

2024 - 2025

Annual report and accounts

Forest Research

Annual Report and Accounts 2024 to 2025

For the period 1 April 2024 to 31 March 2025.

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1 Performance overview

Chief Executive's Statement



Summary of 2024 to 2025 – Professor James Pendlebury, Chief Executive

Forest Research (FR) has had another successful year. Our research continues to provide vital evidence and data to government and the forestry sector. In particular, our work on collaborative projects funded by Defra's Nature for Climate Fund (NCF) and terrestrial Natural Capital Ecosystem Assessment (NCEA) programme have delivered new and innovative science for our industry, from supporting forest resilience by identifying future productive tree species, to using machine learning to improve our understanding of soil biodiversity.

Our new Corporate Strategy, '[Sustaining Ambition](#)', was launched during the year and will build on our previous 'Strategy for Growth' which has seen our operating income and funding grow again this year from just over £19 million in 2019 to 2020, to over £40 million in 2024 to 2025. As our contracts have grown, so too has our staff base and the range of science they undertake.

These successes are shown in our operational performance and research outcomes. With the continued support of the Department for Environment, Food and Rural Affairs (Defra) we have been able to move onto the next phase of the upgrade and improvement to our built estate and scientific capabilities. Indeed, as part of our ongoing commitment to science quality, we were delighted to have been awarded the key UKAS 17025 accreditation for competence testing and calibration of laboratories, and we are also implementing a quality management system (QMS).

Our people

Forest Research's staff are fundamental to our success. Their expertise, pride, and passion have made us the UK's leading provider of applied forest research.

However, it was with great sadness that we lost Dr Bill Mason this year, an internationally recognised and highly respected silviculturist. A longstanding employee and FR Fellow, Bill was still actively involved with supporting our researchers, co-authoring papers, and sharing his wealth of knowledge with colleagues. His integrity, professionalism, and sense of humour, not to mention his unique style, will be greatly missed, and it was fitting that he was recognised posthumously with the Sir George Campbell Memorial Trophy presented by the Royal Scottish Forestry Society.

It was also our great pleasure to present long service certificates to several colleagues for their incredible work over the years in the Forestry Commission (FC) and Forest Research; this year Robin Gill retired after 35 years in service to the nation's forests.

Outcomes

This is the final year in a spending review with many projects coming to an end. Across the business, colleagues have been working on delivering many critical programmes. As a result of the dedication of our staff, we have fully delivered or completed in-year milestones for 21 out of 23 Key Actions for 2024 to 2025, and a further two ongoing activities.

Going forward, our strategy for 'Sustaining Ambition' will shape our approach to research and knowledge exchange and will reinforce Forest Research's place as a world leader in the delivery of applied forest science. We will monitor and report on our progress to deliver the Strategy and will build the activities needed to achieve our goals and our business plan. We recognise that our future reputation depends on the work we will do, not just on the work we have done.

Our business

Our continuing growth in bids won and non-core income demonstrates that Forest Research is a well-established and recognised partner for delivering forest-related research. The primary goal of our 'Strategy for Growth' was the generation of new business, and we have demonstrably delivered on this objective over the last five years. We have grown our funding streams to our highest level yet, at over £40 million for this year.

During the current year, we have delivered on our core activities as well as the final year for several large projects aligned with Defra's Research and Development interests. Work on projects delivered for the Nature for Climate Fund (NCF), the terrestrial Natural Capital Ecosystem Assessment (NCEA), and within

the Centre for Forest Protection (CFP) and Future Proofing Plant Health (FPPH) programmes have contributed significantly to our growth over the year. With the welcome support of Defra, we have also progressed our significant Estate Investment programme, with the bulk of the work concentrated at our Alice Holt site.

Profile and engagement

The research and practical solutions we develop and communicate are essential. Our work informs the improvement and delivery of the UK Government and devolved administrations' policies. Crucially, it provides an evidence base to inform and inspire change that benefits society, the economy, the environment, and the forestry sector.

During the year, we continued to enhance the ways we communicate with policymakers, forestry practitioners, and the wider scientific community. Highlights included publications of two new practice guides and the launch of a new publicly available data dashboard for our TreeAlert reporting platform.

The website is the principal way our audiences access our work, and we have significantly increased the unique visits to the website during the year. We carried out some major technical and design improvements to the homepage and other page templates, which resulted in audiences spending longer on the site, discovering more research. We promoted our web content across our social media channels and grew our social media following to around 30,000 on both X (formerly Twitter) and LinkedIn. We are also building audiences on Facebook, BlueSky, and YouTube.

We have worked with the Defra Newsdesk to distribute several Forest Research stories to the broadcast, online, and print media. During National Tree Week in November, we achieved significant national and international media coverage for a new *Tree Species Guide for UK Agroforestry Systems* and an FR study on using trained dogs to detect *Phytophthora ramorum*.

Knowledge exchange and impact planning helps to focus our efforts to engage stakeholders. Our scientists advised and interacted with around 1,800 policymakers, forestry professionals, and members of the public at major events in Wales and England. The highlight of this was the Royal Welsh Show, where we were awarded a silver medal for our stand. In January, we welcomed Baroness Hayman, UK Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs, to Alice Holt, to discuss our critical work on safeguarding UK forests from pests and diseases.

Our science outputs and publications

The forestry sector is our primary focus. We continue to deliver timely, rigorous, and independent research that gives our customers the quality science, evidence, data, products, and services they need. They use this to support policy development, make informed decisions, implement best practice, and to build their businesses.

We produced wide-ranging and influential scientific outputs and publications, including more than 60 peer-reviewed journal papers and several significant publications that underpin the revised UK Forestry Standard, including two practice guides: *Creating and managing riparian woodland* and a second edition of *Managing forest operations to protect the water environment*. We also saw the first publications resulting from Defra-funded Nature for Climate Fund projects, including a *Tree Species Guide for UK Agroforestry Systems*.

Each year, our National Forest Inventory Production Forecast is welcomed by the forestry sector and continues to be commercially influential. As part of our annual cycle of National Statistical outputs, we also published *Forestry Statistics* and *Forestry Facts and Figures 2024*, *Woodland Carbon Code Statistics*, and the updated *Timber Price Indices*. The Timber Price Indices report remains one of our most viewed statistical outputs and generates many queries.

Thriving trees, woods, and forests require a thriving forestry sector. The climate emergency means that there is a growing need for science-based evidence and advice to prompt and promote change. Forest Research provides the research and tools related to the role of trees and forests in mitigating the impacts of climate change. Our efforts also focus on improving the resilience of our trees and forests to the changing climate through adaptive practice. Key to this is our [Climate Change Hub](#), which consolidates our publications, guidance, case studies, and tools related to essential climate change adaptation. The range of content available to policymakers, practitioners, and researchers continues to grow. We also published *Timber properties of species with potential for wider planting in Great Britain*, which is a starting point in the investigation of species suitable for commercial forestry when considering future climate scenarios.

We are working on producing strategies to enhance biodiversity. Our *Rapid review of evidence on biodiversity in Great Britain's commercial forests* was a significant contribution to the understanding of commercial forestry's role in protecting biodiversity, and is a basis on which to build further research. We also published *The management and creation of woodland for biodiversity and wider environmental benefits*, another important resource for practitioners and landowners.

Our staff continue to drive our business forward. Their expertise, pride, and passion are evident in the quality of our work and the impact of our outputs. I would like to thank them for their ongoing enthusiasm, creativity, and commitment. We are part of the international forestry community, and during the year we played a key role in a range of conferences, seminars, and symposia with colleagues in research and practice, including at the International Union of Forest Research Organizations (IUFRO) World Congress in Stockholm. I would also like to acknowledge the support from our stakeholders, partners, and customers from across the world. Forest Research commits to working with them in the future to find solutions to tackle some of society's biggest challenges related to trees, woods, and forests.

Professor James Pendlebury

Chief Executive and Agency Accounting Officer

Purpose and activities

Forest Research is the research agency of the Forestry Commission and Great Britain's principal organisation for forestry and tree-related research. As part of the Forestry Commission, we support its new '[Thriving for the Future](#)' Strategy. Forest Research's 'Sustaining Ambition' Strategy embraces all parts of the FC strategy, particularly; 'leading with science and evidence', 'partnering with purpose', and 'challenging the status quo'. Our refreshed purpose is summarised below.

Our purpose

We aim to be a world leader in applied forest science and a trusted provider of expertise, data, products and services.

Key strategic themes



Grow engagement

The forestry sector is our primary focus. We will conduct timely, rigorous, and independent research to give our customers the quality science, evidence, data, products and services they need to make informed decisions support policy development or develop and nurture their businesses. We will continue to grow our relationship with our customers.



Build Resilience

Forest Research's staff are fundamental to our success. Their expertise, pride, and passion have made us the UK's leading provider of applied forest research. We recognise that our reputation depends on the work we will do, not just on the work that we have done.



Unlock new opportunities

Through well-established connections across the forestry sector, we understand the issues facing our trees, woods and forests and those involved with them. We will enhance our business as we continue to give the best research advice, information and data to our customers.



Expand Horizons

Using and adapting new and existing technology, techniques, and approaches is fundamental to delivering quality research and data services. **Our creative, interdisciplinary science and data provision will offer trusted and quality assured insight and innovation.**

We are also a part of the wider Department for Environment, Food and Rural Affairs (Defra) family, and in alignment with the Forestry Commission's strategic aims, Forest Research is helping to deliver Defra's strategy, which sets out a shared vision and a set of objectives to improve the environment within a generation. More information on the Strategy is available in Defra's Annual Report and Accounts.

We will support and enable the delivery of these strategies by continuing to generate, share, and apply our world-leading science and evidence, working across the sector to prevent and respond to outbreaks of tree pests and diseases, and enabling others to sustainably manage and expand woodland through advice and regulation.

Research funding

From 1 April 2019, the Cross-Border Memorandum of Understanding (MOU) between Forest Research and the UK, Welsh, and Scottish governments has funded core research and other services. This arrangement supports the '[Science and Innovation Strategy for Forestry in Great Britain](#)' (SIS) and forestry policies of the UK, Scottish, Welsh, and Northern Irish governments. The current SIS runs to April 2026 and a refresh is underway. The MOU is on a rolling two-year notice period for renewal, with no notice given to date. In addition, Forestry England, Forestry and Land Scotland, and Natural Resources Wales purchase research, data services, and surveys for their respective forest estates. Our main funding source is Defra, which includes core as well as bid-won funding and is recorded as Grant-in-Aid.

Forest Research has continued our success in securing funding from other government departments, the European Commission, UKRI, commercial organisations, private individuals, and charities. Our non-core income continues to grow and is key in funding our ongoing research. Collaborative bids with other research providers and consortium funding have become increasingly important, placing emphasis on effective partnership working and cooperation.

Activities

Through well-established connections across the forestry sector, we understand the issues facing our trees, woods, and forests and those involved with them.

Forest Research's expertise is focused on trees, woods, and forests in both rural and urban settings, and their contribution to, and importance for, economic growth and nature recovery. The roles forests play in the future are dependent on the science that puts them in place or protects them. Our research, surveys, and related forestry data and scientific services underpin the social, economic, and environmental components of managing trees as part of our national response to the climate and biodiversity crises.

Our projects provide understanding, policy advice, and best practice guidance on a wide variety of forest and forest-related issues, as well as production forecasting, forest statistics, surveys, and monitoring. Crucially, they provide an evidence base to inform and inspire change that benefits society, the economy, and the environment.

Resources

Forest Research employed 421 (full-time equivalent) staff during the year 2024 to 2025 (2023 to 2024: 383) at sites across England, Scotland, and Wales.

Contact information for our main offices is provided on the back cover of this report.

Issues and risks

The important issues and risks that could affect Forest Research in delivering its objectives, and how we are addressing those risks, is reported on page 61, within the Governance Statement.

Performance overview

Operating review

In the final year of our Forest Research 'Strategy for Growth', we have achieved record-breaking funding levels through grant-in-aid and services delivered across the whole of the country. We have developed and launched our new Strategy, 'Sustaining Ambition', which builds on our success and supports the wider Forestry Commission and Defra strategies.

We have continued to develop our centres of expertise and grow our staff base to deliver our programmes. We also produce a wide range of publications and scientific outputs, provide advice, and participate in online and in-person events supporting the forestry sector.

Our ongoing planned investment in our main corporate estate is delivering significant upgrades to our laboratories and workspaces to create fit for the future, state of the art facilities, along with better infrastructure for our expanding business. Sustainability is a key focus in all of our investment decisions, and we are committed to improving business systems and connectivity to ensure that we operate efficiently as a modern, hybrid-working organisation.

We continue to deliver critical services and advice to inform and support development and delivery of the UK Government and devolved administrations' policies, providing an evidence base to inform and inspire change that benefits society, the economy, and the environment.

In particular, Forest Research has:

- launched the new FR Strategy, ‘Sustaining Ambition’, building on the previous Strategy;
- grown our revenue and increased our funding streams over previous years;
- continued to deliver the core programme work relating to the cross-border Science and Innovation Strategy, which commenced from April 2019 and is in place for an initial period of five years, with an automatic ongoing rolling two-year extension;
- fully delivered or completed in-year milestones for 21 out of 23 Key Actions for 2024 to 2025, and a further two with ongoing activities;
- published a range of UK National Statistics and Official Statistics on subjects including Woodland Carbon Code statistics, Timber Price Indices, Forestry Statistics and analyses from the National Forest Inventory;
- continued to support Defra, Forestry Commission, and devolved governments in dealing with biosecurity outbreaks;
- continued to support the UK’s international forest policy work through the provision of technical advice to Defra and the International Forests Unit and representation at international meetings and events, including IUFRO World Congress, United Nations Forest Forum, Food and Agriculture Organisation (FAO), and ForestEurope;
- contributed to the FAO’s report ‘State of the World’s Forest Genetic Resources’ and published the first UK National report on forest genetic resources;
- published *Timber properties of species with potential for wider planting in Great Britain*, which identified suitable species for commercial forestry when considering future climate scenarios;
- published a research report: *Rapid review of evidence on biodiversity in Great Britain’s commercial forests*.

The UN Global Goals

The Forest Research Strategy sets out our commitment to achieve net zero and includes actions that support nature recovery and biodiversity, as well as actions specific to climate change adaptation. These priorities are interwoven with the positive impacts on people and the economy that our work supporting sustainable forest management delivers. The UN Sustainable Development Goals (SDGs) are 17 interlinked objectives to deliver global sustainable development by securing the rights and wellbeing of everyone on a healthy planet. Spanning social, economic, and environmental objectives, the SDGs are illustrated in the roadmap below.

SUSTAINABLE DEVELOPMENT GOALS



Sustainability

At Forest Research, we are providing vital research that will inform forestry practice and provide better guidance for and support of sustainability policy. There is a continued focus on woodland creation and better woodland management in England, Scotland, and Wales as part of meeting the UK's net zero targets. Our research helps to support the core principle of delivering valuable, sustainable benefits from the nation's forests and delivering multiple dimensions of sustainability, as articulated by the UN Global Goals. Ensuring our forests remain resilient and meet the changing requirements of today's society and the threats posed by climate change are significant areas of our activity.

Forest Research maintains an environmental management system (EMS) to deliver the organisation's environmental policy and requirements of the 'Greening Government Commitments' (GGCs). Our sustainability performance update for this year follows the GGC Framework and is set out within the performance section of this report. Further detail on our commitment to sustainability is articulated in the Sustainability Report on pages 33 to 48.

Financial review

Forest Research's overall business has continued to grow in the 2024 to 2025 financial year, with further increases in staff numbers to deliver science secured through new funding opportunities. We have once again built on the successes of previous years and delivered positive financial and operational results, managing an increasingly difficult financial landscape and meeting our key business plan objectives for the year.

Forest Research met its agreed budgetary targets for the year and delivered a core programme of work to a total of £40.40 million (2023 to 2024 restated: £36.70 million). This represents a further increase from 2023 to 2024 and a cumulative 110% growth in our revenue funding position since 2020.

Core funding to deliver the objectives of the Science and Innovation Strategy for Forestry in Great Britain (SIS) is secured under the MOU agreement between the three administrations. In addition, FR has secured allocations from the 2021 Spending Review in relation to tree health. During the year, we have continued to increase our funding levels through successful competitive bids and increased testing and survey works.

The major refurbishment work has been concentrated at our Alice Holt (AH) site this year, although there have also been some projects at our Northern Research Station (NRS). The ongoing Estate Investment programme has been possible with the welcome support of the Forestry Commission, who have provided a further £3.50 million of critical investment in our main facilities. In addition, we have also received £0.69 million of capital investment from the Forestry Commission towards scientific equipment and £1.60 million of direct critical asset funding to help maintain and enhance the Agency's research capability.

Budgets are tightly managed to ensure that we work within our means, for both operational and capital allocations. Details on the different categories of spend are provided below.

A comparison of income and expenditure with the previous year's results shows that:

- Income from contracts with customers during the year amounted to £17.20 million, which is an increase of around 4% on the level achieved in 2023 to 2024 (restated £16.60 million).
- Grant-in-aid, including capital allocations, was £26.50 million (2023 to 2024 restated £27.30 million).
- Our staff are our greatest resource and the largest spend category. Our staff numbers have been growing to deliver our additional contracts, and as such our associated spend has increased by £2.32 million (11%) since 2023 to 2024. Details can be found in Note 3 (page 102) with further analysis in the Staff Report, on pages 71 to 77.

- The impairment cost of £3.48 million (2023 to 2024: £0.76 million), which is categorised as part of management costs, has arisen on the revaluation after capitalisation of estate improvements at AH. The actual cost of necessary improvements at AH is higher than the change in valuation of the site as reported under the Depreciated Replacement Cost methodology (DRC). Details can be found in Note 1 (pages 95 to 97) and Note 4.1 (page 103).
- Other management costs increased by £4.74 million (50%) for the year (2023 to 2024 £1.01 million – 12%). Cost increases outside the impairment costs of £3.48 million are attributed to rising prices, continued investment in building maintenance costs, computer supply costs, and depreciation charges. These cost increases correlate with the planned asset investment and funded capital spend over several financial years, as well as routine repairs across the corporate estate.
- Materials and services costs decreased by £0.17 million (2%) (2023 to 2024: £2.55 million – 48%), with a small reduction on the prior year which saw additional research contracts secured which have lower sub-contracted delivery costs associated with these bids.
- Additions to Property, Plant, and Equipment (PPE) and intangible assets during the year amounted to £7.17 million (2023 to 2024: £9.19 million) and included finalisation of the upgrades at the Northern Research Station (NRS) as well as substantial modernisation and sustainability works at our Alice Holt site (AH), and investment in scientific equipment.

Financial objective – Key Actions

Forest Research’s primary financial objective set out in the Framework Document is to recover the full economic costs (i.e. 100%) of its operations from services to customers. In 2024 to 2025 the recovery rate was 100.3%, which reflects a decrease on the 101.5% (restated) recovery rate achieved in 2023 to 2024.

Performance against other operational and scientific Key Actions is reported on page 21, within the Performance analysis section.

The future

Forest Research’s role and remit remain unchanged. Our new strategy for ‘Sustaining Ambition’ will provide a base for us to continue with our core role – to be a world leader in applied forest science and a trusted provider of expertise, data, products, and services. Our expertise is focused on tree health, woodland creation, and better woodland management in England, Scotland, and Wales as we play our part in helping the UK administrations meet their targets.

Our new strategy will shape our approach to tailored research and knowledge exchange and will reinforce Forest Research's place as a trusted provider of creative interdisciplinary science.

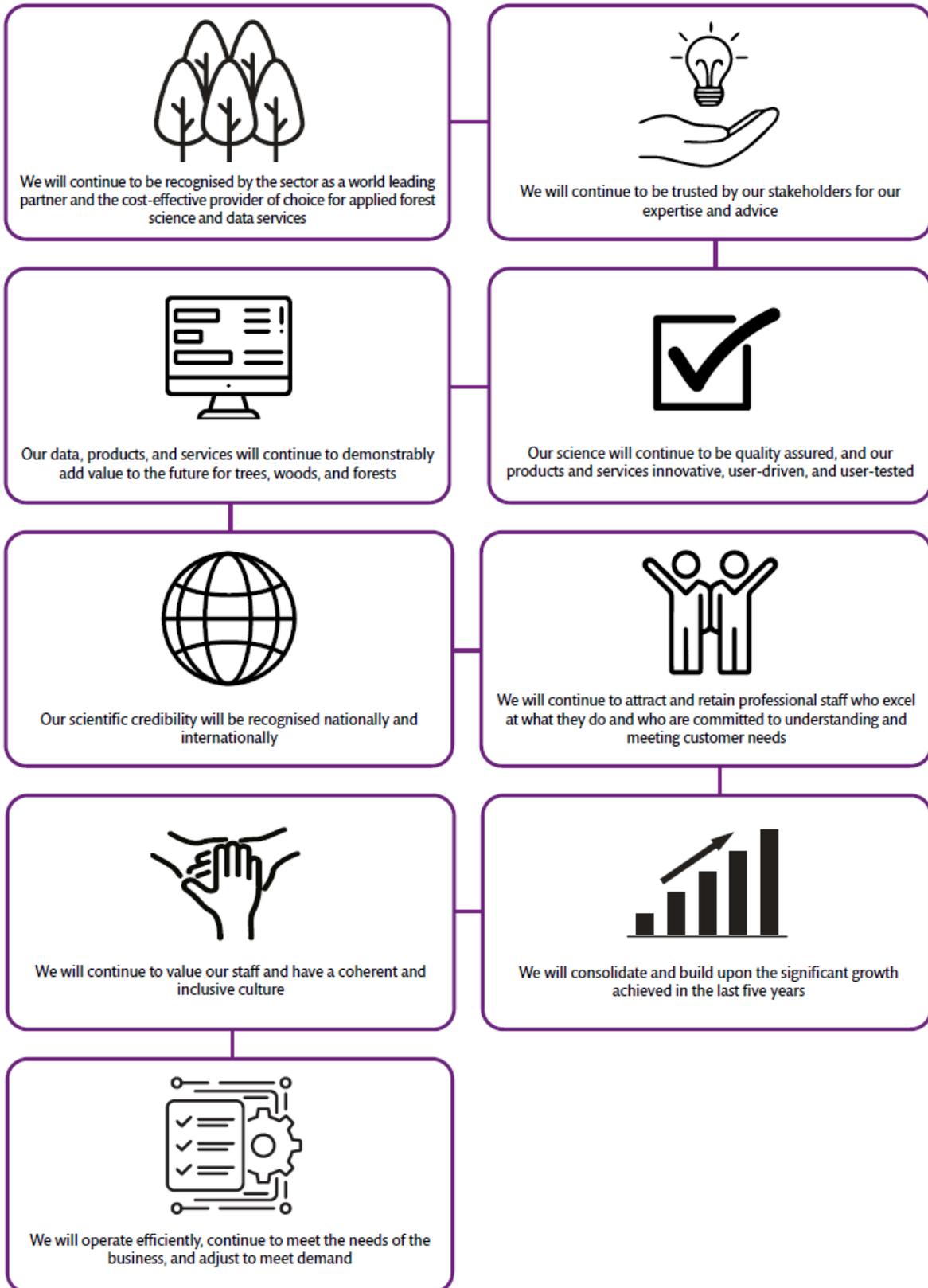


Our work informs the development and delivery of the UK Government and devolved administrations' policies and provides an evidence base to inform and inspire change that benefits society, the economy, and the environment, including the impacts of climate change.

Some of the activities that Forest Research will be undertaking to support the delivery of the Science and Innovation Strategy for Forestry in Great Britain, and to fulfil our own corporate objectives for 2025 to 2026, are as follows:

- Deliver on our seven core science programmes which respond to the 'Science and Innovation Strategy for Forestry in GB', actively engaging with our key stakeholders in co-creation and co-design, and in shaping the outcomes of the research.
- Start on site for Holt Laboratory II build with living tree experimental containment growth chambers to further develop our understanding of known and emerging threats from tree pests and diseases and our response to outbreaks.
- Continue to survey and deliver reports on surveillance for regulated pests and pathogens.
- Explore the feasibility of obtaining the UK's reference laboratory status and creation of a network with European Union Reference Laboratories (EURLs).
- Contribute to the development and delivery of a substantial part of the work for the Natural Capital and Ecosystem Assessment (NCEA) characterisation of land in England.
- Deliver key innovation as part of the NCEA programme on the use of drone technology for collecting key field data and for delivery of the National Forest Inventory (NFI).
- Deliver phase I of the FR Geospatial Strategy.
- Publish UK National Statistics and Official Statistics releases on subjects including forestry statistics, Timber Price Indices, UK wood production, and analyses from the NFI.

What success will look like



Performance analysis

The performance of Forest Research is closely monitored throughout the year by the Forest Research Board and is measured through assessment of our corporate compliance, business growth, finance, and science outputs against each of our science and business priorities.

The Board ensures that progress against our Key Actions is appropriately measured and reported, including consideration of risks and uncertainties that potentially have an impact on performance, through our risk management procedures. In addition, regular monitoring of the financial position in comparison to the approved budgetary targets is undertaken. This financial monitoring is critical to the success of our primary financial objective of recovering the full economic costs of our operations from the sale of services to customers.

A financial review and analysis of long-term expenditure trends have been included within the Parliamentary Accountability Disclosures section on pages 77 to 80. Operating and financial reviews describing our key financial results for the year have been included on pages 16 to 17.

We also recognise the importance of non-financial performance information, and a Fraud Policy Statement is available for all staff to access. We continue to work closely with the Forestry Commission and Defra in line with the Defra Counter Fraud Policy and Strategy, which is publicised on our intranet for all staff to access. More detail is provided on page 60.

The review of our science outputs is assessed with independent advice and valued assistance in our horizon scanning by the Expert Committee on Forest Science. More detail is provided on page 56.

The environment is at the heart of our activities and the impact of our business on the environment is measured and reported within the Sustainability Report on pages 33 to 48.

The Board has concluded that our achievements against our corporate Key Actions for 2024 to 2025 are a strong indicator of performance and are listed below. A full commentary with details of our work on each key action is available [on our website](#).

Key actions

Action	Status
Publish Research Report 'Rapid Review of Evidence on Biodiversity in Great Britain's Commercial Forests'	Complete
Publish NCF funded research to evaluate and support land manager engagement for woodland creation	Complete
Operationalise remote sensing to support the identification of woodland creation throughout Scotland and England	Complete
Secure ISO17025 accreditation for the Holt Containment Facility	Complete
Launch Centre for Forest Protection Knowledge Hub launched. Develop programme of research for education and training materials and scoping of Phase 2 of Centre for Forest Protection	Complete
Increase reporting on pests and diseases via TreeAlert portal (through promotion)	Complete
Develop additional Ecosystem Services indicators and incorporate them into the Ecosystem Services benefits tool	Complete
Deliver Natural Capital Ecosystem Assessment programme commitments	Complete
Publish Forestry Statistics and Forestry Facts and Figures 2024 and the updated Timber Price Indices	Complete
Publish Research Reports: 'Wood properties and uses of larch in Great Britain' and 'Timber prices and elasticities for emerging species and different product categories: An evidence review', and Research Note: 'Timber properties of species with potential for wider planting in Great Britain'	Complete
Develop methods and tools to assess multiple benefits and trade offs from trees, woods, and forests	Complete
Develop Forest GALES (wind risk model) and host international training workshop to disseminate the latest version of Forest GALES (wind risk model)	Complete
Draft GIS technology roadmap and complete consultation	Complete
Host general assembly of Institut Européen de la Forêt Cultivée (IEFC), (Institute of Planted Forest) strengthening links with key international partners	Complete
Deliver component projects within the Nature for Climate Fund Research and Development programme	Complete
Provide technical advice to International Forest Unit regarding Nations Forest Forum and Forest Europe process	Complete
Deliver outputs on managing potential impact of woodland creation on water resources (literature review, conceptual models, spatial mapping report, R-Shiny app and guidance)	Complete
Pilot water quality element of the Woodland Water Code	Complete
Contribute to the Food and Agriculture Organisation's (FAO's) report 'The State of the World's Forest Genetic Resources' and publish the first UK national report on forest genetic resources	Complete
Build tree health response capability and capacity in FR, working in partnership with the Forestry Commission, Defra, and devolved administrations, undertaking contingency planning, and developing and implementing standard operating procedures and a training programme for incident management	Complete, ongoing action
Deliver an update of the woodland carbon sequestration estimates for inclusion in the Woodland Carbon Code 'Woodland Carbon Calculation Spreadsheet', incorporating revisions based on new forest yield models	Complete, ongoing action
Publish UK Forestry Standard (UKFS) Practice Guide 'Hazards from trees'	Ongoing
Holt phase II build (living tree experimental growth chambers in containment) - Riba planning	Ongoing



Research highlights

Research highlights

Much of our research in 2024 to 2025 has focused on improving the resilience of our trees, woods, and forests. The NCF programme which concluded this year has enabled us to conduct vital research into the threat of climate change in a forestry context, while also bringing welcome opportunities for collaboration with organisations across the sector. This year, we have also embraced Machine Learning where it can help us work more efficiently and focus our attention where it is needed the most – our new MESOSCAN technology provides an exciting opportunity to improve our approach to sample processing. Our research also encompasses woodland economics, and this year we have sought to understand the impact of woodland creation on land value. The highlights that follow demonstrate how Forest Research has contributed vital evidence to inform practice and policy related to our trees and forests.

Using machine learning (AI) to help identify soil biodiversity

This year, Forest Research scientists have worked on several packages across Defra's [Natural Capital Ecosystem Assessment Programme \(NCEA\)](#). One of these projects involved the monitoring of physicochemical and biological properties of UK forest soils. We investigated a number of biological groups present, including mesofauna (mites and springtails). Mesofauna are particularly challenging to study due to the hidden nature of the soil as a habitat, the small size of these creatures (0.2 mm to 2 mm), how little we know about their ecology, and the evolving nature of their taxonomic classification. Additionally, there is a lack of taxonomy experts available in the UK, and taxonomic identification can be time consuming, taking up to two days per sample in monitoring schemes that may be collecting up to 400 samples. To overcome these challenges and aid with mesofauna identification, we are developing an automated Machine Learning system called MESOSCAN.

We have now completed an initial end-to-end system, capable of performing the work of the taxonomist in identifying and counting specimens in a sample. This new system enables us to process samples ten times faster. It is important to note that this does not replace the taxonomist but instead allows them to focus on identifying rarer and more unique specimens, while the MESOSCAN system delivers a faster preliminary result. The two main challenges of the project have been the data collection of sufficiently high-quality images, and the development of automated classification using Machine Learning. To train such a system using a Deep Learning approach requires an extensive and well-curated set of training images. To create the best possible collection, we have constructed a macro-photography system mounted on a robotic arm that can scan many images at a very high magnification. As with any new piece of scientific apparatus, it is critical to calibrate and monitor its performance.



Image courtesy of Thomas Ashton

This is especially important in the case of a Machine Learning system, as it can be difficult for a human to interpret why a specimen was classified as such. Currently, we are performing this assessment by comparing the results of the systems output to the precise counts produced by an expert taxonomist.

Ultimately, a system like MESOSCAN will allow soil ecologists to create easily accessible image-based biodiversity databases, which can be expanded with time to host other biological data, such as molecular and acoustic identifications. This will allow us to archive samples more efficiently, standardise and share biological data with other scientists, and obtain additional data from the samples collected (size, shape, mass). This can aid our understanding of the ecology of these animal groups, their role in ecosystem functioning, and their influence on soil health.

Understanding the impact of climate change on our trees, woodlands, and forests

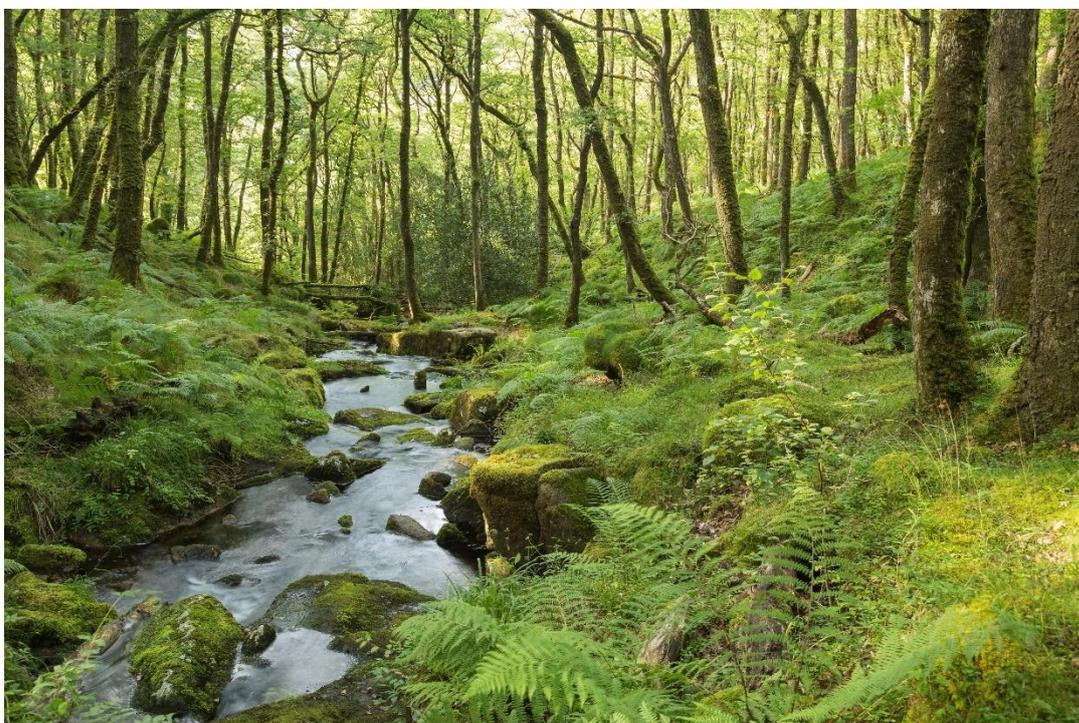
In 2023, Forest Research secured 30 research and development (R&D) projects under the Nature for Climate Fund, with a total value exceeding £16 million. Funded by Defra, this ambitious programme of research is advancing our understanding of the role, function, and resilience of trees, woodlands, and forests across England, while addressing some of the key environmental threats they face.

Funded projects spanned a wide range of themes, including:

- Evaluating the role of natural tree colonisation, with and without supplementary low-density planting, as an alternative means of expanding woodland cover.
- Expanding agroforestry systems.
- Preliminary development of a Woodland Water Code to quantify the water benefits of trees, including nutrient interception, shading, and flood alleviation.
- Investigating how young woodlands might accelerate ecological connectivity between existing mature woodlands.
- Reviewing the biodiversity value of commercial forests to inform sustainable forest management.
- Exploring the role of trees outside of woodlands in contributing to the wider treescape and the ecosystem services they provide.

- Analysing the economics of woodland creation including the costs, benefits, and long-term value.
- Assessing the impacts of development on ancient woodlands and identifying strategies for mitigation.
- Reviewing wildlife management approaches that balance the control of pest species with the creation of shared spaces that support both biodiversity and human wellbeing.
- Establishing the groundwork for a national network of research forests, designed to test alternative tree plantings, densities, and provenances.

Forest Research collaborated with 27 partner organisations from academia, non-governmental organisations (NGOs), and industry to deliver the programme. Working closely with Defra and other parts of the Defra family, including Forestry Commission, Natural England, and the Environment Agency, the programme produced over 200 outputs spanning a broad range of subject areas.



Although the NCF programme has now concluded, it continues to support 6 PhD students as they finalise their studies. These studentships are helping to strengthen future expertise in forest science. Looking ahead to 2025 to 2026, efforts will continue to ensure wide dissemination and application of the programme's findings. This will include publishing scientific papers, engaging with stakeholders, and translating evidence into practical guidance to support policymakers, practitioners, and land managers.

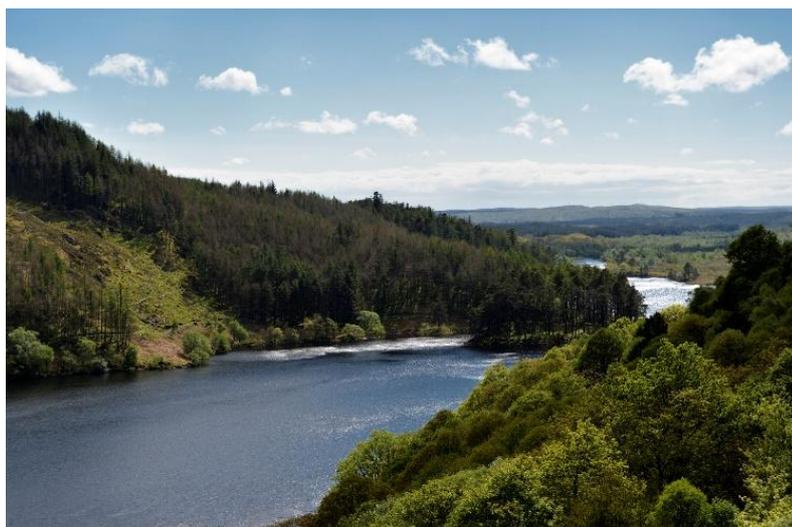
Identifying additional tree species for productive forests

Currently the British forestry sector is heavily dependent on one productive tree species, Sitka spruce. With the increasing threat from pests and diseases and the effects of climate change, it is essential to identify a shortlist of alternative species that the whole sector can agree upon, to diversify the composition of our woodlands and forests.

In early 2024, Scottish Forestry commissioned Forest Research to assemble the evidence required to select such a shortlist for Scotland. This work became a key action in their new [Routemap to Resilience](#), and was overseen by a cross-sectoral steering group. The shortlist informs other actions in the Routemap: to ensure there is seed and plant supply, improved material, silvicultural knowledge, and processing capability and end markets to maximise the benefits the shortlisted species will provide.

We began by agreeing a longlist of 64 species and a suite of eight evaluation criteria:

- tree improvement
- plant and seed supply
- silviculture
- site and climate suitability (current and future)
- productivity
- tree health
- biodiversity and environmental impacts
- timber quality and end use.



Using existing literature and expert knowledge, we scored the performance of each species on a common scale. In May 2024, we organised a workshop with around 50 stakeholders to explain our approach and elicit their weighting preferences for each criterion. We then explored how these weightings influenced the prioritisation of

species. We concluded that it was not possible to agree a definitive set of weightings, so instead we used a Monte Carlo simulation whereby every possible weighting scenario was considered to derive a prioritised set of species.

The list needed further refinement through expert judgement and stakeholder consultation to consider other factors that cannot be captured by a purely quantitative approach. First, we ruled out ten species due to major known tree health risks. Then we prepared a detailed narrative to capture the rationale for including each species on the shortlist. We organised meetings with expert stakeholders to refine the list and work towards a consensus. The provisional shortlist has 12 conifers and 12 broadleaved species, although this may be reduced before it is finalised and published later this year. The work has attracted much attention, and Defra's Forestry Research and Development programme have now commissioned a similar exercise for England. The two projects are being coordinated by a new UK Forest Genetic Resources Group, chaired by the President of the Institute of Chartered Foresters, Geraint Richards, to ensure these initiatives succeed in their goal to drive diversification across Britain's treescapes and increase their ecological and socio-economic resilience. This research is available on [our website](#).

Boosting community tree nurseries

This year, Forest Research scientists have completed their contribution to the Trees Outside Woodland (TOW) Project, which was led by Defra, in collaboration with Natural England and the Tree Council. The project was funded by HM Treasury's Shared Outcomes Fund. The scope of the project included the development of five pilots, one of which was *Boosting community tree nurseries*.

Forest Research undertook a study to assess the potential Community Tree Nurseries (CTN) have to provide bio-secure, locally sourced, and diverse planting stock that can increase the resilience of treescapes.

Data were gathered through a national survey of CTNs across the UK, which was first conducted in 2022 and repeated in 2024, alongside monitoring CTNs that were involved as pilots and directly supported by the TOW project.

Comparing the results of the two national survey runs highlighted the following information about CTNs:

- There are probably between 80 and 100 of them across the UK.
- There are fewer under a year old in 2024 compared with 2022, indicating a potential decline in new entrants.
- Tree production levels remain steady at a minimum of around 250,000 trees per annum.
- The majority of them grow trees from locally collected seeds, mainly broadleaved species, but in the 2024 survey, 42% now produce conifers (of mostly native species).
- Tree donations from members of the public and other contributors remain an important source for smaller community-based CTNs, and this poses potential biosecurity risks.

- They continue to rely heavily on volunteer contributions to labour, with minimum average contributions per CTN ranging from 522 hours in 2022, to 377 hours in 2024. It is not clear why this significant drop has happened.
- Most of them have some form of biosecurity plan, with larger CTNs more likely to have formal policies. However, a significant portion of CTNs, particularly smaller ones, see some biosecurity practices as irrelevant to their contexts.
- Conversely, interest in Plant Healthy certification has grown, but cost and time requirements for attaining certification remain barriers to adoption. Further research could usefully uncover more understanding of how to shift these perceptions and increase biosecurity practice amongst all CTNs.

Overall, while the CTN sector remains stable, challenges persist. Our evaluation highlights the importance of continued support for CTNs, particularly in areas of financial stability, volunteer engagement, and biosecurity practices.



Image courtesy of the Tree Council

Understanding the impacts of woodland creation on land value

The England Trees Action Plan made a commitment (Action 5.12) to build the economic evidence base in order to help land managers and businesses make informed decisions on land use change and woodland management. Helping to build this economic evidence base is the primary objective of Forest Research's



'Economics of Woodland Creation'

project. This project covers a range of work, including modelling cash flows from woodland creation, developing updated hardwood price size curves in collaboration with Grown in Britain, modelling woodland creation cash flow scenarios, and investigating the impacts of tree planting on the value of land in England.

Graph illustrating the estimated price change in woodland sale price per acre.

Case studies of the

impacts of woodland creation were undertaken by a private sector land valuer. Farmland is valued by UK land valuers based upon its attributes – primarily, agricultural land quality/grade. Once woodland is planted on a land parcel, its value instead becomes based on the 'bare land' value plus the value of the trees as they grow. Agricultural valuation attributes no longer influence the land value at this point due to the permanent land use change to woodland. As the 'bare land' value is relatively low, land value tends to fall where woodland is planted on prime agricultural land, while planting productive conifers on poor quality farmland can increase the land value. Drawing on anonymised data for 1,239 farmland sales in England for the period 2014–2023 (provided by John Clegg and Co), project partners at Heriot-Watt University developed an economic model of the determinants of land prices in England.

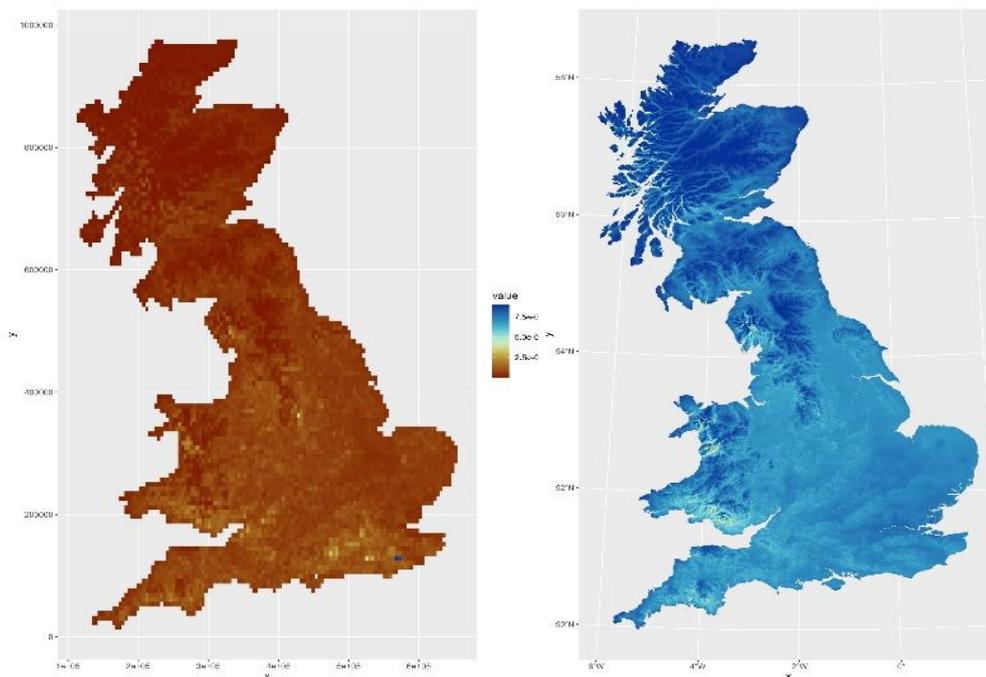
The results for agricultural attributes demonstrated that land quality and farm type are important, with size of land area having a negative impact on price per acre and the square of the land area having a positive influence (reflecting increasing productivity as the area increases). Results from a model that included woodland variables were not fully conclusive, with neither the presence of woodland, nor the area of woodland, found to be significant. However, Heriot-Watt found that the woodland area squared was significant, implying larger areas of woodland are more valuable, with over 20% woodland cover on the farmland sold found to have a significant negative influence. The findings suggest a U-shaped relationship may exist, with a decline in land value per acre as woodlands increase in size for smaller sizes

(due to increasing woodland area seen as detracting from valuable agricultural production), and a turning point where the woodland starts to become financially viable and is considered an asset, resulting in higher land values per acre for larger woodlands.

Using spatial modelling to understand environmental predisposition to tree diseases

The Centre for Forest Protection (CFP) is a research collaboration, funded by Defra and led by Forest Research in collaboration with Kew. The mission of the CFP is to protect the future of woodlands from environmental and socioeconomic threats through innovative science, interdisciplinary research, expert advice, and training. The first phase (2022 to 2025) consisted of thirteen projects alongside educational and knowledge exchange activities.

One of the projects sought to understand how environmental conditions may predispose trees to disease. Researchers used existing historic data such as disease observations reported to Tree Alert, as well as plant health survey records to model disease risk based on environmental data including climate, soils and topography.



Predictions from point process models showing the expected density of ash dieback reports. Left: full model including TreeAlert list length (search effort) and Ash density. Right: Prediction from environmental variables only.

These models allowed future climate predictions to be made. Working on three case studies, the research team has produced preliminary maps which predict where tree species will be most at risk from ash dieback, Dothistroma needle blight and *Phytophthora pluvialis* infections.

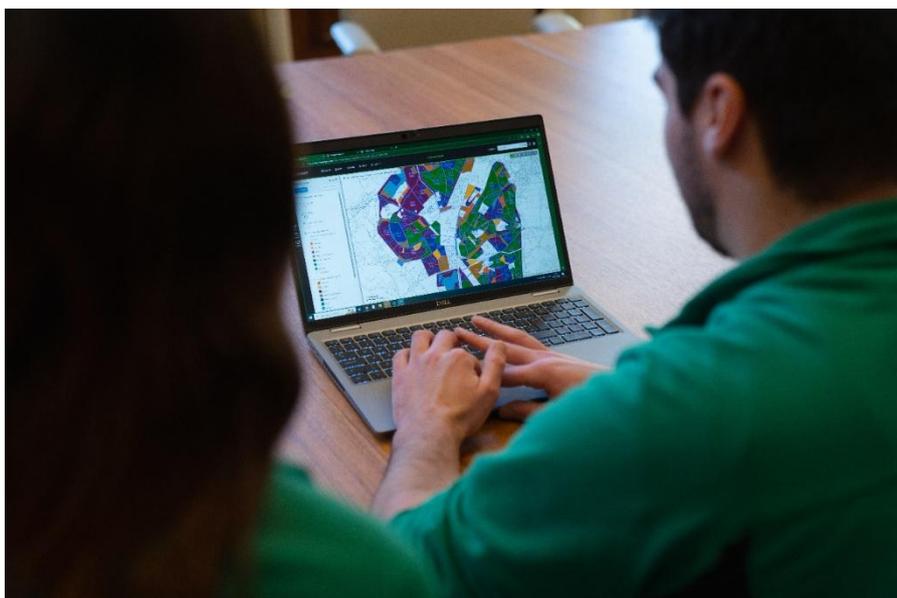
Ash dieback observations are predicted to occur in a widespread pattern across Great Britain, but climate is expected to cause some areas to be more suitable than others especially wet warm areas in the south and west of the country. In Northern Scotland both ash and ash dieback are mostly limited to glens and valleys.

Major challenges for the project were to harmonise disparate data sets and eliminate reporting biases. We expect risk maps to be publicly available later in 2025.

Further information about the Centre can be found on a dedicated website www.forestprotection.com.

Upgrading our technology with our new geospatial system

Project Canopy is the next evolution of Forest Research's ForesterWeb and Geostore systems. These are core geospatial products in use across British forestry, supporting the management of our forests in one consolidated system. Over the next three to five years, the Geographic Information Systems (GIS) team at Forest Research will gradually update the systems, bringing flexibility, better cost management, support, and enhancements. The new system will allow users to engage with novel technologies, emerging data, and scientific advancements in the field of forestry, such as drone data and scientific models.



Project Canopy is led by the GIS team within Forest Research and is a collaborative effort between partner organisations. Our partners support the programme's governance and engagement, to ensure that the new system delivers the results needed.

The project is still in the early stages and the focus is currently on thorough planning and initial engagement, although enabling works to set up these IT-based architectures for data management and proof of concept are already underway. Investigations and early workshops have been undertaken, the latter with customers at the beginning of the year, and a vision document is being prepared to consolidate the learning from these initiatives into a focussed delivery plan. The business logic of the original systems, particularly around inventory editing and management, remains broadly unchanged, bringing forward the robust elements of the original systems into modern technological architectures.

The next steps are to publish the draft vision document for further discussion and, based on this, begin work on the proof of concept. Alongside this, we have anticipated programmes of work around change management, business model, and training and service support. Finally, we will produce a decommissioning plan for ForesterWeb, which will run in tandem with the development work.

Our key publications

If you want to read more of the impactful science and services that Forest Research delivered during the year, follow this link to [our website](#).



Sustainability report

Environmental sustainability

Sustainability is an essential characteristic within the strategic objectives, operations, and policy making of Forest Research. The implementation of a systematic approach to environmental management via ISO 14001 demonstrates Forest Research's commitment to contributing to the environmental pillar of sustainability.

As a business, we seek to reduce our environmental impact wherever possible and embed our commitment to the environment within our core business processes. We maintain a formal environmental management system (EMS) for our built estate which is externally certified to ISO 14001:2015 standard.

Our operational activities are managed in accordance with the UK Forestry Standard (UKFS) and UK Woodland Assurance Standard (UKWAS) and certified by both the Forestry Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC).

Forest Research maintains an EMS to deliver on the commitments within its environmental policy and manage its significant environmental aspects through implementing an environmental action plan (which includes the actions specified within the Greening Government Commitments (GGC) framework). Our Senior Management Team demonstrates its commitment to environmental sustainability and leads by example.

To support the Government Property Sustainability Strategy, our EMS represents the mechanism by which we measure and improve our environmental performance in terms of energy use, business travel, waste arising, water consumption, and management of hazardous materials.

Our sustainability report aligns with the requirements specified by the HMT *Financial Reporting Manual* (FReM) and HMT *Sustainability Reporting Guidance*. We report our environmental performance against the HMT *Sustainability Reporting Guidance*, which incorporates the GGC Framework for 2021 to 2025, with 2017 to 2018 being the baseline year against which we will target further improvements (the baseline year data is included in the tables as a benchmark but not reflected in the associated graphs). We continue to meet GGC targets for recycling and paper use and remain committed to reducing our net carbon emissions in line with GGC goals.

Environmental management is a key commitment for Forest Research, it is a standing item at the Site and Environment Management Committee meetings and is subject to regular management review. As an organisation, we monitor environmental performance as part of our day-to-day activities and emphasise the need to embed this in our operational planning.

Our sustainability performance update for this year is set out within the environmental sustainability performance evaluation sections of this report. The consumption figures included in Tables 1 to 8 must be viewed in the context of Forest Research’s continuing growth and changing operating environment, and the substantial increase in our on-premises business activities. Two factors should be noted:

- Increasing staff numbers as the business expands to deliver our additional research contracts.
- The refurbishment and redesign of our built estate and laboratories.

Figure 1 shows the increased staff numbers and their main office locations at year end. The material increase in 2023 to 2024 occurred at the end of the period and full year impacts on our overall energy consumption and travel figures have been seen in 2024 to 2025.

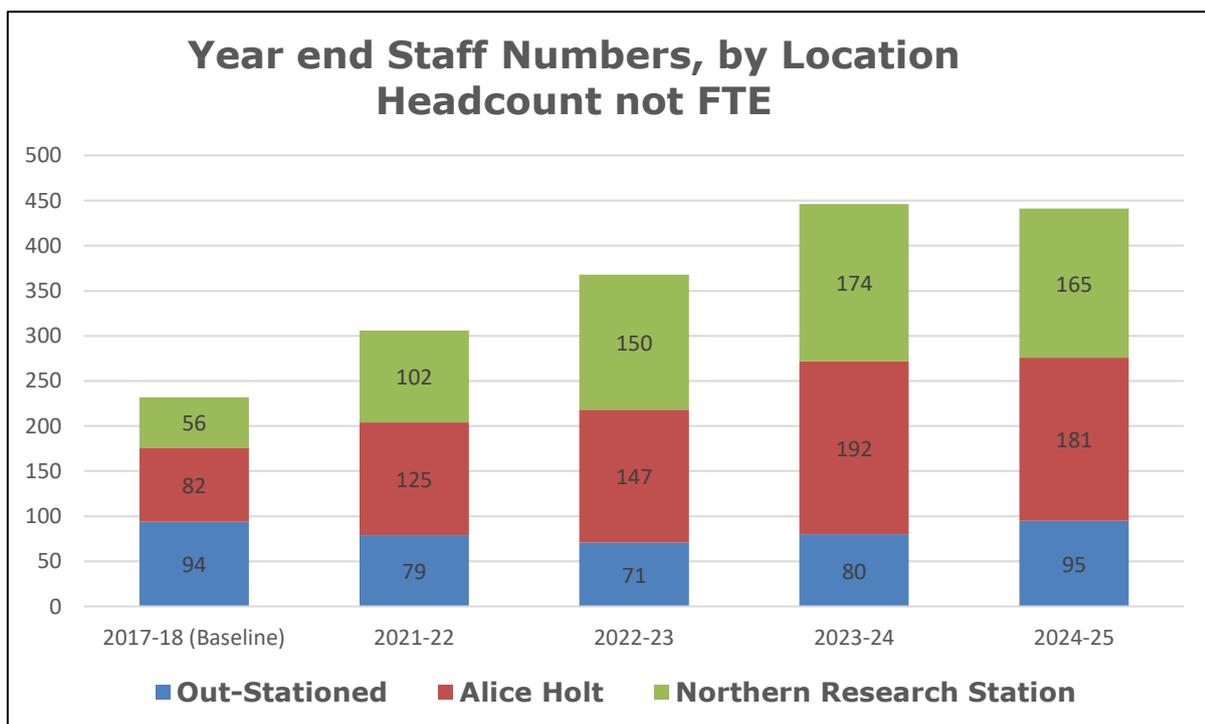


Figure 1 Staff Numbers, by Location

Greenhouse gas emissions (Scopes 1 to 3)

The total gross greenhouse gas (GHG) emissions associated with our built estate, bought energy, business travel activities, and fugitive emissions (F-Gas) for 2024 to 2025 was 1,033 tonnes CO₂e. Figures 2 and 3 provide an analysis of our total corporate carbon emissions, firstly by sector of our business and then as a segmental breakdown of the various individual sources of these emissions.

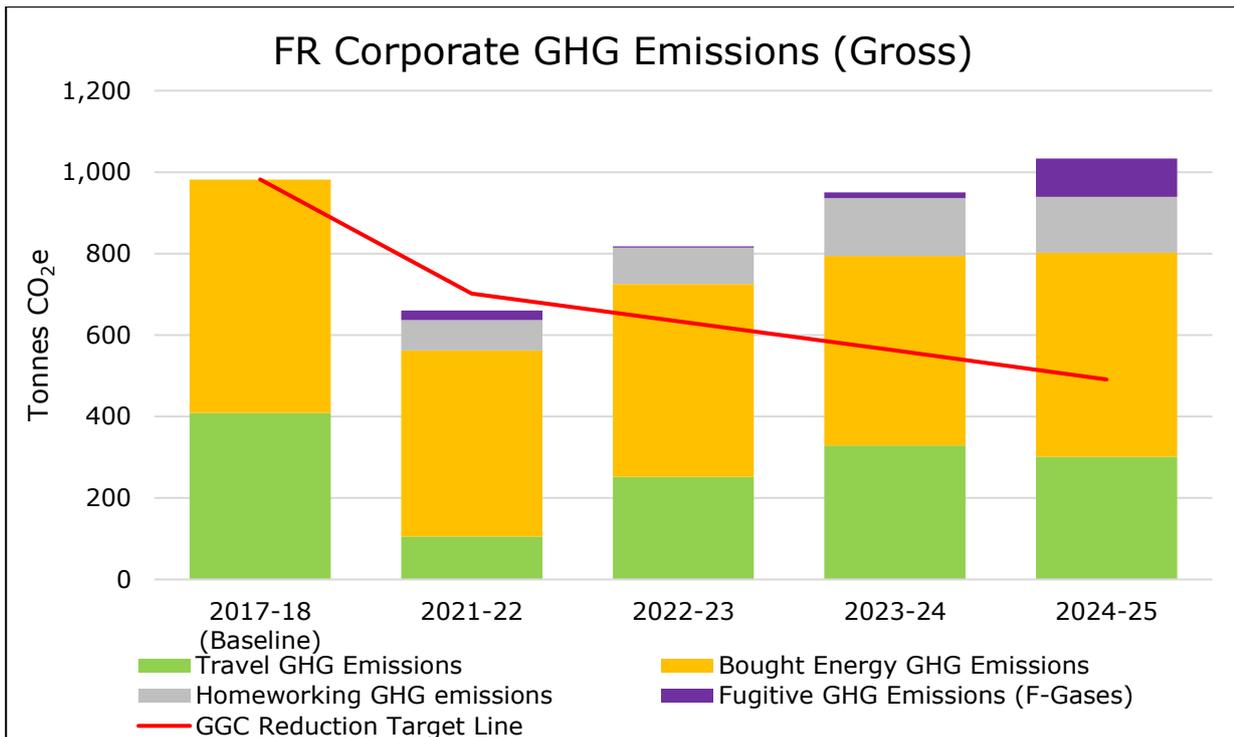


Figure 2 FR Corporate GHG Emissions (gross)

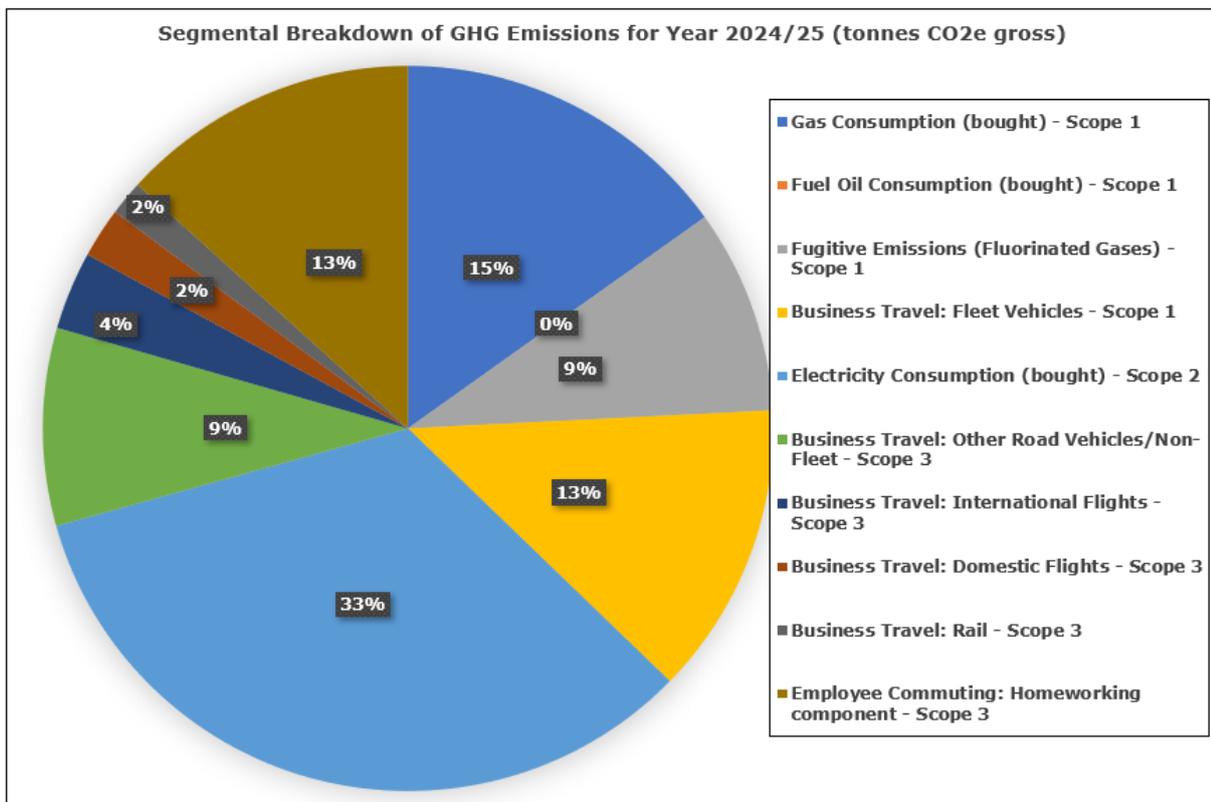


Figure 3 Segmental breakdown of GHG emissions for 2024 to 2025 (Tonnes CO₂e gross)

Our environmental performance with respect to fugitive emissions, energy use, business travel, waste arising, water consumption, and paper use are detailed below.

Scope 1 (Direct): Fugitive emissions

Considering the impact of fugitive gases (F-gases) on climate change and in compliance with legal requirements to reduce this impact, Forest Research has targeted the replacement of equipment containing fluorinated refrigerant gases with a 'very high' global warming potential in excess of 2,500 CO₂e before the 2030 phase out period.

Table 1 provides information on environmental performance measurement for fugitive emissions.

Table 1 Fugitive Emissions

SDG	Area	Units	2024-25	2023-24	2022-23	2021-22	2017-18 GGC baseline
	Refrigeration and air conditioning topped up - Scope 1	Carbon dioxide equivalent (CO ₂ e) in tonnes	94	14	3	23	-

Scope 1 (Direct) and Scope 2 (Indirect): Energy

Table 2 provides information on environmental performance measurement for energy bought and consumed.

Table 2 Energy bought and consumed

SDG	Area	Units	2024-25	2023-24	2022-23	2021-22	2017-18 GGC baseline
 	Electricity - Scope 2 & 3	kWh	1,591,756	1,489,981	1,314,507	1,180,249	1,101,095
		£	503,685	443,553	288,754	197,396	151,061
		Location-based GHG emissions in tonnes CO ₂ e	345	335	277	272	528
		Market-based GHG emissions through use of REGO-certified renewable tariffs in tonnes CO ₂ e	29	25	24	5	-
	Gas – Scope 1	kWh	855,130	714,662	1,547,913	1,414,920	1,355,120
		£	68,050	51,608	66,037	46,736	39,818
		GHG emissions tonnes CO ₂ e	156	130	283	258.7	246
	Oil - Scope 1	kWh	-	Unavailable	10,630	-	6,426
		£	-	Unavailable	1,248	-	328
		GHG emissions tonnes CO ₂ e	-	Unavailable	3	-	2

Energy generated from renewables

Using energy generated from renewables since 2020, we have transferred almost all of our electricity supplies to '100% Clean Renewable' tariffs via EDF Energy. We continue to report the 'gross' GHG emissions associated with our electricity consumption, based on grid average conversion factors, since the avoided emissions are claimed elsewhere within the UK's carbon-budget accounting process. However, we have estimated our avoided GHG emissions associated with the purchase of electricity from REGO-certified, fully renewable sources to be 345 tonnes of CO₂ equivalent. One of the key aims of our continuing 'Estates Improvement Programme' is to reduce our environmental impact within our built estate. Investment decisions, both in the long-term building fabric and the construction processes and practices, have been driven by the principles of environmental sustainability to improve thermal efficiency and enable the future transition to lower-carbon heating systems. We will continue, in conjunction with the Forestry Commission and Defra sustainability leaders, to identify and adopt new practices that will allow us to achieve longer-term environmental benefits in the way we operate.

Table 3 provides information on environmental performance measurement for energy generated from renewables.

Table 3 Energy from renewables

SDG	Area	Units	2024-25	2023-24	2022-23	2021-22	2017-18 GGC baseline
	Total generated from solar PV	kWh	5,080	Unavailable	42,915	43,674	24,115
	GHG emissions avoided Scopes 2 and 3	GHG emissions in tonnes CO ₂ e	1.1	Unavailable	9	11.5	8

Scope 1 (Direct) and Scope 3 (Indirect): Business travel

Business travel accounts for one-third of our total GHG emissions. Figures 4 and 5 provide some analyses of the mode and impacts over time of Forest Research business travel.

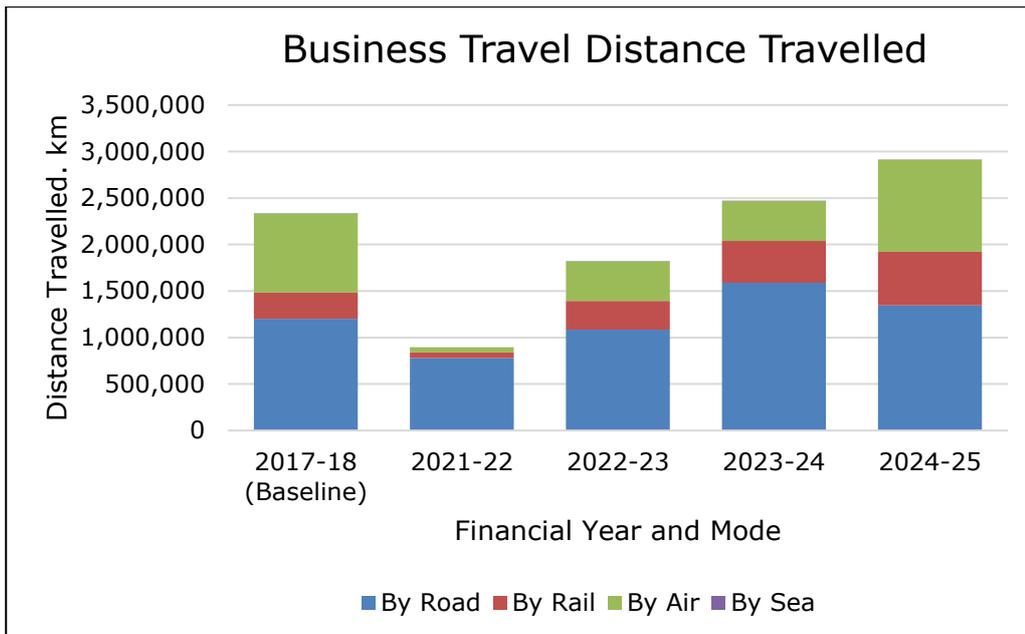


Figure 4 Business travel (km), by Mode and Year

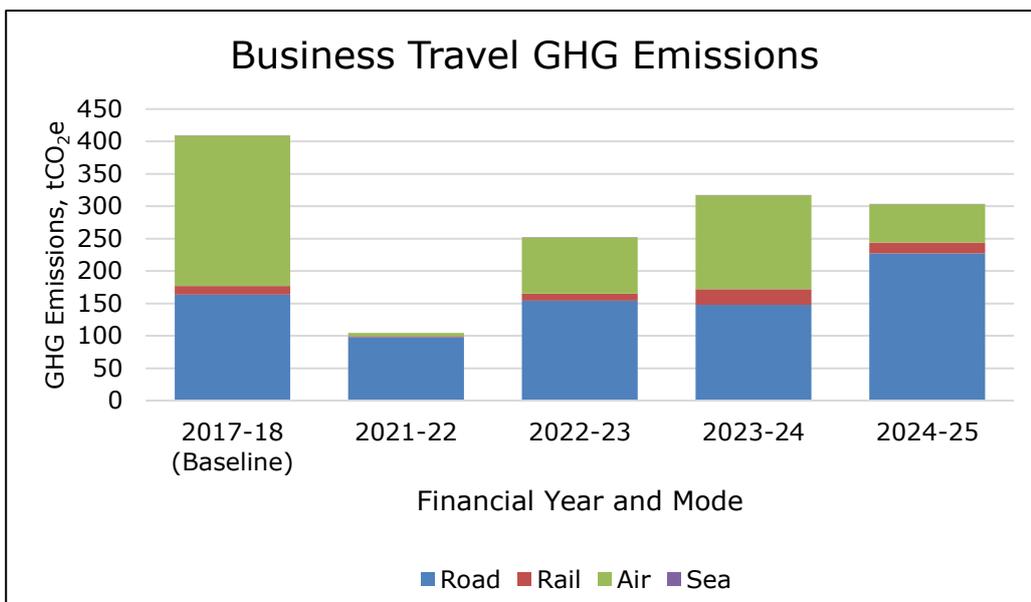


Figure 5 Total GHG emissions, by Mode and Year

Forest Research’s greenhouse gas emissions from its business travel comes from its fleet (owned and leased), domestic non-fleet (grey fleet and hire), and domestic non-fleet (public transport).

(a). Fleet: Owned and leased (Scope 1)

Our current fleet (owned and leased) comprises 20 cars (45% of which are ultra-low emission vehicles, or ‘ULEV’) and 62 vans (98.4% of which are currently diesel-fuelled). We exceeded the GGC target of 25% of the car fleet to be ULEV by the end of 2022.

Table 4 provides information on environmental performance measurement for travel on official business (Scope 1).

Table 4 Travel on official business (Scope 1)

SDG	Area	Units	2024-25	2023-24	2022-23	2021-22	2020-21	2017-18 GGC Baseline	Current year performance against baseline
	Owned fleet/leased vehicles (inc. CAPES) - Scope 1	km	900,339	709,202	750,567	575,549	541,623	869,758	4%
	Fleet vehicles (standard fuels)	km	779,426	564,138	674,441	491,598	-	-	-
	Fleet vehicles (ultra-low emission)		120,913	145,064	76,126	83,951	-	-	-
	Fleet vehicles (zero emission)		-	-	-	-	-	-	-
	Owned fleet and leased vehicles (incl. CAPES) – Scope 1	£	445,464	Unavailable¹	Unavailable¹	152,919	143,905	288,150	55%
	Fleet vehicles (standard fuels)	£	382,737	Unavailable ¹	Unavailable ¹	152,919	-	-	-
	Fleet vehicles (ultra-low emission)		62,727	Unavailable ¹	Unavailable ¹	-	-	-	-
	Fleet vehicles (zero emission)		-	-	-	-	-	-	-
	Owned fleet/leased vehicles inc. CAPES) - Scope 1	GHG Emissions in tonnes CO₂e	136	85	95.7	70.8	79	116	17%
	Fleet vehicles (standard fuels)	GHG Emissions in tonnes CO ₂ e	121	67	92.3	67.3	-	-	-
	Fleet vehicles (ultra-low emission)		15	18	3.4	3.5	-	-	-
	Fleet vehicles (zero emission)		-	-	-	-	-	-	-

¹ Data for business travel on owned fleet/leased vehicles is unavailable as it cannot be segmented nor is it fully assured

(b). Non-fleet: Grey fleet, hire vehicles and public transport (Scope 3)

Table 5 provides information on environmental performance measurements for travel on official business by non-fleet sources (i.e. grey fleet, hire vehicles and public transport).

Table 5a Travel on official business (Scope 3)

SDG	Area	Units	2024-25	2023-24	2022-23	2021-22	2020-21	2017-18 GGC baseline
	Grey fleet	km	90,689	Unavailable ²				
	Grey fleet (private vehicles for official business)	km	90,689	Unavailable ²				
	Grey fleet	£	24,022	Unavailable ²				
	Grey fleet (private vehicles for official business)	£	24,021	Unavailable ²				
	Grey fleet	GHG Emissions in tonnes CO₂e	15	Unavailable ²				
	Grey fleet (private vehicles for official business)	GHG Emissions in tonnes CO ₂ e	15	Unavailable ²				

² Data for business travel on grey fleet is unavailable as it cannot be segmented nor is it fully assured

Table 5b Travel on official business (Scope 3)

SDG	Area	Units	2024-25	2023-24	2022-23	2021-22	2020-21	2017-18 GGC baseline
	Hire vehicles	km	335,486	Unavailable ³				
	Hire vehicles (GPC/Non-Enterprise)		435	Unavailable ³				
	Hire vehicles (Enterprise)		335,051	Unavailable ³				
	Hire vehicles		59,422	Unavailable ³				
	Hire vehicles (GPC/Non-Enterprise)	£	868	Unavailable ³				
	Hire vehicles (Enterprise)		58,554	Unavailable ³				
	Hire vehicles		74	Unavailable ³				
	Hire vehicles (GPC/Non-Enterprise)	GHG Emissions in tonnes CO₂e	-	Unavailable ³				
	Hire vehicles (Enterprise)		74	Unavailable ³				

³ Data for business travel on hire vehicles is unavailable as it cannot be segmented nor is it fully assured

Table 5c Travel on official business (Scope 3)

SDG	Area	Units	2024-25	2023-24	2022-23	2021-22	2020-21	2017-18 GGC Baseline	Current year performance v baseline
	Public transport	km	1,183,339	1,768,765	1,073,258	320,959	66,645	1,473,152	(20%)
	Air travel (domestic)	km	174,975	189,157	169,399	35,244	-	-	-
	Air travel (international)		409,537	239,195	254,708	22,185	-	-	-
	Rail travel (domestic)		577,043	448,773	310,613	-	-	-	-
	Rail travel (international)		-	-	-	-	-	-	-
	All other travel		21,784	891,640	338,538	263,530	66,645	1,473,152	-
	Public transport	£	188,574	233,655	185,001	-	-	-	-
	Air travel (domestic)	£	33,644	79,240	27,184	-	-	-	-
	Air travel (international)		29,865	66,493	27,547	-	-	-	-
	Rail travel (domestic)		109,928	23,550	58,316	-	-	-	-
	Rail travel (international)		-	-	-	-	-	-	-
	All other travel		15,137	64,372	71,954	-	-	-	-
	Public transport	GHG Emissions in tonnes CO₂e	77.30	233.6	156.3	42.5	10	295	(74%)
	Air travel (domestic)		23.3	79.2	41.6	8.6	-	-	-
	Air travel (international)		35.5	66.5	45	3.9	-	-	-
	Rail travel (domestic)		16.5	23.5	11	-	-	-	-
	Rail travel (international)		-	-	-	-	-	-	-
	All other travel		2	64.4	58.7	30	10	295	-

Our business travel is increasing and, while we make every effort to manage frequency and necessity of travel, it should also be viewed against the rise in staff numbers as shown in Figure 1. Key events such as the IUFRO 2024 Stockholm conference impact our international travel but are a necessary commitment in the pursuit of world class science.

Our investment in our ICT capability provides the organisation with a strong platform to conduct business remotely for many areas of our work. This approach is now embedded in our operations for senior management and colleagues throughout the business. In addition to the Forest Research Travel Principles, the FC Travel and Expense and the FC Low Emission Travel Policies provide information on sustainable travel hierarchy.

We have on-site provision of electric vehicle charging points, with seven 7 kW twin-pods at AH (four in car compound and three in car park) and three at NRS (two 7 kW twin chargers and one 22 kW twin charger). NRS also has six Pod Point electric vehicle chargers available in the main car park for staff and visitor use only.

Resource consumption – waste

Reporting on other waste consumption, the total waste arising has increased over the previous year, largely due to us having discontinued on-premises composting of green grounds-keeping waste which is now transferred to a purpose-built local facility. Tankered sewage waste has remained high during the year due to high maintenance required for a minor sewage treatment facility at Alice Holt. This is approaching the end of its expected service-life and is now scheduled for replacement. We continue to work closely with the Forestry Commission and Defra to plan for this.

Substantial development works are ongoing on both main sites, but we are unable to measure recycled or disposal waste. We are working towards gathering this data.

Our Information Technology (IT) equipment is disposed of responsibly through Waste Electrical and Electronic Equipment Directive compliant organisations. During 2024 to 2025, Forest Research did not recycle or dispose of any IT waste: we continue to prioritise the refurbishment and reuse of equipment wherever feasible. The implementation of reuse schemes across the FR estate is an agenda during Forest Research's 'Site and Environment' periodic meetings.

Table 6 provides information on environmental performance measurement for waste.

Table 6a Waste (Non-Sewage)

SDG	Area	Units	2024-25	2023-24	2022-23	2021-22	2017-18 GGC baseline	Current year performance v baseline	
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Waste minimisation and management (Non-Sewage)								
	Total waste arising	Tonnes	702	175	118.52	76.35	72		
13 CLIMATE ACTION	Waste to landfill	Tonnes	23	1	1.02	1.29	12	92%	
	Waste re-used or recycled		672	167	111	68.50	60	1,020%	
	Waste incinerated with energy recovery		5	3	4.7	0.06	-	-	
	Waste incinerated without energy recovery		-	2	-	-	-	-	
	Total hazardous waste		2	2	1.8	6.5	-	-	
	Total waste arising		£	108,954	115,593	64,125	33,012	22,948	
	Waste to Landfill		£	6,499	6,356	5,188	1,209	5,563	-
Waste re-used or recycled		65,852	57,111	40,722	23,446	17,385	-		
Waste incinerated with energy recovery		13,810	6,472	3,865	4,861	-	-		
Waste incinerated without energy recovery		-	18,592	-	-	-	-		
Total hazardous waste		22,793	27,062	14,350	3,496				

Table 6b Waste (sewage)

SDG	Area	Units	2024-25	2023-24	2022-23	2021-22	2017-18 GGC baseline	Current year performance v baseline
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Waste minimisation and management (Sewage)							
	Waste re-used or recycled	Tonnes	527	531	669	451	109	383.5%
13 CLIMATE ACTION	Waste re-used or recycled	£	15,115	15,024	18,454	14,426	2,040	641%
	Waste recycled, re-used and recovered (externally)	Tonnes	-	-	-	-	-	-
	Waste recycled, re-used and recovered (externally)	£	-	-	-	-	-	-

Table 6c Waste (construction)

SDG	Area	Units	2024-25	2023-24	2022-23	2021-22
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Construction waste arising from projects over 300k					
	Waste re-used or recycled	Tonnes	Unavailable	Unavailable	Unavailable	-

As data on construction waste arising from projects over £300,000 is not currently available, a 'NIL return' table has been provided. This approach ensures transparency and avoids the misrepresentation of waste levels associated with these projects. Efforts are ongoing to obtain or estimate the relevant data for future reporting.

Resource consumption – paper use

Table 7 provides information on environmental performance measurement for waste. Paper usage has reduced significantly since the 2017 to 2018 baseline. Initiatives to further reduce paper are being trialled.

Table 7 Paper use

SDG	Area	Units	2024-25	2023-24	2022-23	2021-22	2017-18 GGC baseline	Current year performance v baseline
	Printing and Photocopying paper purchased	A4 reams (equivalent)	347	295	288	200	940	-63%

Resource consumption – water consumption

We are committed to continually improving our consumption of water and we will investigate and implement alternative water supply systems, such as via rainwater harvesting, or borehole or store-well systems for the intensive nurseries (non-office activities). Table 8 provides information on environmental performance measurement for water use.

Table 8 Water

SDG	Area	Units	2024-25	2023-24	2022-23	2021-22	2017-18 GGC baseline	Current year performance v baseline
	Scope 2 - Water purchased from a third-party supplier	m ³	11,774	10,313	13,358	7,146	13,725	-14%
	Scope 2 - Water purchased from a third-party supplier	£	39,418	30,995	30,384	11,249	18,329	115%
	Scope 1 - Water from sources owned or controlled by FR	m ³	-	-	-	-	-	-
	Scope 1 - Water from sources owned or controlled by FR	£	-	-	-	-	-	-

Sustainable procurement

Sustainability remains embedded into our procurement practices, through observance of the Government Buying Standards and our own developed comprehensive Environmental Procurement Procedures. Contractors are selected in accordance with the Government Procurement Standards and Requirements, and we will ensure that sustainable procurement is accounted for when buying goods and services. Forest Research acknowledges that its purchased goods, works, and services account for substantial Scope 3

'upstream' emissions (quantification methodology currently in development via FC/FE) and also have a significant influence on Scopes 1 and 2 emissions caused by on-site energy use.

Nature recovery and biodiversity action planning

As Forest Research does not hold or manage any significant natural capital or areas of undeveloped land, we do not publish nature or biodiversity action plans.

Environmental impacts from ICT and Digital

Forest Research continues to review our Information and Communications Technology (ICT) and digital estate, with the intention that with each new infrastructure upgrade and refinement, we continue to improve the performance and efficiency of our systems. While we do not currently actively monitor the environmental impacts from our systems, this is something we would like to pursue moving forward.

FR operates a hybrid-cloud infrastructure, with a plan in place to migrate all core services into the cloud in the future. We are in the process of moving our services to be virtualised or delivered from the cloud, reducing our dependency on FR-owned physical hardware and all that this entails (such as a reduction in electricity consumption and our carbon footprint). Once complete, this will reduce our demand for air conditioning and lighting. All end-user devices have variable power plans, which can be selected or modified based on user need.

All IT equipment is procured and disposed of through existing government frameworks, which ensures compliance with all ethical and environmental standards.

Sustainable construction

The reporting on our sustainable construction and refurbishment activities is in development and we will investigate how this can be expanded in future years if resources permit.

Climate change adaptation

The impact of a changing climate is visible across the globe and, to this end, in line with the GGCs, Forest Research is working towards developing a Climate Change Adaptation Strategy to help us prepare and respond to the effects of our changing climate.

Alignment with Task Force on Climate-Related Financial Disclosures (TCFD)

In July 2023, HM Treasury issued application guidance for all government departments regarding compliance with Task Force Climate-Related Financial Disclosure recommendations. Forest Research considers climate to be a principal risk, and has therefore complied with the TCFD recommendations and disclosures

The recommendations are structured around four thematic areas:

- **Governance** – encompassing the governance around climate-related risks and opportunities.
- **Strategy** – explanation of the actual and potential impacts of climate-related risks and opportunities on the business, strategy, and financial planning.
- **Risk management** – the processes implemented for the identification, assessment, and management of climate-related risks.
- **Metrics and targets** – the metrics and targets used to assess and manage relevant climate-related risks and opportunities.

This is the second year that Forest Research has reported on climate-related financial disclosures consistent with HM Treasury's TCFD aligned disclosure application guidance, which interprets and adapts the framework for the UK public sector. We recognise that we need to strengthen our processes and build on our current capabilities in future, working across the Forestry Commission.

Governance

The board has oversight of FR's climate-related risks and opportunities, while management is responsible for assessing and managing climate-related risks and opportunities. Further information on FR's governance around climate-related risks and opportunities can be found on page 62.

Risk management

Climate-related risks and opportunities are identified as part of our corporate risk management approach. Our corporate risks are assessed, monitored, and reviewed by the Executive Team, FR Board, ARAC, and FC Executive Board for challenge and assurance. Forest Research has identified 'Our changing climate' as a principal risk, with details listed on page 62. Further information on recommended disclosures around climate-related risks can be found on page 59.

Metrics and targets

FR uses several metrics, as detailed in the Sustainability Report on pages 33 to 48, to measure our impacts and understand our vulnerability to climate change. Our current metrics and targets align with the Greening Government Commitments (GGCs) established for our department, and requirements detailed in the *Sustainability Reporting Guidance (SRG)* and *Financial Reporting Manual (FReM)*. Disclosure of Scope 1, Scope 2 and relevant Scope 3 emissions and the related risks have been made.

Forest Research does not currently have a published strategy regarding climate risk, but we are working as part of the wider Forestry Commission to improve our performance in this area. In line with our commitment to enabling the UK's transition to a net zero economy, we are continually improving our approach to disclosure and reporting around climate-related risks and opportunities.

Professor James Pendlebury

Chief Executive and Accounting Officer

4 July 2025



2 Accountability report

Corporate Governance



Directors' Report

Relationship with Defra and the wider Defra Network

The Department for Environment, Food and Rural Affairs (Defra) Ministers who had responsibility for the Forestry Commission, including Forest Research (FR), during the year were:

- Steve Barclay MP, Secretary of State until 5 July 2024
- Steve Reed OBE MP, Secretary of State from 5 July 2024
- Rebecca Pow MP, Parliamentary Under-Secretary of State until 5 July 2024
- Robbie Douglas-Miller OBE, Parliamentary Under Secretary of State for Biosecurity, Marine and Rural Affairs until 5 July 2024
- Mary Creagh CBE MP, Parliamentary Under-Secretary of State for Nature from 18 July 2024

Our Board

Members of the Board of Forest Research during the year were:



Dr Matt Perkins*
Chair of Forest Research Board
and Non-Executive Director



Professor Julian Evans OBE*
Non-Executive Director



Professor James Pendlebury*
Chief Executive,
Forest Research



Simon Fuller
Scottish Government,
Non-Executive Director



Professor Chris Quine*
Chief Scientist,
Forest Research



Professor Nicola Spence CBE*
UK Government,
Non-Executive Director



Paula Rice
Director of Finance & Corporate
Services, Forest Research



Nicolas Turner
Welsh Government,
Non-Executive Director



Richard Stanford CB, MBE
Chief Executive,
Forestry Commission



Professor Jo Bradwell*
Forestry Commissioner,
Non-Executive Director



Sir William Worsley*
Forestry Commissioner
and FC Chair

The Chief Executive is appointed following public advertising of the post. The term of the appointment and provision for its termination are governed by the Civil Service Commission Recruitment Principles. Further details on remuneration are set out in the Remuneration Report.

*These Board Members have related party interests that are disclosed in Note 15.

Register of interests

In accordance with paragraph 19.4 of HM Treasury Public Expenditure System (PES (2023) 01) Guidance on the Preparation of Annual Reports and Accounts for 2021 to 2022, the declaration of any conflicts of interest is a standing item at all Forest Research Board meetings. In the period covering 1 April 2024 to 31 March 2025 there were no actual, or potential, conflicts of interest raised. This is recorded in the minutes of all Board meetings.

A register of interests of all non-commissioner Board Members is maintained by Forest Research and published on the [structure and governance section](#) of the Forest Research website. The Register of Interests for Forestry Commissioners is maintained by the Forestry Commission.

Personal data related incidents

There were no incidents related to protected personal data reported for Forest Research in 2024 to 2025 (2023 to 2024: nil).

Forest Research will continue to monitor and assess its information risks in order to identify and address any weaknesses and ensure continued improvement of its systems. Further information on the handling of information risk is contained in the Governance Statement.

Supplier payment policy

Forest Research complies with the 'Government's Better Payment Practice Code'. Unless otherwise stated in the contract, we aim to pay within five days from the receipt of goods and services or the presentation of a valid invoice, whichever is the later. An analysis for 2024 to 2025 indicates that 97.5% were paid within the due date (2023 to 2024: 98.4%). Arrangements for handling complaints on payment performance are notified to suppliers on contracts.

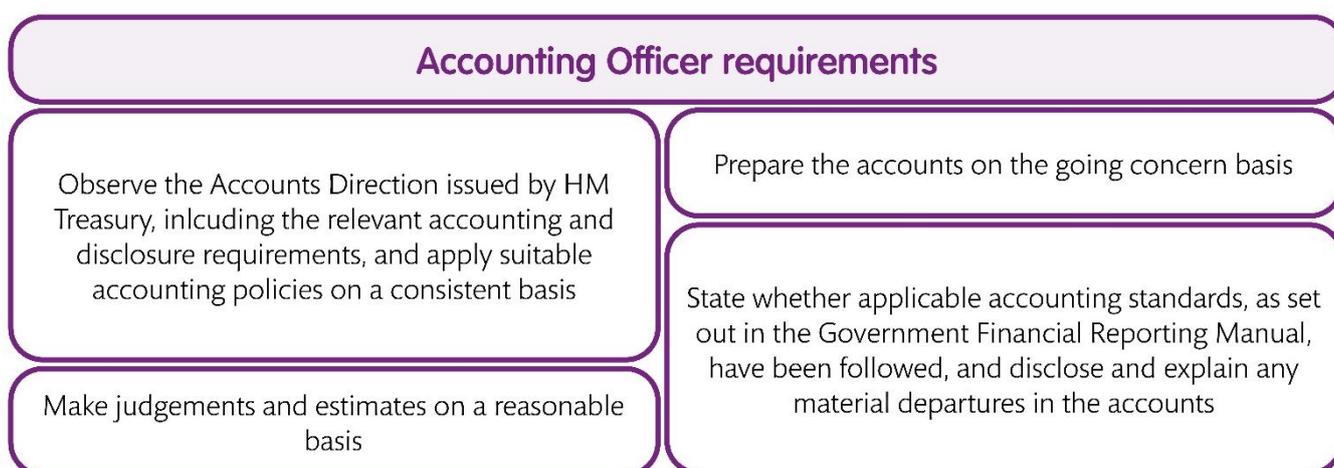
Auditors

These accounts are prepared in accordance with a direction given by HM Treasury in pursuance of Section 7 of the Government Resources and Accounts Act 2000. They are audited by the Comptroller and Auditor General, who is the statutory appointed auditor. The fee for statutory audit services in respect of these accounts was £66,450 (2023 to 2024: £50,750). No further non-audit services were provided in 2024 to 2025 or 2023 to 2024.

Statement of Accounting Officer’s responsibilities

Under Section 7 of the Government Resources and Accounts Act 2000, HM Treasury has directed Forest Research to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the Forest Research state of affairs at the year-end and of its income and expenditure, changes in taxpayers’ equity, and cash flows for the financial year.

In preparing the accounts, the Accounting Officer must comply with the requirements of the Government *Financial Reporting Manual*.



The FC Chief Executive Officer, in his role as Accounting Officer for the Forestry Commission, has designated Forest Research’s Chief Executive as Accounting Officer for the Agency. The FR Chief Executive’s responsibilities as Forest Research Accounting Officer (including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records, and for safeguarding Forest Research’s assets) are set out in *Managing Public Money* produced by HM Treasury.

As Accounting Officer, I confirm that as far as I am aware there is no relevant audit information of which our auditors are unaware. I have taken all necessary steps to make myself aware of all such information and to establish that our auditors are equally informed. I take personal responsibility for the Annual Report and Accounts and the judgements required for determining that they are fair, balanced, and understandable, and that it is appropriate that they are prepared on the going concern basis, which I confirm they are.

Governance statement

Introduction and scope of responsibility

As Agency Accounting Officer for Forest Research, I have responsibility for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently, and effectively in accordance with *Managing Public Money*.

In discharging this overall responsibility, I am responsible for putting in place appropriate arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes ensuring a sound system of control is maintained throughout the year and that arrangements are in place for the management of risk.

The purpose of the governance framework

The governance framework comprises the systems and processes, and culture and values, by which Forest Research is directed, controlled, and led. It enables the Agency to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective outcomes that are also compliant with the law and with policy.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Agency's policies, aims, and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised; and to manage them efficiently, effectively, and economically.

The governance framework has been in place at Forest Research throughout 2024 to 2025 and up to the date of approval of the Annual Report and Accounts and complies with HM Treasury guidance.

The governance framework

Forest Research is an Executive Agency of the Forestry Commission. The Agency's Framework Document which sets out my responsibilities as Agency Accounting Officer, is due for renewal. I am a member of the Forestry Commission's Executive Board and am responsible to the Forestry Commissioners for the management of the Agency. I have a right of direct access to the Forestry Commissioners and to the relevant Ministers, and a right to meet them at least once a year.

Forest Research Board

The Forest Research Board (FRB) was established to manage the day-to-day operations and performance of Forest Research, within the policy framework set by Ministers and the Forestry Commissioners. The Board met four times during 2024 to 2025.

The Board discussed a wide range of forest research and related issues as illustrated below.



At each of the meetings during 2024 to 2025, the Board routinely discussed reports from the Chief Executive, Chief Scientist, and Director of Finance and Corporate Services. In addition, the Board received various presentations and papers from executive colleagues representing scientific research and corporate service issues. The Chair of the Forestry Commission's Expert Committee on Forest Science (ECFS), which provides assurance on FR's science quality, provided the Board with a summary of their activities and confirmed their positive views about the work undertaken by the two science groups which they reviewed this year. The Forest Research Board convened a sub-committee to discuss the Board Effectiveness review, who reported to the February 2025 board meeting with updated action points from the prior year review. No material control weaknesses have been identified. Further information about the FRB, including membership and attendance, is available on [our website](#)

Expert Committee on Forest Science

The Expert Committee on Forest Science was established by the Board of Forestry Commissioners to provide independent, expert advice and assurance on the quality of science and evidence provided by Forest Research and other providers. The Chair of the committee, Professor Andrew Watkinson, provided a report on activities to the September meeting of the Board. The committee completed reviews of two science groups this year: the Forest Information and Statistics Group and the Society and Environment Research Group. The committee was positive about the activities of the two groups reviewed and the contributions of the staff involved. The process of review provides an opportunity for the science group to reflect on progress made and direction of travel, whilst also enabling the committee to gain a general impression of the outputs and outcomes of the research. The emphasis is often on strategy, activities, collaborations, and outputs, acknowledging that it is less easy for the committee to gain insight into how the research activities relate to the overall research outcomes required by FR and their stakeholders. The committee will continue its review function in the coming year. As Professor Watkinson steps down as chair of this group, Forest Research records their grateful thanks for his long service and helpful advice as both a member and Chair.

Audit, Risk and Assurance Committee

All Forestry Commission entities are covered by a single Audit and Risk Assurance Committee (ARAC) which advises the Board of Commissioners; the Forestry England, Forest Services, and Forest Research Boards; and Accounting Officers for the Forestry Commission, Forestry England and Forest Research.

Through its work, the ARAC provides independent assurance to the FRB on those key activities that support the achievement of the Agency's objectives. Forest Research has a risk register which is reviewed by the FR Board and is overseen annually by the ARAC. Assurance is also provided through the findings from work carried out by the Government Internal Audit Agency (GIAA). The ARAC operates in accordance with the principles contained in HM Treasury's *Audit and Risk Assurance Committee Handbook*.

A register of interests of all ARAC members is maintained by the Forestry Commission and published on www.gov.uk, which also includes further details of ARAC members, activities, and meetings.

The Forestry Commission ARAC has been assessed as being in line with requirements for public sector bodies as per HM Treasury guidance.

During the year, the Committee discussed a wide range of issues, detailed in the graphic below.



Table 1 Audit, Risk and Assurance Committee actions

ARA Review	Risk management	Governance	Security	Committee structure and effectiveness	Internal and external audit
Review and scrutiny of the 2023-24 ARA	Medium term horizon scanning Review and scrutiny of risk management and controls	Safeguarding Complaints Fraud Whistleblowing	Data protection Department Security Health check	Programme of work Alignment with CO – functional Standards	Review of external audit planning Oversight of internal audit reporting and planning

Forest Research is represented on the ARAC by the Accounting Officer, Director of Finance and Corporate Services and an independent non-executive Board member. The Chair of the ARAC attends the Forest Research Board meeting as an observer at least once per year.

There have been no potential or actual conflicts of interest reported in this year.

The Forestry Commission ARAC met eight times during 2024 to 2025.

Review of effectiveness

As Forest Research Accounting Officer, I have responsibility for conducting, at least annually, a review of the effectiveness of the governance framework. My review is informed by the work of Internal Audit and the executive managers across Forest Research and the Forestry Commission who have responsibility for the development and maintenance of the governance and control framework, and by comments made by the external auditors in their management letter and other reports. Annual Assurance Statements are produced by FR senior executive managers with content supported by the results of the annual programme of Government Internal Audit Agency (GIAA) audit assignments, and effectiveness reviews conducted by boards and the ARAC.

The GIAA Head of Internal Audit has prepared a suite of reports and assurance statements throughout the 2024 to 2025 year. These are summarised in the Annual Opinion and Annual Performance Reports to me as Agency Accounting Officer. The report includes an overall assessment of the adequacy and effectiveness of risk management, control, and governance within Forest Research. The overall opinion is that internal control within Forest Research, as part of the Forestry Commission, continues to provide moderate¹ assurance. Consultancy assurance was provided on the National Forest Inventory (NFI) Tender and Data Analysis on GPC/expenses matching.

Management and the ARAC proactively monitor progress with the implementation of all agreed audit actions. As at 31 March 2025, there were no actions overdue against their original target implementation dates.

Forest Research applies the principles of HM Treasury's Code of Good Practice for corporate governance in the context of its own circumstances, where relevant and practical.

The Forestry Commission ARAC also reviews its effectiveness annually in line with the best practice set out in HM Treasury's *Audit and Risk Assurance Committee Handbook*. The Board undertakes an annual effectiveness review.

Work to date has not identified any significant control weaknesses and has supported findings from financial control visits and the work of internal and external auditors.

¹ *Moderate assurance - Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.*

Task Force on Climate Related Financial Disclosures (TCFD)

Forest Research has reported on climate-related financial disclosures consistent with HM Treasury's TCFD aligned disclosure application guidance, which interprets and adapts the framework for the UK public sector. Forest Research considers climate to be a principal risk, and has therefore complied with the TCFD recommendations and disclosures around:

- **Strategy:** Our Board considers climate risk and environmental issues at a strategic level as evidenced through our 'Sustaining Ambition' strategy. Our strategy aligns with the FC 'Thriving for the Future' (2023-28) strategy, which prioritises climate action. However, we recognise that more work is needed to strengthen appropriate processes that enable our Board to assess climate risks and impacts for our organisation in the coming years.
- **Governance** (all recommended disclosures): For details of how we are managing our compliance, see our Governance statement (pages 54 to 63) and Performance report (pages 5 to 21);
- **Risk management** (pages 61 to 63): Our Executive Team considers climate and environmental risks through the development of our business planning process and the implementation of our operations. It is also considered as part of our major investment programmes. We are aligned with and working as part of the FC to ensure operations drive environmental sustainability and consider adaptation to projected climate impacts.
- **Metrics and targets** (disclosures (b)): These are included in the tables and graphs of the Sustainability Report (pages 33 to 48). We are working towards development of systems which measure and report on all metrics, including all Scope 1, 2, and 3 emissions within our defined reporting boundary.

Recognising the urgent nature of responding to the climate crisis, and the impact this could have on our organisation, we are committed to maturing and enhancing our climate-related risk disclosures. As such, Forest Research is developing appropriate climate-related risk disclosures for Strategy and further climate-related risk disclosures for Governance, Risk Management, and Metrics and Targets in future reporting periods, in line with the central government implementation timetable.

Whistleblowing

Forest Research is committed to ensuring a high standard of conduct in all that it does and has a duty to identify and remedy any area of malpractice. This is achieved by encouraging a culture of openness, where employees feel confident and able to raise any matters of concern. Forest Research has a dedicated Whistleblowing Officer.

In 2024 to 2025 there were no significant instances or issues raised.

Risk management

The Forest Research Board (FRB) recognises that risk must be managed, but management of risk is not the same as risk aversion, i.e. an unwillingness to accept any risk. Resources available for managing risk are finite, so the aim is to achieve an optimum response to the risk. Forest Research evaluates the amount of risk that it is prepared to accept before taking action (risk appetite) using a risk-scoring matrix of likelihood and impact for inherent and residual risk. This is subject to ongoing management review.

Each risk identified in the risk register has a corresponding Senior Risk Owner with the authority to take effective action. The Board ensures that the risk management policy is implemented and reviews the Risk Register, including Issues and Opportunities, and the Risk Appetite Statement on a regular basis. Our risk management processes are benchmarked and aligned to the wider Forestry Commission statements, which provides a framework to enable the organisation to make informed management decisions. Our risk management policy and processes have been designed to comply with the requirements of the UK Government's *Orange Book* which establishes the concept of risk management and the underlying five principles for assessing risk.

Forest Research has no investments or exposure to any business risks in Russia.

The Forestry Commission ARAC supports the Accounting Officer and the FRB in their responsibilities for the effective management of risk, control, and governance (see section above).

Fraud and error

Forest Research complies with the Forestry Commission Counter Fraud, Bribery and Corruption Strategy, Policy and Fraud Response Plan. These documents, along with wider processes, form an effective framework of controls, protecting the organisation from fraud and enabling appropriate responses to fraudulent attempts. In 2024 to 2025 there were no significant instances or issues identified.

Ministerial direction

No ministerial directions affecting Forest Research were given during the year.

Significant and principal active risks

Key governance and risk issues are as follows:

Recruitment and retention of staff

Forest Research needs specialist staff to deliver key business objectives and contract commitments. These staff are highly sought after in the sector and there is increasing competition to attract and retain their skills. Other parts of the sector, and in particular geographical locations or devolved administrations, are offering more competitive terms and conditions which we are not always able to match. This pressure, which is increasing with the current economic climate is demonstrated by the high staff turnover rate of 15.74% as detailed on page 72.

Forest Research shares joint terms and conditions (including pay scales) with the Forestry Commission which has an underlying structural pay issue. Pay levels are directed by HM Treasury with very limited scope to make changes within the Forestry Commission. Management continues to focus on pay flexibilities and the creation of a forward action plan. Without addressing underlying pay issues, the risk remains that the Forestry Commission will fail to retain and attract the required expertise and number of staff needed to successfully deliver Government commitments.

We have limited actions and mitigations in place to address these issues, and it remains a key risk for the business and the wider Forestry Commission.

Pay

Pay decisions are made across the whole Forestry Commission. The annual Civil Service pay guidance permitted a maximum 5% increase to pay. This increase was carefully targeted to improve pay for lower grades and to narrow our pay bands, however, pay continues to be a contentious and challenging issue. Against a challenging economic backdrop, management will continue to mature the pay and reward offer to staff, building on the work achieved thus far whilst working in concert with Defra, the Cabinet Office, Treasury, and Forestry Commission Trade Unions.

Science and Innovation Strategy (SIS)

The current SIS runs to April 2026 and a refresh is underway. Forest Research is involved with the commissioning and development of the refreshed SIS, but it has been delayed. The current financial crisis and changes in the devolved administrations may undermine our MOU and result in an ineffective SIS. This would lead to negative impacts to the level and quality of forestry research, and the international reputation of FR.

Forest Research is working closely with the Forestry Commission, Defra and the devolved administrations to deliver a refreshed SIS, as funded by the MOU, to include an ongoing financial commitment between the three administrations.

Our changing climate

There is a risk that without sufficient action to mitigate against our changing climate and related biosecurity risks, trees and woodlands will fail to deliver the full range of benefits, such as carbon sequestration, improved biodiversity, and social factors, to the nation. The nation requires resilient forests to resist pests and diseases from overwhelming our response capability, which would result in significant damage to trees in the public and private sectors and economic and natural capital losses, as well as reputational harm. Forest Research is committed to providing insights and guidance to the forestry sector to help tackle the climate emergency and build resilience in the sector.

Response to outbreaks

There is a risk of simultaneous or large-scale outbreaks of pests and disease overwhelming our response capability, resulting in significant damage to trees in the public and private sectors and economic and natural capital losses, as well as reputational harm. Forest Research is a key primary response vehicle for the Forestry Commission. Defra and the devolved administrations continue to work as part of the UK Plant Health Service to manage and mitigate against a number of serious risks highlighted in the UK Plant Health Risk Register, including working to deliver the revised [GB Biosecurity Strategy](#) and [Tree Health Resilience Strategy](#) with Defra and the UK Plant Health Service.

Defra and Forest Research recognise the need to maintain critical capabilities, and a project to build an additional quarantine facility (Holt II) at our Alice Holt site to supplement the existing facilities is in development. Holt II will provide enhanced research and testing capabilities to FR and will be a vital resource in managing this key risk.

Modelling and quality assurance

A sensible and proportionate approach to quality assurance has been adopted across Forest Research, incorporating a programme of management audits for the application of policy and procedures guidance, with summary reports provided for senior management, the Board, and the ARAC where appropriate.

Wider circumstances and future challenges

The main challenges for Forest Research during 2024 to 2025 and beyond are:

- consolidating our income position through planning for, securing, and delivering the Agency's non-core income requirements;
- securing a good Phase 2 - Spending Review settlement for key research areas;
- recruiting and retaining high-quality expert staff across the business, particularly in Scotland;
- remaining vigilant and responsive to attempts to breach our digital cyber security systems with the growing sophistication and exposure of targeted cyberattacks;
- contributing to the refreshed Science and Innovation Strategy for Forestry in Great Britain and delivering the interdisciplinary science programmes which support it;
- continuing to invest in our scientific estate to provide the necessary and quality office and laboratory space for FR to deliver our research and staff welfare commitments;
- enhancing our scientific capability and research offer through effective and strategic partnerships while growing our international profile, activities, and business;
- continuing to manage the ongoing impacts of cost inflation both for our business operations and staff;
- supporting the delivery of the Forestry Commission Strategy [Thriving for the Future](#) and aligning it to the Forest Research Sustaining Ambition Strategy.

Overall, the governance arrangements for Forest Research are working effectively.



Remuneration and
staff report

Remuneration report

Employment contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise. All senior staff covered in this report hold appointments that are open-ended until they decide to retire or leave. Professor James Pendlebury's notice period is 13 weeks, and for other senior staff it is three months. Early termination in situations of redundancy would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme. Further information about the work of the Civil Service Commissioners can be found on the [Civil Service Commission website](#).

Remuneration policy

Remuneration for Forest Research Board Members who hold senior staff group posts, non-executive Commissioners and members who are not Forestry Commission or Defra employees, and remuneration for senior civil servants, are determined in accordance with guidelines prescribed by the Cabinet Office. The performance pay reviews for senior staff grades are undertaken by Defra within the stipulated Cabinet Office guidelines.

Remaining Board Members receive annual salaries paid in accordance with the standard Forestry Commission Staff Pay Agreement negotiated through collective bargaining with the recognised trade unions. Their performance is monitored and reviewed through the Performance Management System of the Forestry Commission.

Remuneration (salary, benefits in kind, and pensions) – subject to audit

The following sections provide details of the remuneration and pension interests of the civil servants who are executive members of the Forest Research Board. The full composition of the Forest Research Board is included on page 51.

The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decrease due to a transfer of pension rights.

Under the terms of the *Government Financial Reporting Manual 2024 to 2025* (FReM) any performance pay or bonuses payable are required to be reported separately from salaries, in bands of £5,000. No bonuses or performance pay were payable in 2024 to 2025 (2023 to 2024: nil).

Table 1 – Remuneration (salary, benefits in kind and pensions)

		Salary £000	Benefits in kind (to nearest £100)	Pension benefits £000	Total £000
James Pendlebury Chief Executive	2024-25	105-110	-	67	175-180
	2023-24	100-105	-	46	145-150
Chris Quine Chief Scientist	2024-25	90-95	-	67	155-160
	2023-24	85-90	-	20	100-105
Paula Rice Finance and Corporate Services Director	2024-25	85-90	-	143 ¹	230-235
	2023-24	80-85	-	73 ²	155-160

¹2024–25 In year includes transfers into pension.

²2023–24 MyCSP administrative error previously reported as £33,000.

In respect of both of these notes: Forest Research has sought further information on the breakdown from MyCSP which at this time has not been received, any amendments will be reflected in next year’s value.

All other Board Members are Non-Executive Directors, Forestry Commissioners or paid by other government departments.

Salary

‘Salary’ includes gross salary, overtime, and any allowances subject to UK taxation.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs (HMRC) as taxable income. Benefits in kind are given in the form of the private use of a car, house purchase loans, or taxable travel and expenses incurred in the performance of duties.

Fair pay disclosure – subject to audit

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation’s workforce.

The banded remuneration of the highest-paid director of Forest Research in the financial year 2024 to 2025 was £105,000 to £110,000 (2023 to 2024: £100,000 to £105,000). This was 3.35 times the 25th percentile of the remuneration of the workforce, which was £32,089, 3.29 times (2023 to 2024: 3.36) the median remuneration of the workforce, which was £32,724 (2023 to 2024: £30,501) and 2.55 times the 75th percentile of the remuneration of the workforce, which was £42,133. In 2024 to 2025, no employees

(2023 to 2024: nil) received remuneration in excess of the highest-paid director. The remuneration of the lowest paid employees is £24,000 (2023 to 2024: £22,000).

Table 2 Fair pay disclosure – banded remuneration

		2024-25	2023-24
25 th Percentile	Salary	£ 32,089	£ 27,941
	Pay and benefits	£ 32,089	£ 29,441
	Pay ratio	3.35	3.67
Median	Salary	£ 32,724	£ 30,501
	Pay and benefits	£ 32,724	£ 32,001
	Pay ratio	3.29	3.36
75 th Percentile	Salary	£ 42,133	£ 40,590
	Pay and benefits	£42,133	£42,090
	Pay ratio	2.55	2.53

The percentage change in respect of the highest-paid director between 2023 to 2024 and 2024 to 2025 is an increase of 5%. (Senior Civil Service pay is determined by Defra, not the Forestry Commission, and changes in levels are applied across the whole department.) The average salary increase in respect of the employees of the entity taken as a whole is 5.2%.

Total remuneration includes salary and benefits in kind. It does not include severance payments, employer pension contributions, and the Cash Equivalent Transfer Value (CETV) of pensions.

Pay and benefits includes a £1,500 cost of living payment made to all eligible staff during 2023 to 2024.

Pension benefits 2024 to 2025 – subject to audit

Table 3 Pension benefits (SCS)

	James Pendlebury	Chris Quine	Paula Rice
Accrued pension at pension age as at 31/3/25 and related lump sum (LS)	35 - 40 plus a lump sum of 85 - 90	50 - 55 plus a lump sum of 135 - 140	10 - 15
Real increase (decrease) in pension and related lump sum (LS)	2.5 - 5 plus a lump sum of 2.5 - 5	2.5 - 5 plus a lump sum of 2.5 - 5	5 - 7.5
CETV at 31 March 2025	800	1,140	185
CETV at 31 March 2024 ¹	731	1,075	70
Real increase / (decrease) in CETV	60	63	103

¹The figure may be different from the closing balance in last year's accounts. This is due to the CETV factors being updated to comply with The Occupational Pension Scheme (Transfer Values) (Amendment) Regulations 2008.

Accrued pension benefits included in Tables 1 and 3 for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period

between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals who were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022.

The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022.

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. Before 1 April 2015, the only scheme was the Principal Civil Service Pension Scheme (PCSPS), which is divided into a few different sections: classic, premium, and classic plus provide benefits on a final salary basis, whilst Nuvos provides benefits on a career average basis. From 1 April 2015, a new pension scheme for civil servants was introduced: the Civil Servants and Others Pension Scheme, or 'Alpha', which provides benefits on a career average basis. All newly appointed civil servants, and the majority of those already in service, joined the new scheme.

The PCSPS and Alpha are unfunded statutory schemes. Employees and employers make contributions (employee contributions range between 4.6% and 8.05%, depending on salary). The balance of the cost of benefits in payment is met by monies voted by Parliament each year. Pensions in payment are increased annually in line with the Pensions Increase legislation. Instead of the defined benefit arrangements, employees may opt for a defined contribution pension with an employer contribution, the partnership pension account.

In Alpha, pension builds up at a rate of 2.32% of pensionable earnings each year, and the total amount accrued is adjusted annually in line with a rate set by HM Treasury. Members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004. All members who switched to Alpha from the PCSPS had their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave Alpha.

The accrued pensions shown in this report are the pension the member is entitled to receive when they reach normal pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over normal pension age. Normal pension age is 60 for members of classic, premium, and classic plus, 65 for members of Nuvos, and the higher of 65 or State Pension Age for members of Alpha.

The pension figures in this report show pension earned in PCSPS or Alpha, as appropriate. Where a member has benefits in both the PCSPS and Alpha, the figures show the combined value of their benefits in the two schemes but note that the constituent parts of that pension may be payable from different ages.

When the Government introduced new public service pension schemes in 2015, there were transitional arrangements which treated existing scheme members differently based on their age. Older members of the PCSPS remained in that scheme, rather than moving to Alpha. In 2018, the Court of Appeal found that the transitional arrangements in the public service pension schemes unlawfully discriminated against younger members.

As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. The public service pensions remedy^[1] is made up of two parts. The first part closed the PCSPS on 31 March 2022, with all active members becoming members of Alpha from 1 April 2022. The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023. This is known as 'rollback'.

The accrued pension benefits, Cash Equivalent Transfer Value and single total figure of remuneration reported for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the PCSPS for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the PCSPS for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the alpha scheme for the period from 1 April 2015 to 31 March 2022.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal and General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute but, where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

Further details about the Civil Service pension arrangements can be found at the [Civil Service Pension Scheme website](#).

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member’s accrued benefits and any contingent spouse’s pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost.

CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation or contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement), and uses common market valuation factors for the start and end of the period.

Remuneration of non-executives – subject to audit

The non-executive Forest Research directors received the following remuneration for their services during the year ended 31 March 2025. Under the terms of the FReM such remuneration is required to be disclosed in bands of £5,000.

Table 4 – Remuneration of non-executives

	2024-25 £000	2023-24 £000
Matt Perkins (Chair)	£5-10	£5-10
Julian Evans	£5-10	£0-5

Remuneration for Richard Stanford, Forestry Commission Chief Executive, and Sir William Worsley, Forestry Commission Chair, is disclosed in the Forestry Commission Annual Report and Accounts.

Staff Report

Number of Senior Civil Servants by Band (Table 5)

Band	Number of Senior Civil Servants
2	1
1	2

Average number of persons employed (FTE) – Totals are subject to audit (Table 6)

	2024–25	2023–24
Permanent staff – male (2 Board Members)	166	157
Permanent staff – female (1 Board Member)	132	115
Total permanent	298	272
Others – male	59	51
Others – female	63	60
Total others	122	111
Total staff	420	383

Staff costs – subject to audit (Table 7)

	Perm. staff £000	Other staff £000	2024–25 Total £000	2023–24 Total £000
Wages and salaries	12,179	3,658	15,838	14,044
Seconded staff	-	38	38	84
Social security costs	1,295	353	1,648	1,447
Employer's superannuation costs	3,455	1,041	4,496	3,613
Apprenticeship levy	77	-	77	68
Agency staff costs	-	593	593	1,109
Total	17,006	5,683	22,690	20,365

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit pension scheme, but the Forestry Commission is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2020. Details can be found in the resource accounts of the [Cabinet Office: Civil Superannuation](#).

For 2024 to 2025, employer contributions of £4,496,000 were payable to the PCSPS (2023 to 2024: £3,613,000) at 28.97% of pensionable pay for all salary bands.

The scheme actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates reflect benefits accruing during 2024 to 2025 to be paid to the member when they retire and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employer contributions of £19,489 (2023 to 2024: £19,914) were paid to one appointed stakeholder pension provider. Employer contributions are age-related and range from 8% to 14.75%. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £652.72, 0.5% of pensionable pay (2023 to 2024: £753, 0.5%), were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill-health retirement of these employees.

Contributions due to the partnership pension providers at the Statement of Financial Position date were £2,423 (2023 to 2024: £3,416). Contributions prepaid at that date were £nil.

Sickness absence

The Forestry Commission has one common sickness absence management policy that covers Forest Research and provides a consistent framework approach to management. The policy is underpinned by an externally provided occupational health service and employee support programme that is available 24 hours a day. The average number of working days lost to sickness absence in Forest Research in 2024 to 2025 was 7.51 per employee (2023 to 2024: 6.15).

Staff turnover

During the year, Forest Research had 65 leavers relevant to the staff turnover calculations with a closing staff turnover ratio of 15.74%. Recruitment and retention has been identified as a key risk area across FR and activities, as noted on page 61. Actions have been targeted to reduce turnover where possible, and the Board continue to monitor the effectiveness of these actions.

Early departure costs – subject to audit

During 2024 to 2025, no one left under Compulsory or Voluntary Redundancy terms (2023 to 2024: nil). They received a total compensation payment of £nil (2023 to 2024: £nil).

Expenditure on consultancy

During the year, Forest Research incurred £nil on consultancy services (2023 to 2024: £nil).

Off-payroll engagements

Forest Research, as part of the Defra group, is required to disclose information in its Annual Report and Accounts relating to the review of tax arrangements for public sector employees. Please see tables reported below for consistency with Defra's Annual Report and Accounts.

Table 8 For all off-payroll worker engagements as at 31 March 2025, earning £245 per day or greater.

Number of existing engagements as of 31 March 2025	1
Of which...	
Number that have existed for less than one year at time of reporting	Nil
Number that have existed for between one and two years at time of reporting	Nil
Number that have existed for between two and three years at time of reporting	1
Number that have existed for between three and four years at time of reporting	Nil

Table 9 For all new off-payroll engagements between 1 April 2024 and 31 March 2025, for more than £245 per day.

Number of off-payroll workers engaged during the year ended 31 March 2025	11
Of which...	
Not subject to off-payroll legislation	Nil
Subject to off-payroll legislation and determined as in-scope of IR35	Nil
Subject to off-payroll legislation and determined as out-of-scope of IR35	Nil
Number of engagements reassessed for compliance or assurance purposes in the year	Nil

Table 10 For any off-payroll engagements of Board Members, and/or senior officials with significant financial responsibility between 1 April 2024 and 31 March 2025.

Number of off-payroll engagements of Board Members, and/or, senior officials with significant financial responsibility, during the financial year	Nil
Total number of individuals on-payroll and off-payroll that have been deemed 'Board Members, and/or senior officials with significant financial responsibility', during the financial year. This figure should include both on-payroll and off-payroll engagements	5

People

In 2022 the Forestry Commission published the FC People Strategy 2021 to 2025, outlining the strategic themes and the annual deliverables for each theme.

Strategic themes



Inspiring leadership – what makes us great

We will create a collaborative culture of compassion, ambition and trust. Our people will speak up, get involved and challenge the status quo so that both organisation and people thrive. Leaders at all levels will lead with our values and use them to develop and inspire others.

Wellbeing and engagement – people really matter

We will work tirelessly in supporting our people to be happy and safe. We will create conditions whereby people may balance their home and working lives and we will offer help when inevitable life challenges occur. In return, our people will give their best in pursuit of the Forestry Commission's priorities.

Diversity and inclusion – if not now, when?

We will listen attentively to the stories we are told. We will challenge and change in order to improve. Our goal is to create an organisation with diversity of thought, one where everyone belongs and feel comfortable being themselves.

Resourcing and developing – discovering what is possible

We will attract, deploy and retain the finest, by offering inspiring development and job opportunities to learn and progress which will foster learning and progression, supporting the strategic ambitions of our organisation.

Changing the way we work – future thinking now

We will collaborate with our people to design interesting work content that is meaningful and adds value to the organisation. We will develop the way in which we work, where we work and our patterns of working over the longer-term taking lessons from the pandemic and applying them to contemporary work patterns and culture.

Reward and recognition

We will strive to offer competitive, fair and transparent reward and recognition. People will be valued for their contributions and all will understand their total reward package.

Within Forest Research we have had a successful year in delivering actions in each of the key Forestry Commission People Strategy strategic themes. Progress is detailed in the table below.

Inspiring leadership

- Successful pilot of the Senior Leadership Programme, with completion by nine members of staff
- 11 staff on the Professional Manager Programme this year
- Continued performance management training and comms campaign has seen increase in compliance with the performance review policy

Wellbeing and engagement

- 84% completed the staff engagement survey
- Quarterly wellbeing newsletter
- Monthly seminars on topics such as financial wellbeing, stress, and sleep
- Active sports and social clubs in Alice Holt and Northern Research Station

Diversity and inclusion

- Continued to support and promote staff networks and events such as Rainbow Canopy, REACH, Women in Forestry, Bullying, Harassment & Discrimination (BHD) Ambassadors and Menopause Cafe
- Celebrated International Women's Day with an organisation-wide pledge to support equity for all at work
- The gender mix in FR is 47% female. There has been steady progress in addressing many of the metrics we measure. The Mean Pay Gap is 5.8% and the Median Pay Gap is 7.5% which has decreased year on year (FR only we report FC wide).

Resourcing and developing

- Six apprentices appointed
- Seven successful at Science Promotion Board
- Appointment of our new Chief Scientist; Dr Bianca Ambrose-Oji will take up the post in June 2025
- 'Welcome to FR' induction delivered to 117 new starters in 2024
- Implemented a 'Skilled Worker Visa Sponsorship' process and guidance

Changing the way we work

- Delivered Strategic Workforce Planning and continued development of action plan

Reward and recognition

- Contributed to the development and negotiation of the 2024 Pay Award which was successfully delivered and supported by two recognised Trade Unions

Pay

Pay decisions are made across the whole Forestry Commission. The annual Civil Service pay guidance permitted a maximum 5% increase to pay. This increase was carefully targeted to improve pay for lower grades and to narrow our pay bands. However, pay continues to be a contentious and challenging issue. Against a challenging economic backdrop, management will continue to mature the pay and reward offer to staff, building on the work achieved thus far whilst working in concert with Defra, the Cabinet Office, Treasury, and Forestry Commission Trade Unions.

Leading on health and safety

Forest Research puts health and safety at the core of all our staff policies and practices. We have refocused efforts and made positive improvements across a range of health and safety systems and reporting commitments, led through our Health and Safety Committee. We have maintained certification on ISO 14001, and our Environmental Management System action plan and COSHH systems are embedded in our operations. We have also been awarded the key UKAS 17025 accreditation for competence testing and calibration of laboratories and are implementing a quality management system (QMS). We continue to move towards an improved health and safety environment, with initiatives such as ongoing work in our Field Team Welfare Steering Group, preliminary Health Risk Profiling, and gap analysis towards certification on ISO45001 and 9001.

There were no RIDDOR reports for the current year (2023 to 2024 - nil).

Equality and diversity

We continue to strive towards building a diverse and inclusive environment for all of our staff. FR has implemented several workstreams under the Diversity and Inclusion theme of the Forestry Commission People Strategy, such as the Rainbow Canopy Network and the Women in Forestry network; Gender Balance, Disability, Neurodiversity, and Carers staff networks, and LGBT, ethnicity, and religion groups. The FC Diversity and Inclusion strategy guides what we do, making sure we fulfil our requirements under the Public Sector Duty and the Equality Act 2010. More information can be found at [Equality and diversity at the Forestry Commission](#).

Table 11 Ethnicity

Ethnicity		
Ethnicity	%	England & Wales: ONS Nov 22
White – English, Welsh, Scottish, Northern Irish	76%	74.40%
Any other white background	0%	6.20%
White all categories	76%	81.70%
Other ethnicities & those that preferred not to say are represented but by fewer than ten individuals within any group	19%	18.30%
Did not complete the Ethnicity field	5%	-

Employee relations

The Forestry Commission continues to have a productive and respectful relationship with the Forestry Commission trade unions, with a Tier 1 Forestry Commission Trade Unions staff council meeting held twice each year for the whole Forestry Commission. Tier 2 staff council meetings are held at least twice yearly for Forestry England, Forest Services, and Forest Research.

Key issues discussed include pay and reward, workforce policies, organisational design and organisational restructuring, wellbeing, mental health, and health and safety issues.

Parliamentary accountability disclosures

Financial review

From April 2019, Forest Research is part funded through a Cross-Border Memorandum of Understanding between Forest Research and the UK, Welsh, and Scottish governments to provide core research and other services. This arrangement supports the Science and Innovation Strategy for Forestry in Great Britain, and forestry policies of the UK, Scottish, Welsh, and Northern Irish governments.

In addition, Forestry Commission, Forestry England, Forest and Land Scotland, and Natural Resources Wales purchase research, development, and surveys specifically related to their respective forest estates. Forest Research has also been increasingly successful in securing funding from other government departments, UK research councils, commercial organisations, private individuals, and charities. Collaborative bids with other research providers and consortium funding have become increasingly important, placing emphasis on effective partnership working.

Losses and special payments and gifts – subject to audit

There were 15 losses during 2024 to 2025 with a total cost of £28,766 (2023 to 2024: 20 with total cost of £7,700). The losses in 2024 to 2025 were a result of road traffic accidents, a write down of obsolete stock, and a small number of late payment charges.

No reportable special payments or gifts were made during the year (2023 to 2024: £nil).

Fees and charges – subject to audit

Forest Research's primary financial objective is to recover full economic costs of operations from the sale of services to customers. It has complied with the principles of cost allocation and charging requirements in HM Treasury and Office of Public Sector Information guidance.

Remote contingent liabilities – subject to audit

In addition to contingent liabilities reported within the meaning of IAS 37, FR also reports liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of contingent liability. There are currently no remote contingent liabilities.

Government Functional Standards

UK Government Functional Standards set expectations for the management of functional work and the functional model across government. During 2024 to 2025 Forest Research continued to work with the Forestry Commission to monitor compliance through assessments against a range of functional standards. This ongoing action ensures compliance with the UK Government Functional Standards, with the aim of embedding the standards into ways of working, ultimately driving coherence, consistency, and continuous improvement. A heatmap of current compliance against standards is provided below for information.

The assurance from the various standards is obtained from: self-assessments, submitted assessments to the Cabinet Office, Public Sector Fraud Authority, Government Security Group and Government Internal Audit Authority reports.

Table 12 Functional Standards Compliance

Functional standard	Status	Key	
GovS 001: Government Functions			Meets all mandatory elements of the functional standard
GovS 002: Project Delivery			Meets most mandatory elements of the functional standard
GovS 003: Human Resources			Meets few mandatory elements of the functional standard
GovS 004: Property			
GovS 005: Digital, Data and Technology			
GovS 006: Finance			
GovS 007: Security			
GovS 008: Commercial			
GovS 009: Internal Audit			
GovS 010: Analysis			
GovS 011: Communication			
GovS 013: Counter Fraud			
GovS 014: Debt			
GovS 015: Grants			

Long-Term expenditure trends

The long-term expenditure trend for Forest Research mirrors our growth in income base and significant investment in our facilities. Forest Research has grown its business each year since 2020 to 2021 through additional bid-won contracts from Defra and the wider sector. Programmes like NCF and NCEA have had a material impact on our operations. We received pilot funding in 2020 to 2021 and additional project funding again in 2022 to 2023. To deliver these programmes, we expanded staff numbers and support services to enable us to deliver these contracts. (The potential impact of adjustments for asset impairments is highlighted in the notes to the table.)

Table 13 Long term expenditure trends

	2024-25¹ £000	2023-24² £000	2022-23³ £000	2021-22⁴ £000	2020-21⁵ £000
Staff costs	22,690	20,365	15,744	13,852	12,540
Other management costs	14,167	9,424	8,158	7,363	5,501
Materials and services	7,696	7,865	5,314	3,132	2,890
Total expenditure	44,553	37,654	29,216	24,347	20,931

¹ 2024 to 2025 Other management costs include the £3,482,000 impairment of AH Main Building.

² 2023 to 2024 Other management costs include the £760,000 impairment of NRS Main Building.

³ 2022 to 2023 Other management costs exclude the impairment adjustment of the NRS Growth House, NRS Glasshouse and NRS Lab 28 increasing the costs by £252,000 in totality.

⁴ 2021 to 2022 Other management costs exclude the impairment adjustment of the Holt Laboratory and NRS, increasing the costs by £1,604,000 and £730,000 respectively.

⁵ The increase in expenditure in 2020 to 2021 primarily relates to the additional funding secured under the NCF and the NCEA Pilot work.

Professor James Pendlebury

Chief Executive and Accounting Officer

4 July 2025

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSE OF COMMONS

Opinion on Financial Statements

I certify that I have audited the financial statements of Forest Research for the year ended 31 March 2025 under the Government Resources and Accounts Act 2000.

The financial statements comprise Forest Research's

- Statement of Financial Position as at 31 March 2025;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of Forest Research's affairs as at 31 March 2025 and its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of Forest Research in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

Accounting Statements

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that Forest Research's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Forest Research'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.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for Forest Research is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other information

The other information comprises information included in the Annual Report but does not include the financial statements and my auditor's certificate and report thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of Forest Research and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by Forest Research or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Chief Executive as Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within Forest Research from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view and are in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;

Accounting Statements

- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000; and
- assessing Forest Research'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 Accounting Officer anticipates that the services provided by Forest Research will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

My 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 a certificate that includes my 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.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations, including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of Forest Research's accounting policies.
- inquired of management, Forest Research's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Forest Research's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including Forest Research's controls relating to Forest Research's compliance with the Forestry Act 1967, the Government Resources and Accounts Act 2000 and Managing Public Money. inquired of management, Forest Research's head of internal audit and those charged with governance whether:

Accounting Statements

- they were aware of any instances of non-compliance with laws and regulations;
- they had knowledge of any actual, suspected, or alleged fraud,
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within Forest Research for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of Forest Research's framework of authority and other legal and regulatory frameworks in which Forest Research operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of Forest Research. The key laws and regulations I considered in this context included the Forestry Act 1967, Government Resources and Accounts Act 2000, Managing Public Money, employment law, pensions legislation and tax legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee and legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board; and internal audit reports; and
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business;

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditor-responsibilities. This description forms part of my certificate.

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Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies

08 July 2025

Comptroller and Auditor General

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP



3 Financial statements

Financial Statements

Statement of Comprehensive Net Expenditure for the year ended 31 March 2025

	Notes	2024–25 £000	2023-24 Restated £000
Income			
Revenue from contracts with customers	6	(17,287)	(16,691)
Total operating income		(17,287)	(16,691)
Expenditure			
Staff costs	3	22,690	20,365
Other management costs	4	14,167	9,424
Materials and services	5	7,696	7,865
Total operating expenditure		44,553	37,654
Net operating expenditure		27,266	20,963
Other comprehensive net expenditure/(income)			
Net gain on revaluation of property, plant and equipment	7	(830)	(667)
Total comprehensive net expenditure for the year		26,436	20,296

All income and expenditure are derived from continuing operations.

£1.24 million received from the Forestry Commission to fund activities in 2023-24 have been reclassified and have been restated accordingly as explained in note 2.

The notes on pages 92 to 113 form part of these accounts.

Statement of Financial Position as at 31 March 2025

		31 March 2025	31 March 2024
	Notes	£000	Restated £000
Non-current assets			
Property, plant and equipment	7	44,525	42,610
Right-of-Use assets		2	9
Intangible assets		34	45
Assets classified as held for sale	8	31	75
Trade and other receivables	9	24	28
Total non-current assets		44,616	42,767
Current assets			
Inventories		-	10
Trade and other receivables	9	3,933	6,049
Cash and cash equivalents	10	4,592	5,292
Total current assets		8,525	11,351
Total assets		53,141	54,118
Current liabilities			
Provisions		-	-
Trade and other payables	11	(4,067)	(5,196)
Total current liabilities		(4,067)	(5,196)
Total assets less current liabilities		49,074	48,922
Non-current liabilities			
Trade and other payables	11	-	(1)
Total assets less total liabilities		49,074	48,921
Taxpayers' equity			
General Fund		32,177	32,793
Revaluation Reserve		16,897	16,128
Total equity		49,074	48,921

The 2023-24 figures restated are due to the Prior Period Adjustment explained at Note 2.

The notes on pages 92 to 113 form part of these accounts.

Professor James Pendlebury

Chief Executive and Accounting Officer

4 July 2025

Statement of Cash Flows for the year ended 31 March 2025

	Notes	2024–25 £000	2023–24 Restated £000
Net cash from operating activities			
Net operating expenditure		(27,266)	(20,963)
Adjustments for non-cash transactions			
Depreciation	4	2,589	2,049
Amortisation	4	18	27
Impairment of property, plant and equipment	4	3,482	760
Loss on disposal of property, plant and equipment	4	18	27
Notional audit fee	4	66	51
Decrease in inventories		10	5
Decrease in trade and other receivables	9	2,120	3,241
Increase in trade and other payables	11	(1,902)	(436)
Use of provisions		-	-
Net cash outflow from operating activities		(20,865)	(15,239)
Cash flows from investing activities			
Write-off from revaluation of financial asset		(6)	-
Purchase of property, plant and equipment		(6,400)	(8,664)
Purchase of intangible assets		-	-
Net cash (outflow) from investing activities		(6,406)	(8,664)
Cash flows from financing activities			
Funding received from the Forestry Commission		26,573	27,318
Payment of finance lease line in Financing activities		(2)	(7)
Net financing		26,571	27,311
Net increase/ (decrease) in cash and cash equivalents in the period		(700)	3,408
Cash and cash equivalents at the beginning of the period		5,292	1,884
Cash and cash equivalents at the end of the period		4,592	5,292

The 2023-24 figures restated are due to the Prior Period Adjustment explained at Note 2.

The notes on pages 92 to 113 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2025

	Notes	General Fund £000	Revaluation Reserve £000	Total Reserves £000
Balance at 1 April 2024		32,793	16,128	48,921
Changes in taxpayers' equity for 2024-25				
Net gain on revaluation of property, plant and equipment	7	–	830	830
Net loss on revaluation of financial asset		–	(50)	(50)
Net gain on foreign currency receivable		–	–	–
Transfer from Revaluation Reserve		11	(11)	–
Notional audit fee	4	66	–	66
Comprehensive net expenditure		(27,266)	–	(27,266)
Funding received from the Forestry Commission		26,573	–	26,573
Balance at 31 March 2025		32,177	16,897	49,074

The 2023 to 2024 values below are included for comparison purposes

Restated	Notes	General Fund £000	Revaluation Reserve £000	Total Reserves £000
Balance at 1 April 2023		26,367	15,481	41,848
Changes in taxpayers' equity for 2023–24				
Net gain on revaluation of property, plant and equipment	7	–	667	667
Net gain on foreign currency receivable		–	–	–
Transfer from Revaluation Reserve		20	(20)	–
Notional audit fee	4	51	–	51
Comprehensive net expenditure		(20,963)	–	(20,963)
Funding received from the Forestry Commission		27,318	–	27,318
Balance at 31 March 2024		32,793	16,128	48,921

The 2023-24 figures restated are due to the Prior Period Adjustment explained at Note 2.

The notes on pages 92 to 113 form part of these accounts.

Notes to the Accounts

Note 1. Statement of Accounting Policies

The strength of the Agency's Statement of Financial Position as at 31 March 2025, with taxpayers' equity of £49.01 million, coupled with ongoing growing external research contracts and a robust future Business Development pipeline, provides a compelling platform for future delivery of scientific research and data services to stakeholders.

Forest Research is an agency of the Forestry Commission and is included as part of the FC 2024 to 2025 funding within the Defra estimates which have already been approved by Parliament. A new government Spending Review (SR25) to determine future funding for government departments including Defra for the period 2025 to 2026 has been agreed.

Based on the above information, it has been considered appropriate to adopt a going concern basis for the preparation of these Financial Statements.

Going concern

Management do not view the going concern of the entity as a risk, based on the assumption that FR will continue to provide existing services in the future. This position is underpinned by the Westminster, Scottish, and Welsh Governments for a five plus ongoing rolling two-year Science and Innovation Strategy for Forestry in Great Britain, covering the period 1 April 2019 to 31 March 2026. FR provides statutory services funded through the estimates approved for the FC, and therefore is a going concern.

These accounts are prepared in accordance with a direction given by HM Treasury in pursuance of Section 7 of the Government Resources and Accounts Act 2000.

These Financial Statements have been prepared on a going concern basis and in accordance with International Financial Reporting Standards (IFRS), as adapted and interpreted by the 2024 to 2025 FReM issued by HM Treasury. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of Forest Research for the purpose of giving a true and fair view has been selected. The particular policies selected by Forest Research are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

Accounting Statements

FR is an Agency of the Forestry Commission, which receives supply funding to enable it to provide resources to Forest Research for it to conduct its planned activities and to fund its operations. There is no indication that the Commission will make changes to its status or to the approach to funding Forest Research's activities. The *Financial Reporting Manual* presumes that services provided by the Forestry Commission and Forest Research under statute will meet the requirement of going concern, and there are no circumstances which indicate that there will be changes to these arrangements.

1.1 Significant judgements and estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates, and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities, and the reported amount of income and expenditure. All estimates are based on knowledge of current facts and circumstances, assumptions concerning past events, and forecasts of future events and actions. Where appropriate, the relevant notes to the accounts provide further detail on estimation techniques.

Non-current assets are valued at depreciated replacement cost, and, as described in note 1.8. Scientific equipment and OME are revalued using indices. As communicated by the Office of National Statistics (ONS), there was a pause on the publication of the Producer Price Index (PPI) and Services Producer Price Indices (SPPI) due to an issue identified with the chain-linking methods used to calculate these indices. Management have considered alternative indices at 31 March 2025, namely the BCIS index for Medical and dental instruments and supplies.

The Alice Holt Main Building and externals were revalued by Savills, Chartered Surveyors, in March 2025 following completion of the major refurbishment works. The significant assumptions used in the valuation were a design fee of 10%, build costs based on build rates taken from BCIS, adjusted for Tender Price Index (TPI) and a Location Factor (LF) adjustment of 1.12, to reflect the Modern Equivalent Asset (MEA) and an adjustment for obsolescence. A desktop valuation was carried out for the remainder of the buildings (NRS and the remainder of Alice Holt) using the BCIS index as at 31 March 2025. Future revaluations of property may result in further material changes to the carrying value of non-current assets

1.2 Accounting convention.

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant, and equipment, and available-for-sale financial assets.

1.3 Value Added Tax (VAT).

Forest Research is covered under the Forestry Commission's registration for VAT. In order to comply with the government accounting regulations and normal commercial practice, income and expenditure shown in the

Accounting Statements

Statement of Comprehensive Net Expenditure is net of VAT. Irrecoverable VAT is charged to the Statement of Comprehensive Net Expenditure in the year in which it is incurred.

1.4 Revenue recognition

Income comprises the fair value of the consideration received or receivable from forestry and related activities. Revenue is shown net of VAT, returns, rebates, and discounts.

Income is accounted for in accordance with the five-stage model set out in IFRS 15, Revenue from Contracts with Customers, and is recognised when performance obligations are satisfied.

1.5 Funding from the Forestry Commission

The funding from the Forestry Commission is accounted for in accordance with IAS 20 as adapted by the FReM. Grant-in-aid is provided to match the recipient's cash needs and is to be accounted for on a cash basis and credited directly through reserves.

1.6 Foreign currency translation

Functional and presentation currency

Items included in the Financial Statements are measured using the currency of the primary economic environment in which Forest Research operates ('the functional currency'). The functional currency and the presentation currency of the Financial Statements is pounds sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Net Expenditure.

1.7 Employee Benefits

Pensions

Past and present employees are covered by the provisions of the PCSPS. PCSPS is an unfunded, defined benefit, contributory, public service occupational pension scheme. Forest Research accounts for the PCSPS as a defined contribution plan and recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from an employee's services by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution schemes, Forest Research recognises the contributions payable for the year. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Accounting Statements

Short-Term employee benefits

Liabilities and expenses are recognised for holiday entitlements earned to 31 March but not yet taken.

1.8 Property, plant, and equipment

Where Forest Research is the principal beneficial user of assets of the Forestry Commission estate, they are treated as a non-current asset of Forest Research, although legal ownership is vested in the Forestry Ministers.

The normal threshold for the capitalisation of assets is £2,000.

Dwellings and other buildings

Dwellings and other buildings are shown at fair value less accumulated depreciation.

External valuers undertake a full revaluation of dwellings and other buildings at five-yearly intervals coinciding with that for the non-forest land. They follow the principles set out in the RICS *Red Book* and value on the basis of Open Market Value, Existing Use Value, Depreciated Replacement Cost or Discounted Cash Flow, as appropriate under the RICS Standards for determining fair value. A full valuation took place on 31 March 2023 by Savills, Chartered Surveyors. In the intervening years, the assets are revalued using the indices. NRS Main Building and externals were revalued by Savills, Chartered Surveyors, in March 2024 following completion of the major refurbishment works. AH lodge and externals were revalued by Savills, Chartered Surveyors, in March 2025 following completion of the major refurbishment works.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Forest Research and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Statement of Comprehensive Net Expenditure during the financial period in which they are incurred.

Plant and machinery

Forestry vehicles, machinery, and equipment are shown at fair value less accumulated depreciation. Plant and machinery values are restated to current value each year using indices provided by the Office for National Statistics.

Assets under construction

Assets under construction are carried at the costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Assets under construction are transferred to the appropriate property, plant, and equipment category when completed and ready for use.

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Revaluation Reserve

Increases in the carrying amount arising on revaluation of property, plant, equipment, and intangible assets are credited to the Revaluation Reserve in taxpayers' equity. Decreases that offset previous increases of the same asset are charged against the Revaluation Reserve directly; all other decreases are charged to the Statement of Comprehensive Net Expenditure. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the Statement of Comprehensive Net Expenditure and depreciation based on the asset's original cost is transferred from the Revaluation Reserve to the General Fund.

1.9 Depreciation

Depreciation is provided on all tangible non-current assets (except land) at rates calculated to write-off the valuation, less estimated residual values, of each asset evenly over its expected useful life. Asset lives are as follows:

Asset category	Period
Freehold buildings	up to 60 years
Scientific equipment	over 5 to 20 years
Other machinery and equipment	over 5 to 20 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the Statement of Comprehensive Net Expenditure. When revalued assets are sold, the amounts included in the Revaluation Reserve are transferred to the General Fund.

1.10 Intangible assets

Intangible assets are valued initially at cost and subsequently at fair value using the revaluation model.

Where an active market does not exist, income-generating assets are valued at the lower of depreciated replacement cost and value in use. Non-income-generating assets are carried at depreciated replacement cost. These valuation methods are considered to be a proxy for fair value.

Computer software

Acquired computer software licences are initially capitalised on the basis of the costs incurred to acquire and bring to use the specific software and subsequently revalued to depreciated replacement cost. Acquired computer software licences are amortised over the life of their licence.

1.11 Impairment of non-financial assets

Assets subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an asset is not held for the purpose of generating cash flows, value in use is assumed to equal the cost of replacing the service potential provided by the asset, unless there has been a reduction in service potential. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffer impairment are reviewed for possible reversal of the impairment at each reporting date.

1.12 Financial assets

Classification

Forest Research classifies its financial assets in the following categories: Amortised Costs or Fair Value through Other Comprehensive Income (FVOCI). The classification depends on the business model for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Recognition and measurement

Financial assets are recognised when Forest Research becomes party to the contractual provisions of the financial instrument and derecognised when the rights to receive cash flows from the asset have expired or have been transferred and Forest Research has transferred substantially all risks and rewards of ownership.

(a) Financial assets held to collect contractual cash flow only are measured at amortised costs, initially recognised at fair value. Any subsequent gains or losses arising from changes in the fair value are presented in the Statement of Comprehensive Net Expenditure. Where necessary, receivables have been impaired in accordance with the IFRS 9 lifetime expected credit losses model.

(b) Financial assets held to collect contractual cash flow and to sell are measured at fair value through Other Comprehensive Income.

1.13 Financial liabilities

Classification

Forest Research classifies its financial liabilities in the following categories: at fair value through profit or loss, and other financial liabilities. The classification depends on the purpose for which the financial liabilities were issued. Management determines the classification of its financial liabilities at initial recognition.

Accounting Statements

Recognition and measurement

Financial liabilities are recognised when Forest Research becomes party to the contractual provisions of the financial instrument. A financial liability is removed from the Statement of Financial Position when the obligation is discharged, cancelled, or expired.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities carried at fair value through profit or loss are initially recognised at fair value. Any subsequent changes in the fair value are presented in the Statement of Comprehensive Net Expenditure.

(b) Other financial liabilities

Other financial liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

1.14 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, cash balances held by the Government Banking Service and other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

1.15 Provisions

Forest Research provides for present legal and constructive obligations which are of uncertain timing or amount at the reporting date based on the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the real rate set by HM Treasury. The increase in the provision due to passage of time is recognised in the Statement of Comprehensive Net Expenditure.

1.16 Contingent liabilities

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts.

1.17 Effective in these Financial Statements

All International Financial Reporting Standards, interpretations, and amendments effective at 31 March 2024 have been adopted in these statements, taking account of the specific interpretations and adaptations included within the FReM.

Accounting Statements

1.18 Leases

Forest Research has elected not to recognise right-of-use assets and lease liabilities for short-term lease that have a lease term of 12 months or less and leases of low-value assets. Forest Research recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

1.19 Segmental reporting

Forest Research's aim is to support and enhance the role of trees, woodlands, and forests in sustainable development, by providing high-quality research, development, and knowledge transfer. Management has determined that Forest Research operates as one operating segment, with results reviewed by the Chief Executive, as the chief operating decision-maker for Forest Research as a whole.

1.20 Effective for future financial years

New standards, amendments, and interpretations issued but not effective for the financial year beginning 1 April 2025 and not early adopted.

Non-investment asset valuations

In December 2023 HM Treasury released an exposure draft on potential changes to make to valuing and accounting for non-investment assets (e.g. PPE, intangible assets). The following changes to the valuation and accounting on non-investment assets is to be included in the 2025 to 26 FreM for mandatory implementation.

References to assets being held for their 'service potential' and the terms 'specialised/non-specialised assets' are being removed from the FreM. Non-investment assets are instead described as assets held for their 'operational capacity'. This change has no impact on the valuation basis of non-investment assets, which remains Existing Use Value (EUV).

An adaptation to IAS 16 will be introduced to withdraw the requirement to revalue an asset where its fair value materially differs from its carrying value. Assets are now valued using the one of the following processes:

- A quinquennial revaluation supplemented by annual indexation.
- A rolling programme of valuations over a 5-year cycle, with annual indexation applied to assets during the 4 intervening years.
- For non-property assets only, appropriate indices.
- In rare circumstances where an index is not available, a quinquennial revaluation is supplemented by a desktop revaluation in year 3.

The option to measure intangible assets using the revaluation model is withdrawn. The carrying values of intangible assets at 31 March 2025 will be considered the historical cost at 1 April 2025. Management have not yet determined what the impact will be.

Accounting Statements

IFRS Insurance contracts

IFRS 17 – Insurance Contracts replaces IFRS 4: Insurance Contracts and is to be included in the FReM for mandatory implementation from 2025 to -26. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of this Standard.

The Standard will be applied by HM Treasury in the 2025 to 26 FReM, with an implementation date of 1 April 2025. The financial impact of applying IFRS 17 is not yet known.

Social benefits

The 2025-26 FreM will include new guidance on accounting for social benefits. The 2025-26 FreM will define social benefits as ‘current transfers received by households (including individuals) intended to provide for the needs that arise from certain events or circumstances, for example, sickness, unemployment, retirement, housing, education, or family circumstances’. This is not expected to have a material impact.

Note 2. Prior period adjustment

In relation to the disclosure of funding from the Forestry Commission.

After further assessment of the remaining Forestry Commission income of £1.24 million as reported in Note 6 in the prior year accounts, it was determined this income does not meet the requirements of IFRS 15 and is, in substance, grant-in-aid and should therefore be recorded as funding received from the Forestry Commission. In accordance with the requirements of IAS 8, the prior year financial statements have been restated and the income reclassified as Funding from Forestry Commission within the Statement of Comprehensive Taxpayers Equity, as required by IAS 20 and interpreted by the Financial Reporting Manual. Trade receivables have been adjusted for £0.58 million due at 31st March 2024 which has been reclassified as a reduction in funding received in year. Forestry Commission funding is now disclosed as a movement in the General Fund and disclosed in Net Financing within the Statement of Cash Flows instead of within Net cash flow from operating activities.

The following extracts from the primary financial statements have been prepared to illustrate the impact of this presentation adjustment for the year ending 31 March 2024.

2.1 Statement of Comprehensive Net Expenditure for the year ended 31 March 2024

	As previously reported £000	Adjustments £000	As restated £000
Income			
Revenue from contracts with customers	(17,931)	1,240	(16,691)
Total operating income	(17,931)	1,240	(16,691)
Net operating expenditure	19,723	1,240	20,963
Total comprehensive net expenditure for the year	19,056	1,240	20,296

2.2 Statement of Financial Position for the year ended 31 March 2024

	As previously reported £000	Adjustments £000	As restated £000
Current assets			
Trade and other receivables	6,638	(589)	6,049
Total current assets	11,940	(589)	11,351
Total assets	54,707	(589)	54,118
Taxpayer's Equity			
General Fund	33,382	(589)	32,793
Total Taxpayer's Equity	49,510	(589)	48,921

2.3 Statement of Cash Flow for the year ended 31 March 2024

	As previously reported £000	Adjustments £000	As restated £000
Statement of Cash Flows			
for the year ended 31 March 2024			
Net cash from operating activities			
Net operating expenditure	(19,723)	(1,240)	(20,963)
Decrease in trade and other receivables	2,652	589	3,241
Net cash outflow from operating activities	(14,588)	(651)	(15,239)
Funding received from the Forestry Commission ¹	26,667	651	27,318
Net financing	26,660	651	27,311

2.4 Statement of Changes in Taxpayers' Equity (General Fund) for the year ended 31 March 2024

	As previously reported £000	Adjustments £000	As restated £000
Comprehensive net expenditure	(19,723)	(1,240)	(20,963)
Funding received from the Forestry Commission	26,667	651	27,318
Balance at 31 March 2024	33,382	(589)	32,793

2.5 Receivables for the year ended 31 March 2024

	As previously reported £000	Adjustments £000	As restated £000
Other Trade Receivables	4,604	(589)	4,015
Total receivables	6,666	(589)	6,077

Note 3. Staff costs

	2024-25 £000	2023-24 £000
Wages and salaries	15,876	14,128
Social security costs	1,648	1,447
Employer's superannuation costs	4,496	3,613
Apprenticeship levy	77	68
Agency staff costs	593	1,109
Total	22,690	20,365

More details on staff costs can be found in the Remuneration and Staff Reports.

Note 4. Other management costs

	Notes	2024-25 £000	2023-24 £000
Travel and subsistence		993	911
Building maintenance		2,007	1,670
Utilities		719	643
Training		249	155
Other expenditure		495	281
Computer supplies		3,511	2,838
Staff transfer expenses		20	12
Non-cash costs:			
Depreciation of property, plant and equipment	7	2,589	2,049
Impairment charges	4.1	3,482	760
Amortisation of intangible assets		18	27
Loss on Disposal of property, plant and equipment		18	27
Auditors' remuneration – notional cost		66	51
Total		14,167	9,424

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Note 4.1 Impairment charge

2024 to 2025: The impairment charge of £3.48 million for the year ended 31 March 2025 relates to the difference between the costs incurred and the formal valuations in respect of the AH Main Buildings, as in accordance with the FReM the properties/capital improvements require to be valued on a Depreciated Replacement Cost (DRC). The actual cost of necessary improvements at AH, is higher than the change in valuation of the site as reported under the DRC. Further details can be found in Note 1 (pages 95 to 96).

Note 5. Materials and services

	2024-25 £000	2023-24 £000
Materials and supplies	879	1,751
Central service from Forestry Commission	14	18
Vehicle charges from the Forestry Commission	475	415
Contracted research services	5,922	5,227
Publications	96	128
Protective clothing	87	92
Miscellaneous expenditure	223	234
Total	7,696	7,865

Note 6. Income

Revenue from contracts with customers

	2024-25 £000	2023-24 Restated £000
Scottish Government	4,079	4,079
Welsh Government	907	907
European Union	165	400
Forestry England	1,658	1,563
Welsh Government	895	896
Scottish Government	1,335	1,294
Forestry and Land Scotland	1,126	1,265
Contracts for research and services	6,976	6,164
Ad hoc – analysis, supply of seeds, conferences, advisory	146	122
Total	17,287	16,690

The 2023-24 figures restated are due to the Prior Period Adjustment explained at Note 2, which has removed the Income formerly reported from the Forestry Commission and now treated as funding.

Note 7. Tangible Non-Current Assets

	Freehold land £000	Buildings £000	Scientific equipment £000	Other machinery & equipment £000	Assets under construction £000	Total £000
Valuation:						
At 1 April 2024	1,711	41,275	9,109	2,831	9,974	64,900
Additions	–	12	736	77	6,349	7,174
Transfers	–	10,093	734	294	(11,121)	–
Disposals	–	–	(99)	(105)	–	(204)
Impairments	–	(3,482)	–	–	–	(3,482)
Revaluation	55	877	157	93	–	1,182
At 31 Mar 2025	1,766	48,775	10,637	3,190	5,202	69,570
Depreciation:						
At 1 April 2024	–	16,134	4,283	1,873	-	22,290
Provided in year	–	1,333	981	275	–	2,589
Disposals	–	–	(89)	(97)	–	(186)
Revaluation	–	249	62	41	–	352
At 31 Mar 2025	–	17,716	5,237	2,092	–	25,045
Net book value:						
At 31 Mar 2025	1,766	31,059	5,400	1,098	5,202	44,525
At 31 Mar 2024	1,711	25,141	4,826	958	9,974	42,610

Fixed assets were revalued as at 31 March 2025, using indexation alongside professional review by Savills, Chartered Surveyors, on one building project, under our policy detailed in 1.6. This valuation was undertaken for Alice Holt, Farnham, with a net book value (excluding land) of £10.8 million, at 31 March 2025. Any assessed changes in the remaining useful life of specific assets have been recorded in the Fixed Asset Register and will result in amended depreciation charges in future years.

Capital estates project within assets under construction classification includes the work in progress of £3.84 million at Alice Holt, £1.21 million at NRS, and £0.16 million at Wykeham.

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Prior year values disclosed below for comparison purpose.

	Freehold land	Buildings	Scientific equipment	Other machinery & equipment	Assets under construction	Total
	£000	£000	£000	£000	£000	£000
Valuation:						
At 1 April 2023	1,640	36,615	8,374	2,187	6,762	55,578
Additions	–	72	600	185	8,334	9,191
Transfers	–	4,654	8	460	(5,122)	–
Disposals	–	–	(140)	–	–	(140)
Impairments	–	(760)	–	–	–	(760)
Revaluation	71	694	267	(1)	–	1,031
At 31 Mar 2024	1,711	41,275	9,109	2,831	9,974	64,900
Depreciation:						
At 1 April 2023	–	14,937	3,432	1,621	-	19,990
Provided in year	–	937	860	252	–	2,049
Disposals	–	–	(113)	–	–	(113)
Revaluation	–	260	104	–	–	364
At 31 Mar 2024	–	16,134	4,283	1,873	–	22,290
Net book value:						
At 31 Mar 2024	1,711	25,141	4,826	958	9,974	42,610
At 31 Mar 2023	1,640	21,678	4,942	566	6,762	35,588

Note 8. Financial instruments

8.1 Financial instruments by category

All financial assets on the Statement of Financial Position are assets held at Amortised Costs, except for £31,000 (31 March 2024: £75,000) which is classified as Fair Value through Other Comprehensive Income (FVOCI) and is available for sale. The available-for-sale asset is Forest Research's share of C-Cure Solutions Ltd.

All financial liabilities on the Statement of Financial Position are classified as other financial liabilities, except for £407,000 (31 March 2024: £467,000) taxation and social security costs and £823,000 (31 March 2024: £533,000) deferred income.

8.2 Exposure to risk

Credit risk

Forest Research is exposed to credit risk to the extent of non-payment by its counterparties in respect of financial assets receivable. The majority of assets relate to services provided to other public sector bodies and the risk of non-payment is considered low.

Liquidity risk

As the cash requirements of Forest Research are met primarily through funding from the Forestry Commission and devolved forestry bodies, it is not exposed to significant liquidity risks.

Interest rate risk

Forest Research has no significant interest-bearing assets or liabilities and as such income and expenditure cash flows are substantially independent of changes in market interest rates.

Foreign currency risk

Forest Research's only exposures to foreign exchange rates are through a bank account denominated in Euros and through receipt of EU funding for contracts which are denominated in Euros and New Zealand Dollars.

Contracts denominated in foreign currency form less than 1% of Forest Research's total income. Therefore, fluctuations in exchange rates do not have a significant impact on Forest Research.

Note 9. Receivables

9.1 Analysis by Type

	2024-25	2023-24
	£000	Restated £000
Other trade receivables	2,409	4,015
Total trade receivables	2,409	4,015
Other receivables	6	3
House purchase loans to employees	1	3
Contract assets	500	1,078
Prepayments and accrued income	1,041	978
Total receivables	3,957	6,077

The 2023-24 figures are restated within this note to disclose contract assets under IFRS15. The 2023-24 figures have also been adjusted for receivables now treated as funding as explained at Note 2.

The carrying amounts of trade and other receivables are a reasonable approximation of their fair value. Values have been received post year-end.

Accrued income and contract assets relating to EU funding total £105,196 (2023-24: £10,212).

Contract assets £500,000 (2023-24: £1,078,000) relate to projects where costs have been incurred but not yet invoiced to the customer at year end. Revenue recognised in the period which was a contracts asset at the beginning of the year was £1,078,000.

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As of 31 March 2025, £2,237,029 (31 March 2024 (restated): £3,965,769) were fully performing and not overdue or impaired and provided for.

As of 31 March 2025, trade receivables of £172,139 (31 March 2024: £49,615) were overdue and regular exercises to assess recoverability have been undertaken post 31 March, resulting in the majority of the balance either being settled or, where outstanding determined low risk, as due from public sector customers or the EU. The age analysis of these trade receivables is as follows:

	2024-25 £000	2023-24 £000
Months overdue		
Less than one month	86	49
One to two months	23	-
Two to three months	63	-
More than three months	-	-
Total	172	49

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. Forest Research does not hold any collateral as security.

The carrying amounts of trade and other receivables are denominated in the following currencies:

	2024-25 £000	2023-24 Restated £000
Current		
Pounds sterling	3,947	6,066
Euros	10	10
Total	3,957	6,076

The 2023-24 figures restated are due to the Prior Period Adjustment explained at Note 2.

Note 10. Cash and cash equivalents

The following balances at 31 March are held at Government Banking Service banks and as cash in hand:

	2024-25 £000	2023-24 £000
Opening balance at 1 April	5,292	1,884
Net change in balances	(700)	3,408
Balance at 31 March	4,592	5,292

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Forest Research had neither bank overdraft nor short-term investments as at 31 March for either of the two years.

Forest Research maintains Euro bank accounts for sums held on behalf of partners in European Commission projects, which are treated as third-party assets and not included in the balances shown (see Note 16).

Note 11. Trade and other payables

	2024-25 £000	2023-24 £000
Current		
Payments received on account	251	228
Trade payables	735	1,140
Taxation and social security costs	407	467
Other payables	2	987
Current part of finance leases	2	7
Accrued expenses	1,849	1,834
Contract liabilities	821	533
Non-Current		
Finance lease	-	2
Total	4,067	5,198

The carrying amounts of trade and other payables are a reasonable approximation of their fair value.

All payables are to bodies external to central government and local authorities as at 31 March 2025 and 31 March 2024, with the exception of £281,259 (31 March 2024: £291,000) due to central government bodies. Funds held on behalf of partners in European Commission projects are treated as third-party assets (see Note 16). At 31 March 2025 the amount held in Forest Research bank accounts on behalf of partners was £nil (31 March 2024: £14,000).

The carrying amounts of trade and other payables are denominated in the following currencies:

	2024-25 £000	2023-24 £000
Current		
Pounds sterling	3,880	5,064
Euros	187	132
Total	4,067	5,196

Note 12. Capital commitments

There were £435,759 contracted capital commitments as at 31 March 2025 (31 March 2024: £1,212,697).

Note 13. Commitments and receivables under operating leases

Total future minimum lease payments under operating leases are given in the tables below for each of the following periods.

Obligations under operating leases comprise:

	2024-25 £000	2023-24 £000
Land and buildings:		
Not later than one year	2	7
Later than one year and not later than five years	-	-
More than five years	-	-
Total	2	7

Total minimum lease payments under operating leases for land due to Forest Research are:

	2024-25 £000	2023-24 £000
Not later than one year	5	5
Later than one year and not later than five years	20	20
Later than five years	38	43
Total	63	68

During 2012–13, the Environment Agency had a building constructed at Alice Holt and under the Memorandum of Terms of Occupancy has an obligation to pay Forest Research an annual capital allowance for occupation of the land for the 25-year term.

Note 14. Other financial commitments

There were no other financial commitments at 31 March 2025 (31 March 2024: £nil).

Note 15. Related party transactions

During the year, Forest Research has had a significant number of material transactions with the Forestry Commission and Defra who are regarded as related parties. In addition, Forest Research has had operational transactions with other government departments and other central government bodies.

15.1 Transactions with the University of Stirling

	2024-25 £000	2023-24 £000
Sales	79	159
Purchases	12	35

The above transactions, for student stipend and a collaboration agreement, occurred on an arm's length basis. These transactions are disclosed as Chris Quine holds a visiting professorship at the University of Stirling. There were balances outstanding of sales £25,000 (31 March 2024: £26,000) and purchase £nil at 31 March 2025 (31 March 2024: £nil).

15.2 Transactions with the Institut Européen de la Forêt Cultivée (IEFC)

	2024-25 £000	2023-24 £000
Sales	4	5
Purchases	8	-

The above transactions, for European networking support, occurred on an arm's length basis. These transactions are disclosed as James Pendlebury is a member of the Board of IEFC and received no remuneration for this role. There was a £nil balance outstanding at 31 March 2025 (31 March 2024: £nil).

15.3 Transactions with the University of Oxford

	2024-25 £000	2023-24 £000
Sales	1	-
Purchases	2	22

The above transaction, for a research project, occurred on an arm's length basis. These transactions are disclosed as Matthew Perkins was on the board of three wholly owned subsidiaries of the University of Oxford during 2024, he resigned from two positions during 2024 but continues to be on the board for one. Forest Research had no direct transactions with the subsidiary but for transparency all transactions with the University of Oxford are disclosed. There was an outstanding balance of £nil as at 31 March 2025 (31 March 2024: £nil).

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15.4 Transactions with Bangor University

	2024-25	2023-24
	£000	£000
Sales	25	31
Purchases	11	43

The above transactions, for project-based research work, occurred on an arm's length basis. These transactions were disclosed as Julian Evans is an Honorary Fellow of Bangor University and received no remuneration for this role. There were balances outstanding of sales £3,000 as at 31 March 2025 (31 March 2024: £nil).

15.5 Transactions with the Scottish Forestry Trust (SFT)

	2024-25	2023-24
	£000	£000
Sales	10	2
Purchases	–	–

The above transactions, for project-based research work, occurred on an arm's length basis. These transactions were disclosed as James Pendlebury has been a trustee of the Scottish Forestry Trust since January 2022 and received no remuneration for this role. There were balances outstanding of sales £3,000 as at March 2025 (31 March 2024: £nil).

15.6 Transactions with the Institute of Chartered Foresters

	2024-25	2023-24
	£000	£000
Sales	-	1
Purchases	2	-

The above transactions, for conference and membership fees, occurred on an arm's length basis. These transactions were disclosed as Julian Evans is a Fellow and past president, James Pendlebury and Chris Quine are Fellows, Jo Bradwell is an honorary fellow and Richard Stanford and William Worsley are members of the Institute of Chartered Foresters. None of them received any remuneration for these roles. There was an outstanding balance of £nil as at 31 March 2025 (31 March 2024: £nil).

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15.7 Transactions with the University of Birmingham

	2024-25	2023-24
	£000	£000
Sales	-	1
Purchases	35	33

The above transactions, for project-based research work, occurred on an arm's length basis. These transactions were disclosed as Nicola Spence is a Director for the Birmingham Institute of Forest Research (BIFoR) and received no remuneration for this role. Jo Bradwell also forms part of the advisory group for BIFoR and is a retired professor of Immunology at the University of Birmingham. There was an outstanding balance of £nil as at 31 March 2025 (31 March 2024: £nil).

15.8 Department for Environment, Food & Rural Affairs (Defra)

	2024-25	2023-24
	£000	£000
Sales	3,445	3,602
Purchases	10	3

The above transactions, for project-based research work, occurred on an arm's length basis. These transactions were disclosed as Jo Bradwell has been in receipt of woodland and farming grants from Defra totalling £187,000. There was an outstanding balance of £nil sales as at 31 March 2025 (31 March 2024: £562,000).

15.9 Transactions with the Royal Forestry Society

	2024-25	2023-24
	£000	£000
Sales	-	-
Purchases	-	1

The above transactions, for overseas study, occurred on an arm's length basis. These transactions were disclosed as Julian Evans is a council member of the Royal Forestry Society and Jo Bradwell is a member. Neither of them received any remuneration for these roles. There was an outstanding balance of £nil as at 31 March 2025 (31 March 2024: £nil).

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15.10 Transactions with the Scottish Wildlife Trust Conservation Committee

	2024-25 £000	2023-24 £000
Sales	-	-
Purchases	*-	-

The above transactions, for project-based research work, occurred on an arm's length basis. These transactions were disclosed as James Pendlebury is a member of the Scottish Wildlife Trust Conservation Committee and received no remuneration for this role. * There were no sales and the value of purchases was below £1k. There was an outstanding balance of £nil as at 31 March 2025 (31 March 2024: £nil).

15.11 Transactions with the Hovingham Farms

William Worsley received a total of £159,000 in Defra grants for Countryside Stewardship, Farming in Protected Landscapes, Sustainable Farming Incentive, Environmental Stewardship, Bird seed Nectar Flowers, and Basic Payment Scheme, in relation to Hovingham Farms (31 March 2024: £123,000). There are no transactions between Forest Research and Hovingham Farms to declare.

Note 16. Third-party assets

As a coordinator for a number of projects partially funded by the European Commission in Euros, Forest Research receives funds on behalf of partners for onward transmission once work programmes have been approved. These third-party assets are not recognised in the accounts.

	2023-24 £000	Gross inflows £000	Gross outflows £000	2024-25 £000
Monetary third-party assets – Government Banking Service balances	27	-	-	-

Note 17. Events after the reporting date

In accordance with the requirements of IAS 10, events after 31 March 2025 are considered up to the date on which the accounts are authorised for issue by the Accounting Officer. This is interpreted as the date of the Comptroller and Auditor General's Audit Certificate.

There were no reportable events after the end of the reporting period.

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