



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

Annual report and financial statements

Year ended 31 March 2023

Scottish charity number SC005792

Company number SC040247

Contents

	Page
Message from the Chair	3
Chief Executive's report	5
Trustees' report	7
<i>Objectives and activities</i>	
Our purpose and activities	8
Our vision and objectives	9
Our partnerships and collaborations	11
<i>Strategic report</i>	
Achievements and performance	12
Financial review	15
Plans for future periods	20
Principal risks and uncertainties	22
Structure, governance and management	24
Reference and administrative details	28
List of funders and supporters	30
Trustees' responsibilities in relation to the financial statements	34
Independent auditor's report to the Scottish Wildlife Trust	35
Charity statement of financial activities	38
Charity balance sheet	39
Statement of cash flows	40
Notes to the financial statements	41

Message from the Chair

Welcome to the annual report and financial statements for the Scottish Wildlife Trust. The report gives an overview of the work of the Trust for the twelve months from 1 April 2022 to 31 March 2023. It has been good to see the Trust's successes, as we continue to respond and grow after the COVID years.

This has been the first year of Strategy 2030, a new framework of our ambition for the decade.

We want nature to be at the heart of Scotland's future. Our strategy was developed between trustees and staff with input from members to set out our goals for making this happen. I am very grateful for all the contributions, which provide a clear direction of travel for the Trust, responding to the most critical issues of our age.

A key challenge for the Trust is what should be prioritised amidst all the ways in which Scotland's nature needs our support. Through working together on the new strategy, we have been able to commit to prioritising actions which will achieve scale and have the potential to make the greatest contribution to nature's recovery, including through community leadership and action to tackle the climate crisis.

To this end, I'm delighted to report that we have embarked on the first major phase of our Riverwoods initiative, with initial funding received from the National Lottery Heritage Fund. Our objective is to create a network of thriving riverbank woodlands and healthy, resilient river systems throughout Scotland, delivering a range of environmental, social and economic benefits. As we confront new challenges we are also seeking to mainstream and consolidate the success of existing programmes, such as our work to save red squirrels and our pioneering activities within the three Living Landscapes in Coigach & Assynt, Cumbernauld and Edinburgh.

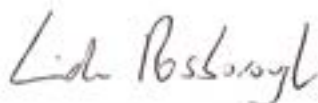
One of our goals in Strategy 2030 is that communities across Scotland will be taking action for nature in an increasingly diverse, collective effort in which everyone can play their part. To help kick off this journey, we launched our Nextdoor Nature Pioneers Programme to enable community leaders to build their skills, abilities and influence to aid nature's recovery.

Our network of local groups and local volunteers remains strong and it has been pleasing to see face-to-face meetings return. At our AGM in September we were pleased to present five volunteer awards and celebrate the contribution made by so many people to the work of the Trust. Many unsung heroes commit their time and effort over decades to look after special sites or organise nature-based activities. We were delighted to recognise and celebrate that input.

The financial foundations of the Trust continue to be strong, despite the pressures of the pandemic. This is in large part because of the support we have received from members and supporters over many years, giving us the resilience we need in leaner times.

On behalf of all our trustees, I would like to express our gratitude for the generosity of supporters in responding to our appeals and for making the Trust the beneficiary of legacy bequests. It is this which is enabling us to continue our vital work to protect wildlife for present and future generations to enjoy.

Scotland's nature must be at the heart of Scotland's future. Thank you to our members, donors, volunteers, staff and all our supporters and partners for your support to make it happen.

A handwritten signature in black ink, reading "Linda Rosborough". The script is fluid and cursive, with the first name "Linda" and last name "Rosborough" clearly distinguishable.

Linda Rosborough
Chair of Council

Chief Executive's report

This year's annual report highlights many wonderful achievements and reflects an enormous amount of hard work and dedication from volunteers, staff, partners and collaborators, combined with the generosity of our members, supporters and funders who have made our work possible. As always, we strive to use the charity's resources to the best possible effect, prioritising our activities where we believe we can make the biggest difference.

Together, we have taken significant steps over the past year to protect and restore Scotland's precious wildlife and wild places. Our work on habitat restoration, for example, has yielded positive results. A major project at the Dullatur Marsh Wildlife Reserve near Cumbernauld saw the successful planting of 11,200 native trees of local provenance, rejuvenating 28 hectares of land and creating six wildlife ponds. Additionally, we completed peatland restoration work at Bankhead Moss Wildlife Reserve in Fife, benefiting sphagnum mosses and other raised bog specialist species.

Alongside habitat restoration, species conservation has continued to be an important focus of our efforts. Notably, the reintroduction of the tiny and rare pond mud snail at Red Moss of Balerno Wildlife Reserve proved successful, thanks to the collaboration with the Royal Zoological Society of Scotland. At our Falls of Clyde Wildlife Reserve, our monthly riverfly surveys discovered a high number of cased caddisfly larvae. These small yet vital creatures serve as an important prey species for fish and birds, highlighting the importance of our wildlife reserves for biodiversity.

Raising awareness and involving communities in conservation efforts both remain crucial to the achievement of our vision and have never been more important. Over the past year, our annual Great Scottish Squirrel Survey has increased public understanding of the plight of red squirrels and played a vital role in helping to protect this threatened species. We are also thrilled to have supported the establishment of new Wildlife Watch groups in Caithness, Perth and Clydebank, inspiring young people to connect with and learn about nature.

Meanwhile, within our Living Seas programme, the power of storytelling has been brought to life in our *Oceans of Value* film, featuring inspiring stories from Orkney, showcasing people's relationship with the sea and their vision for its future management. The film has been extremely warmly received by audiences and has attracted praise from renowned wildlife filmmaker and Scottish Wildlife Trust Ambassador, Gordon Buchanan. To encourage more people to experience Scotland's seas, we also publicly launched new snorkel trails in East Lothian, North Argyll and Torridon, providing immersive experiences and fostering a deeper appreciation for marine life.

Our collaborative efforts have extended to partnerships with a host of different groups and local communities, including through the Action in Ayrshire project which mobilised volunteers to carry out activities ranging from tree planting and bat box installations to the removal of invasive plant species, including on Trust reserves. At the same time, through initiatives like Get Sett Scotland, a partnership led by Scottish Badgers and supported by the Scottish Wildlife Trust, we engaged with young people, asylum seekers, and individuals facing barriers to employment, fostering a sense of connection and inspiring them to become nature champions.

Engagement with professionals in the business and finance sectors has also been important this year. Through our work with the Scottish Forum on Natural Capital, for which the Trust provides the Secretariat, a Business in the Blue Economy workshop brought together over 70 participants at St

Andrews University, fostering discussions on policies, research, and investment opportunities to support Scotland's blue economy and marine conservation.

Direct and indirect influence and advocacy have continued to be a central part of our work. Over the past year we have actively contributed to the development and launch of Scotland's beaver strategy, provided key insights on the evolving Scottish Biodiversity Strategy, and participated in consultations on various crucial issues such as the new Agriculture Bill. Our voices have been heard, and we are making an impact on shaping conservation policies.

On a more practical level, throughout all these endeavours, we have continued to prioritise visitor safety and engagement on our wildlife reserves across Scotland. New interpretation and health and safety signage have been introduced over the past 12 months, along with upgrades to footpaths, enhancing the experience for all who explore the wonders of nature with us.

Of course, none of these accomplishments would have been possible without the unwavering dedication of our volunteers. Over 950 individuals generously contributed more than 29,000 hours of their time this year, undertaking a wide range of tasks, from osprey protection work to welcoming visitors to our reserves. We are extremely grateful to each and every one of them.

The Scottish Wildlife Trust's achievements over the past year have been impressive but there are of course many areas where we want to achieve even more. From further reducing our negative ecological footprint to finding more ways of sharing our successes, from accelerating the pace of change within government to identifying new opportunities for connectivity between our wildlife reserves, there is much that needs to be done. However, by working together, continuing to learn and focusing on where we can have the greatest impact, we will continue to create a better future for nature and people.

Finally, I want to express sincere appreciation to our members and donors, including the 3,106 new members whom we were delighted to welcome this year. Your support, large and small, has been instrumental in driving our conservation efforts forward.

Thank you to all of you who have become part of the journey.



Jo Pike
Chief Executive

Report of the trustees for the year ended 31 March 2023

The trustees are pleased to present their annual directors' report together with the financial statements of the Scottish Wildlife Trust for the year ended 31 March 2023. These are also prepared to meet the requirements for a directors' report and financial statements 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 financial statements 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 over 100 different organisations.

At the heart of its work, the Trust manages 115 wildlife reserves, covering 18,400 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 also 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, agriculture and both the new Biodiversity Strategy and the Natural Environment Bill, which will set legally binding nature targets. Throughout these issues the Trust remains solutions-focused and highlights the role of nature-based solutions 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 has facilitated further relationship building and partnerships with a range of stakeholders for the long-term benefit of biodiversity. We continue to lead work on natural capital and nature finance through the Scottish Forum on Natural Capital and the Scottish Nature Finance Pioneers sub-group.

The Trust works 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. This year, we embarked on the delivery of 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:

- Promoting nature's recovery, and preventing its decline, on our wildlife reserves.
- 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.
- 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 launched its Strategy 2030 in this financial year. Strategy 2030 sets out our five goals and how we plan to achieve them. 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.

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 2022-23 for each of the five goals were as follows:

Goal 1: Our wildlife reserves have directly contributed to nature's recovery

- Completed a major habitat restoration project on 28 hectares of the Trust's Dullatur Marsh Wildlife Reserve near Cumbernauld, planting 11,200 local provenance native trees at a density to encourage future natural regeneration and creating six wildlife ponds.
- Recorded five of the tiny and very rare pond mud snails at the Trust's Red Moss of Balerno Wildlife Reserve in the Pentlands following the reintroduction of the species to the reserve in 2018 by the conservation breeding team at the Royal Zoological Society of Scotland.
- Completed peatland restoration work on a 7.5-hectare area of raised bog at the Trust's Bankhead Moss Wildlife Reserve in Fife removing encroaching scrub, reprofiling degraded areas, blocking ditches with peat dams and creating bunds (essentially natural retaining walls that hold water in), all to benefit Sphagnum mosses and other raised bog specialist species.
- Found a high number of cased caddisfly larvae – an important prey species for fish and birds – during monthly riverfly surveys at our Falls of Clyde Wildlife Reserve in North Lanarkshire.
- Constructed an extension to a sand martin bank at Gales Marsh in Ayrshire, the design of which has resulted in it being the most successful monitored sand martin bank in the UK.
- Recorded the first sighting in Scotland of the sawfly piercer moth at the Trust's Cathkin Marsh Wildlife Reserve near Glasgow.
- Discovered 39 species on our Rahoy Hills Wildlife Reserve not previously recorded at the site, including 14 liverworts, 13 mosses and a lichen.

Goal 2: Communities across Scotland are taking action for nature in an increasingly diverse, collective effort in which everyone can play their part

- Developed and launched the Nextdoor Nature Pioneers Programme, a free skills development course for people wanting to lead action for nature within their communities and recruited the first cohort of Pioneers targeted at communities in the greater Glasgow area.
- Held the fourth annual Great Scottish Squirrel Survey to increase awareness of the plight of red squirrels and encourage sightings to inform conservation efforts.
- Completed the year-long Action in Ayrshire project, during which volunteers from the local community carried out a wide range of activities, from installing bat boxes and planting trees to removing invasive plant species and establishing new woodland paths.
- Recruited and supported a network of Saving Scotland's Red Squirrels volunteers in the North East of Scotland who collectively undertook over 7,000 squirrel feeder box checks, from which we have recorded the lowest abundance of grey squirrels to date.

- Supported the network of 33 registered or registering Wildlife Watch groups, including helping to establish new groups in Caithness, Perth and Clydebank, each inspiring young people in these areas to connect with and learn about nature.
- Worked with volunteers from our Aberdeen and Aberdeenshire Local Group to secure a grant of £15K to help equip a new Conservation Action Team and establish a volunteer-run tree and wildflower nursery.
- Engaged with groups of young people, asylum seekers and people facing barriers to employment as part of the Get Sett Scotland partnership initiative which aims to create a nation of badger champions across Scotland.
- Supported our volunteer Young Leaders who participated in the planning of a TWT-led youth festival, the steering group for the Sea Scotland 2023 conference and the Trust's conservation committee.
- Hosted students from across Scotland at our Montrose Basin Visitor Centre for a youth event prior to the 2022 Sea Scotland conference.

Goal 3: We have catalysed large-scale change through collaborative and pioneering initiatives to restore ecosystems on land and sea

- Launched the *Oceans of Value* film as part of our Living Seas programme which features inspiring stories from people in Orkney about their relationship to the sea, the value they place on it and how they would like to see the marine environment managed in the future. The film received excellent feedback including from wildlife filmmaker and Trust Ambassador, Gordon Buchanan.
- Publicly launched new snorkel trails in East Lothian, North Argyll and Torridon to inspire even more people to experience Scotland's seas, bringing the total number of snorkel trails in our growing Scotland-wide network to eight.
- Held a series of Living Seas webinars with guest speakers, with donations from attendees being put towards youth tickets to the 2023 Sea Scotland Conference.
- Worked with partners to produce two short films highlighting the benefits of hedgerow restoration and mob grazing for farmers as part of our Irvine to Girvan Nectar Network project.
- Concluded the five-year Coigach & Assynt Living Landscape Partnership Scheme which has seen a total of 39 projects delivered to benefit the local wildlife, people and economy. Including 38.3km of footpaths, 322.46 ha of woodland planted and 538ha brought into active management, eight structures restored and repaired, and advice and support given to over 60 crofts.
- Re-wetted three urban peat bogs as part of our Cumbernauld Living Landscape initiative in order to improve the habitat for nature, increase carbon storage and reduce the risk of wildfires.
- Beginning the development of the Riverwoods initiative with work on the delivery phase application for 'Riverwoods: A Blueprint for Riparian Woodland Recovery'.

Goal 4: Scotland is recognised internationally for the part it has played in the UN's Decade on Ecosystem Restoration

- Developed a key briefing on Nature Networks which has been shared and discussed widely with key decision makers.
- Provided evidence in Parliament on a draft of the new Scottish Biodiversity Strategy and submitted a response to the consultation on this key strategy which has positively influenced the next draft.
- Published an urban nature-based solutions report and presented findings at a national conference.
- Submitted responses to government consultations on agriculture, National Parks, grouse moor management, horticultural peat and Highly Protected Marine Areas.
- Supported the organisation of a Business in the Blue Economy workshop, through our role as provider of the Secretariat of the Scottish Forum on Natural Capital, which was attended by over 70 professionals. The event explored the latest policy and research supporting the delivery of Scotland's Blue Economy with discussions on the benefits, challenges, data, science and strategy, and ways to stimulate investment in marine nature.
- Coordinated the Riverwoods Investment Readiness Pioneers project to bridge the gap between high integrity riparian projects and innovative finance to take them to scale.
- Hosted an online workshop for over 80 attendees on the new Voluntary Biodiversity Credit market opportunity as part of our pioneering work on nature finance being delivered through Scottish Forum on Natural Capital.

Goal 5: Our foundations are stronger and more resilient than they have ever been

- Completed new interpretation and health and safety signage across many Trust reserves including Montrose Basin, Cumbernauld Glen and Handa Island in order to provide visitors with an even safer and more engaging experience.
- Supported over 950 volunteers who delivered more than 29,000 hours of volunteering time during the year, carrying out a huge range of tasks from contributing to our 24-hour osprey protection programme at Loch of the Lowes to welcoming people off the ferry on Handa Island.
- Supported the delivery and promotion of a wide range of online events that were enjoyed by thousands of people, including five national webinars, two live-streamed on location webinars and a series of six marine webinars delivered by our Living Seas team.
- Achieved national print and broadcast coverage of our work during the year, including a piece on pink-footed geese at Montrose Basin on BBC Landward; appearing on the Sky News Climate Show regarding ending the sale of horticultural peat; and widespread coverage of the Great Scottish Squirrel Survey, Loch of the Lowes ospreys and our support for the community buyout in Langholm.
- Welcomed 3,106 new members to the Trust, some 77% more than the previous year, and were grateful that 325 existing members elected to increase their monthly giving in response to an appeal for additional financial support.
- Received, processed and acknowledged donations from more than 4,700 donors who showed their support for our work, including to appeals focusing on red squirrel conservation, peatlands and our ongoing Resilience Fund campaign, totalling over £375,000 including Gift Aid.
- We were honoured to receive over £404k in legacy gifts throughout the year and were notified by 21 supporters that they have chosen to include a gift to the Scottish Wildlife Trust in their Will.

Financial review

Results for the year

The results for the year show deficits on unrestricted, restricted and endowment funds, although results for the year are stronger than anticipated and we remain fortunate and grateful to our supporters for their continued generosity. The position is in contrast to surpluses in unrestricted and endowment, and deficit in restricted, in the prior year. The most significant factors contributing to this are the fall in legacy income, a 22% increase in expenditure, movements on investments being negative in 2022/23, and the actuarial movement fluctuating from a £605k gain in 2021/22 to a £328k loss in 2022/23.

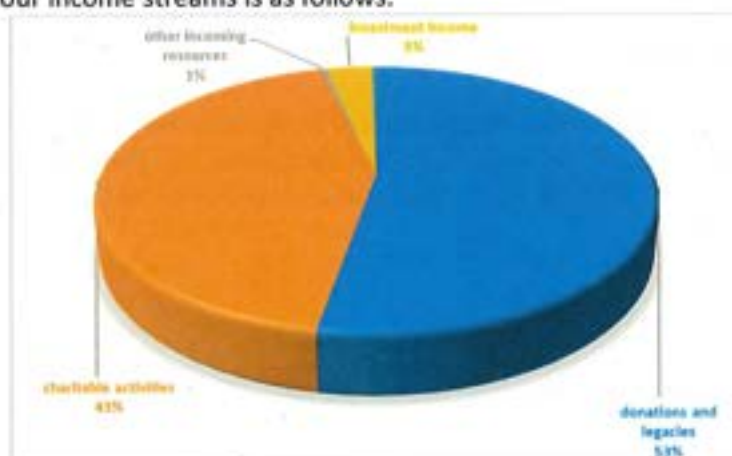
Excluding movements in investments and actuarial valuations, the unrestricted deficit for the year was £206k (2021/22: surplus of £619k).

Restricted funds have shown an increasing deficit position compared to the previous year; this is expected as a number of large multi-year projects are approaching their end and funding received is being spent on project objectives. Furthermore the IUCN UK Peatland Programme was fully transferred to the Royal Society of Wildlife Trusts during the year which resulted in £391k of funds being transferred to them from our restricted funds.

Unrestricted expenditure rose 22% year-on-year. There are a large number of factors contributing to this increase, the most significant being upward pressure on salaries caused by the cost of living crisis combined with the need to ensure salaries keep pace with the increasingly competitive labour markets. The Trust has also incurred significant expenditure on outsourced ICT support due to staffing shortages.

After an exceptionally strong year in 2021/22 for receipt of income from legacies (£1,087k), this year was significantly less at £404k; the source of income is unpredictable in nature and fluctuations are therefore expected. All other donation income streams have been maintained at levels similar to 2021/22. Fundraising activities are intended to increase awareness of the Trust's work, engaging individuals as well as providing ways to generate funds. During 2022/23 we ran digital recruitment promotions, as well as appeals and legacy awareness adverts. Face-to-face recruitment at public events rallied, and the number of memberships at the year-end totalled 23,101 (2022: 23,070), with total members now 40,880 (2022: 41,050).

An illustration of our income streams is as follows:



Donations and legacies made up 53% (2022: 45%) 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.

National Lottery Heritage Fund grants have continued to unlock delivery of a number of transformational conservation projects including Coigach & Assynt Living Landscape, Saving Scotland's Red Squirrels and Cumbernauld Living Landscape.

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.

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 2022/23 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 value of investment holdings at the year-end was £5.2m (2022: £5.5m).

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 £900,000 - £1,600,000 (2022: £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.

The designated reserve for Financial Resilience is projected to fund forecast deficits until a break-even position is resumed in 2028/29. The size of the reserve was increased during the year by re-allocating funds from our Strategy 2030 designated reserve. Free reserves also provide additional resilience, and are currently forecast to remain within the agreed target range of £900 - £1,600k throughout the periods leading to 2028/29.

In approving the budget for 2023/24 (and to 2027/28 as part of our five-year forecast) the trustees carefully considered the risks and issues faced by the Trust. These are detailed further in the Principal Risks and Uncertainties section of this report.

These financial forecasts support the decision to maintain existing levels of operations. 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.

After careful scrutiny and discussion Council approved the budget and five-year forecast, reassured by the commitment to monitoring financial results during the year.

Free reserves currently represent around 4.9 months of unrestricted expenditure (2022: 6.3 months), or 2.4 months' (2022: 2.0 months) worth of total expenditure. Free funds (note 25) at 31 March 2023 were within the target range at £1,121,621 (2022: £1,195,493). 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 two occasions in 2022-23.
- The Trust did not undertake any (non-addressed) door-drops in 2022-23.
- In March 2023, the Trust began telephone fundraising as part of an integrated campaign to encourage members to increase their regular giving to the Trust and/or rejoin. Before calls were made, the dataset was screened against the Telephone Preference Service and all calls were recorded for monitoring purposes. As of the end of March, 119 individuals had been spoken to and, following these conversations, 16 agreed to enhance/renew their support of the charity.
- 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 2022 we also undertook a 6-week trial of door-to-door membership recruitment; a professional fundraiser was appointed for

the pilot, visiting 1,424 addresses, speaking to 835 householders of whom 27 joined as Trust members.

- 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 2022/23 the Trust recovered five complaints linked to fundraising techniques (2022: ten) – 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 2022-23, this partnership raised a fantastic £12,573 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 (i) should provide a net benefit for wildlife and (ii) should not provide undue benefit to the corporate.

Applying the principles of our Corporate Partnership Policy in 2022-23 resulted in the decision to decline (or not pursue further) potential funding partnerships with two businesses.

Plans for future periods

The Trust's Operational Plan for 2023/24 was approved by Council in March 2023. Targets continue to support achievement of the new Strategy 2030. Plans for 2023/24 include:

Our wildlife reserves have directly contributed to nature's recovery

- Enhance biodiversity across our estate, with a focus on native broadleaved woodland, species-rich grassland and bogs.
- Progress at least three major ecological and infrastructure projects and consider how active members could contribute to them.
- Increase communication of how our Wildlife Reserves are helping nature's recovery.

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

- Make significant progress in the delivery of our engagement programme by achieving the goals in Year 2 of Nextdoor Nature and agreeing a succession plan.
- Maximise opportunities to inspire people to connect with nature through our groups and engagement partnerships, while seeking/developing new opportunities that will have a multiplier effect.
- Develop a communications and engagement plan for 2024 to inspire new and existing supporters and raise the Trust's profile during its 60th anniversary year.
- Successfully deliver the final year of the Saving Scotland's Red Squirrels transition project and ensure a sustainable long-term plan for communities in red squirrel conservation, including defining the Trust's future role.

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

- Continue to champion the Coigach & Assynt Living Landscape vision and facilitate fundraising to continue the next delivery phase, making clear connections with other aspects of the Trust's work.
- Secure funding for the next delivery phase of the Cumbernauld Living Landscape vision, making clear connections with other aspects of the Trust's work.
- Continue to champion the Edinburgh Living Landscape vision, securing multi-partner support for implementation and making clear connections with other aspects of the Trust's work.
- Continue progress on Living Seas policy priorities (Highly Protected Marine Areas; fisheries management; blue carbon; natural capital and marine nature-based solutions; aquaculture reform; and marine planning) and bring greater awareness of our impacts on the marine environment to those in urban areas through community engagement.
- Continue to develop the Riverwoods initiative, including the submission of a delivery phase application for 'Riverwoods: A Blueprint for Riparian Woodland Recovery'.

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

- Help secure strong targets in the Natural Environment Bill and actions that are coherent with this in associated economic, social and environmental strategies.
- Secure pace and urgency from the Scottish Government in scaling up nature-based solutions and embedding them in key economic, environmental and social strategies.
- Increase the prominence of natural capital in major decisions for Scotland, including helping to establish a strong pipeline of projects that can deliver on high-integrity finance for biodiversity.
- Focus the Trust's advocacy for nature-positive land management on the Trust's major projects.

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

- Ensure a strong, focused and engaged staff team that display positive behaviours in line with our positive workplace culture.
- Demonstrate high standards of governance and increase diversity within Council.
- Make significant progress towards meeting volunteering requirements across the Trust and help facilitate this by strengthening volunteer support infrastructure.
- Implement a process to support the strategic selection, management and development of networks and partnerships to support Strategy 2030.
- Strengthen the link between data, information, evidence, knowledge and decisions.
- Continue to work towards monitoring our ecological footprint, making progress towards reducing our impact where possible.
- Ensure continued high-quality Trust communications and identify opportunities to expand our core capacity by working with trusted associates.
- 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 2023-24 work-plans, raising income in support of core operations and priority projects.
- Increase the recruitment of new members and maintain net income levels despite the cost of living crisis.
- Further consolidate fundraising structure to deliver increasingly diverse, resilient income streams which support delivery of the Trust's priorities.
- Ensure we manage land in accordance with all legal obligations and conservation good practice.
- Further strengthen information management, cyber security and ICT infrastructure, including through testing of business continuity.
- Strengthen our application of digital innovation to the Trust's work.

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:

- The 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 and geo-political uncertainty resulting in dilution of impact and reduced resources available for delivery of Strategy 2030	Continued investment in fundraising and implementation of the approved strategy. Keep close watch on external factors affecting the charitable operating environment through membership of SCVO
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	<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.

<p>surrounding projected deficits and the opportunity to expand expenditure in order to create increased impact and better achieve the Trust's vision.</p> <p>The high inflation the economy is experiencing puts pressure on existing spend, including balancing the need to revalorise salaries at an appropriate level to support employee wellbeing.</p>	<ul style="list-style-type: none"> • 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.
<p>Delivery of our Ecological Footprint Strategy requires significant resource to mobilise change across the Trust in ways which are yet to be fully understood resulting in increased risk of disruption to activities as new ways of working are explored and embraced.</p>	<p>The Trust is developing its Ecological Footprint Strategy and Action Plan which will set out agreed policy and actions. Significant emerging risks or issues will be escalated.</p>
<p>Overstretch of staff (including the impact of major projects) resulting in failure to deliver Trust vision.</p>	<p>We adopt various processes and controls including line management support; 121s; timesheets; exploring automation opportunities; and regular review of how best to allocate resources and prioritise activities.</p>
<p>Increasing risk of failure to have strong cyber security resulting in reputational harm and failure and disruption to activities.</p>	<p>Cyber security training across Trust; information management improved across the Trust; contingency and protection systems in place.</p>

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 2023, there were 23,101 memberships (2022: 23,070) and 40,880 members (2022: 41,050).

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 session to brief them on their responsibilities including charity and legal obligations, constitutional and policy matters. They are required to agree to our Code of Conduct and submit a Register of Interests. 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.

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>

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

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 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. 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 actively promotes Equality, Diversity and Inclusion (EDI) for everyone who is part of, or comes into contact with, its work.

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>	2022/23	2021/22
Mean pay differential	1%	1%
Median pay differential	0%	9%

	2022/23		2021/22	
<u>Distribution of employees</u>	Female	Male	Female	Male
Upper quartile	50%	50%	57%	43%
Upper middle quartile	68%	32%	53%	47%
Lower middle quartile	71%	29%	83%	17%
Lower quartile	57%	43%	54%	46%

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

The Trust offers 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 various documents and mechanisms in place to optimise effective corporate governance. This includes a Governance Framework, 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.

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 financial statements.

The pay of senior staff, in common with other staff, is reviewed periodically 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	King Charles III, the former Duke of Rothesay, has been the Patron of the Scottish Wildlife Trust since 1990. Following His Majesty's Accession, the Royal Household is conducting a review of Royal Patronage.			
Chair	Linda Rosborough		<i>Due to retire 2023</i>	✓
<u>Vice Chairs</u>				
Groups and Watch	Dr Tim Duffy	Elected	<i>Eligible for re-election 2024</i>	✓
Finance	Bill Lambert	Co-opted	<i>Due to retire 2025</i>	✓
Conservation	Ian Jardine	Co-opted	<i>Co-opted until 2024</i>	✓
Other members of Council	Chris Arnold	Elected	<i>Eligible for re-election 2024</i>	✓
	Jennifer Baxter	Elected	<i>Appointed 10 September 2022</i>	✓
			<i>Eligible for re-election 2025</i>	✓
	Julian Caldecott	Elected	<i>Eligible for re-election 2024</i>	✓
	Carey Coombs	Co-opted	<i>Resigned 10 September 2022</i>	
	Alasdair Lemon	Elected	<i>Eligible for re-election 2023</i>	✓
	Craig Marshall	Co-opted	<i>Co-opted until 2025</i>	✓
	Alastair McVittie	Co-opted	<i>Appointed 23 March 2023</i>	✓
	John Morris	Elected	<i>Due to retire 2024</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>	✓
	Hayley Whyte	Elected	<i>Appointed 10 September 2022</i>	✓
			<i>Eligible for re-election 2025</i>	✓
Company Secretary	Martin Cullen (from 23 March 2023), Susan McKenzie (until 27 January 2023)			✓

✓ - individuals serving at 23 June 2023.

Key management personnel

Chief Executive	Jo Pike	
Director of Conservation	Sarah Robinson	
Director of External Affairs	Ruchir Shah	
Director of Finance & Resources	Martin Cullen Susan McKenzie	From 23 January 2023 Until 27 January 2023

Our advisers

Auditors

Chiene + Tait LLP
(trading as CT)
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 the financial year 2022-23.

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.

Scottish Wildlife Trust Local Groups

We extend our thanks to our 17 Local Groups for their fantastic local fundraising efforts which raised over £33,331 in 2022/23.

Individual donations and legacy gifts

In 2022/23, the Scottish Wildlife Trust received over £400,000 from gifts in Wills, and 21 people let us know that they have chosen to include a gift to the Scottish Wildlife Trust within their Will. This is an invaluable source of support for our work, and we extend our sincere thanks to those who have decided to leave such a legacy for the future.

Individual donors

We were honoured to be gifted a substantial donation from Sir Anthony and Lady Audrey Greener in support of pioneering work to re-establish native woodland on our crofted land at Ben Mor Coigach wildlife reserve (North-West Sutherland).

We were pleased to be accepted on to the Big Green Give match funding campaign in April 2022 enabling philanthropists to match fund a number of donations to our appeal to raise funds for red squirrel conservation.

We also thank each and every individual 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 359 Wildlife Guardians, who elect to support the Trust by regular, monthly, donations of £7.50 or more.

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.

2023 marks 15 years of support from players of People's Postcode Lottery, with their continued backing enabling us to spend more than £7.3m in support of Scotland's wildlife. It is thanks to players' support that the Trust is able to demonstrate such diversity in its achievements, from maintaining a network of over 100 wildlife reserves across Scotland to educating and inspiring people of all ages through our four visitor centres. People's Postcode Lottery support also helps us to develop ground-breaking new projects that take conservation beyond reserve boundaries.

Our corporate members:



Est. 1948

LEX Reception

**MORTON
FRASER**
SOLICITORS

bigdomain



**Burges
Salmon**

 **holidaycottages.co.uk**

**COTTAGES
& CASTLES**

Canine
COTTAGES




AVIVA

Business Donations and sponsorship (in alphabetical order)

Anderson Strathern
Applied Ecology Limited
Bee Cabin
Edrington
FUJIFILM Imaging Colorants Ltd
Jacobs
Lakeland

Mackenzie & Cormack Solicitors
Morton Fraser Solicitors
Royal Bank of Scotland (DIY SOS)
Sanctuary Group
Scotrail
The University of Edinburgh
Vine House Farm

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

Anderson Strathern
Edrington
Fisheries Management Scotland
Google Adwords
Loch Lomond & Trossachs National Park
Authority

NatureScot
SLR Consulting
Tweed Forum
University of St Andrews
University of Edinburgh Business School

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 Verdant Leisure

Scottish Landfill Communities Fund (in alphabetical order)



EB Scotland Ltd
SUEZ Communities Trust

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

Aberdeen Council
Aberdeenshire Council
Angus Council
European Solidarity Corps
Forestry Land Scotland

Highland Council (Community Regeneration
Funding)
Just Transition Participatory Budgeting
Fund
Loch Lomond & Trossachs National Park
Authority
NatureScot

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

Ancaster Trust
Batchworth Trust
Berkeley Stewart Charitable Trust
Blackcraig Wind Farm Community Fund
Bryson Corbett Charitable Trust
Calouste Gulbenkian Foundation
Campsie Centre, Cumbernauld
Carbrain and Hillcrest Community Council
Daphne Hamilton Trust



Fairways Foundation



Inchcape Foundation
J & J R Wilson Trust
John Ellerman Foundation
KMF Maxwell-Stuart Charitable Trust
Maurice Fry Charitable Trust



One Tree Planted
Ronald Miller Foundation
RSPB
ScottishPower Foundation
St Katharine's Trust
Tennant South Park Trust
The Faslane Charitable Trust
Veritas Charitable Foundation

Scottish Forum on Natural Capital

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. The Scottish Forum is only possible through the support of:



Bidwells
CJS
Crown Estate Scotland
Ecosystems Knowledge Network
Ecus Scotland
Fast Track Impact Ltd
Forest Carbon Ltd
Highlands and Islands Enterprise
Highlands Rewilding Ltd
Institute of Chartered Foresters

James Hutton Institute
John Ferry Hydrogeology
Keep Scotland Beautiful
Royal Botanic Garden Edinburgh
SAOS Ltd
Scotland The Big Picture
Scottish Enterprise
SEFARI
SLR Consulting
The Way Forward 2045

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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

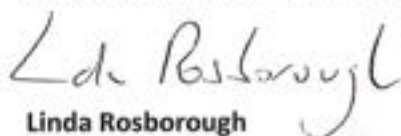
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation of financial statements may differ from legislation in other jurisdictions.

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 Trust's auditor is unaware; and
- the trustees, having made enquiries of fellow directors and the Trust's auditor that they ought to have individually taken, have each taken all steps that they are 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
23rd June 2023

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 2023 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 2023, 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:

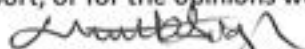
- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management and the trustees;
- review of minutes of trustee meetings throughout the period;
- review of evidence provided by third parties to ensure the valuation of investments is not materially 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 CT

Chartered Accountants and Statutory Auditor

61 Dublin Street

Edinburgh

EH3 6NL

Date: 23 June 2023

CT 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 2023

	Notes	Unrestricted Funds £	Restricted Funds £	Endowments £	2023 Total £	2022 Total £
<i>Income and emoluments from:</i>						
Donations and legacies	3	2,543,435	194,865	-	2,738,300	3,428,395
Charitable activities	3	617,491	1,626,121	-	2,243,612	4,012,693
Other incoming resources	3	22,139	767	-	22,906	36,695
Trading	3	12,573	80	-	12,653	20,469
Investment income	3,5	93,692	70,519	-	164,211	124,460
TOTAL INCOME		3,289,330	1,892,352	-	5,181,682	7,622,712
<i>Expenditure on:</i>						
Raising funds	6	(381,905)	(309,770)	-	(691,675)	(591,869)
Charitable activities	6	(2,383,942)	(2,536,265)	-	(4,920,207)	(6,494,401)
TOTAL EXPENDITURE		(2,765,847)	(2,846,035)	-	(5,611,882)	(7,086,270)
Realised (losses)/gains	5	(148,436)	-	(152,503)	(300,939)	236,246
Unrealised (losses)/gains	5	(71,828)	-	(74,035)	(145,863)	78,487
(Losses)/gains on investments		(220,264)	-	(226,538)	(446,802)	314,733
Net income /(expenditure)		303,219	(953,683)	(226,538)	(877,002)	851,175
Transfer of project	25		(391,354)	-	(391,354)	-
Transfers between funds		(729,772)	716,062	13,710	-	-
<i>Other recognised (losses)/gains</i>						
Actuarial (loss)/gain on defined benefit pension scheme	21	(328,247)	-	-	(328,247)	605,371
NET MOVEMENT IN FUNDS		(754,800)	(628,975)	(212,828)	(1,596,603)	1,456,546
<i>Reconciliation of funds</i>						
Total funds brought forward		6,084,966	5,265,532	2,953,590	14,304,088	12,847,542
Total funds carried forward		5,330,166	4,636,557	2,740,762	12,707,485	14,304,088

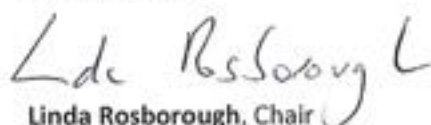
The Statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing operations.

Charity balance sheet as at 31 March 2023

	Notes	2023 £	2022 £
Tangible assets	15	830,821	971,995
Heritage assets	16	1,048,860	1,048,860
Investments	17	5,177,064	5,564,104
TOTAL FIXED ASSETS		7,056,745	7,584,959
Stock		28,488	26,584
Debtors	18	1,287,686	2,066,831
Cash at bank and in hand		5,041,580	5,240,260
TOTAL CURRENT ASSETS		6,537,754	7,333,675
Liabilities			
Amounts due within one year	19	(549,336)	(714,198)
Net current assets		5,808,418	6,619,477
Provision for dilapidations	20	(344,894)	(313,540)
Defined benefit pension obligation	21	187,216	413,192
		5,650,740	6,719,129
TOTAL NET ASSETS		12,707,485	14,304,088
<u>The funds of the charity</u>			
Restricted income funds	25	4,636,557	5,265,532
Endowment funds	25	2,740,762	2,953,590
Unrestricted free funds	25	1,121,621	1,195,493
Designated funds (unrestricted)	25	4,208,545	4,889,473
TOTAL FUNDS		12,707,485	14,304,088

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 2023 and are signed by:



Linda Rosborough, Chair

Scottish Wildlife Trust company number: SC040247

Statement of cash flows for the year ended 31 March 2023

	2023 £	2022 £
Cash used in operating activities (note 27)	(358,955)	(899,818)
Cash flows from investing activities		
Investment income	(164,211)	124,460
Payments to acquire investments	(5,124,051)	(867,545)
Proceeds from disposal of investments	4,903,564	1,066,521
Payments to acquire tangible fixed assets	40,289	(58,922)
Proceeds from disposal of tangible fixed assets	-	12,242
Cash provided by (used in) investing activities	(96,565)	276,756
CHANGE IN CASH AND CASH EQUIVALENTS IN YEAR	(455,520)	(623,062)
Cash & cash equivalents at 1 April	5,651,770	6,274,832
CASH & CASH EQUIVALENTS AT 31 MARCH	5,196,250	5,651,770
Cash held at bank	5,041,580	5,240,260
Cash held by investment managers	154,670	411,510
CASH & CASH EQUIVALENTS AT 31 MARCH	5,196,250	5,651,770

Notes to the financial statements for the year ended 31 March 2023

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 financial statements 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 (£).

Consolidated financial statements are not prepared on the basis that the charity's 100% owned subsidiary is dormant and comprises of £1 net asset book value.

b) Preparation of financial statements on a going concern basis

The trustees are of the view that the charity is a going concern having reviewed and approved a five year forecast to March 2028. 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 2023

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 2023

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 £5,000 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 2023

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 portfolio of leased properties. 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 2023

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 2023, the net defined benefit pension net position was given a valuation of £187,216, 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 statements of financial activities and their bank balances included in the charity balance sheet. 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 2023

3. Income

	Year ended 31 March 2023			Year ended 31 March 2022				
	Unrestricted funds (£)	Restricted funds (£)	Endowments (£)	2023 total (£)	Unrestricted funds (£)	Restricted funds (£)	Endowments (£)	2022 total (£)
Subscriptions	777,172	-	-	777,172	777,586	-	-	777,586
Donations through membership	376,204	-	-	376,204	356,273	-	-	356,273
Other donations	158,867	172,396	-	331,263	165,588	179,624	-	345,212
Gift aid	298,182	17,001	-	315,183	290,238	28,952	-	319,190
Community fundraising	28,132	968	-	29,100	24,870	3,286	-	28,156
Subscriptions & donations	1,638,557	190,365	-	1,828,922	1,614,555	211,862	-	1,826,417
Legacies	399,878	4,500	-	404,378	1,086,478	500	-	1,086,978
People's Postcode Lottery	505,000	-	-	505,000	505,000	10,000	-	515,000
Donations and legacies	2,543,435	194,865	-	2,738,300	3,206,033	222,362	-	3,428,395
National Lottery Heritage Fund	-	350,234	-	350,234	-	2,006,445	-	2,006,445
NatureScot	25,903	344,316	-	370,219	-	316,316	-	316,316
Esmée Fairbairn Foundation	34,338	467,774	-	502,112	-	314,738	-	314,738
Other grant income (note 4)	75,261	428,594	-	503,855	60,750	927,891	-	988,641
Business support	31,763	4,096	-	35,859	24,920	8,560	-	33,480
Commercial contracts	1,617	1,200	-	2,817	1,610	5,621	-	7,231
Other - sales / rents / fees	448,609	29,907	-	478,516	260,404	85,438	-	345,842
Charitable activities	617,491	1,626,121	-	2,243,612	347,684	3,665,009	-	4,012,693
Furlough income	-	-	-	-	24,453	-	-	24,453
Asset sales	22,139	767	-	22,906	12,075	167	-	12,242
Other incoming resources	22,139	767	-	22,906	36,528	167	-	36,695
Corporate sponsorship	12,573	80	-	12,653	20,269	200	-	20,469
Trading activities	12,573	80	-	12,653	20,269	200	-	20,469
Investment income (note 5)	93,692	70,519	-	164,211	67,141	57,319	-	124,460
Investment income	93,692	70,519	-	164,211	67,141	57,319	-	124,460
Total income	3,289,330	1,892,352	-	5,181,682	3,677,655	3,945,057	-	7,622,712

The amount of grants received from government during the year was £30,500 (2022: £30,500).

Notes to the financial statements for the year ended 31 March 2023

4. Other grant income

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

	2023	2022
	£	£
Aberdeen City Council/AWPR Mitigation Fund	14,000	14,099
Aberdeenshire Council	25,000	-
Aberdeen Council of Voluntary Organisations	15,000	-
Angus Council/Scottish Government	8,055	2,000
Baillie Gifford	-	80,000
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	22,276	103,692
Coigach Community Development Company	-	5,850
Crown Estate Scotland	-	15,905
Daphne Hamilton Trust	5,000	-
Department of Agriculture, Environment and Rural Affairs (NI)	-	10,000
European Union – Erasmus	(23,501)	-
Fairways Foundation	20,001	-
Faslane Trust	5,000	5,000
Forestry & Land Scotland	69,099	82,307
Forestry & Land Scotland/AWPR Mitigation Fund	-	10,000
Garfield Weston Foundation	-	50,000
Foundation Scotland/Blackcraig Wind Farm (Scotland) Ltd	12,540	-
Historic Assynt/Historic Environment Scotland	77,926	-
Green Action Trust	-	19,000
Greenchoice	-	42,554
J & J R Wilson Trust	1,000	7,000
John Ellerman Foundation	-	65,018
Loch Lomond & Trossachs National Park Authority	1,730	5,000
National Trust for Scotland	-	10,000
Natural England	-	25,000
North Pennines Area of Outstanding Beauty Partnership	246	16,500
One Tree Planted	15,683	3,491
Paths for All	(3,321)	6,644
Peak District National Park Authority	-	6,500
The Royal Society of Wildlife Trusts/NLHF (Nextdoor Nature)	92,723	-
RSK Group Ltd	-	10,000
RSPB	18,577	40,000
RSPB/NLHF (Garnock Connections)	17,327	58,738
Scottish Badgers/NLHF	1,520	11,645
Scottish Forestry	22,000	22,418
Scottish Funding Council	5,187	-
Scottish Government (Inc. Rural Priorities)	30,500	30,500
Scottish Power Foundation	-	37,554
Soil Conservation Service of Iceland	-	10,000
South West Water	5,000	5,000
The Batchworth Trust	15,000	15,000
The Scottish Council for Voluntary Organisations	-	7,259
The Sigrid Rausing Trust	-	75,000
University College Dublin/EC Horizon 2020	-	14,246
Visit Scotland	6,800	13,600
Other grants <£5k	23,486	17,473
	503,855	988,641

Notes to the financial statements for the year ended 31 March 2023

5. Investment income

	2023			2022	
	Unrestricted	Restricted	Endowment	Total	
	£	£	£	£	£
Investment income	93,692	70,519	-	164,211	124,460
Realised (losses)/gains	(148,436)	-	(152,503)	(300,939)	236,246
Unrealised (losses) / gains	(71,828)	-	(74,035)	(145,863)	78,487
	(220,264)	-	(226,538)	(446,802)	314,733

The investment income of £164,211 (2022: £124,460) 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

	2023			2022	
	Unrestricted	Restricted	Endowment	Total	
	£	£	£	£	£
Nature's recovery	1,053,215	444,232	-	1,497,447	1,270,887
Community action	560,947	1,162,645	-	1,723,592	1,873,539
Large-scale change	47,119	660,658	-	707,777	1,763,114
Scotland's recognition	16,626	268,214	-	284,840	767,179
Strong foundations	706,035	516	-	706,551	819,682
Charitable activities	2,383,942	2,536,265	-	4,920,707	6,494,401
Raising funds	381,905	309,770	-	691,675	591,869
Total expenditure	2,765,847	2,846,035	-	5,611,882	7,086,270
2022 total expenditure	2,268,065	4,818,205	-	7,086,270	5,698,086

Notes to the financial statements for the year ended 31 March 2023

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)	2023	Total direct costs 2022	2022
	£	£	£	£	£	£	£
Nature's recovery	522,716	725,972	1,248,688	248,759	1,497,447	1,137,397	1,270,887
Community action	829,643	607,355	1,436,998	286,594	1,723,592	1,691,419	1,873,539
Catalysed change	281,199	308,816	590,015	117,762	707,777	1,602,276	1,763,114
Scotland's recognition	205,600	31,846	237,446	47,394	284,840	696,254	767,179
Strong foundations	378,351	210,912	589,263	117,288	706,551	729,033	819,682
	<u>2,217,509</u>	<u>1,884,901</u>	<u>4,102,410</u>	<u>817,797</u>	<u>4,920,207</u>	<u>5,856,379</u>	<u>6,494,401</u>
Raising funds	443,011	133,699	576,710	114,965	691,675	533,723	591,869
Support costs (note 8)	540,481	392,281	932,762	(932,762)	-	696,168	-
	<u>3,201,001</u>	<u>2,410,881</u>	<u>5,611,882</u>	<u>-</u>	<u>5,611,882</u>	<u>7,086,270</u>	<u>7,086,270</u>

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.

	Nature's recovery	Community action	Catalysed change	Scotland's recognition	Strong foundations	2023	2022
	£	£	£	£	£	£	£
Projects	370,838	970,559	551,507	189,844	431	2,083,179	4,021,746
Reserve management	866,980	376,074	-	-	-	1,243,054	1,075,829
Visitor centres	-	-	-	-	261,178	261,178	241,229
Marketing	-	36,856	10,460	20,919	226,748	294,983	242,652
People & wildlife	-	44,123	-	-	43,696	87,719	114,468
Policy	10,062	10,062	28,777	26,983	56,313	132,197	160,455
	<u>1,247,880</u>	<u>1,437,674</u>	<u>590,744</u>	<u>237,746</u>	<u>588,366</u>	<u>4,102,410</u>	<u>5,856,379</u>

Notes to the financial statements for the year ended 31 March 2023

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:

	Fundraising	Nature's recovery	Community action	Catalysed change	Scotland's recognition	Strong foundations	2023	2022
Support Costs	£	£	£	£	£	£	£	£
Finance & governance	28,604	61,893	71,307	29,300	11,792	29,182	232,078	145,828
Head office	17,004	36,792	42,388	17,417	7,010	17,347	137,958	152,820
HR and pension	30,838	66,727	76,875	31,588	12,713	31,461	250,202	153,437
Management	20,905	45,234	52,114	21,414	8,618	21,328	169,613	143,287
Health & safety	2,300	4,976	5,733	2,356	948	2,346	18,659	19,229
ICT	15,314	33,137	38,177	15,687	6,313	15,624	124,252	81,567
	114,965	248,759	286,594	117,762	47,394	117,288	932,762	696,168

Payments to the pension liability of £229,514 (2022: £223,375) are excluded from support costs.

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

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

	2023	2022
	£	£
Auditors' remuneration	14,000	14,272
Services provided by entities related to auditor	1,200	3,341
Depreciation on all other fixed assets	185,259	186,751
Operating leases	131,427	117,336
Professional indemnity insurance	3,423	2,380

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

	2023	2022
	£	£
Salaries and wages	2,646,763	3,012,458
Social security costs	242,477	258,584
Pension costs	196,229	217,023
	3,085,469	3,488,065
Defined benefit pension costs (note 21)	127,241	48,917
Accrual for annual leave	(11,709)	(2,685)
TOTAL	3,201,001	3,534,297

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 (2022: one employee exceeding £70,000 but not over £80,000). This employee was a member of the defined contribution pension scheme (2022: one employee).

The charity trustees were not paid nor received any other benefits from employment with the Trust in the year (2022: £nil). Expenses of £137 in relation to travel and subsistence costs were reimbursed to Council members during the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £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 £279,636 (2022: £265,444).

Redundancy payments of £18,727 were made during the year (2022: £43,650). 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:

	2023 Number	2022 Restated Number
Conservation	35.0	39.2
Projects	30.0	36.9
External Affairs	15.4	19.3
Finance & Resources	22.3	18.3
Chief Executive	1.0	1.0
	<u>103.7</u>	<u>114.7</u>

The average number of individuals employed during the year was 123 (2022: 139).

12. Pension contributions

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

	2023 £	2022 £
The Wildlife Trusts Pension Scheme	229,514	223,375
Royal London - stakeholder scheme	<u>196,219</u>	<u>217,023</u>
	<u>425,733</u>	<u>440,398</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 2023

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 £1,192 (2022: £635). 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 2023 was £nil (2022: £nil).

15. Tangible fixed assets

	Long leasehold land and buildings	Plant, machinery and motor vehicles	Computers	Total
<u>COST</u>	£	£	£	£
As at 31 March 2022	1,624,018	1,016,362	64,849	2,705,229
Additions	-	40,289	-	40,289
Disposals	-	(96,737)	-	(96,737)
As at 31 March 2023	1,624,018	959,914	64,849	2,648,781
<u>DEPRECIATION</u>				
As at 1 April 2022	1,192,983	501,212	39,039	1,733,234
Charge for year	70,287	99,489	15,483	185,259
Disposals	-	(100,533)	-	(100,533)
As at 31 March 2023	1,263,270	500,168	54,522	1,817,960
<u>NET BOOK VALUE</u>				
As at 31 March 2023	360,748	459,746	10,327	830,821
As at 31 March 2022	431,035	515,150	25,810	971,995

Notes to the financial statements for the year ended 31 March 2023

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](#).

	2022/23	2021/22	2020/21	2019/20	2018/19
<u>Wildlife reserves</u>	£	£	£	£	£
Cost brought forward	1,048,860	1,048,860	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	1,048,860	1,048,858	1,048,858

30 (2022: 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 2022	Additions during year	Disposals during year	As at 31 March 2023
<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 2023

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.

	Unrestricted main fund		Endowment sub-total		Total	
	2023	2022	2023	2022	2023	2022
	£	£	£	£	£	£
Market Value at b/fwd	2,486,174	2,456,372	2,666,420	2,580,465	5,152,594	5,036,837
Purchases	2,408,538	500,699	2,715,511	366,846	5,124,051	867,545
Donated shares	96,115	-	-	-	96,115	-
Disposals	(2,301,775)	(603,251)	(2,601,789)	(463,270)	(4,903,564)	(1,066,521)
(Losses)/gains	(220,264)	132,354	(226,538)	182,379	(446,802)	314,733
Market value c/fwd	2,468,790	2,486,174	2,553,604	2,666,420	5,022,394	5,152,594
Cash	70,760	195,308	83,910	216,202	154,670	411,510
As at 31 March	2,539,550	2,681,482	2,637,514	2,882,622	5,177,064	5,564,104
Cost at 31 March	2,560,427	2,321,869	2,636,967	2,279,766	5,197,394	4,601,635

	Cumbernauld		Irvine		Endowment sub-total	
	2023	2022	2023	2022	2023	2022
	£	£	£	£	£	£
Market Value b/fwd	1,553,314	1,501,525	1,113,106	1,078,940	2,666,420	2,580,465
Purchases	1,584,410	214,983	1,131,101	151,863	2,715,511	366,846
Disposals	(1,524,499)	(270,573)	(1,077,290)	(192,697)	(2,601,789)	(463,270)
(Losses)/gains	(129,785)	107,379	(96,753)	75,000	(226,538)	182,379
Market value c/fwd	1,483,440	1,553,314	1,070,164	1,113,106	2,553,604	2,666,420
Cash	53,918	124,643	29,992	91,559	83,910	216,202
As at 31 March	1,537,358	1,677,957	1,100,156	1,204,665	2,637,514	2,882,622
Cost at 31 March	1,536,644	1,327,203	1,100,323	952,563	2,636,967	2,279,766

Notes to the financial statements for the year ended 31 March 2023

17. Investments (continued)

	Unrestricted Main fund		Endowment sub-total		TOTAL	
	2023	2022	2023	2022	2023	2022
	£	£	£	£	£	£
Fixed interest	581,036	745,013	588,894	471,388	1,169,930	1,216,401
UK equities	49,009	685,210	51,623	945,362	100,632	1,630,572
Overseas equities	1,403,963	655,269	1,468,057	963,447	2,872,020	1,618,716
Other	413,105	400,682	466,707	286,223	879,812	686,905
As at 31 March	2,447,113	2,486,165	2,575,281	2,666,420	5,022,394	5,152,594
Cash	92,437	195,308	62,233	216,202	154,670	411,510
	2,539,550	2,681,482	2,637,514	2,882,622	5,177,064	5,564,104

	Cumbernauld		Irvine		Endowment sub-total	
	2023	2022	2023	2022	2023	2022
	£	£	£	£	£	£
Fixed interest	343,031	268,401	245,863	202,987	588,894	471,388
UK equities	30,132	531,354	21,491	414,008	51,623	945,362
Overseas equities	856,559	592,350	611,498	371,097	1,468,057	963,447
Other	266,733	161,209	199,974	125,014	466,707	286,223
As at 31 March	1,496,455	1,553,314	1,078,826	1,113,106	2,575,281	2,666,420
Cash	40,902	124,643	21,331	91,559	62,233	216,202
	1,537,357	1,677,957	1,100,157	1,204,665	2,637,514	2,882,622

The following investment holdings each represent more than 5% of the value total investments at the year end.

	2023	2022
	£	£
DWS Invest ESG Equity Income	307,943	-
F&C Fund Management Ltd	-	327,537
Fidelity Global Dividend Fund	323,062	-
HICL Infrastructure Ltd	-	280,936
Rathbone Unit Trust Management Ethical Bond	-	334,125
Royal London Ethical Bond	-	329,761
The Renewables Infrastructure Group	-	292,411
	631,005	1,564,770

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 2023

18. Debtors

	2023	2022
	£	£
Amounts falling due within one year		
Sundry debtors	257,983	110,544
Prepayments and accrued income	955,240	1,879,299
Income tax recoverable	74,463	76,988
	<u>1,287,686</u>	<u>2,066,831</u>

19. Creditors

	2023	2022
	£	£
Amounts due within one year:		
Other taxation and social security	10,203	-
Other creditors	347,896	600,655
Prepaid income	191,237	113,543
Total creditors	<u>549,336</u>	<u>714,198</u>

Prepaid income

Balance brought forward	113,543	269,356
Income released in year	(113,543)	(269,356)
Income deferred in year	191,237	113,543
Balance carried forward	<u>191,237</u>	<u>113,543</u>

20. Provisions

	2023	2022
	£	£
Provision for dilapidations		
Balance brought forward	313,540	272,707
Provided within year	31,354	40,833
Balance carried forward	<u>344,894</u>	<u>313,540</u>

21. Defined benefit obligation

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

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

Contributions to the defined benefit section of the scheme are determined on the basis of triennial actuarial valuations carried out by an independent, qualified actuary. Based upon the 2019 valuation, scheme employers make contributions aimed on funding 100% of the deficit by 2026. The Scheme Funding assessment of 1 April 2022 is currently being performed. Any changes in employers' contributions would be determined on the completion of this process. 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 surplus as at 1 April 2022 was £413,192 and is a surplus of £187,216 as at 31 March 2023.

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.

	2023	2022
	£	£
Fair value of assets attributed to the Trust	3,673,800	4,781,088
Present value of defined benefit obligation attributed to the Trust	(3,486,584)	(4,367,896)
Net surplus recognised as an asset in the balance sheet	187,216	413,192

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

	2023	2022
	£	£
Opening defined benefit obligation attributed to the Trust	4,367,896	4,901,231
Current service cost	-	-
Administration cost	139,379	42,968
Interest cost	112,056	93,411
Employee contributions	-	-
Actuarial gains	(852,173)	(403,861)
Benefits paid including expenses	(280,574)	(265,853)
Closing defined benefit obligation attributed to the Trust	3,486,584	4,367,896

Notes to the financial statements for the year ended 31 March 2023

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

	2023	2022
	£	£
Opening fair value of assets attributed to the Trust	4,781,088	4,534,594
Interest income on assets attributed to the Trust	124,192	88,008
Employee contributions	-	-
Contributions paid by the Trust	229,514	222,829
(Losses)/gains on assets attributed to the Trust	(1,180,420)	201,510
Benefits paid including expenses	(280,574)	(265,853)
Closing defined benefit obligation attributed to the Trust	3,673,800	4,781,088

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

	2023	2022
	£	£
Administration expenses	139,377	42,968
Adjustment to contributions	-	546
Net interest (income)/expense on the net defined benefit liability	(12,136)	5,403
Total recognised in the statement of financial activities	127,241	48,917

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

	2023	2022
	£	£
(Losses)/gains on assets attributed to the Trust	(1,180,420)	201,510
Actuarial gains on liabilities	852,173	403,861
Remeasurement (loss)/gain recognised in other recognised gains and losses	(328,247)	605,371

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:

	2023	2022
	£	£
UK equities	-	224,711
Overseas equities	903,755	1,506,043
Diversified growth funds	-	1,099,650
UK Government fixed interest bonds	275,535	597,636
UK Government index linked bonds	576,787	731,506
UK corporate bonds	1,105,814	411,174
Property	102,866	119,527
Cash	44,086	90,841
LDI	664,957	-
Fair value of assets attributed to the Trust	3,673,800	4,781,088
Present value of defined benefit obligation attributed to the Trust	(3,486,584)	(4,367,897)
Net surplus recognised as an asset in the balance sheet	187,216	413,191

Scottish Wildlife Trust's required payment towards the past service deficit in 2022/23 was £229,514 (2022: £222,829) as disclosed in note 12. The latest contribution proposal reflects the most recent

Notes to the financial statements for the year ended 31 March 2023

valuation and will result in an increase in the monthly repayment increasing from £19,314 to £19,893 per month from August 2023. 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 2023 the liability for the past service deficit payments which is not recognised on the balance sheet is £836,843 (2022: £1,069,344).

The actuarial assumptions used were as follows:

	As at 31 March 2023	As at 31 March 2022
Discount rate	4.68%	2.65%
Retail Prices Index (RPI) Inflation	3.42%	3.65%
Consumer Prices Index (CPI)	2.70%	2.85%
Future increases to deferred pensions	2.70%	2.85%
Rate of increase to pensions in payment		
- Fixed 5% pa	5.00%	5.00%
- RPI max 5% pa	3.20%	3.35%
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	22.5	22.4
Life expectancy of a male aged 65 in 20 years from the balance sheet date	23.8	23.7
Life expectancy of a female aged 65 at the balance sheet date	25	24.9
Life expectancy of a female aged 65 in 20 years from the balance sheet date	26.4	26.3

Notes to the financial statements for the year ended 31 March 2023

22. Contingent assets – legacy income

As at 31 March the charity had been notified of 30 legacies (2022: 26) 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 remains 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. The outcome of this process is not expected to be known for 12 to 24 months.

24. Capital commitments

The Trust had entered into contractual commitments (including placed orders) totalling £34,514 (2022: £16,018) prior to the year-end.

Notes to the financial statements for the year ended 31 March 2023

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 2022/23

	Balance as at 1 April 2022	Income	Spend	Gains / (losses)	Transfer of project	Transfers	Actuarial loss	Balance as at 31 March 2023
	£	£	£	£	£	£	£	£
Unrestricted funds								
Free funds	1,195,493	2,884,952	(2,361,469)	(220,264)	-	(48,844)	(328,247)	1,121,621
Total free funds	1,195,493	2,884,952	(2,361,469)	(220,264)	-	(48,844)	(328,247)	1,121,621
Designated funds								
Wildlife reserve maintenance	-	404,378	(404,378)	-	-	-	-	-
Cumbernauld Living Landscape	100,000	-	-	-	-	-	-	100,000
Coigach & Assynt Living Landscape	100,000	-	-	-	-	-	-	100,000
Financial resilience	1,500,000	-	-	-	-	550,000	-	2,050,000
Strategy 2030	1,300,000	-	-	-	-	(1,300,000)	-	-
Pension deficit	1,482,536	-	-	-	-	(645,693)	-	836,843
Pension risk	-	-	-	-	-	750,000	-	750,000
Fixed assets net book value	406,937	-	-	-	-	(35,235)	-	371,702
Total designated reserves	4,889,473	404,378	(404,378)	-	-	(680,928)	(328,247)	4,208,545

Notes to the financial statements for the year ended 31 March 2023

Funds summary 2022/23 (continued)

	Balance as at 1 April 2022	Income	Spend	Gains / (losses)	Transfer of project	Transfers	Actuarial loss	Balance as at 31 March 2023
	£	£	£	£	£	£	£	£
Restricted funds								
Property	422,868	-	(67,531)	-	-	-	-	355,337
Wildlife reserves	1,027,735	-	-	-	-	-	-	1,027,735
Wildlife reserve management	121,883	-	(9,309)	-	-	2,483	-	115,057
Native woodland at Ben Mor Coigach	-	100,740	-	-	-	-	-	100,740
IUCN UK Peatland Programme	203,626	225,688	(37,890)	-	(391,354)	-	-	71
Living Seas	154,120	46,222	(120,708)	-	-	41,199	-	120,833
Creating Natural Connections	391,940	260,480	(365,360)	-	-	97,459	-	384,519
McVean Living Landscapes	785,354	-	-	-	-	(50,000)	-	735,354
Saving Scotland's Red Squirrels ("SSRS") (Developing Community Action)	580,661	379,876	(709,810)	-	-	189,341	-	440,068
Nature Based Solutions	88,737	79,428	(88,177)	-	-	23,521	-	103,509
Oceans of Value	91,149	105	(61,346)	-	-	13,247	-	43,155
Coigach & Assynt Living Landscape	110,205	146,870	(292,669)	-	-	78,069	-	42,475
Other	1,287,254	652,943	(1,093,235)	-	-	320,743	-	1,167,705
Total restricted funds	5,265,532	1,892,352	(2,846,035)	-	(391,354)	716,062	-	4,636,557
Endowment funds								
Cumbernauld	1,708,520	-	-	(129,785)	-	7,075	-	1,585,810
Irvine	1,245,070	-	-	(96,753)	-	6,635	-	1,154,952
Total endowment funds	2,953,590	-	-	(226,538)	-	13,710	-	2,740,762
Total funds	14,304,088	5,181,682	(5,611,882)	(446,802)	(391,354)	-	(328,247)	12,707,485

Notes to the financial statements for the year ended 31 March 2023

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 2023

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
Saving Scotland's Red Squirrels ("SSRS")	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	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

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 created a designated reserve which will fund priority initiatives which support delivery of Strategy 2030. It was agreed during the year to re-allocate this reserve to the Financial resilience and Pension risk designated funds.
- 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.
- 8) Pension risk – this represent contingency funds set aside in relation to the contingent liability disclosed in Note 23 of the financial statements.

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.
- Native woodland at Ben Mor Coigach – a substantial donation from Sir Anthony and Lady Audrey Greener in support of pioneering work to establish native woodland at our crofted estate of Ben Mor Coigach (North-West Sutherland).
- 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. This project was fully transferred to the Royal Society of Wildlife Trusts during the year.
- 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 - 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 initiative - a unique community partnership initiative 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 2023

26. Analysis of net assets between funds

	General unrestricted fund	Restricted funds	Endowment funds	2023 Total funds
	£	£	£	£
Fixed assets	371,702	1,507,979	-	1,879,681
Investments	2,539,550	-	2,637,514	5,177,064
Net current assets	2,231,698	3,128,578	103,248	5,463,524
Defined benefit pension asset	187,216	-	-	187,216
	<u>5,330,166</u>	<u>4,636,557</u>	<u>2,740,762</u>	<u>12,707,485</u>

	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 asset	413,192	-	-	413,192
	<u>6,084,966</u>	<u>5,265,532</u>	<u>2,953,590</u>	<u>14,304,088</u>

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

	2023 £	2022 £
Net movement in funds	(1,596,603)	1,456,546
Add back depreciation charge	185,259	186,751
Deduct investment income	(164,211)	(124,460)
Donated shares	(96,115)	-
Deduct realised losses/(gains) on investments	300,939	(236,246)
Deduct unrealised losses/(gains) on investments	145,863	(78,487)
Deduct gain on sale of fixed assets	(3,796)	(12,242)
(Increase)/decrease in stocks	(1,904)	106
Decrease/(increase) in debtors	779,145	(1,426,009)
(Decrease)/increase in creditors	(133,508)	114,052
Increase/(decrease) in pension	225,976	(779,829)
Net cash outflow from operating activities	<u>(358,955)</u>	<u>(899,818)</u>

Notes to the financial statements for the year ended 31 March 2023

28. Financial commitments

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

	2023	2022
	£	£
Land and buildings		
Amounts payable falling due within one year	101,494	122,454
Amounts payable falling due in more than one year but less than five years	169,305	325,899
Amounts payable falling due after five years	-	46,817
Total	<u>270,799</u>	<u>495,170</u>

29. 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 2023

30. 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
<i>Reconciliation of funds</i>						
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.