

Registration number SC043384

The Heather Trust

Trustees' report and financial statements

for the year ended 31st December 2022

The Heather Trust

Trustees' report **for the year ended 31st December 2022**

The Board presents their report along with the financial statements of the Trust for the year ended 31st December 2022. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014 (as updated through Update Bulletin 1 published on 2nd February 2016).

Objects and Activities

The Heather Trust is governed by its Constitution adopted on 9 May 2019. The Trust changed its legal status during 2019 to become a Scottish Charitable Incorporate Organisation (SCIO). The Trust's vision is to see 'sustainable, resilient moorland for the benefit of everyone', and its mission is to develop and promote sustainable, resilient, moorlands through:

- Exploring common ground through facilitation and collaboration;
- Recognising and responding to challenges relating to carbon, climate change and biodiversity;
- Identifying and highlighting the opportunities to improve natural capital;
- Engagement and representation across all groups who have an interest in heather moorland;
- Education and demonstration (based on research, experience and good practice).

Achievements and Performance

2022 still felt some impacts from Covid19, as plenty of meetings took place online or in a hybrid style. However, we managed to hold in-person events at Dunkeld in Perthshire and Garrows Estate for our AGM, and also for the Moorland Forum at Tomatin and Glenmazeran Estate in Invernesshire. In addition, we facilitated an online debate in early August for Scotland's Moorland Forum, as well as our usual schedule of meetings to explore common ground and move conversations forward. This was also true of our work with the Working for Waders Initiative.

Scotland's Moorland Forum

The Trust continued to facilitate the work of Scotland's Moorland Forum and was funded for this by NatureScot. During the latter half of 2021 the Forum enhanced its delivery plans by introducing a Discussion Series to its activities and this came to fruition in 2022. A fuller explanation of the format and objectives for these events can be found at www.moorlandforum.org.uk. The work was introduced and overseen by our Director Scotland, who also acted as the Forum's Director.

The Forum also delivers the Moorland Management Best Practice guidance series and runs the Muirburn Code Working Group. The Groups are chaired by the Trust and funding for this work is also part-covered by NatureScot with the Trust meeting any shortfall from its own funds.

Working for Waders

The Trust continued with its facilitative role for the initiative during 2022. It ran a third very successful Small Grants fund, alongside managing the delivery of the main funding programme for the Initiative and facilitating meetings and events.

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Trustees' report for the year ended 31st December 2022

Bracken Control Group

The Trust relies on the knowledge of a Consultant, who continued to take forward the work of the Bracken Control Group in 2022. It was successful once again in 2022 in obtaining an emergency authorisation for the use of Asulam for chemical control of bracken, although tighter restrictions were again imposed. The Consultant represents the interests of the Trust at Bracken Control Group Meetings.

Upland Stakeholders' Forum (Defra)

Since 2020 this quarterly Forum has largely moved online. The Trust has a seat at the table and continues to make the case for a range of issues impacting the sustainable management of moorlands and uplands in England.

Financial Review

The Board submits the accounts for the year ended 31st December 2022. There was a deficit for the year of £23,105, represented by a deficit on unrestricted funds of £39,804 and a surplus on restricted funds of £16,699. The loss on revaluation of investments of £4,524 increased the overall deficit to £27,629.

The 31st December 2021 accounts showed a surplus for the year of £22,590, with the gain on revaluation of investments of £11,878 increasing the surplus for the year to £34,468.

The aim is to run the Trust's finances to achieve a surplus on the operating costs each year, but the Board approves the payment of grants and the funding of several projects, which reduces the surplus or takes the accounts into deficit. This cost of the grants and unfunded projects is reported to the Board.

Reserves Policy

The Board of Management intends that projects should be self-funding, wherever possible. Any surplus for the year will be carried forward as part of the Income Fund, which is an unrestricted fund. It is intended that in the event of a significant drop in funding, the reserves held by the Trust would enable it to continue with its activities for at least 6 months, to allow the funding to be replaced or activities altered.

Risk Management and Review

The Board of Management has examined the major strategic, business and operational risks which the Trust faces. All appropriate steps to mitigate these have been taken.

Investment Strategy

A balance is retained in the Trust's current accounts to cover working expenditure. Surplus funds have been invested in the McInroy & Wood Income Fund.

The Heather Trust

Trustees' report for the year ended 31st December 2022

Structure, Governance and Management

The Heather Trust is a Scottish Charitable Incorporated Organisation governed by its Constitution.

The Constitution provides for a Board of Management ("the Board") that shall consist of between 5 and 12 members, and one member will be elected as Chairperson and one as Treasurer. The quorum for members meetings is five and for Board meetings is three. Board members serve for three years and may serve for an additional period of three years on re-election at an AGM.

New Board members can be co-opted at any time and they then stand for ratification at the next AGM.

Up to four Board meetings are held each year. In 2022, meetings were held in February, May and August, with the October Board meeting coinciding with the AGM. The Trust also has an Audit and Risk Sub-Group of Board which gives more detailed scrutiny to financial and other related matters, who met four times in the same period.

During the 2022 AGM, the Trust's President, Rob Marrs, stepped down, as did the Interim Chair, Roger Burton. The role of President was given to Professor Davy McCracken, and the role of Chair was offered to Viv Gill, who was officially co-opted at the AGM. Roger Burton was re-elected as a member of the Board.

Additional Board members were also ratified during the AGM; George Dodds, Emily Taylor and Richard Cooke.

Staffing

2022 saw the creation of the role of Business Development Manager, and the subsequent arrival of an employee to fill the role. Unfortunately, 2022 also saw the departure of the same, as well as the resignation of the Trust's Administrator. The Trust recruited for a replacement Administrator, and decided due to a number of factors including the financial landscape that there was no longer a need for a Business Development Manager. There was no change among the Trust's longstanding relationships with its Contractors - both our Finance Administrator and our Events Specialist continue to support Heather Trust activities.

The Heather Trust

Trustees' report
for the year ended 31st December 2022

Reference and Administrative Information

Presidents

Professor Davy McCracken

(President)

Malcolm Hay

(Vice-President)

The Board of Management (Charity Trustees)

Viv Gill

(Chair)

Dr Colin Shedden

(Vice-Chair)

Roger Burton

Robert Benson

Richard Cooke

George Dodds

Dr Emily Taylor

Hamish Waugh

Registered Office

The Hub, 24-26 Friars Vennel, Dumfries, DG1 2RL

Charity Reference

SC049374 (Scotland) The organisation converted from an unincorporated association to a Scottish Charitable Incorporated Organisation on 11th June, 2019.

Bankers

Bank of Scotland, Thornhill, Dumfriesshire

Solicitors

Lindsays, W.S., Caledonian Exchange, 19A Canning Street, Edinburgh, EH3 8HE

Independent Examiner

Mr Roderick S. Williamson, BA, CA

Carson & Trotter, Chartered Accountants, 123 Irish Street, Dumfries DG1 2PE

The Heather Trust

Trustees' report
for the year ended 31st December 2022

Trustees' Responsibilities in Relation to the Financial Statements

The Charity Trustees (Board of Management) 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).

The law applicable to charities in Scotland requires the Charity Trustees to prepare financial statements for each year, which show a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the method and principles in the applicable Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charity will continue in operational existence.

The Trustees are responsible for keeping proper accounting records which 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 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 charity and financial information.

Independent Examiners

Mr R.S. Williamson of Messrs. Carson & Trotter, Chartered Accountants, has expressed his willingness to continue in office, and a resolution re-appointing him for the ensuing year will be submitted to the Annual General Meeting.

This report was approved by the Board at a meeting on 28th September 2023 and signed on its behalf.



V. Gill
Chair



C. Shedden
Vice-Chair

**Independent Examiner's Report to the Trustees of
The Heather Trust**

I report on the accounts of The Heather Trust for the year ended 31st December 2022 as set out on pages 7 to 13.

Respective responsibilities of trustees and examiner

The charity's trustees 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 (as amended). The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the 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 statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended). 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 seeks explanations from the trustees 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 the course of 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 (as amended); and

-to prepare accounts which accord with the accounting records and to comply with Regulation 8 of the 2006 Accounts Regulations (as amended);

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.

Rodrick S Williamson BACA

**Mr R S Williamson, BA CA
Carson & Trotter
Chartered Accountants
123 Irish Street
Dumfries
DG1 2PE**

28th September 2023

The Heather Trust

Statement of Financial Activities
for the year ended 31st December 2022

| | | Unrestricted Funds | Restricted Funds | Total Funds 2022 | Total Funds 2021 |
|--|-------|-----------------------|---------------------|------------------------|------------------------|
| | Notes | £ | £ | £ | £ |
| Income and endowments from | | | | | |
| Donations and legacies | 2 | 29,330 | 103,350 | 132,680 | 121,561 |
| Charitable activities | 3 | 66,514 | - | 66,514 | 103,215 |
| Investments | 4 | 2,749 | - | 2,749 | 2,981 |
| Total Income | | <u>98,593</u> | <u>103,350</u> | <u>201,943</u> | <u>227,757</u> |
| Expenditure on | | | | | |
| Raising funds | 5 | 11,679 | - | 11,679 | 11,084 |
| Charitable activities | 6 | 126,718 | 86,651 | 213,369 | 194,083 |
| Total expenditure | | <u>138,397</u> | <u>86,651</u> | <u>225,048</u> | <u>205,167</u> |
| Net income/(expenditure) before gains and losses on investments | | (39,804) | 16,699 | (23,105) | 22,590 |
| Net gains/(losses) on investments | | (4,524) | - | (4,524) | 11,878 |
| Net income/(expenditure) | | (44,328) | 16,699 | (27,629) | 34,468 |
| Transfers between funds | | - | - | - | - |
| Net Movement in Funds | | (44,328) | 16,699 | (27,629) | 34,468 |
| Reconciliation of funds: | | | | | |
| Total Funds Brought Forward | | 174,567 | 23,631 | 198,198 | 163,730 |
| Total Funds Carried Forward | 13 | <u>130,239</u> | <u>40,330</u> | <u>170,569</u> | <u>198,198</u> |

The notes on pages 9 to 13 form an integral part of these financial statements.

The Heather Trust

Balance sheet
as at 31st December 2022

| | Notes | 2022 | | 2021 | |
|---|-------|----------------|----------------|----------------|----------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Investments | 9 | | 118,168 | | 119,943 |
| Current assets | | | | | |
| Debtors | 10 | 27,049 | | 17,005 | |
| Cash at bank and in hand | | 31,619 | | 69,447 | |
| | | <u>58,668</u> | | <u>86,452</u> | |
| Creditors: amounts falling due within one year | 11 | <u>(6,267)</u> | | <u>(8,197)</u> | |
| Net current assets | | | <u>52,401</u> | | <u>78,255</u> |
| Net assets | | | <u>170,569</u> | | <u>198,198</u> |
| The funds of the charity: | | | | | |
| Designated Funds | | | | | |
| Capital Fund | 13 | | 73,698 | | 73,698 |
| Life Membership Fund | 13 | | - | | 260 |
| Potential Employee Liability Fund | 13 | | 20,000 | | 20,000 |
| Unrestricted Funds | 13 | | 36,541 | | 80,609 |
| Restricted Funds | 13 | | 40,330 | | 23,631 |
| Total charity funds | | | <u>170,569</u> | | <u>198,198</u> |

These financial statements were approved by the board of management on 28th September 2023 and are signed in their behalf by:-



V. Gill
Chair



C. Shedden
Vice-Chair

The notes on pages 9 to 13 form an integral part of these financial statements.

The Heather Trust

Notes to the financial statements for the year ended 31st December 2022

1. ACCOUNTING POLICIES

- a) Accounting Convention. The Accounts are prepared under the historical cost convention, and in accordance with applicable accounting standards including Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2nd February 2016) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).
The trust constitutes a public benefit entity as defined by FRS 102.
The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.
- b) 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 income receivable can be measured reliably.
Income is credited at the dates of receipt, except for subscriptions, grants and donations received in advance, which are credited in the year in which they fall due.
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. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.
- c) The Trust has charitable status and is exempt from taxation. The Trust is not registered for VAT.
- d) Income Tax on sums received under the Gift Aid Scheme has been brought in to the Statement of Financial Activities as recoverable from H M Revenue & Customs.
- e) Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.
All management and administration expenses are stated on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.
Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust.
- f) General funds are unrestricted funds, which are available for use at the discretion of the Board of Management in furtherance of the objectives of the charity and which have not been designated for other purposes. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.
- g) Investments are stated at market value at the Balance Sheet date. The Statement of Financial Activities includes the gains and losses arising on revaluations and disposals throughout the year.

The Heather Trust

Notes to the financial statements
for the year ended 31st December 2022

2. Donations and Legacies

| | 2022 | 2022 | 2022 | 2021 |
|---------------------------|---------------------|-------------------|----------------|----------------|
| | Unrestricted | Restricted | Total | Total |
| | Funds | Funds | Funds | Funds |
| | £ | £ | £ | £ |
| Grants:- | | | | |
| Grants | - | 94,150 | 94,150 | 54,956 |
| Donations | 13,656 | - | 13,656 | 41,701 |
| Subscriptions | 13,240 | 9,200 | 22,440 | 22,815 |
| Tax recovered on Gift Aid | 2,434 | - | 2,434 | 2,089 |
| | <u>29,330</u> | <u>103,350</u> | <u>132,680</u> | <u>121,561</u> |

Income from donations and legacies was £132,680 (2021 - £121,561), of which £103,350 was restricted and £29,330 unrestricted (£57,155 unrestricted in 2021).

3. Income from Charitable activities

| | 2022 | 2022 | 2022 | 2021 |
|-------------------------------------|---------------------|-------------------|---------------|----------------|
| | Unrestricted | Restricted | Total | Total |
| | Funds | Funds | Funds | Funds |
| | £ | £ | £ | £ |
| Auction Proceeds | 15,759 | - | 15,759 | 15,231 |
| Project Income | 47,684 | - | 47,684 | 85,974 |
| Advertising Revenue - Annual Report | 3,071 | - | 3,071 | 2,010 |
| | <u>66,514</u> | <u>-</u> | <u>66,514</u> | <u>103,215</u> |

Income from charitable activities was £66,514 (2021 £103,215) all of which was unrestricted (& unrestricted in 2021).

4. Investment income

| | 2022 | 2022 | 2022 | 2021 |
|--------------------|---------------------|-------------------|--------------|--------------|
| | Unrestricted | Restricted | Total | Total |
| | Funds | Funds | Funds | Funds |
| | £ | £ | £ | £ |
| Dividends received | 2,749 | - | 2,749 | 2,981 |
| | <u>2,749</u> | <u>-</u> | <u>2,749</u> | <u>2,981</u> |

Total investment income was £2,749 (2021 £ 2,981) all of which was unrestricted (& unrestricted in 2021).

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Notes to the financial statements
for the year ended 31st December 2022

5. Raising funds

| | 2022 | 2022 | 2022 | 2021 |
|---------------------|---------------------|-------------------|--------------------|--------------------|
| | Unrestricted | Restricted | Total | Total |
| | Funds | Funds | Expenditure | Expenditure |
| | £ | £ | £ | £ |
| Administration fees | 11,679 | - | 11,679 | 11,084 |
| | <u>11,679</u> | <u>-</u> | <u>11,679</u> | <u>11,084</u> |

Expenditure on raising funds was £11,679 (2021 £ 11,084) all of which was unrestricted (& unrestricted in 2021).

6. Charitable Activities

| | 2022 | 2022 | 2022 | 2021 |
|-------------------------------------|---------------------|-------------------|--------------------|--------------------|
| | Unrestricted | Restricted | Total | Total |
| | Funds | Funds | Expenditure | Expenditure |
| | £ | £ | £ | £ |
| Administration | 3,286 | - | 3,286 | 6,291 |
| Working for Waders Grants | - | 86,651 | 86,651 | 82,466 |
| Staff & Contractor costs & expenses | 108,477 | - | 108,477 | 98,754 |
| Bank Charges and Interest | 157 | - | 157 | 19 |
| Moorland Forum | - | - | - | 1,723 |
| Annual Report and AGM | 3,611 | - | 3,611 | 3,010 |
| Board Expenses | 7,053 | - | 7,053 | 3,016 |
| Independent Examiner's Fee | 1,440 | - | 1,440 | 2,250 |
| Legal fees | 2,694 | - | 2,694 | - |
| | <u>126,718</u> | <u>86,651</u> | <u>213,369</u> | <u>194,083</u> |

Expenditure on charitable activities was £213,369 (2021 - £194,083) of which £86,651 was restricted and £126,718 unrestricted (£113,340 unrestricted in 2021).

7. Trustees remuneration and expenses

No Board Members received payments as contractors during the year (2021 - £Nil).

8. Staff Note

The number of persons employed by the Trust during the year amounts to 2 (2021 - 2).

The Heather Trust

Notes to the financial statements
for the year ended 31st December 2022

9. Investments

| | 2022 | 2021 |
|---------------------------------------|----------------|----------------|
| | £ | £ |
| Market value at 31st December 2021 | 119,943 | 130,083 |
| Unrealised Gain/(Loss) on investments | (1,775) | 4,839 |
| Realised Gain | - | 10,021 |
| Withdrawal proceeds | - | (25,000) |
| Market value at 31st December 2022 | <u>118,168</u> | <u>119,943</u> |
| Investments at cost | <u>67,907</u> | <u>67,907</u> |
| The following investments are held: | | |
| McInroy & Wood Income Fund units | 4,112 | 4,018 |

10. Debtors

| | 2022 | 2021 |
|-----------------|---------------|---------------|
| | £ | £ |
| General debtors | 27,049 | 17,005 |
| | <u>27,049</u> | <u>17,005</u> |

11. Creditors

| | 2022 | 2021 |
|-----------------|--------------|--------------|
| | £ | £ |
| Accruals | 1,255 | 1,255 |
| Other creditors | 5,012 | 6,942 |
| | <u>6,267</u> | <u>8,197</u> |

12. Analysis of Net Assets Among Funds

| | Unrestricted General Funds | Unrestricted Designated Funds | Restricted Funds | Total Funds 2022 |
|---|---|--|-----------------------------|---------------------------------|
| | £ | £ | £ | £ |
| Investments | 44,470 | 73,698 | - | 118,168 |
| Net Current Assets/(Liabilities) | (7,929) | 20,000 | 40,330 | 52,401 |
| Net Assets at 31st December 2022 | <u>36,541</u> | <u>93,698</u> | <u>40,330</u> | <u>170,569</u> |

The Heather Trust

Notes to the financial statements for the year ended 31st December 2022

13. Movements in Funds

| | At 1st January 2021 £ | Incoming Resources £ | Outgoing Resources £ | Gain/Loss investments £ | Transfers £ | At 31st 2022 £ |
|---------------------------|--------------------------------|----------------------------|----------------------------|-------------------------------|----------------|-------------------------|
| Unrestricted Funds | | | | | | |
| Designated Funds | | | | | | |
| Capital Fund | 73,698 | - | - | - | - | 73,698 |
| Life Membership Fund | 260 | - | - | - | (260) | - |
| Employee Fund | 20,000 | - | - | - | - | 20,000 |
| General Funds | 80,609 | 98,593 | (138,397) | (4,524) | 260 | 36,541 |
| Restricted Funds | 23,631 | 103,350 | (86,651) | - | - | 40,330 |
| Total Funds | 198,198 | 201,943 | (225,048) | (4,524) | - | 170,569 |

Purposes of Designated Funds

The Capital Fund has been set aside by the Board of Management for particular purposes. The fund was formed primarily from the net proceeds of sale from a former office building.

The Life Membership Fund was set up by the Board of Management to record subscriptions received from Life Members. With effect from 14th May 1996, the Board of Management resolved to release life membership subscriptions received to the Trust's income over a fifteen-year period.

Employee Fund - The Employee Fund established in 2020 remains at £20,000 and the Board intend to review this going forward to establish a target figure for contributions which would fulfil the purpose of providing a financial cushion to the Trust to cover any long-term staff absence or other employee related matters.

Purposes of Restricted Funds

The Heather Trust operates 4 Restricted Funds :-

- 1) Small Research Grants - to be spent on research or communicating research work
- 2) Moorland Forum Subscriptions - operated on behalf of Scotland's Moorland Forum and made up of subscriptions received from Forum Members used to pay the Chairman's Fee and small incidental expenses.
- 3) Moorland Forum Moorland Management Best Practice - operated on behalf of Scotland's Moorland Forum and covers costs associated with developing good practice guidance.
- 4) Working for Waders - held on behalf of the Working for Waders Initiative - payments made for activity which supports the recovery of waders in Scotland.