

We are extremely grateful for the continued support from the Esmée Fairbairn Foundation, who have provided funding for projects which include scaling up nature-based solutions, developing a community of practice on financing nature recovery, and developing a Riverwoods 'investment readiness' pilot, as well as our existing Living Seas programme and Oceans of Value project.

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 charitable trusts, foundations and other grant-making bodies continues to be invaluable in funding conservation projects on the ground.

As stated above, expenditure during the year continued to be well controlled. The increase in restricted expenditure is funded through the generosity of our supporters but also reflects the re-design of project activities and acceleration of delivery of project objectives following disruption caused by the pandemic.

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 purposes.

Trading company

The trading company, Natural Capital Scotland Limited, did not trade during the 2021/22 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 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:

- companies involved in fossil fuel extraction, production and distribution, including those involved in high carbon fuels or unconventional oil and gas;
- 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. The Trust has also formed a short-term Investment Working Group which aims to further strengthen the Trust's position in relation to ESG in relation to investment holdings. This work includes introducing formal reporting of Brown Shipley's engagement, on our behalf, with corporates to positively influence decision making in relation to environmental, social and governance issues.

Global markets fell in February 2022 due to the Russia-Ukraine conflict, and the value of the Trust's investment portfolio fell. The Trust has seen overall investment gains totalling £314,733 during 2021/22, of which investment gains of £236,246 were realised.

The Trust has no direct exposure to Russia in its investment portfolio, although there was a brief period when there was a very small indirect exposure in a fund. Brown Shipley have reassured the Trust that neither they nor the funds will be investing in Russia in the foreseeable future.

The value of investment holdings at the year-end was £5.5m (2021: £5.3m).

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 strategic plan. Considerations include the unexpected loss of a major funder, exceptional levels of expenditure and fluctuations in legacy income.

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

Following the generosity of a legator in March 2020, the Trust established a designated reserve for financial resilience. This supports the Trust as it recovers from the impact of Covid-related social restrictions and re-positions itself for the future.

In approving the budget for 2022/23, Trustees carefully considered the risks and issues faced by the Trust. The budget aimed to respond to those risks and issues including the cost of living crisis, through continued delivery of the fundraising strategy, carrying out essential work on wildlife reserves in response to health and safety risks and employing a temporary Head of Major Projects to increase capacity, increase the number of habitat surveys and register land holdings.

The budget for 2022/23 shows budgeted unrestricted losses of £579k. 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 financial resilience designated reserve whilst maintaining free reserves within the target range. Forecasts, which show free reserves within the target range, allow the Trust to be resilient in the face of financial risk such as exceptional unforeseen income or cost events. Based upon continued resumption of face-to-face recruitment and plans to diversify income, 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.

The Trust has also established a new designated reserve to fund priority initiatives identified which are required to deliver Strategy 2030.

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 influence and engage with individuals and communities about the importance of Scotland's wildlife.

Free reserves currently represent around 6.3 months of unrestricted expenditure (2021: 8.6 months), or 2.0 months (2021: 3.0 months) worth of total expenditure. Free funds (note 25) at 31 March 2022 were above the upper end of the target range at £1,195,493 (2021: £1,390,175). 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 2021-22.
- The Trust did not undertake any (non-addressed) door-drops in 2021-22.
- In the past year, the Trust utilised telephone fundraising as part of an integrated campaign to encourage members to increase their regular giving to the Trust. Before calls were made, the dataset was screened against the Telephone Preference Service and all calls were recorded for monitoring purposes. 1,100 individuals were spoken to and following these conversations 320 upgrades were confirmed.
- We employ a team of four 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. All of our membership recruiters are required to adhere to the Code of Fundraising Practice, clearly identifying themselves and their relationship to the Trust, and handling personal data confidentially and timeously.
- In 2021-22 our face-to-face recruitment continued to be curtailed due to the ongoing impact of Covid on the availability of events and private sites. Where possible, the latter activity was undertaken in accordance with government guidance, adhering to Covid best practice issued by the Fundraising Regulator and following Covid risk assessments.
- The Trust endeavours to optimise funds claimed from the HMRC administered Gift Aid scheme. We have Gift Aid declarations recorded for over 94% of our members.

The Trust is supported by a small team of fundraising staff and a network of 18 community-based local groups who fundraise on behalf of the charity.

All of our fundraisers are trained to high 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 2021/22 the Trust recovered ten complaints linked to fundraising (2021: eleven) – none of these required external adjudication.

The Scottish Wildlife Trust has a formal arrangement with one business which runs promotions which publicise 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 2021-22, this partnership raised a fantastic £15,768 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 2021-22 resulted in the decision to decline potential funding partnerships with one business.

Plans for future periods

The Trust's Operational Plan for 2022/23 was approved by Council in March 2022. Targets continue to support achievement of the new Strategy 2030. Plans for 2022/23 include:

Our wildlife reserves have directly contributed to nature's recovery

- Increase biodiversity on priority habitats across our estate, with a focus on native broadleaved woodland, species-rich grassland and bogs, while maintaining (and where possible increasing) biodiversity on other habitats.
- Agree clear priorities for the development of, and investment in, reserves over the life of Strategy 2030.
- Identify which reserves can: be expanded and/or be part of landscape-scale projects; demonstrate nature-based solutions; and/or deliver public engagement.

Communities across Scotland are taking action for nature in an increasingly diverse, collective effort in which everyone can play their part

- Reposition our engagement work by fostering new strategic partnerships and networks to mobilise diverse communities.
- Inspire new and existing supporters to act for nature through an engagement campaign, digital showcase and memorable wildlife experiences.
- Deliver first year of next stage of Saving Scotland's Red Squirrels project with demonstrable progress towards a sustainable long-term role for communities in red squirrel conservation.

We have catalysed large-scale change through collaborative and pioneering initiatives to restore ecosystems on land and sea

- Finalise plans and funding for the next phase of the Coigach & Assynt Living Landscape.
- Complete successful close down of Creating Natural Connections and secure funding to deliver the next phase of the Cumbernauld Living Landscape.
- Secure multi-partner support for the implementation of the Edinburgh Nature Network and focus the Living Landscape partnership on delivering the updated strategic aims.
- Make demonstrable progress on Living Seas policy priorities (highly protected Marine Protected Areas, fisheries management, blue carbon, marine Nature-based Solutions, aquaculture reform and offshore wind) and bring greater awareness of our impacts on the marine environment to those in urban areas through community engagement.
- Nurture and develop a range of strategic partnerships to start realising the Riverwoods vision.

Scotland is recognised internationally for the part it has played in the UN's Decade on Ecosystem Restoration

- Help secure a world-leading Biodiversity Strategy which is coherent with other key economic, social, and environmental strategies.
- Secure recognition from the Scottish Government of the need to scale up Nature-based Solutions and embed them in key economic, environmental and social strategies.
- Make a persuasive case for unlocking more finance for biodiversity including through natural capital thinking and conservation finance.
- Instigate land management transformation that facilitates nature networks, meaningful biodiversity net gain and nature-based solutions.

Our foundations are stronger and more resilient than they have ever been

- Strengthen diversity, inclusion and resilience within the staff team, including through line manager development.
- Demonstrate high standards of governance, increase diversity within Council and strengthen infrastructure for volunteer support.
- Begin implementation of Project Oak Leaf, an initiative to support, inform and enhance the way the Trust makes decisions.
- Secure a step change in the awareness, interest and engagement with biodiversity data within the public sector data community.
- Strengthen the link between data, information, evidence, knowledge and decisions.
- Establish baselines where necessary and make measurable progress in reducing negative ecological and/or carbon impacts in the areas of the Trust where these are greatest.
- Ensure continued high-quality Trust communications and agree a monitoring system to assess our profile among key audiences.
- Maintain a first-class visitor experience which maximises the Trust's reputation with the general public.
- Ensure that the Trust remains in good financial health in ways that are sustainable for the future.
- Secure sufficient income to finance 2022-23 work-plans, raising income in support of core operations and in support of priority projects, recovering net income from our membership scheme to pre-Covid levels.

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.

<i>Risk</i>	<i>Controls in place to mitigate risks</i>
Falling membership and income from membership resulting in dilution of impact and reduced resources available for delivery of Strategy 2030	<ul style="list-style-type: none"> • Regularly review levels of investment in membership, payback period and return on investment. • Ongoing investment to deliver the Fundraising Strategy • Regularly benchmark attrition and review key touchpoints. • Regularly seek feedback from members to inform membership engagement processes. • Regular membership surveys and analysis. • Review resilience of membership recruitment channels.
Severe economic downturn /cost of living pressures resulting in dilution of impact and reduced resources available for delivery of Strategy 2030	Continued investment in fundraising and implementation of the approved strategy.
Weakened environmental protection as a result of Brexit resulting in increased rates of wildlife decline	<ul style="list-style-type: none"> • High level advocacy around the importance of environmental protection and restoration linked to social and economic agendas. • Collaboration with Scottish Environment LINK to ensure Scotland plays an equal part in the development of any UK-

	<p>wide frameworks. Joint work to secure and support new Scotland environmental watchdog.</p> <ul style="list-style-type: none"> • Collaboration with The Wildlife Trusts to ensure maximum alignment and impact for legislation and policy at UK level.
Financial risk – striking the right balance between the level of financial reserves required to ensure the Trust is financially resilient, particularly in the face of the cost of living crisis, and a going concern in the long-term, with both the uncertainty surrounding projected deficits and the opportunity to expand expenditure in order to create increased impact and better achieve the Trust’s vision. (The cost of living crisis puts pressure on existing spend, including balancing the need to revalorise salaries at an appropriate level to support employee wellbeing.)	<ul style="list-style-type: none"> • Strategy 2030 and strict annual budget setting process. • Monitoring through monthly management accounts with projected outturns. • Senior Management Team bringing strategic initiatives to Finance & Audit Committee who will in turn make recommendations to Council. • Financial reserves policy in place with annual review to ensure adequacy when setting budgets. • Strict control over permanent additions to staff and careful consideration of salary competitiveness. • Excellent relationships with funders. • Fundraising Strategy in place.
Complexity involved in relation to the Wildlife Trusts’ Final Salary Pension Scheme resulting in large financial liability	<ul style="list-style-type: none"> • Increased control and influence via representation on The Wildlife Trusts’ Pension Scheme Board. • Ensure retention of active membership of pension scheme.
Overstretch of staff (including the impact of major projects) resulting in failure to deliver Trust vision	<ul style="list-style-type: none"> • Number of controls including line management support, 121s, timesheets, exploring automation opportunities and regular review of how best to allocate resources and prioritise activities.
Increasing risk of failure to have strong cyber security resulting in reputational harm and failure and disruption to activities	<ul style="list-style-type: none"> • Cyber security training across Trust; information management improved across the Trust; contingency and protection systems in place.

The most significant risk the Trust faces is financial, due to both the cost of living crisis which is likely to impact upon costs, combined with the need to recover and grow income following the cessation of social restrictions due to Covid.

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

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 Association¹ adopted on 22 September 2018 as amended by Special Resolution passed on 11 September 2021, 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 2022, there were 23,070 memberships (2021: 22,905) and 41,050 members (2021: 40,967).

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 strategic 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.

¹ <https://scottishwildlifetrust.org.uk/wp-content/uploads/2018/09/Articles-of-Association-11-September-2021.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.

Environmental, Social and Governance

The Trust continues to be committed to continuous improvement across how we interact with and impact on our surrounding environment, how we interact with society and how we manage our governance.

Environmental

The Trust is also by its very nature committed to sustainability, and supports the Sustainable Development Goals and the United Nations Decade on Ecosystem Restoration. With an Environmental Policy already in place and lots of continuing work to promote sustainability, including a Corporate Partnerships Policy, we have now further scaled up our response. This was in part a response to the climate emergency in line with the Scottish Government's own call to action with a goal of Net Zero by 2045. It also allows greater alignment with our policy advocacy work, supports our ability to share our journey openly and connect it with our engagement with the public and other audiences.

There are two broad steps to net zero –reducing all emissions wherever feasible to do so, then taking further action to remove greenhouse gases through mitigation measures.

Our objective, as articulated in Strategy 2030, is that “We will actively reduce our negative ecological footprint, including our carbon emissions”. To achieve this we have agreed the following specific goals as part of our Ecological Footprint Strategy:

- We have achieved net zero greenhouse gas emissions by 2030.
- Negative environmental impacts of our operations are minimised.
- There is alignment across all of our activities
- We work with other organisations to have the greatest positive impact for a wider audience
- Offsetting initiatives are developed in line with UK Climate Change Committee principles and any emerging international best practice guidance.

Social

The Trust has established an Equality, Diversity and Inclusion (EDI) group to oversee the implementation of the EDI Framework and to identify how we can bring the framework’s aspirations to life.

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

<u>Gender pay gap (male/(female) bias)</u>	2021/22	2020/21
Mean pay differential	1%	(4%)
Median pay differential	9%	1%

<u>Distribution of employees</u>	2021/22		2020/21	
	Female	Male	Female	Male
Upper quartile	57%	43%	59%	41%
Upper middle quartile	53%	47%	59%	41%
Lower middle quartile	83%	17%	71%	29%
Lower quartile	54%	46%	47%	53%

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

During 2021/22, the Trust was delighted to start offering an Employee Assistance Programme to employees and members of their immediate family. This service offers expert advice and compassionate guidance for personal and professional problems that could be affecting home life or work life, health and general wellbeing.

Governance

The Trust is committed to good governance and has a various documents and mechanisms in place to optimise effective corporate governance. This includes a Governance Framework (last reviewed March 2022) which clearly articulates our commitment to good governance, compliance with the law and regulations and promotes a culture where everything works towards fulfilling our vision.

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:

- Approval of the Trust’s Strategy 2030, following extensive consultation with employees and external stakeholders.

- At their annual strategy session in October 2021, trustees considered the things that were likely to impact on the Trust's work in the first half of Strategy 2030, including a horizon scanning exercise and a discussion session focusing on two major projects which considered achievements, strategic learning points and their implications for the future, as well as considering critical success factors going forward.
- Council appointed three EDI champions as part of their commitment to increase equality, diversity and inclusion. This recognised 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 Trust continues to deliver a framework for action which was developed with input from the Council for Ethnic Minority Voluntary Organisations (CEMVO) and the implementation of which is being led by an internal group of employees. CEMVO provided an EDI induction session for the three newly appointed EDI champions from Council and two members of the EDI action team.
- The Trust has continued 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 has strengthened the due diligence on nominees ahead of the election process.
- The Trust has transformed its information management which has resulted in information becoming more discoverable, streamlining processes and improved information security. Part of that exercise has included making compliance, contracts and agreements more accessible, as well as increased visibility of responsibilities.
- A formal procedure is available which ensures fair and consistent treatment if problems arise when an individual volunteers for the Trust.
- The Trust's website includes a complaints policy allowing individuals to report complaints quickly and easily and providing oversight of the nature of complaints received and their timely resolution.

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.

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>Retired 11 September 2021</i>	
	Dr Tim Duffy	Elected	<i>Eligible for re-election 2024</i>	✓
Finance	Bill Lambert	Co-opted	<i>Co-opted until 2022</i>	✓
Conservation	Dr Kenny Taylor	Elected	<i>Retired 11 September 2021</i>	
Other members of Council	Chris Arnold	Elected	<i>Appointed 11 September 2021 and eligible for re-election 2024</i>	✓
	Julian Caldecott	Elected	<i>Appointed 11 September 2021 and eligible for re-election 2024</i>	✓
	Carey Coombs	Co-opted	<i>Co-opted until 2022</i>	✓
	Deryck Irving	Elected	<i>Retired 11 September 2021</i>	
	Ian Jardine	Co-opted	<i>Co-opted until 2024</i>	✓
	Alasdair Lemon	Elected	<i>Eligible for re-election 2023</i>	✓
	Craig Marshall	Co-opted	<i>Co-opted until 2025</i>	✓
	Karen McKellar	Co-opted	<i>Retired 2021</i>	
	John Morris	Elected	<i>Due to retire 2024</i>	✓
	Nicola Munro CB	Elected	<i>Retired 11 September 2021</i>	
	Anthony Robson	Elected	<i>Due to retire 2024</i>	✓
	Jane Stuart-Smith	Elected	<i>Due to retire 2024</i>	✓
	Emma Steel	Elected	<i>Eligible for re-election 2023</i>	✓
Company Secretary	Susan McKenzie			✓

✓ - individuals serving at 23 June 2022.

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

Chiene + Tait LLP
Chartered Accountants
& Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

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

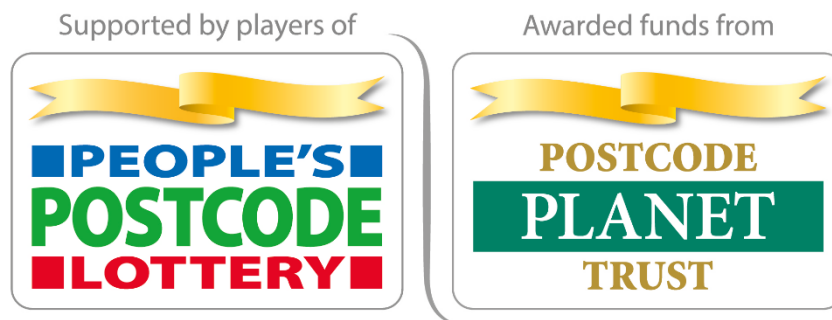
List of funders and supporters

The Scottish Wildlife Trust thanks all those who pledged or gave support during 2021/22.

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 33% 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 £505,000.

2022 marks 14 years of support from players of People's Postcode Lottery, with their continued backing enabling us to spend more than £6.8m 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 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, some particular highlights which PPL support has helped the Trust achieve are:

- The Scottish Government's decision to allow beavers to expand beyond their existing range.
- Policy and advocacy work centered on COP26 and COP15, with seven key asks to the Scottish Government.
- A presence at COP 26 with activities such as the Youth Manifesto and #HelpNatureHelpUs campaign, and our involvement in an exciting music video production.
- Resumption of face-to-face public engagement activities and events in our visitor centres, with group visits and fantastic local community engagement at Jupiter Urban Wildlife Centre being of particular note.
- Continued success in digital engagement - online events are well attended, provide a source of income and a welcome additional method of engagement. Montrose Basin Visitor Centre's inaugural online event – the People's Postcode Lottery Online Wild Goose Watch – was attended by over 500 households. Meanwhile, our Ospreys at Loch of the Lowes, continued to draw a global YouTube fanbase, fledging two chicks in June 2021.

Our corporate members:



Business Donations and sponsorship (in alphabetical order)

Anderson Strathern	OVO Energy
Bookspeed	Sanctuary Group
East End Vets, Glasgow	Scotch Whisky Association
FUJIFILM Imaging Colorants Ltd	Tesco's Bags of Help
Ovo Energy	

In-kind support – donations of materials, services, office space or labour (>£500; in alphabetical order)




Balfour Beatty	Nature Scot
Edrington	Office equipment
ESRI	OVO Energy
Google Adwords	TSB
Loch Lomond and Trossachs National Park Authority	

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

Edrington	Scottish Enterprise
John Lewis & Partners (Edinburgh)	

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

Ancaster Trust	KMF Maxwell-Stuart Charitable Trust
Bryson Corbett Charitable Trust	Lund Trust
Calouste Gulbenkian Foundation	Margaret Davis Charitable Trust
Demigryphon Trust	Mrs Campbell's Charitable Trust
D'Oyly Carte Charitable Trust	 HERITAGE FUND
Dr Robert Andrew Rutherford Trust	One Tree Planted
Dulverton Trust	Paths for All
 Esmée Fairbairn FOUNDATION	RSPB
Faslane Trust	Ronald Miller Foundation
 Garfield Weston FOUNDATION	Scottish Power Foundation
Graham and Henrietta Somervell Trust	St Katharine's Fund
Green Action Trust	Tennant Southpark Charitable Trust
Gunter Charitable Trust	The Batchworth Trust
Inchcape Foundation	North Lanarkshire Campsie Centre Legacy Fund
J & J R Wilson Trust	The Fairways Foundation
John Ellerman Foundation	Vellore Trust

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

Aberdeen Council
Angus Council
Crown Estate Scotland
ERASMUS +

European Solidarity Corps
Forest Enterprise Scotland
Forestry and Land Scotland
Highland Council

Loch Lomond & Trossachs National Park Authority



North Ayrshire Green Health Partnership
Perth & Kinross Council
Scottish Government
VisitScotland

Scottish Forum on Natural Capital – Member Donations

The Scottish Forum on Natural Capital is an initiative which brings together public, private and voluntary sector organisations in order to protect and rebuild Scotland's natural capital. The Trust is a founding partner of the Forum and provides its secretariat.

Bidwells
Ecosystems Knowledge Network
Ecus Scotland
Fast Track Impact Ltd
Forest Carbon Ltd
Hermes Investment
Highlands Rewilding Ltd

Institute of Chartered Foresters
John Ferry Hydrogeology
Royal Botanic Garden Edinburgh
SAOS Ltd
Scotland The Big Picture
Scottish Enterprise
Scottish Water

Scottish Wildlife Trust Local Groups

We extend our thanks to our 18 Local Groups for their fantastic local fundraising efforts which, despite restrictions, raised over £9,490 in 2021/22.

Individual donations and legacy gifts

In 2021/22, the Scottish Wildlife Trust received an exceptional £1,086,978 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 345 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
Dept of Agriculture, Environment & Rural Affairs
(NI)
Diageo
EFTEC



GreenChoice
Masterpile

Moors for the Future Partnership
National Trust
National Trust for Scotland
North Pennines AONB
Natural England
NatureScot
RSK Group Ltd
RSPB
Sigrid Rausing Trust
Soil Conservation Service of Iceland
South West Water
WaterLANDS

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
23 June 2022

Independent auditor's report to the Scottish Wildlife Trust

Opinion

We have audited the financial statements of The Scottish Wildlife Trust (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, and the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 charitable company's affairs as at 31 March 2022, 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 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other 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 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 trustees' 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 38, the trustees 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the charitable company and the sector in which it operates and considered the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud. These included but were not limited to the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

We focused on laws and regulations that could give rise to a material misstatement in the charitable company's financial statements. Our tests included, but were not limited to:

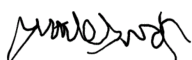
- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management and the trustees;
- review of minutes of trustee meetings throughout the period;
- review of evidence provided by third parties to ensure the valuation of investments is not materially misstated;
- specific consideration was given to transactions with related parties; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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.



Jeremy Chittleburgh (Senior Statutory Auditor)
For and on behalf of Chiene + Tait LLP
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

Date: 29 June 2022

Chiene + Tait LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Charity statement of financial activities (including income and expenditure account) for the year ended 31 March 2022

	Notes	Unrestricted Funds £	Restricted Funds £	Endowments £	2022 Total £	2021 Total £
<i>Income and emoluments from:</i>						
Donations and legacies	3	3,206,033	222,362	-	3,428,395	3,261,169
Charitable activities	3	347,684	3,665,009	-	4,012,693	2,560,400
Other incoming resources	3	36,528	167	-	36,695	134,859
Trading	3	20,269	200	-	20,469	10,400
Investment income	3,5	67,141	57,319	-	124,460	129,340
TOTAL INCOME		3,677,655	3,945,057	-	7,622,712	6,096,168
<i>Expenditure on:</i>						
Raising funds	6	242,429	349,440	-	591,869	523,367
Charitable activities	6	2,025,636	4,468,765	-	6,494,401	5,174,719
TOTAL EXPENDITURE		2,268,065	4,818,205	-	7,086,270	5,698,086
Realised gains/(losses)	5	175,384	-	60,862	236,246	(69,532)
Unrealised gains/(losses)	5	(43,030)	-	121,517	78,487	954,744
Gains/(losses) on investments		132,354	-	182,379	314,733	885,212
Net income /(expenditure)		1,541,944	(873,148)	182,379	851,175	1,283,294
Transfers between funds		(790,414)	790,414	-	-	-
<i>Other recognised gains/(losses)</i>						
Actuarial gain / (loss) on defined benefit pension scheme	21	605,371	-	-	605,371	81,738
NET MOVEMENT IN FUNDS		1,356,901	(82,734)	182,379	1,456,546	1,365,032
<u>Reconciliation of funds</u>						
Total funds brought forward		4,728,065	5,348,266	2,771,211	12,847,542	11,482,510
Total funds carried forward		6,084,966	5,265,532	2,953,590	14,304,088	12,847,542

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

Charity balance sheet as at 31 March 2022

		Group and charity	
	Notes	2022 £	2021 £
Tangible assets	15	971,995	1,099,824
Heritage assets	16	1,048,860	1,048,860
Investments	17	5,564,104	5,277,727
TOTAL FIXED ASSETS		7,584,959	7,426,411
Stock		26,584	26,690
Debtors	18	2,066,831	634,260
Cash at bank and in hand		5,240,260	6,033,942
TOTAL CURRENT ASSETS		7,333,675	6,694,892
Liabilities			
Amounts due within one year	19	(714,198)	(634,417)
Net current assets		6,619,477	6,060,475
Provision for dilapidations	20	(313,540)	(272,707)
Defined benefit pension obligation	21	413,192	(366,637)
		6,719,129	5,421,131
TOTAL NET ASSETS		14,304,088	12,847,542
<u>The funds of the charity</u>			
Restricted income funds	25	5,265,532	5,348,266
Endowment funds	25	2,953,590	2,771,211
Unrestricted free funds	25	1,195,493	1,390,175
Designated funds (unrestricted)	25	4,889,473	3,337,890
TOTAL FUNDS		14,304,088	12,847,542

The trustees have prepared financial statements 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 23 June 2022 and are signed by:



Linda Rosborough, Chair

Scottish Wildlife Trust company number: SC040247

Statement of cash flows for the year ended 31 March 2022

	Group and charity	
	2022	2021
	£	£
Cash used in operating activities (note 28)	(899,818)	546,017
Cash flows from investing activities		
Investment income	124,460	129,340
Payments to acquire investments	(867,545)	(376,381)
Proceeds from disposal of investments	1,066,521	491,014
Payments to acquire tangible fixed assets	(58,922)	(162,830)
Proceeds from disposal of tangible fixed assets	12,242	2,957
Cash provided by (used in) investing activities	276,756	84,100
CHANGE IN CASH AND CASH EQUIVALENTS IN YEAR	(623,062)	630,117
Cash & cash equivalents at 1 April	6,274,832	5,644,715
CASH & CASH EQUIVALENTS AT 31 MARCH	5,651,770	6,274,832
Cash held at bank	5,240,260	6,033,942
Cash held by investment managers	411,510	240,890
CASH & CASH EQUIVALENTS AT 31 MARCH	5,651,770	6,274,832

Analysis of changes in net debt

	At start of year	Cashflows	Other non-cash changes	At end of year
	£	£	£	£
Cash	5,240,260	793,682	-	6,033,942
Finance lease obligations	(408,832)	101,445	(187,783)	(495,170)
TOTAL	4,831,428	895,127	(187,783)	5,538,772

Notes to the financial statements for the year ended 31 March 2022

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) Second Edition – October 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 financial statements on a going concern basis

The Trust reported a cash outflow from operating activities of £899,818 (2021: inflow of £546,017) 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 2027 in March 2022. The Trust has an updated five year budget and cashflow forecasts 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) 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 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).

Notes to the financial statements for the year ended 31 March 2022

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.

d) 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.

e) 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.

f) 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.

g) 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.

h) 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.
- 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.

Notes to the financial statements for the year ended 31 March 2022

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.

i) 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.

j) Operating leases

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

k) 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](#).

l) Stock

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

m) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

n) Cash at bank and in hand

Cash at bank and 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.

Notes to the financial statements for the year ended 31 March 2022

o) 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.

p) 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.

q) 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.

r) 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.

s) 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

Notes to the financial statements for the year ended 31 March 2022

payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates.

The Trust has a funding agreement in place to eliminate the pension scheme deficit.

The Trust was able to identify its share of the scheme assets and scheme liabilities for the year ended 31 March 2020 onwards, 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.

As at the year ended 31 March 2022, the net defined benefit pension net position was given a valuation of £413,191, which has been included within the defined benefit obligation in the financial statements. Refer to note 21 for further details.

t) Investments

Quoted investments are stated at market value. 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.

u) 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.

v) 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.

w) 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 2022

3. Income – Group and charity

	Year ended 31 March 2022				Year ended 31 March 2021			
	Unrestricted funds (£)	Restricted funds (£)	Endowments (£)	2022 total (£)	Unrestricted funds (£)	Restricted funds (£)	Endowments (£)	2021 total (£)
Subscriptions	777,586	-	-	777,586	771,041	-	-	771,041
Donations through membership	356,273	-	-	356,273	353,919	-	-	353,919
Other donations	165,588	179,624	-	345,212	189,941	176,872	-	366,813
Gift aid	290,238	28,952	-	319,190	285,463	31,475	-	316,938
Community fundraising	24,870	3,286	-	28,156	10,627	1,850	-	12,477
Subscriptions & donations	1,614,555	211,862	-	1,826,417	1,610,991	210,197	-	1,821,188
Legacies	1,086,478	500	-	1,086,978	909,762	10,219	-	919,981
People's Postcode Lottery	505,000	10,000	-	515,000	510,000	10,000	-	520,000
Donations and legacies	3,206,033	222,362	-	3,428,395	3,030,753	230,416	-	3,261,169
National Lottery Heritage Fund	-	2,006,445	-	2,006,445	-	971,144	-	971,144
NatureScot	-	316,316	-	316,316	-	347,070	-	347,070
Landfill Communities Fund	-	-	-	-	-	45,140	-	45,140
Esmée Fairbairn Foundation	-	314,738	-	314,738	-	441,532	-	441,532
Other grant income (note 4)	60,750	927,891	-	988,641	73,100	430,901	-	504,001
Business support	24,920	8,560	-	33,480	16,550	78,310	-	94,860
Commercial contracts	1,610	5,621	-	7,231	595	1,810	-	2,405
Other - sales / rents / fees	260,404	85,438	-	345,842	133,870	20,378	-	154,248
Charitable activities	347,684	3,665,009	-	4,012,693	224,115	2,336,285	-	2,560,400
Furlough income	24,453	-	-	24,453	131,902	-	-	131,902
Asset sales	12,075	167	-	12,242	607	2,350	-	2,957
Other incoming resources	36,528	167	-	36,695	132,509	2,350	-	134,859
Corporate sponsorship	20,269	200	-	20,469	8,900	1,500	-	10,400
Trading activities	20,269	200	-	20,469	8,900	1,500	-	10,400
Investment income (note 5)	67,141	57,319	-	124,460	68,057	61,283	-	129,340
<i>Investment income</i>	67,141	57,319	-	124,460	68,057	61,283	-	129,340
Total income	3,677,655	3,945,057	-	7,622,712	3,464,334	2,631,834	-	6,096,168

The amount of grants received from government during the year was £30,500 (2021: £17,500).

Notes to the financial statements for the year ended 31 March 2022

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	
	2022	2021
	£	£
Aberdeen City Council/AWPR Mitigation Fund	14,099	13,840
Angus Council/Scottish Government	2,000	42,000
Baillie Gifford	80,000	-
Calouste Gulbenkian Foundation	-	20,000
Campsies Centre Cumbernauld Ltd via North Lanarkshire Council	24,648	-
Charlotte Street Partners/Diageo	10,000	-
City of Edinburgh Council/NLHF & National Trust Future Parks Accelerator	103,692	-
Coigach Community Development Company	5,850	6,168
Crown Estate Scotland	15,905	-
Daphne Hamilton Trust	-	5,000
Department of Agriculture, Environment and Rural Affairs (NI)	10,000	-
DEFRA	-	9,364
Dumfries and Galloway LEADER 2014 – 2020 Programme	-	19,447
Edinburgh City Council/NLHF & National Trust Future Parks Accelerator	-	6,172
European Union – Erasmus	-	29,755
Fairways Foundation	-	14,209
Faslane Trust	5,000	-
Fidra	-	25,000
Forestry & Land Scotland	82,307	82,307
Forestry & Land Scotland/AWPR Mitigation Fund	10,000	45,620
Garfield Weston Foundation	50,000	-
Green Action Trust	19,000	-
Greenchoice	42,554	-
Highland Council	-	6,000
J & J R Wilson Trust	7,000	-
John Ellerman Foundation	65,018	-
Loch Lomond & Trossachs National Park Authority	5,000	-
National Trust for Scotland	10,000	-
Natural England	25,000	-
North Ayrshire Green Health Partnership	-	5,000
North Pennines Area of Outstanding Beauty Partnership	16,500	-
Paths for All	6,644	6,642
Peak District National Park Authority	6,500	-
Perth & Kinross Council/Scottish Government	2,000	20,500
RSK Group Ltd	10,000	-
RSPB	40,000	25,000
RSPB/NLHF (Garnock Connections)	58,738	30,131
Scottish Badgers/NLHF (Earn Your Stripes)	11,645	8,461
Scottish Environment Protection Agency	-	-
Scottish Forestry	22,418	15,000
Scottish Government (Inc. Rural Priorities)	30,500	17,500
Scottish Power Foundation	37,554	-
Soil Conservation Service of Iceland	10,000	-
South West Water	5,000	5,000
The Batchworth Trust	15,000	-
The Scottish Council for Voluntary Organisations	7,259	-

Notes to the financial statements for the year ended 31 March 2022

The Sigrid Rausing Trust	75,000	-
University College Dublin/EC Horizon 2020	14,246	-
Visit Scotland	13,600	24,000
Other grants <£5k	18,964	21,885
	<u>988,641</u>	<u>504,001</u>

5. Investment income

Group and charity	2022			2021	
	Unrestricted £	Restricted £	Endowment £	Total £	£
Investment income	<u>67,141</u>	<u>57,319</u>	<u>-</u>	<u>124,460</u>	<u>129,340</u>
Realised gains/(losses)	175,384	-	60,862	236,246	(69,532)
Unrealised (losses) / gains	<u>(43,030)</u>	<u>-</u>	<u>121,517</u>	<u>78,487</u>	<u>954,744</u>
	<u>132,354</u>	<u>-</u>	<u>182,379</u>	<u>314,733</u>	<u>885,212</u>

The group's investment income of £124,460 (2021: £129,340) 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

	2022			2021	
	Unrestricted £	Restricted £	Endowment £	Total £	£
Healthy Ecosystems	65,740	1,961,523	-	2,027,263	1,249,458
Protected Places	1,156,756	885,804	-	2,042,560	1,549,978
Thriving Species	118,453	1,016,862	-	1,135,315	1,051,970
A Scotland that values and benefits from nature	684,687	604,576	-	1,289,263	1,323,313
Charitable activities	<u>2,025,636</u>	<u>4,468,765</u>	<u>-</u>	<u>6,494,401</u>	<u>5,174,719</u>
Raising funds	<u>242,429</u>	<u>349,440</u>	<u>-</u>	<u>591,869</u>	<u>523,367</u>
Total spend	2,268,065	4,818,205	-	7,086,270	5,698,086
2020/21 charitable costs			-	5,698,086	5,980,490

Notes to the financial statements for the year ended 31 March 2022

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)	2022	Total direct costs 2021	2021
	£	£	£	£	£	£	£
Healthy Ecosystems	502,767	1,339,861	1,842,628	184,635	2,027,263	1,110,882	1,249,458
Protected Places	846,194	983,853	1,830,047	212,514	2,042,561	1,379,098	1,549,978
Thriving Species	677,319	352,336	1,029,655	105,659	1,135,314	936,282	1,051,970
A Scotland that values and benefits from nature	611,427	542,622	1,154,049	135,214	1,289,263	1,177,126	1,323,313
	2,637,707	3,218,672	5,856,379	638,022	6,494,401	4,603,388	5,174,719
Raising funds	413,351	120,372	533,723	58,146	591,869	464,571	523,367
Support costs (note 8)	483,239	212,929	696,168	(696,168)	-	630,127	-
	3,534,297	3,551,973	7,086,270	-	7,086,270	5,698,086	5,698,086

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	2022	2021
	£	£	£	£	£	£
Projects	1,784,637	762,756	925,162	549,191	4,021,746	2,812,339
Reserve management	1,712	1,020,905	53,212	-	1,075,829	1,055,909
Visitor centres	-	-	-	241,229	241,229	196,215
Marketing	-	-	-	242,652	242,652	272,591
People & wildlife	-	-	-	114,468	114,468	104,465
Policy	56,279	46,386	51,281	6,509	160,455	161,869
	1,842,628	1,830,047	1,029,655	1,154,049	5,856,379	4,603,388

Notes to the financial statements for the year ended 31 March 2022

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:

					A Scotland that values and benefits from nature	2022	2021
Support Costs	Fundraising	Healthy Ecosystems	Protected Places	Thriving Species			
	£	£	£	£	£	£	£
Finance & governance	12,180	42,050	41,763	23,499	26,336	145,828	164,482
Head office	12,764	44,067	43,766	24,624	27,599	152,820	175,301
HR and pension	12,816	44,245	43,942	24,724	27,710	153,437	69,624
Management	11,967	41,318	41,036	23,088	25,878	143,287	119,561
Health & safety	1,606	5,545	5,507	3,098	3,473	19,229	16,124
ICT	6,813	23,520	23,360	13,143	14,731	81,567	85,035
	58,146	200,745	199,374	112,176	125,727	696,168	630,127

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	
	2022	2021
	£	£
Auditors' remuneration	14,272	16,588
Services provided by entities related to auditor	3,341	2,344
Depreciation on all other fixed assets	186,751	169,338
Operating leases	117,336	108,971
Professional indemnity insurance	2,380	873

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

	Group and charity	
	2022	2021
	£	£
Salaries and wages	3,012,458	2,836,501
Social security costs	258,584	236,392
Pension costs	217,023	220,189
	3,488,065	3,293,082
Defined benefit pension costs (note 21)	48,917	94,226
Accrual for annual leave	(2,685)	4,804
TOTAL	3,534,297	3,392,112

Notes to the financial statements for the year ended 31 March 2022

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 (2021: one employee exceeding £70,000 but not over £80,000). This employee was a member of the defined contribution pension scheme (2021: one employee).

The charity trustees were not paid nor received any other benefits from employment with the Trust or its subsidiary in the year (2021: £nil). No expenses in relation to travel and subsistence costs were reimbursed to Council members during the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £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 £265,444 (2021: £259,385).

Redundancy payments of £43,650 were made during the year (2021: £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:

	2022	2021
	Number	Number
Conservation	26.8	31.4
Projects	50.4	44.5
External Affairs	17.6	18.8
Finance & Resources	18.9	18.6
Chief Executive	1.0	1.0
	<u>114.7</u>	<u>114.3</u>

The average number of individuals employed during the year was 139 (2021: 137).

12. Pension contributions

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

	2022	2021
	£	£
The Wildlife Trusts Pension Scheme	223,375	215,745
Royal London - stakeholder scheme	<u>217,015</u>	<u>220,189</u>
	<u>440,390</u>	<u>435,934</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.

Notes to the financial statements for the year ended 31 March 2022

13. Related party transactions

The Vice-Chair of Finance is a trustee 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 £635 (2021: £984). 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 2022 was £nil (2021: £nil).

15. Tangible fixed assets

Group and charity	Long leasehold land and buildings	Plant, machinery and motor vehicles	Computers	Total
<u>COST</u>	£	£	£	£
As at 31 March 2021	1,624,018	1,025,678	126,673	2,776,369
Additions	-	58,922	-	58,922
Disposals	-	(68,238)	(61,824)	(130,062)
As at 31 March 2022	1,624,018	1,016,362	64,849	2,705,229
<u>DEPRECIATION</u>				
As at 1 April 2021	1,117,834	473,448	85,263	1,676,545
Charge for year	75,149	96,002	15,600	186,751
Disposals	-	(68,238)	(61,824)	(130,062)
As at 31 March 2022	1,192,983	501,212	39,039	1,733,234
<u>NET BOOK VALUE</u>				
As at 31 March 2022	431,035	515,150	25,810	971,995
As at 31 March 2021	506,184	552,230	41,410	1,099,824

Notes to the financial statements for the year ended 31 March 2022

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	2021/22	2020/21	2019/20	2018/19	2017/18
<u>Wildlife reserves</u>	£	£	£	£	£
Cost brought forward	1,048,860	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	1,048,860	1,048,858	1,048,858	1,048,858

30 (2021: 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.

	As at 1 April 2021	Additions during year	Disposals during year	As at 31 March 2022
<u>Purchase cost of wildlife reserves</u>	£	£	£	£
37 costing less than £10k each	124,212	-	-	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
	1,048,860	-	-	1,048,860

Notes to the financial statements for the year ended 31 March 2022

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

Group and charity	Unrestricted main fund		Endowment sub-total		Total	
	2022	2021	2022	2021	2022	2021
	£	£	£	£	£	£
Market Value at b/fwd	2,456,372	2,071,255	2,580,465	2,195,003	5,036,837	4,266,258
Purchases	500,699	243,041	366,846	133,340	867,545	376,381
Disposals	(603,251)	(267,560)	(463,270)	(223,454)	(1,066,521)	(491,014)
Gains/ (losses)	132,354	409,636	182,379	475,576	314,733	885,212
Market value c/fwd	2,486,174	2,456,372	2,666,420	2,580,465	5,152,594	5,036,837
Cash	195,308	106,499	216,202	134,391	411,510	240,890
As at 31 March	2,681,482	2,562,871	2,882,622	2,714,856	5,564,104	5,277,727
Cost at 31 March	2,321,869	2,159,921	2,279,766	2,232,761	4,601,635	4,392,682

Group and charity	Cumbernauld		Irvine		Endowment sub-total	
	2022	2021	2022	2021	2022	2021
	£	£	£	£	£	£
Market Value b/fwd	1,501,525	1,279,729	1,078,940	915,274	2,580,465	2,195,003
Purchases	214,983	74,951	151,863	58,389	366,846	133,340
Disposals	(270,573)	(129,431)	(192,697)	(94,023)	(463,270)	(223,454)
Gains/ (losses)	107,379	276,276	75,000	199,300	182,379	475,576
Market value c/fwd	1,553,314	1,501,525	1,113,106	1,078,940	2,666,420	2,580,465
Cash	124,643	77,629	91,559	56,762	216,202	134,391
As at 31 March	1,677,957	1,579,154	1,204,665	1,135,702	2,882,622	2,714,856
Cost at 31 March	1,327,203	1,297,973	952,563	934,788	2,279,766	2,232,761

Notes to the financial statements for the year ended 31 March 2022

17. Investments (continued)

Group and charity	Unrestricted Main fund		Endowment sub-total		TOTAL	
	2022	2021	2022	2021	2022	2021
	£	£	£	£	£	£
Fixed interest	745,013	649,890	471,388	458,610	1,216,401	1,108,500
UK equities	685,210	723,073	945,362	823,550	1,630,572	1,546,623
Overseas equities	655,269	717,563	963,447	1,013,608	1,618,716	1,731,171
Other	400,682	365,846	286,223	284,697	686,905	650,543
As at 31 March	2,486,165	2,456,372	2,666,420	2,580,465	5,152,594	5,036,837
Cash	195,308	106,499	216,202	134,391	411,510	240,890
	<u>2,681,482</u>	<u>2,562,871</u>	<u>2,882,622</u>	<u>2,714,856</u>	<u>5,564,104</u>	<u>5,277,727</u>

Group and charity	Cumbernauld		Irvine		Endowment sub-total	
	2022	2021	2022	2021	2022	2021
	£	£	£	£	£	£
Fixed interest	268,401	264,042	202,987	194,568	471,388	458,610
UK equities	531,354	480,741	414,008	342,809	945,362	823,550
Overseas equities	592,350	586,447	371,097	427,161	963,447	1,013,608
Other	161,209	170,295	125,014	114,402	286,223	284,697
As at 31 March	1,553,314	1,501,525	1,113,106	1,078,940	2,666,420	2,580,465
Cash	124,643	77,629	91,559	56,762	216,202	134,391
	<u>1,677,957</u>	<u>1,579,154</u>	<u>1,204,665</u>	<u>1,135,702</u>	<u>2,882,622</u>	<u>2,714,856</u>

The following investments, all within the General Fund are considered to be material in the context of the value of the portfolio as collectively they represent over 30% of the portfolio:

	2022	2021
	£	£
Aberforth Smaller Companies Trust	-	238,781
F&C Fund Management Ltd	327,537	299,187
HICL Infrastructure Ltd	280,936	219,871
IShares IV Plc	-	202,407
Trojan Ethical Income	-	293,010
Rathbone Unit Trust Management Ethical Bond	334,125	361,707
Royal London Ethical Bond	329,761	351,923
The Renewables Infrastructure Group	292,411	239,069
	<u>1,564,770</u>	<u>2,205,955</u>

The Scottish Wildlife Trust holds the entire share capital of Natural Capital Scotland Limited (1 ordinary share of £1). Further details are shown within note 30.

Notes to the financial statements for the year ended 31 March 2022

18. Debtors

	Group and charity	
	2022	2021
	£	£
Amounts falling due within one year		
Sundry debtors	110,544	213,533
Prepayments and accrued income	1,879,299	338,868
Income tax recoverable	76,988	81,859
	<u>2,066,831</u>	<u>634,260</u>

19. Creditors

	Group and charity	
	2022	2021
	£	£
Amounts due within one year:		
Other taxation and social security	-	12,890
Other creditors	600,655	352,171
Prepaid Income	113,543	269,356
Total creditors	<u>714,198</u>	<u>634,417</u>
 Prepaid income		
Balance brought forward	269,356	185,690
Income released in year	(269,356)	(65,104)
Income deferred in year	113,543	148,770
Balance carried forward	<u>113,543</u>	<u>269,356</u>

20. Provisions

	Group and charity	
	2022	2021
	£	£
Provision for dilapidations	313,540	272,707
Balance brought forward	272,707	264,290
Provided within year	40,833	8,417
Balance carried forward	<u>313,540</u>	<u>272,707</u>

Notes to the financial statements for the year ended 31 March 2022

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 2021 was £366,637 and is a surplus of £413,192 as at 31 March 2022.

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.

	2022	2021
	£	£
Fair value of assets attributed to the Trust	4,781,088	4,534,594
Present value of defined benefit obligation attributed to the Trust	<u>4,367,896</u>	<u>4,901,231</u>
Net deficit recognised as a liability in the balance sheet	<u>413,192</u>	<u>(366,637)</u>

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

	2022	2021
	£	£
Opening defined benefit obligation attributed to the Trust	4,901,231	4,417,165
Current service cost	-	-
Administration cost	42,968	72,215
Interest cost	93,411	98,371
Employee contributions	-	-
Actuarial losses/(gains)	(403,861)	476,444
Benefits paid including expenses	<u>(265,853)</u>	<u>(162,964)</u>
Closing defined benefit obligation attributed to the Trust	<u>4,367,896</u>	<u>4,901,231</u>

Notes to the financial statements for the year ended 31 March 2022

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

	2022	2021
	£	£
Opening fair value of assets attributed to the Trust	4,534,594	3,847,270
Interest income on assets attributed to the Trust	88,008	87,035
Employee contributions	-	-
Contributions paid by the Trust	222,829	205,071
Gains/(losses) on assets attributed to the Trust	201,510	558,182
Benefits paid including expenses	(265,853)	(162,964)
Closing defined benefit obligation attributed to the Trust	4,781,088	4,534,594

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

	2022	2021
	£	£
Administration expenses	42,968	72,215
Adjustment to contributions	546	10,674
Net interest on the net defined benefit liability	5,403	11,336
Total recognised in the statement of financial activities	48,917	94,225

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

	2022	2021
	£	£
Gains/(losses) on assets attributed to the Trust	201,510	558,182
Less: amounts included in net interest on the net defined liability	-	-
Return on scheme assets excluding interest income	201,510	558,182
Actuarial gain/(loss)	403,861	(476,444)
Adjustment to contribution	-	-
Remeasurement (loss) recognised in other recognised gains and losses	605,371	81,738

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:

	2022	2021
	£	£
UK equities	224,711	194,988
Overseas equities	1,506,043	1,355,844
Diversified growth funds	1,099,650	1,065,630
UK Government fixed interest bonds	597,636	648,447
UK Government index linked bonds	731,506	666,585
UK corporate bonds	411,174	439,856
Property	119,527	95,226
Cash	90,841	68,018
Fair value of assets attributed to the Trust	4,781,088	4,534,594
Present value of defined benefit obligation attributed to the Trust	(4,367,897)	(4,901,231)
Net deficit recognised as a liability in the balance sheet	413,191	(366,637)

Notes to the financial statements for the year ended 31 March 2022

Scottish Wildlife Trust's required payment towards the past service deficit in 2021/22 was £222,829 (2021: £215,745) as disclosed in note 12. The latest contribution proposal reflects the most recent valuation and will result in an increase in the monthly repayment increasing from £18,751 to £19,314 per month from August 2022. 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 2022 the liability for the past service deficit payments which is not recognised on the balance sheet is £1,069,344 (2021: £1,272,232).

The actuarial assumptions used were as follows:

	As at 31 March 2022	As at 31 March 2021
Discount rate	2.65%	1.95%
Retail Prices Index (RPI) Inflation	3.65%	3.45%
Consumer Prices Index (CPI)	2.85%	2.65%
Future increases to deferred pensions	2.85%	2.65%
Rate of increase to pensions in payment		
- Fixed 5% pa	5.00%	5.00%
- RPI max 5% pa	3.35%	3.20%
Mortality (before and after retirement)		
- Males: % of S3PA	96%	96%
- Females: % of S3PA	95%	95%
- CMI_2020 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	22.4	22.7
Life expectancy of a male aged 65 in 20 years from the balance sheet date	23.7	24.0
Life expectancy of a female aged 65 at the balance sheet date	24.9	25.0
Life expectancy of a female aged 65 in 20 years from the balance sheet date	26.3	26.4

Notes to the financial statements for the year ended 31 March 2022

22. Contingent assets – legacy income

As at 31 March the charity had been notified of 26 legacies (2021: 20) 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.

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.

During the year ended 31 March 2022, the Trustees of the charity were made aware of a potential issue relating to the defined benefit section of the Scheme. A detailed investigation is currently underway to establish the extent, if any, to which this could result in financial liability to participating employers. As it is not possible to reliably estimate the value of any potential liability, no provision has been made for this in the financial statements

24. Capital commitments

The Trust had entered into contractual commitments (including placed orders) totalling £16,018 (2021: £17,590) prior to the year-end.

Notes to the financial statements for the year ended 31 March 2022

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 2021/22

	Balance as at 1 April 2021 £	Income £	Changes in designation £	New designation £	Spend £	Gains / (losses) £	Transfers £	Balance as at 31 March 2022 £
Unrestricted funds								
Free funds	1,390,175	2,590,677	-	-	(1,176,087)	737,725	(2,346,997)	1,195,493
Total free funds	1,390,175	2,590,677	-	-	(1,176,087)	737,725	(2,346,997)	1,195,493
Designated funds								
Wildlife reserve maintenance	-	1,086,978	-	-	(1,086,978)	-	-	-
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
Strategy 2030	298,460	-	-	-	-	-	1,001,540	1,300,000
Pension deficit	905,594	-	-	-	-	-	576,942	1,482,536
Fixed assets net book value	428,836	-	-	-	-	-	(21,899)	406,937
Total designated reserves	3,337,890	1,086,978	-	-	(1,091,978)	-	1,556,583	4,889,473

Notes to the financial statements for the year ended 31 March 2022

Funds summary 2021/22 (continued)

	Balance as at 1 April 2021	Income	Changes in designation	New designation	Spend	Gains / (losses)	Transfers	Balance as at 31 March 2022
	£	£	£	£	£	£	£	£
Restricted funds								
Property	490,399	-	-	-	(67,531)	-	-	422,868
Wildlife reserves	1,027,735	-	-	-	-	-	-	1,027,735
Wildlife reserve management	128,099	-	-	-	(7,412)	-	1,196	121,883
IUCN UK Peatland Programme	227,572	425,371	-	-	(535,774)	-	86,457	203,626
Living Seas	152,680	131,643	-	-	(155,256)	-	25,053	154,120
Creating Natural Connections	347,854	393,254	-	-	(416,354)	-	67,186	391,940
McVean Living Landscapes	785,354	-	-	-	-	-	-	785,354
SSRS (Developing Community Action)	553,186	770,541	103,998	-	(1,016,613)	-	169,549	580,661
Nature Based Solutions	39,420	112,523	-	-	(75,368)	-	12,162	88,737
Oceans of Value	50,044	65,018	-	-	(28,515)	-	4,602	91,149
Coigach-Assynt Living Landscape Project	122,090	1,269,205	10,460	-	(1,540,069)	-	248,519	110,205
Other	1,423,833	777,502	(114,458)	-	(975,313)	-	175,690	1,287,254
Total restricted funds	5,348,266	3,945,057	-	-	(4,818,205)	-	790,414	5,265,532
Endowment funds								
Cumbernauld	1,601,141	-	-	-	-	107,379	-	1,708,520
Irvine	1,170,070	-	-	-	-	75,000	-	1,245,070
Total endowment funds	2,771,211	-	-	-	-	182,379	-	2,953,590
Total funds	12,847,542	7,622,712	-	-	(7,086,270)	920,104	-	14,304,088

Notes to the financial statements for the year ended 31 March 2022

Funds summary 2020/21

	Balance as at 1 April 2020 £	Income £	Changes in designation £	New designation £	Spend £	Gains / (losses) £	Transfers £	Balance as at 31 March 2021 £
Unrestricted funds								
Free funds	1,754,497	3,464,334	(187,080)	(2,409,762)	(1,123,765)	491,373	(599,422)	1,390,175
Total free funds	1,754,497	3,464,334	(187,080)	(2,409,762)	(1,123,765)	491,373	(599,422)	1,390,175
Designated funds								
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
Total designated reserves	1,650,810	-	187,080	2,409,762	(909,762)	-	-	3,337,890

Notes to the financial statements for the year ended 31 March 2022

Funds summary 2020/21 (continued)

	Balance as at 1 April 2020	Income	Changes in designation	New designation	Spend	Gains / (losses)	Transfers	Balance as at 31 March 2021
	£	£	£	£	£	£	£	£
Restricted funds								
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
Total restricted funds	5,781,569	2,631,834	-	-	(3,664,559)	-	599,422	5,348,266
Endowment funds								
Cumbernauld	1,324,863	-	-	-		276,278	-	1,601,141
Irvine	970,771	-	-	-		199,299	-	1,170,070
Total endowment funds	2,295,634	-	-	-		475,577	-	2,771,211
Total funds	11,482,510	6,096,168	-	-	(5,698,086)	966,950	-	12,847,542

Notes to the financial statements for the year ended 31 March 2022

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 strategic 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 reserves 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 provides a contingency for the current project in its final year, as well as providing the ability to support other work in the area.
- 3) Coigach & Assynt Living Landscape – working with a broad range of partners, the Trust has all but completed 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 the completion of 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. Financial forecasts include investment in fundraising activities in order to diversify income streams and aim to make the Trust more financially resilient.
- 5) Strategy 2030 – the Trust has created a designated reserve which will fund priority initiatives which support delivery of Strategy 2030.
- 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.

Notes to the financial statements for the year ended 31 March 2022

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 2021/22, 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 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 programme 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 ambitious landscape-scale initiatives which achieve 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.
- Nature Based Solutions – a project to strengthen Scotland's response to the climate and biodiversity emergencies
- Oceans of Value – a project to improve our collective knowledge of the marine environment, and address any shortcomings by applying a new approach to identifying, understanding and communicating the different values of Scotland's seas.
- 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.

Notes to the financial statements for the year ended 31 March 2022

26. Analysis of net assets between funds

Group and charity	General unrestricted fund £	Restricted funds £	Endowment funds £	2022 Total funds £
Fixed assets	406,927	1,613,918	-	2,020,845
Investments	2,681,482	-	2,882,622	5,564,104
Net current assets	2,583,365	3,651,614	70,968	6,305,947
Defined benefit pension liability	413,192	-	-	413,192
	<u>6,084,966</u>	<u>5,265,532</u>	<u>2,953,590</u>	<u>14,304,088</u>

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	2,102,995	3,628,425	56,356	5,787,775
Defined benefit pension liability	(366,637)	-	-	(366,637)
	<u>4,728,065</u>	<u>5,348,266</u>	<u>2,771,212</u>	<u>12,847,542</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	
	2022 £	2021 £
Net movement in funds	1,456,546	1,365,032
Add back depreciation charge	186,751	169,302
Deduct investment income	(124,460)	(129,340)
Deduct realised gains/(losses) on investments	(236,246)	69,532
Deduct unrealised gains/(losses) on investments	(78,487)	(954,744)
Deduct gain on sale of fixed assets	(12,242)	(2,957)
(Increase)/decrease in stocks	106	(695)
(Increase)/decrease in debtors	(1,426,009)	151,352
Increase/(decrease) in creditors	114,052	81,793
Increase/(decrease) in pension	(779,829)	(203,258)
Net cash inflow/(outflow) from operating activities	<u>(899,818)</u>	<u>546,017</u>

Notes to the financial statements for the year ended 31 March 2022

29. Financial commitments

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

	2022	2021
	£	£
Land and buildings		
Amounts payable falling due within one year	122,454	101,445
Amounts payable falling due in more than one year but less than five years	325,899	230,614
Amounts payable falling due after five years	46,817	76,773
Total	<u>495,170</u>	<u>408,832</u>

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.

Notes to the financial statements for the year ended 31 March 2022

31. 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
TOTAL INCOME		3,464,334	2,631,834	-	6,096,168	7,208,468
<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
TOTAL EXPENDITURE		2,033,527	3,664,559	-	5,698,086	5,980,490
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)
Net income /(expenditure)		1,840,442	1,032,725	475,577	1,283,294	965,746
Transfers between funds		(599,442)	599,422	-	-	-
<i>Other recognised gains/(losses)</i>						
Actuarial gain / (loss) on defined benefit pension scheme	21	81,738	-	-	81,738	(4,726)
Initial recognition of defined benefit pension scheme	21	-	-	-	-	815,287
NET MOVEMENT IN FUNDS		1,322,758	(433,303)	475,577	1,365,032	1,776,307
<u>Reconciliation of funds</u>						
Total funds brought forward		3,405,307	5,781,569	2,295,634	11,482,510	9,706,203
Total funds carried forward		4,728,065	5,348,266	2,771,211	12,847,542	11,482,510

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