

The Forest Policy Group

(A Scottish Charitable Incorporated Organisation)

Annual Report and Financial Statements

for the Year Ended 28 February 2025

The Forest Policy Group

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The Forest Policy Group

Reference and Administrative Details

Charity Registration Number SC049953

The charity is incorporated in Scotland.

Registered Office

[REDACTED]
[REDACTED]
[REDACTED]

Accountants

Deans Accountants And Business Advisors Ltd
27 North Bridge Street
Hawick
Scottish Borders
TD9 9BD

The Forest Policy Group

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 28 February 2025.

Objectives and activities

Objects and aims

The Forest Policy Group (FPG) is dedicated to the development of well founded, clearly presented policy proposals for government and its agencies. FPG aims to stimulate a wider debate about forestry in Scotland, and to provide a voice for those who otherwise find it challenging to represent their views in the policy arena.

The advancement of community development,
The advancement of heritage, culture and science and,
The advancement of environmental protection and improvement.

Objectives, strategies and activities

The Forest Policy Group acts by assembling evidence and communicating the arguments for;
Forestry that is inclusive and socially just with forests owned and managed by people of ordinary means and by local people.

Governance of forestry that is democratic and accountable

Diversity – of tree species, woodland types, management styles and tenure; to achieve a wide range of environmental benefits, ecological resilience, economic and social opportunities, and diversity in timber production and processing.

Use of volunteers

The FPG utilise volunteers for all aspects of its work.

Achievements and performance

- The last AGM was the same day as The Better Forestry Conference (BFC) in March 24, so this report starts there - 75 person conference with a strong sense that people are looking for a more positive dialogue about forestry, more collaboration.
- The BFC was followed through with a high quality report led by Anna Lawrence, who had been key in shaping and delivering the Conference itself, it is great to have this output to capture the lessons highlighted by delegates and give us a strong foundation we've been able to move forward from.
- We have become more selective about the government consultations we've responded to - because we'd rather use our capacity to make the case for the changes we think are needed rather than on low impact responses to less ambitious proposals from government. However, we did submit responses on the Land Reform Bill and Tackling the Nature Emergency (Scottish Biodiversity Strategy), Community Empowerment.
- Morag is now a member of the Scottish Forestry CRG and on the verge of joining Willie on the Technical Sub-group where the fun stuff happens
- We've had a bit more contact with MSPs in the last year - Alan and Morag met the Tory 'Rural Cluster' of MSPs in Parliament and Gordon hosted Jenny Minto on a visit to Argyll.
- Morag and Alan met Stuart Goodall, ConFor Chief Executive, last summer to get his take on the issues raised at the Better Forestry Conference.
- Willie and Alan attended a meeting of the RSE as they consider their next steps from last year's report on commercial forestry.
- 14 FPG members gathered for two days of walking and planning in Galloway last autumn, a great chance to get to know new members, learn from the huge collective knowledge we hold and shape the programme we're now working to.
- We held a hugely successful webinar on CCF last month and are already planning a follow up on forest ownership.
- Scottish Forestry Strategy Implementation workshop
- Peatland reception at parliament

Financial review

The group has a surplus of £17,206 for the year. This relates to a grant that was received before the year end. The costs and work associated with this grant will be incurred in the following accounting period.

Policy on reserves

The trustees aim to build a level of reserves equivalent to 6 months operating costs.

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Trustees' Report

Principal funding sources

The main funding has been from self generated income relating to research projects and donations from various organisation and individuals.

Plans for future periods

Aims and key objectives for future periods

- Since the Better Forestry Conference, we have focused on workstreams to start shaping the case for change on the issues we think will have the most impact. Thank you to all the members who have pitched into this.
- Our first major output from this process is a set of asks for party manifestos for the next Scottish election. This set of manifesto asks is now ready and it'll be good to get people's views on taking it forward once the formal AGM is complete.
- We will then take stock as 2025 draws on to decide what to focus on for the remainder of this parliament and will be very much looking for member input to that.
- We will also continue to hold occasional webinars and even explore some online interviewing to help extend our reach through social media, another topic where we'd welcome your ideas.

Going concern

The trustees consider that the charity is a going concern.

Trustees and officers

The trustees and officers serving during the year and since the year end were as follows:

Trustees:

[REDACTED]

Structure, governance and management

Nature of governing document

The SCIO is governed by a constitution.

Recruitment and appointment of trustees

Trustees are appointed in accordance with the constitution.

Induction and training of trustees

Trustees are given an induction into the FPG.

Organisational structure

The FPG is a membership organisation managed by a Board of Trustees. The trustees meet on a regular basis to discuss the management of the charity.

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Trustees' Report

Financial instruments

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables.

Funds held as custodian trustee on behalf of others

No funds are held on behalf of other organisations.

Creditor payment policy

It is policy to settle invoices within normal credit terms.

Statement of trustees' responsibilities

The trustees (who are also the directors of The Forest Policy Group for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The report and accounts have been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they 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 its income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 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 can disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, 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 charitable company 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 governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the trustees of the charity on 15 November 2025 and signed on its behalf by:

.....
[Redacted Signature]
Trustee

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Independent Examiner's Report to the trustees of The Forest Policy Group

I report on the accounts of the charity for the year ended 28 February 2025 which are set out on pages 6 to 12 .

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The trustees considers that the audit requirement of Regulation 10(1)(a) to (c) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees trustee concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
- to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

.....
[Redacted]
Chartered Accountant
ICAS

[Redacted]
[Redacted]
[Redacted]
[Redacted]

Date:.....

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Statement of Financial Activities for the Year Ended 28 February 2025 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 2025 £	Total 2024 £
Income and Endowments from:				
Donations and legacies	3	25,000	25,000	1,000
Other trading activities	4	<u>3,985</u>	<u>3,985</u>	<u>26,543</u>
Total income		<u>28,985</u>	<u>28,985</u>	<u>27,543</u>
Charitable activities	5	<u>(11,779)</u>	<u>(11,779)</u>	<u>(37,173)</u>
Total expenditure		<u>(11,779)</u>	<u>(11,779)</u>	<u>(37,173)</u>
Net income/(expenditure)		<u>17,206</u>	<u>17,206</u>	<u>(9,630)</u>
Net movement in funds		17,206	17,206	(9,630)
Reconciliation of funds				
Total funds brought forward		<u>25,100</u>	<u>25,100</u>	<u>34,730</u>
Total funds carried forward	11	<u><u>42,306</u></u>	<u><u>42,306</u></u>	<u><u>25,100</u></u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2024 is shown in note 11.

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(Registration number: SC049953CS004458)

Balance Sheet as at 28 February 2025

	Note	2025 £	2024 £
Current assets			
Cash at bank and in hand	10	<u>42,306</u>	<u>25,100</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>42,306</u>	<u>25,100</u>
Total funds	11	<u>42,306</u>	<u>25,100</u>

For the financial year ending 28 February 2025 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with section 44 of the Charities and Trustee Investment (Scotland) Act 2005.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements on pages 6 to 12 were approved by the trustees, and authorised for issue on 15 November 2025 and signed on their behalf by:

.....

Trustee

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Notes to the Financial Statements for the Year Ended 28 February 2025

1 Charity status

The Charity is a Scottish Charitable Incorporated Organisation (a SCIO). It was registered in its current legal form on 17 February 2020. It has a single tier structure and as such the trustees are the members of the charity.

The address of its registered office is:

██████████
██████████
██████████

These financial statements were authorised for issue by the trustees on 15 November 2025.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

The Forest Policy Group 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 notes.

The accounts are presented in £ and are rounded to the nearest £1.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

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Notes to the Financial Statements for the Year Ended 28 February 2025

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

Governance costs relate to the management of the charity.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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Notes to the Financial Statements for the Year Ended 28 February 2025

3 Income from donations and legacies

	Unrestricted funds General £	Total 2025 £
Donations and legacies;		
Donations from individuals	25,000	25,000
	<u>25,000</u>	<u>25,000</u>
	Unrestricted funds General £	Total 2024 £
Grants, including capital grants;		
Grants from other charities	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

4 Income from other trading activities

	Unrestricted funds General £	Total 2025 £
Membership subscriptions	2,173	2,173
Other income from other trading activities	1,812	1,812
	<u>3,985</u>	<u>3,985</u>
	Unrestricted funds General £	Total 2024 £
Membership subscriptions	2,700	2,700
Other income from other trading activities	23,843	23,843
	<u>26,543</u>	<u>26,543</u>

5 Expenditure on charitable activities

	Unrestricted funds General £	Total 2025 £
Research work	4,058	4,058
Report Writing	750	750
Administration	6,689	6,689
	<u>11,497</u>	<u>11,497</u>
	Unrestricted funds General £	Total 2024 £
Research work	30,395	30,395
Contracts	5,000	5,000
Administration	1,508	1,508
	<u>36,903</u>	<u>36,903</u>

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Notes to the Financial Statements for the Year Ended 28 February 2025

In addition to the expenditure analysed above, there are also governance costs of £282 (2024 - £270) which relate directly to charitable activities. See note 6 for further details.

6 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total funds £
Independent examiner fees		
Examination of the financial statements	282	282
Total for 2025	282	282
Total for 2024	270	270

7 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

██████████
£2,744 (2024: £Nil) of expenses were reimbursed to ██████████ during the year.

██████████ paid for certain expenses personally and then reclaimed them from the charity. The expenses related to the website, insurance and administration costs.

██████████
£369 (2024: £Nil) of expenses were reimbursed to ██████████ during the year.

Travel expenses

██████████
██████████ received remuneration of £63 (2024: £Nil) during the year.

Travel expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any other benefits from the charity during the year.

8 Independent examiner's remuneration

	2025 £	2024 £
Examination of the financial statements	282	270

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Notes to the Financial Statements for the Year Ended 28 February 2025

9 Taxation

The charity is a registered charity and is therefore exempt from taxation.

10 Cash and cash equivalents

	2025 £	2024 £
Cash at bank	<u>42,306</u>	<u>25,100</u>

11 Funds

	Balance at 1 March 2024 £	Incoming resources £	Resources expended £	Balance at 28 February 2025 £
Unrestricted funds				
General	<u>25,100</u>	<u>28,985</u>	<u>(11,779)</u>	<u>42,306</u>

	Balance at 1 March 2023 £	Incoming resources £	Resources expended £	Balance at 29 February 2024 £
Unrestricted funds				
General	<u>34,730</u>	<u>27,543</u>	<u>(37,173)</u>	<u>25,100</u>

12 Related party transactions

There were no related party transactions in the year.