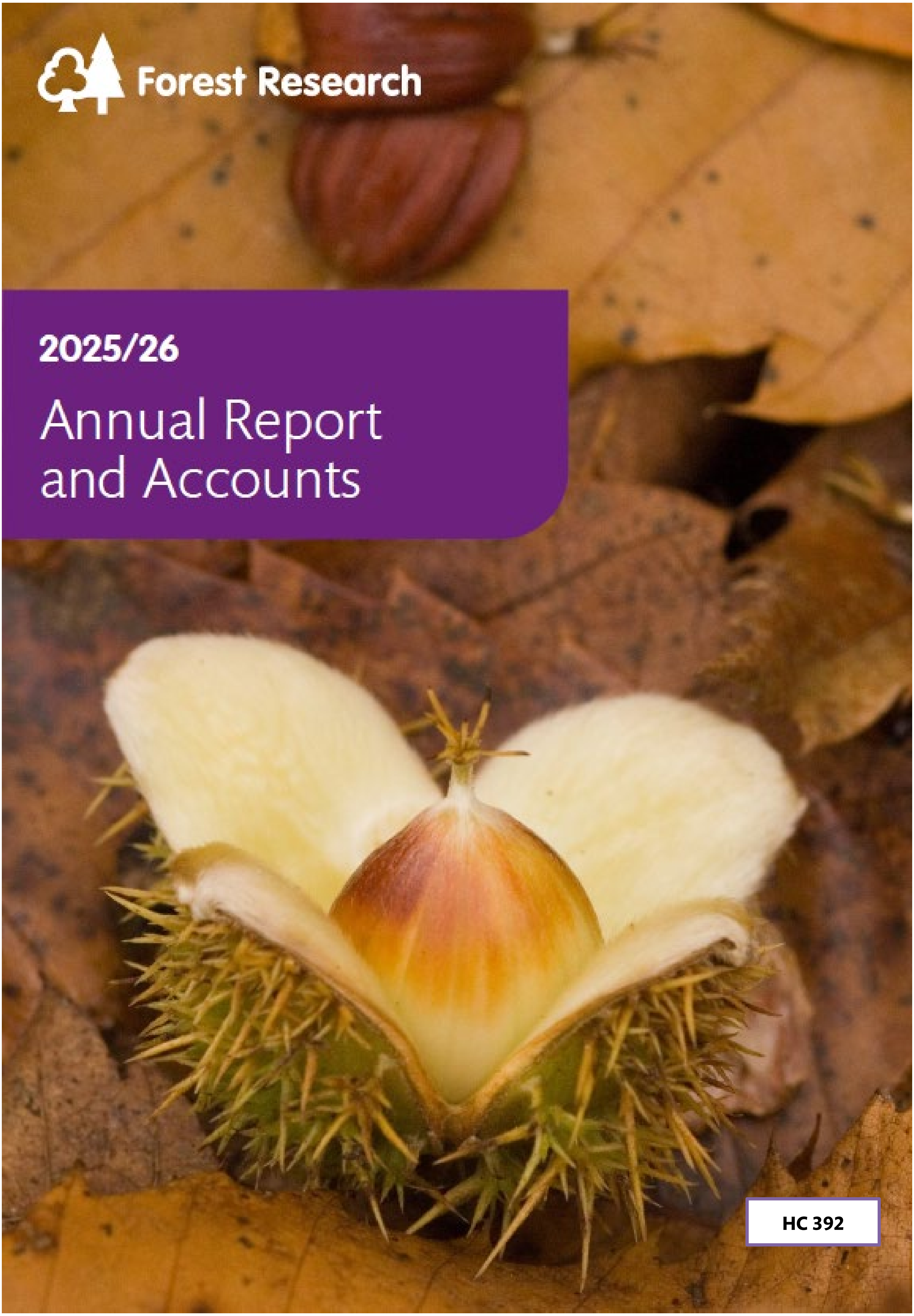
Forest Research

2025/26

Annual Report and Accounts



HC 392

Forest Research

Annual Report and Accounts 2025 to 2026

For the period 1 April 2025 to 31 March 2026.

Accounts presented to the House of Commons pursuant to Section 7 of the Government Resources and Accounts Act 2000.

Report presented to the House of Commons by Command of His Majesty.

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Performance report

Chief Executive's Statement

Overview

This performance review provides:

- The Chief Executive's view on our performance over the last year.
- Information on our background, vision, strategic objectives, activities and resource.
- A performance summary.

Summary of 2025 to 2026

I am pleased to say Forest Research has had a successful year financially and scientifically. We have once again increased our operating income and balanced our books, which is no mean feat in the currenting operating environment.

Some of our key science outputs are highlighted below, but notable projects delivered this year included England's first ever trees outside woodland map, which was financed by the Department for Environment Food & Rural Affairs (Defra) and which secured considerable positive interest and coverage in the media. Indeed, **Forestry Minister Mary Creagh said:** 'This ground-breaking new tree census will not only help us better understand our current tree canopy cover but allow us to identify areas where we can create more nature rich habitats for wildlife and people to enjoy as part of our Plan for Change.'

Our Corporate Strategy, 'Sustaining Ambition', continues to 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.

Forest Research has built and maintained a strong network of well-established connections across the forestry sector. Recent blind audience research, commissioned through an external agency, identified Forest Research as the leading voice in tree and forest-based science.

As an agency with a GB remit, we were delighted to host a Scottish Forestry Scotland's Forestry Strategy event 'Delivering the 50-year vision for forestry' at Northern Research Station on 4th June. This was attended by Ms Gougeon MSP Cabinet Secretary for Rural Affairs, Land Reform and Islands.

The purpose of the event was to:

- Celebrate the significant achievements delivered under the Forestry Strategy since 2019.
- Promote and demonstrate the modern multi-purpose forestry that Scottish Government supports.
- Encourage dialogue on the opportunities and challenges that Scottish Government and partners need to address to deliver the Strategy's 50-year vision, and to inform potential actions for the next Strategy Implementation Plan (post-2026).

Our people

Forest Research's staff are the bedrock of our success. Their expertise, pride, resilience, and passion have made us the UK's leading provider of applied forest research, and the impact their work has on the sector are demonstrable and valued.

We were absolutely delighted that Forest Research's Principal Social Scientist, **Dr Mariella Marzano**, was appointed an Officer of the Order of the British Empire (OBE) for services to forestry in the King's Birthday Honours List on 14th June. This recognition was richly deserved. In her 18 years at Forest Research, Mariella has defined and driven forward innovative studies of the social dimensions of tree health. This has transformed policy approaches to managing pests and diseases of trees by providing original and fresh insights into the decisions of landowners and woodland managers. Mariella also has a significant body of published work, is a sought-after collaborator nationally and internationally, and has played an active role in The International Union of Forest Research Organisations (IUFRO) for several years. Mariella has championed the role of, and opportunities for, women in science while also contributing to a vibrant and supportive community both during and outside working hours.

Professor Chris Quine FRSE, our Chief Scientist retired this year after a long and successful career in Forest Research. But we are pleased that he is continuing to offer his wealth of knowledge and support as a Forest Research Research Fellow. At the same time, we are delighted that **Professor Bianca Ambrose-Oji**, a qualified forester and internationally recognised social scientist, has been appointed as his replacement, which marks the first time a woman has held the Chief Scientist role.

Forest Research participated in the inaugural Forestry Commission People Awards held in October 2025. We work hard to foster a culture of recognising staff who are going above and beyond and this was an opportunity to celebrate and thank our brilliant staff for their outstanding achievements. We're proud of all our nominees, especially our winners **James Hitchcock** – Innovation Award and the Chair's Special Recognition Award; **Alistair Macleod** -– Outstanding Achievement Award; and **Dr Beth Brockett** – Unsung Hero Award

It was not only our current staff who were award winners this year. At the Institute of Chartered Foresters (ICF) Centenary National Conference 2025, Forest Research Fellow **Dr Helen McKay** OBE FICFor CEnv and Forest Research Non-Executive Board Member **Professor Julian Evans** OBE FICFor were each presented with the prestigious ICF Institute Medal. The Institute's Medal is the ICF's highest award, given in recognition of a sustained commitment to professional excellence in arboriculture and forestry. The ICF usually presents this prestigious award to one person each year, but in their centenary year they felt that there were two deserving recipients. Both Helen and Julian have had long, distinguished careers in the forestry sector and have strong ties to Forest Research.

As part of our response to the last staff survey in 2024, we held three all staff in-person events at NRS, Alice Holt, and online during September. These were well received by staff and focused on change management, training and communications.

Last, but not least, our long serving staff members retiring during the year were **Margaret O'Donnell**, **John Lakey**, **Chris Quine**, **Wendy Groves**, **Glenn Brearley**, **Ali MacLeod**, and **John Strachan,** leaving us with a total service of 285 years

Outcomes

We have fully delivered or completed in-year milestones for 16 out of 17 Key Actions for the year. The incomplete action relates to the delayed start date for the build of the Holt II containment facility, which was due to accommodation of external agency planning and investment approval processes.

Our business

Our strategy for 'Sustaining Ambition' shapes 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 recognise that our future reputation depends on the work we will do, not just on the work we have done.

Key achievements related to this include: expanding our Geostore data repository; investing and further improving our science and estate facilities; finalising and implementing our Technician's Commitment Action Plan; and enhancing our modelling products and remote sensing capabilities.

During the current year we have delivered on our core activities and completed the first year for several large projects funded by Defra. Work on projects delivered for the Forestry Research and Development (FRD), the terrestrial Natural Capital Ecosystem Assessment (NCEA), and within the Centre for Forest Protection (CFP) and Future Proofing Plant Health (FPPH) programmes have contributed to our growth over the year. With the welcome support of Defra, we have continued our major Estate Investment programme, with much activity focused on the Alice Holt site.

Profile and engagement

Our research, data, and solutions are essential to the resilience and sustainability of Great Britain's trees and forests. Our work informs the policies of the UK, Scottish, and Welsh governments and provides a crucial evidence base to inform and inspire change that benefits society, the economy, and the environment.

The practical application of our science to policy and practice is at the heart of everything we do. Independent audience research we commissioned this year confirmed that in the UK sector Forest Research is the organisation most recognised for delivering tree and forest science. We are regarded as the leading voice on forest science in Great Britain, and we are the most trusted provider of news on trees and forests.

A key element of this trust comes from the quality of our research publications, available in print and online. During the year, we continued to maintain the highest editorial standards across a range of official research reports, practice guidance, and factsheets. This included an In Brief on visitor attitudes to dead and decaying trees in the landscape, a project overview of the Woodland Water Code, a handbook on establishing woodland and grassland on land requiring interventions, and a guide for advisors on expanding tree cover on farms. Working with the Defra Newsdesk, we received significant broadcast, print, and online media coverage, including for the launch of a new free-to-use interactive map of trees outside woodland on BBC Breakfast, BBC Radio Four's Today Programme, other BBC radio bulletins, in the Guardian, The Times, the Independent, London Evening Standard, and Hort Week, and a separate feature on BBC News at Ten profiling our work on climate change adaptation.

We made significant improvements to our website; the main platform our audiences use to access our research. We improved functionality, created new page templates, and added new content to the Climate Change Hub and other key areas of the site.

We promoted our research on our social media channels with consistently high-quality content, placing our researchers front and centre. Top posts included content about the Forest Biodiversity Index, a paper on bracken control, and the In Brief on visitor attitudes to dead and decaying trees. We grew our social media following to around 37,000, with greatest growth coming on LinkedIn.

We work closely with our scientists to maximise the impact of their work, supporting the development of effective knowledge exchange and communications plans across a wide range of research projects.

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 Defra's 'Britain's Future Forests' conference in Durham.

Partnership working has been essential in reaching as many people in the forestry sector as possible. We worked closely with key stakeholders across the sector to amplify the outputs from our research, including helping to curate a major seminar series in partnership with the Institute of Chartered Foresters and working with charities like the Royal Forestry Society, Small Woods Association, Royal Horticultural Society and Woodland Trust. We also hosted a two-day United Nations Food and Agriculture Organisation – Forest Communicators Network event in Edinburgh attended by professionals from across Europe and North America.

Our staff's 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. I would also like to acknowledge the support from our stakeholders, partners, and customers from across the world. Forest Research is committed to working with them 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. We are internationally renowned for the provision of science, research, evidence, data, and services in support of sustainable forestry. As part of the Forestry Commission, we support its 'Thriving for the Future' Strategy. Forest Research's 'Sustaining Ambition' Strategy embraces all parts of the Forestry Commission strategy, particularly; 'leading with science and evidence', 'partnering with purpose', and 'challenging the status quo'.

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 ran to April 2026, and a refresh is now underway (2026 to 2027 is a transition year). 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, all of which is recorded as grant-in-aid rather than income. Funding from the Scottish and Welsh Governments is, however, still classed as income.

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

Research and development are essential components in delivery of the benefits of sustainable forestry in a multifunctional landscape. We focus on providing objective knowledge and practical solutions based on high-quality science, data provision, and analysis. Crucially, we provide an evidence base to inform policy and inspire change that benefits society, the economy, and the environment.

As part of the Forestry Commission, Forest Research plays a vital role in helping deliver on the core commitments and activities supporting the Forestry Commission's 'Sustaining the Future' strategy.

Our projects provide evidence, 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. Our modelling capabilities and innovative ways of approaching surveying and imaging are changing the way forests are managed, making material positive impacts, enhancing capabilities, and providing key data and analysis.

Forest Research has a long history of reputable research and holds critical datasets which we have built up over many years. We continue to benefit and draw from this research and data, while looking forward at new and innovative solutions. This approach ensures that we can provide key services underpinning the social, economic, and environmental components of managing trees as part of our national response to the climate and biodiversity crises.

Resources

Forest Research employed 434 (full-time equivalent) staff during the year 2025 to 2026 (2024–25: 421) 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 within the Governance Statement.

Performance overview

Operating review

Forest Research launched our 'Sustaining Ambition' five-year strategy in 2025. It has built on our 'Strategy for Growth'. While we are focused on ensuring that we have a well-managed business plan and science strategy, we have continued to grow our business and achieved record-breaking funding levels through income, grant-in-aid, and services delivered across the whole of the country.

We have continued to grow our staff numbers, hiring highly trained experts in response to newly secured funding and expanding research and analysis activities. Our scientists produce a wide range of publications, scientific outputs, advice, and engagement, and frequently participate in online and in-person events. We are drivers of innovation and are leading across the Forestry Commission on AI applications (machine learning), GIS, system and application development, and data analysis.

We have an ambitious Estate Strategy that is focused on delivering fit for purpose facilities which support staff and improve our sustainability across the estate. We are 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.

Our work continues to inform 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.

Alongside our Key Actions and our Scientific Research Highlights, Forest Research has:

- delivered the first full year of our 'Sustaining Ambition' Strategy
- built on previous year's successes by continuing to grow our revenue and funding streams
- worked with the Forestry Commission, Defra, and the Devolved Administrations to refresh the Science and Innovation Strategy (SIS), ensuring the maintenance of our core capability and that future science is customer- and stakeholder-focused and appropriately funded. 2026 to 2027 will be a transition year, followed by a relaunch of the SIS and delivery of the full work programme in 2027 to 2028
- continued to deliver the core SIS programme work which commenced in April 2019 and is in place for an initial period of five years, with an automatic rolling two-year extension.

Sustainability and climate

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.

The UN Global Goals

The UN Sustainable Development Goals (SDGs) are a roadmap of seventeen interlinked social, economic, and environmental objectives to deliver global sustainable development by securing the rights and well-being of everyone on a healthy planet. 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.

Financial review

Forest Research's overall business has continued to grow in the 2025 to 2026 financial year with further increases in staff numbers to deliver projects secured through new funding opportunities. We have continued to build on the successes of previous years and delivered positive financial and operational results, managing in 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 our core programme of work. We received a total income and funding of £52.65 million which includes £6.26 million of capital funding (2024–25: £40.40 million of which capital is £3.36 million). This represents a further increase from 2024 to 2025 and a cumulative 142% growth in our revenue and funding position since 2020, driven by our previous very successful Forest Research – Strategy for Growth.

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, Forest Research continues to secure allocations from the Spending Review. 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 again 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 Defra, through the Forestry Commission, who have provided a further £6.5 million of critical investment in our main facilities. In addition, we have also received £1.45 million of capital investment from Defra and the Forestry Commission towards scientific equipment and £2.29 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 £19.50 million, which is an increase of around 13% on the level achieved in 2024 to 2025 (£17.20 million).
- Grant-in-aid, including capital allocations, was £33.10 million (2024–25: £26.50 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 £1.86 million (8%) since 2024 to 2025. Details can be found in Note 2 with further analysis in the Staff Report.
- The write-off cost of £0.28 million, which is categorised as part of management costs, has arisen due to abortive costs incurred in the design and planning stage of the Holt II project. These costs relate to changing the build location during the planning stage. Changes were in response to risk mitigation and were approved by the Forest Research Board.
- Forest Research continues to manage and monitor costs. Other management costs (Note 3), excluding impairment charges increased by £0.47 million (4%), for 2024 to 2025, (2024–25: £1.26 million). Cost increases have been well controlled and are attributed to rising prices, continued investment in building maintenance costs, computer supply costs, and higher 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 increased by £1.90 million (25%) (2024–25 decreased by £0.17 million – 2%). This increase on the prior year mainly relates to materials and supplies and contracted research services required to deliver against the uplift in research contracts work.
- Additions to property, plant, and equipment (PPE) and intangible assets during the year amounted to £7.82 million (2024–25: £7.17 million) and includes ongoing modernisation and sustainability works across our main sites and investment in scientific equipment.

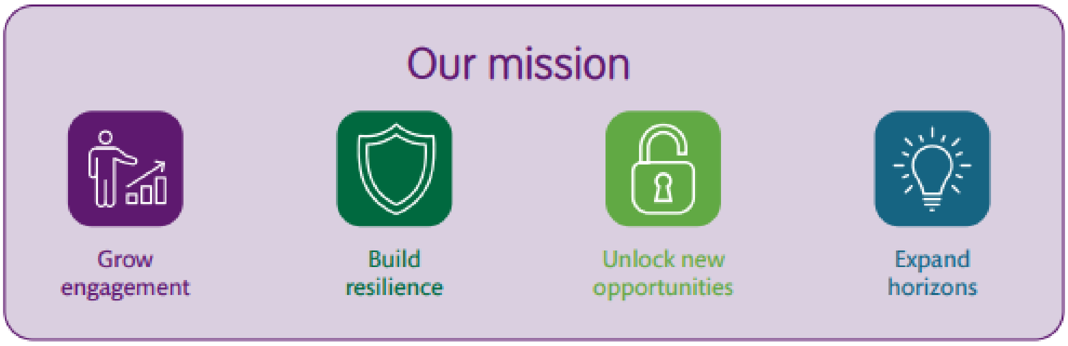
Financial objective – Key Actions

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 and its funding from the Forestry Commission. In 2025 to 2026 the recovery rate, excluding asset adjustments (refer Note 3), was 101.1%, which reflects an increase on the 100.3% (restated) recovery rate achieved in 2024 to 2025.

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

The future

Forest Research's role and remit remain unchanged. Our 'Sustaining Ambition' Strategy provides a strong base for us to continue with our core role. It shapes our approach to tailored research and knowledge exchange and reinforces Forest Research's mission to be to be a world leader in applied forest science and a trusted provider creative interdisciplinary science.



We have identified a number of key activities for delivery in 2026 to 2027 which reflect key areas of work aligned with delivery of the core SIS objectives and actions identified in the Forestry Commission and Forest Research Strategies:

- 2026 to 2027 will be a transition year. During this time, we will continue to work closely with sector partners and the Devolved Administrations to deliver a refreshed Science and Innovation Strategy for 2026 onwards, while also securing agreement on the future funding required to support its delivery.
- Obtain Defra Investment Committee business case approval and confirm funding for the Holt II containment facility. This facility is a key strategic investment to enhance our research and outbreak response capability. It will form part of the UK Biosecurity Network of containment facilities under the Biosecurity Strategy.

- Deliver core and in-year programme and project outcomes for multi-year funded programmes.
- Tree Health Advisory Service delivered with agreed reporting, outbreak response, and advice services.
- Deliver Phase 2 of the Forest Research Geospatial Strategy.
- Maintain and develop our national and international science and funding collaborations.
- Deliver a future productive tree species selection for England and Wales.
- Publish UK National Statistics and Official Statistics releases on subjects including forestry statistics, Timber Price Indices, UK wood production, and analyses from the National Forest Inventory (NFI).

What success will look like

We will continue to be recognised by the sector as a world leading partner and the cost-effective provider of choice for applied forest science and data services.

We will continue to attract and retain professional staff who excel at what they do and who are committed to understanding and meeting customer needs.

Our data, products, and services will continue to demonstrably add value to the future for trees, woods, and forests.

Our science will continue to be quality assured, and our products and services innovative, user-driven, and user-tested.

Our scientific credibility will be recognised nationally and internationally.

We will continue to value our staff and have a coherent and inclusive culture.

We will operate efficiently, continue to meet the needs of the business, and adjust to meet demand.

We will consolidate and build upon the significant growth achieved in the last five years.

We will continue to be trusted by our stakeholders for our expertise and advice.

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 Accountability Report. Operating and financial reviews describing our key financial results for the year have been included in the performance report.

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.

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.

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.

The Board has concluded that our achievements against our corporate Key Actions for 2025 to 2026 are a strong indicator of performance and are listed below. During the year we have fully delivered or completed in-year milestones for 16 out of 17 Key Actions for 2025 to 2026. The one incomplete action relates to the delayed on-site start of Holt II.

Key Actions

Key actions

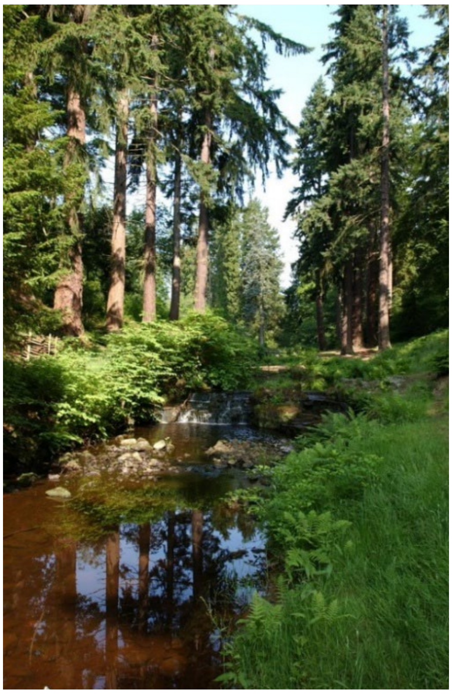
Action	Status
Centre for Forest Protection Knowledge Hub launched. Education and training materials and scoping of Phase 2 of Centre for Forest Protection – programme of research developed.	Complete
Lead on the delivery of tree health citizen science through increased use of TreeAlert, recruiting a new cohort of Observatree volunteers and providing them with tree health training.	Complete
Experimental methods to enable assessment of whether newly created woodlands enhance connectivity for woodland species within fragmented landscapes developed.	Complete
Publish Forestry Statistics and Forestry Facts and Figures 2025 and the updated Timber Price Indices.	Complete
Design, delivery and administration of the Tree Health Pilot.	Complete
Tree Health Advisory Service – delivered with reports summarising enquiry numbers and main detections of any new pests and pathogens.	Complete
Surveillance for regulated pests and pathogen – delivery of Pest Free Area report for surveys to Defra for end-year reports to EU.	Complete
Phytosanitary advice – Delivery of PRAs, contingency plans, and bespoke policy guidance for pest and diseases of quarantine concern.	Complete
Phytosanitary diagnostics – Guidance and sample processing via the IMT process on the management of *P. pluvialis*, *Ips typographus* etc. and including diagnostics of intercepted material on an ad hoc.	Complete
Update key forest timber yield models.	Complete
Deliver key innovation on Natural Capital Ecosystem Assessment (NCEA) in the use of drone technology for collecting key field data and assess benefits for delivery of National Forest Inventory (NFI).	Complete
Deliver Phase 1 of FR Geospatial strategy.	Complete
Key timber quality assessments completed.	Complete
Explore the feasibility of obtaining UK's reference laboratory status and creation of network with European Union Reference Laboratories (EURLs).	Complete
Natural Capital Ecosystem Assessment programme commitments delivered.	Complete, ongoing action
Provide Green House Gas Inventory support to Department of Energy Security and Net Zero (DESNZ) via MoU – end 2031.	Complete, ongoing action
Holt phase II build (living tree experimental growth chambers in containment) – on site.	Actions delayed.

Research highlights

Research highlights

We recognise the need to protect and future-proof our existing forests and woodlands, create new resilient woodland, and ensure that the public can access and spend time in these environments. Our interdisciplinary research work is addressing these needs through development of practical tools and guidance, implementation of innovative monitoring methods, and knowledge exchange with those involved in forest management and policy development. These highlights showcase the work Forest Research scientists have been doing this year and share the direction that some of our projects will be taking in the future.

Developing a Woodland Water Code



Woodlands have the potential to provide multiple water-related benefits, including flood alleviation, water shading, and protection of water quality. Forest Research's development of a Woodland Water Code (WWC) allows these water benefits to be quantified for the first time, creating an opportunity for woodland creation projects to monetise water benefits.

The first phase of the project, which was completed in 2025, saw the creation of new, user-friendly woodland water benefit calculators, along with guidance for interpreting the Code. A summary of Phase 1 is available in our Project overview publication.

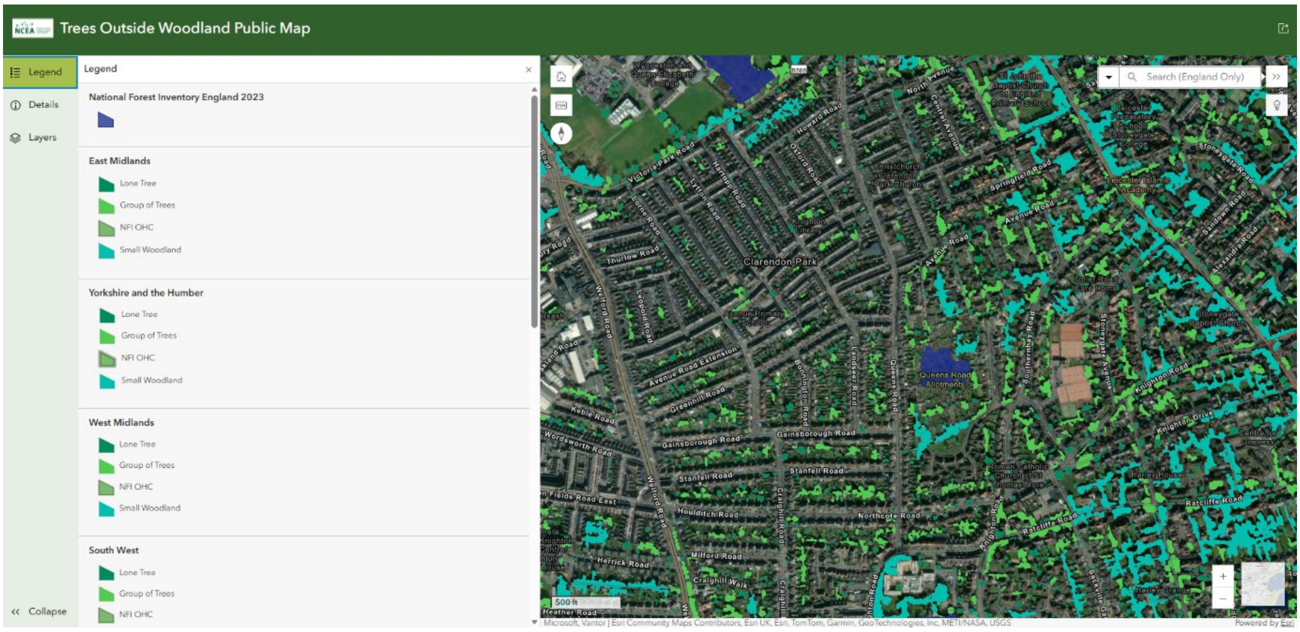
An example of riparian woodland.

Phase 2 of the project is nearing completion, with the primary aim to finalise Version 1 of the WWC. This has involved further end-user testing with project partners and the Soil Association to ensure the WWC provides a robust standardised methodology for the quantification and verification of water quality, flood alleviation, and water shading benefits from woodland creation.

Funding is now being sought to operationalise the WWC and establish one or more catchment laboratories to demonstrate the value of investing in woodland creation for water benefits. The successful implementation of the WWC could provide a step change in private investment in woodland creation and a major verifiable contribution to meeting Government targets for tree planting, clean water, and managing flood risk.

Mapping England's trees outside woodland for the first time

In 2025, Forest Research undertook a major project to map England's urban and rural trees for the first time. Using cutting-edge remote sensing technology and satellite imagery, trees on streets, in gardens and parks, and in all other non-woodland locations were comprehensively mapped, with data on their height, area, and whether they are lone or group trees also recorded. **Mapping these non-woodland trees filled significant data gaps and revealed that they make up nearly a third of the nation's tree cover, making them an important resource for climate change mitigation and air quality improvement.**



The TOW map zoomed in to an area of England

The map has many exciting applications for future tree planting: lone trees can be identified and joined up with wooded areas to improve habitat for wildlife; areas with very low tree coverage can be pinpointed; and, in general, evidence-based decision-making related to tree planting will be enhanced.

The importance and impact of this project have been widely acknowledged and Forest Research will deliver this mapping for Wales in the coming year.

The interactive map is freely available to access via the [NCEA ArcGIS Online web portal](#).

Identifying *Ips typographus* and understanding its impacts in the UK

Ips typographus is a bark beetle that is a serious and destructive pest of spruce trees. The beetle is widespread across Europe and, since 2018, a number of outbreaks have been recorded in South East England. Along with the ongoing eradication programme, this year Forest Research has been working to prevent the spread *of I. typographus* through the development of novel detection methods.

Detection dog searching for concealed Ips typographus artificial pheromone lures in a timber-stack during live environment testing (Credit: Rachael Flavell / PFC)

One such method investigated whether dogs could be trained to identify *I. typographus* beetles and distinguish them from other spruce bark beetles. In training led by Forest Research, the first phase saw the dogs successfully identify *I. typographus* from beetle frass, artificial pheromone, and previously frozen beetles. Dogs were then able to transfer this training to detect live beetles in a simulated real-world scenario. These promising results demonstrate that dogs can be used to aid detection of this destructive tree pest.

In the lab, adult beetles can generally be identified from their appearance, but this is not always possible if specimens are damaged or degraded. Molecular methods (those that use DNA to identify species) can provide accurate diagnoses in these cases, but sensitive molecular techniques for detecting *I. typographus* and other Ips species are currently lacking.

Forest Research has now developed tests that can be implemented both in the lab and in the field for rapid and accurate diagnosis of *I. typographus*, increasing our diagnostic capabilities. These tests are ultra-sensitive DNA tests that can distinguish between *I. typographus* and two other species of beetle that it is often confused with.

The field test uses portable equipment, does not require technical expertise, and provides results in under 20 minutes, greatly reducing the time taken to identify an outbreak site or intercept infested plant material at ports. These new tests will improve the accuracy of *I. typographus* identification and make testing faster and more flexible.

Using sound to monitor woodland diversity

Acoustic monitoring is a low-cost, long-term method that can provide valuable insights into biodiversity in woodlands. As part of Defra's Natural Capital and Ecosystem Assessment (NCEA) programme, Forest Research has made use of established acoustic monitoring methods this year, while also trialling emerging AI technologies to enhance data collection.

Since 2021, in collaboration with the Bat Conservation Trust (BCT), we have been undertaking the largest woodland bat monitoring programme in the UK: the NCEA National Woodland Bat Survey. Each year, acoustic sensors are deployed across up to 210 National Forest Inventory (NFI) 1-ha sites to record sound. These recordings are processed through BCT's acoustic data pipeline, where echolocation calls are automatically detected and classified to species, supported by manual verification.

Exciting initial findings show that the greater horseshoe bat was present at every NFI plot surveyed within its range. Our data also expanded the known range of the rare and understudied alcathoe bat. Sample data is now available online, and a full dataset will be made available alongside an interactive dashboard communicating our findings in Summer 2026.

At a subset of sites, we are co-developing and testing an innovative woodland soundscape classification algorithm to monitor patterns of human recreation and activity within forests. In parallel, we are collaborating with the University of Edinburgh to assess the feasibility and performance of prototype 'Soprano' devices. These devices integrate emerging on-board processing technology that analyses acoustic data directly on the unit and transmits species records over a network, offering new potential for long-term bird and bat monitoring.

An alcathoe bat, which our data expanded the known range of.

Understanding, enabling, and supporting public access to woodlands

Spending time in woodland provides a range of benefits to health and wellbeing, so it is important to understand the existing quality and quantity of public access to woodlands and to identify effective solutions for increasing access. Forest Research explored this topic in detail over the past two years, publishing research and statistics on woodland access in England.

In May 2025, we published statistics on access to woodland in England, with the following key findings:

- 66% of households have access to a woodland larger than 20 ha within 4 km, while only 14% have access to a woodland larger than 2 ha within 500 m.
- 39% of households have access to a woodland larger than 2 ha within 1 km, contributing to the Government's aim for everyone to live within a 15-minute walk to a green or blue space.
- Rural areas have a higher provision of woodland access than urban areas.

As part of our research into public access provision we spoke to woodland managers to understand how we could support them to increase access to their woodland. Through surveys, interviews, and an evidence review, we developed an understanding of their management priorities and their feelings about public access.

For most woodland managers, attitudes to access were closely linked to management priorities, with willingness to expand access depending largely on perceived impacts on these priorities. We identified a set of opportunities and barriers to access provision related to each priority and concluded that the greatest opportunities for increasing provision of public access to woodland lie in harnessing their reported willingness to offer 'permissive access' and supporting them to do so on their own terms.

As well as considering land managers' perspectives on woodland access, we have also explored how the public feel about woodland access, focusing in particular on those from diverse groups who are underrepresented in woodlands. We conducted literature reviews, interviews, creative workshops, and a survey of these groups, seeking to understand their motivations, the additional barriers they face, and what opportunities might support greater woodland access.

The barriers we identified related to transport, cost, infrastructure, facilities, awareness, information, motivation, support needs, perceptions of other people, safety, and lack of early life woodland experiences. We established that access interventions should target pre-visit awareness and confidence, travel, and woodland experience. These interventions should be evaluated over the long term, beyond the life of an intervention, to provide robust evidence of any sustained and meaningful increases in access frequency and quality of experience.

Accounting for carbon: the CARBINE model

This year we have continued to invest in and develop our CARBINE model. CARBINE is a forest carbon accounting model developed by Forest Research, which calculates gains and losses of carbon in standing

trees, roots, litter, deadwood, soil, and harvested wood products. It helps to inform the development of forest policy and practice, particularly related to climate change mitigation, and to track progress towards meeting climate targets. The tool also allows individual users to investigate carbon stock change in their own forest management scenarios.

Some of the questions that CARBINE can answer include:

- What are the carbon stocks in a defined area of forest?
- How much carbon is stored by creating new forests?
- What impacts do different forest management approaches have on carbon stocks?
- What contribution can forests make to meeting climate change goals, by removing carbon dioxide from the atmosphere?

Originally created in the 1980s, CARBINE has been continually developed since its inception. This year, CARBINE has undergone a significant upgrade, being rebuilt in the R programming language. This modern version of the tool is easier to use and accessible to many more people. CARBINE-R is made available by Forest Research free of charge, allowing anyone involved in forest management, policy, or research to benefit from this powerful tool.

Stewardship scientists in the forest

Forest Lab, a joint initiative between Forest Research and the Sylva Foundation, uses monitoring equipment and an innovative online platform (myForest) to facilitate knowledge exchange between woodland managers and Forest Research scientists. Woodland managers who take part in the programme become stewardship scientists, sharing data that informs work on climate change, pest and disease risks, species suitability, and adaptation measures. There are currently three live Forest Lab projects, covering resilience, tree growth, and wildfire.

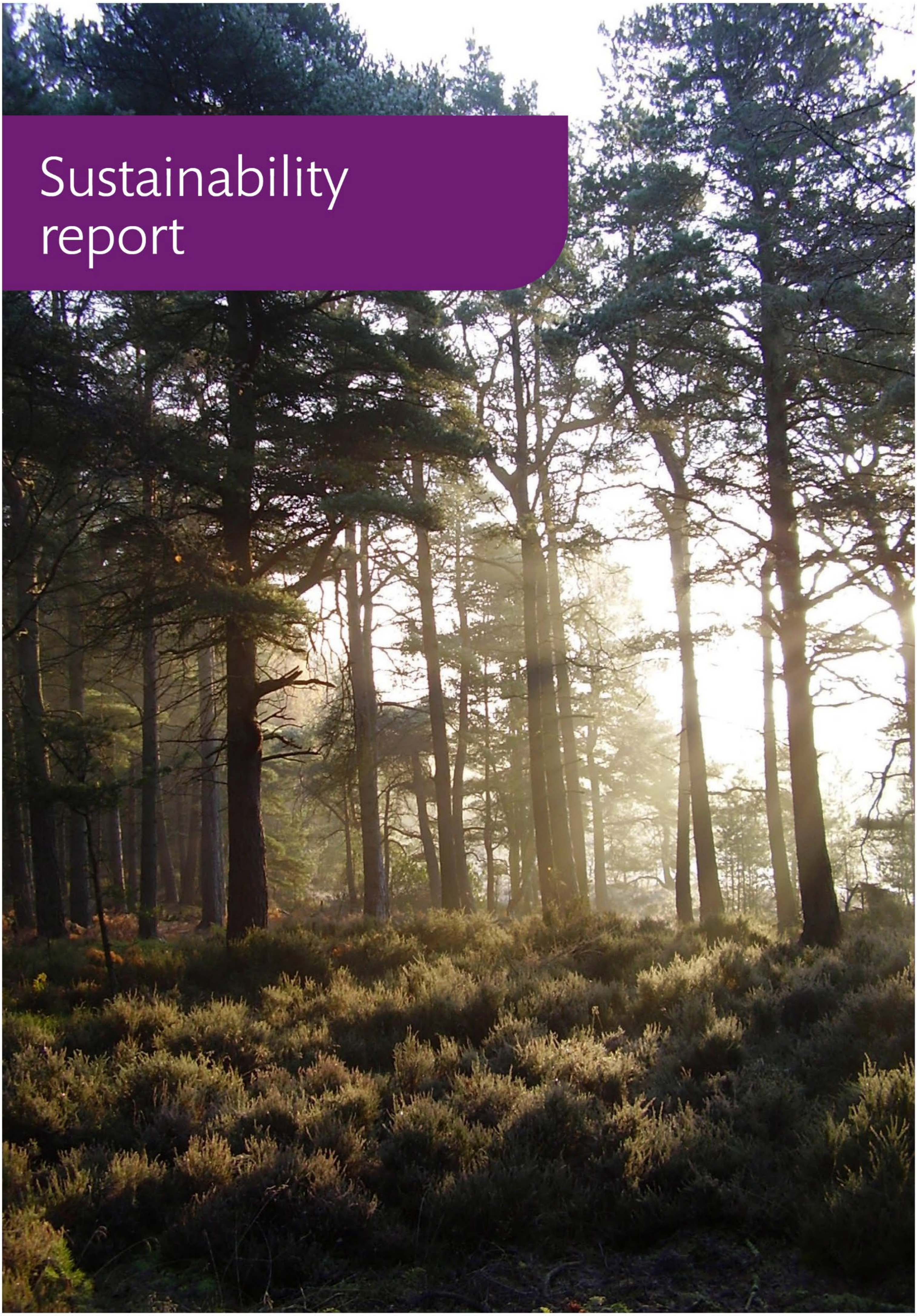
Measuring tree diameter; one of the tasks our stewardship scientists undertook.

Although the wealth of data collected by the stewardship scientists will be of great value to Forest Research's work in promoting woodland resilience, this citizen science project is not just about data collection. Through the programme, a relationship is developed between researchers and citizen scientists. The landowners and managers who take part in the programme have the opportunity to gain knowledge and learn about tools to support their forest management (such as Forest Research's Ecological Site Classification tool), while the researchers have an opportunity to learn from the stewardship scientists, answering questions such as 'how are forest managers using my data?' and 'how can I tailor my research to best engage those using it in the field?'.

Our key publications

To read more about the impactful science and services that Forest Research delivered during the year, visit the publications library on 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 their 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 built estate 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 HM Treasury's *Financial Reporting Manual* (FReM) and HMT *Sustainability Reporting Guidance*. We report our environmental performance against the HMT *Sustainability Reporting Guidance*, which incorporates the GGC .

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.

Environmental sustainability performance

Our environmental sustainability performance update for this year is set out within the Environmental performance section of this report. The greenhouse gas emissions and consumption figures included in Tables 1 to 5 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.

There are two factors which are impacting our results:

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

Mitigating climate change: working towards net zero by 2050

Our Environmental Policy sets out a commitment to achieve net zero, in line with the Government Net Zero Strategy and legally binding target to reach net zero emissions by 2050,. The total gross greenhouse gas (GHG) emissions associated with our built estate, bought energy, business travel activities, and fugitive emissions (F gas) for 2025 to 2026 was 1,033 tonnes CO_2e. Work-related travel (i.e. fleet and business travel) accounts for one-third of our total GHG emissions.

Table 1 GHG emissions by scope provides information on our overall emissions by scope

GHG emissions by scope (tCO2e)	Unit	2025-26 Baseline	2024-25 Actual	2023-24 Actual	2022-23 Actual
Scope 1: Direct Emissions (Built Estate)	**tCO_2e**	**318**	**385**	**229**	**384.70**
Natural gas	tCO_2e	117	156	130	283
Gas oil	tCO_2e	-	-	-	3
Fugitive emissions	tCO_2e	129	94	14	3
Fleet (Non-ULEV/ZEV, ULEV and ZEV)	tCO_2e	71	135	85	95.7
Scope 2: Energy Indirect Emissions	**tCO_2e**	**382**	**384.70**	**360**	**320**
Electricity (location-based)	tCO_2e	347	345	335	277
Electricity (market-based)	tCO_2e	33	29	25	34
Electric vehicles (charging)*	tCO_2e	-	-	-	-
On-site renewable energy generation	tCO_2e	2	1	-	9

Scope 3: Other Indirect Emissions (measured)	tCO_2e	163	166	234	156
Business travel	**tCO_2e**	**163**	**166**	**234**	**156**
Grey fleet (private vehicles: official business)	**tCO_2e**	**14**	**15**	**Unavailable[2]**	**Unavailable[2]**
Hire vehicles	**tCO_2e**	**42**	**74**	**Unavailable[3]**	**Unavailable[3]**
Public transport	**tCO_2e**	**106**	**77.30**	**233.6**	**156.3**
Air travel (domestic)	tCO_2e	34	23.3	79.2	41.6
Air travel (international)	tCO_2e	36	35.5	66.5	45
Rail Travel (domestic)	tCO_2e	31	16.5	23.5	11
Rail Travel (international)	tCO_2e	-	-	-	-
All Other Travel	tCO_2e	5	2	64.4	58.7

[2] Electricity for EV charging is included in scope 2 purchased electricity

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

Environmental performance

Fugitive emissions (F gas leaks)

Considering the impact of fugitive 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 CO_2e before the 2030 phase out period. Fluorinated gas (F gas) leaks recorded during FY2025/26 are presented in Table 2.

Table 2 Fugitive emission losses

Unit	2025-26 Baseline	2024-25 Actual	2023-24 Actual	2022-23 Actual
Fugitive emission losses (kg)	47	31	11	2

Fleet consumption and expenditure

Our current fleet (owned and leased) comprises 13 cars (7.7% of which are zero emission vehicles, or 'ZEV'; 46.2% of which are ultra-low emission vehicles, or 'ULEV'; and 46.2% of which are non-ULEV/non-ZEV) and 71 vans (1.4% of which are zero emission vehicles, or 'ZEV' and 98.6% of which are non-ULEV/non-ZEV). We exceeded the GGC target of 25% of the car fleet to be ULEV by the end of 2022.

Business travel consumption and expenditure

Forest Research's Scope 3 greenhouse gas emissions from its business travel comes from its domestic non-fleet (grey fleet and hire), and domestic non-fleet (public transport).

Our business travel is essential, and we make every effort to manage frequency and necessity of travel. Key large international events may impact our overall travel but are a necessary commitment in the pursuit of world-class science. To mitigate this, we have invested in our ICT capability to provide 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. The Forestry Commission Sustainable Travel Policy provides tools and guidance to support employees with making travel decisions.

During the year, a revised Sustainable Travel Policy was introduced to support lower carbon and more efficient travel choices, while also considering cost, safety, health and wellbeing, along with increases in the cost of fuel. It is reasonable to assume that these have been factors which have resulted in a reduction in our Scope 3 business travel emissions. We have on-site provision of electric vehicle charging points, with seven 7 kW twin-pods at AH and six pod points at NRS (two 7 kW twin-pods and one 22 kW twin-pod).

Energy consumption and expenditure

Forest Research uses a clean, renewable 'green' tariff electricity supply for most of our electricity. 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 347 tonnes of CO_2 equivalent. One of the key aims of our continuing 'Estates Improvement Programme' is to reduce our environmental impact within our built estate. We have identified solar PV options within our investment plan that will increase our self-generated energy. 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. Forest Research continues to demonstrate improvements in our energy usage with significant movement away from fossil fuels through changes in our heating systems from gas to electric renewables.

Tables 3a and 3b provide information on energy bought and consumed and generated from renewables.

Table 3a Energy bought and consumed

Area	Unit	2025-26 Baseline	2024-25 Actual	2023-24 Actual	2022-23 Actual
Electricity – Scopes 2 and 3	kWh	1,730,678	1,591,756	1,489,981	1,314,507
	£	522,361	503,685	443,553	288,754
Gas – Scope 1	kWh	578,835	855,130	714,662	1,547,913
	£		68,050	51,608	66,037
Heating oil - Scope 1	kWh	-	-	Unavailable	10,630
	£	-	-	Unavailable	1,248
Total estate energy (all Scope 1 and 2 energy)	kWh	3,014,124	3,347,225	2,913,845	3,623,617
Total energy for heat from fossil fuel	kWh	578,835	855,130	714,662	1,558.543

Table 3b Energy from renewables

Area	Unit	2025-26 Baseline	2024-25 Actual	2023-24 Actual	2022-23 Actual
Energy generated from solar PV	kWh	10,705	5,080	Unavailable	42,915
GHG emissions avoided (Scopes 2 and 3)	tCO_2e	8	1.1	Unavailable	9

Waste

Tables 4a and 4b provide information on activity data and expenditure for waste.

Table 4a Waste (non-sewage)

Area	Unit	2025-26 Baseline	2024-25 Actual	2023-24 Actual	2022-23 Actual
Total waste arising	**Tonnes**	**605**	**700**	**173**	**117**
Waste to landfill	Tonnes	3	23	1	1.02
Waste reused or recycled		594	672	167	111
Waste incinerated with energy recovery		9	5	3	4.7
Waste incinerated without energy recovery		-	-	2	-
Total waste arising	**£**	**96,929**	**86,161**	**88,531**	**49,775**
Waste to landfill	£	2,659	6,499	6,356	5,188
Waste reused or recycled		80,229	65,852	57,111	40,722
Waste incinerated with energy recovery		14,041	13,810	6,472	3,865
Waste incinerated without energy recovery		-	-	18,592	-
Total hazardous waste	Tonnes	17	2	2	1.8
Total hazardous waste	£	10,605	22,793	27,062	14,350

Table 4b Waste (sewage)

Area	Unit	2025-26 Baseline	2024-25 Actual	2023-24 Actual	2022-23 Actual
Waste reused or recycled	Tonnes	482	527	531	669
Waste reused or recycled	£	18,029	15,115	15,024	18,454

Water

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, borehole, or store-well systems for the intensive nurseries (non-office activities). Water leaks contributed to increased usage during the year and are an area where we are looking to make improvements. Table 5 provides information on water consumed.

Table 5 Water consumption

Area	Unit	2025-26 Baseline	2024-25 Actual	2023-24 Actual	2022-23 Actual
Scope 2 – Water purchased	m^3	21,180	11,774	10,313	13,358
Scope 2 – Water purchased	£	66,134	39,418	30,995	30,384
Scope 1 – Water from Forest Research sources	m^3	-	-	-	-
Scope 1 – Water from Forest Research sources	£	-	-	-	-

Paper

Table 6 provides information on paper. Paper usage continues to reduce year on year. Implementation of a new print queue system has had a significant impact in reducing paper use and we continue to look at other initiatives to further reduce paper.

Table 6 Paper consumption

Area	Unit	2025-26 Baseline	2024-25 Actual	2023-24 Actual	2022-23 Actual
Scope 3 – Printing paper purchased	A4 reams (equivalent)	168	347	295	288

Sustainable procurement

Forestry Research operates within Government Commercial Function frameworks and applies sustainable procurement principles through established governance arrangements, commercial assurance processes, and alignment with cross-government policy. Improving sustainable procurement maturity, including clearer governance, consistent application of Government Buying Standards (GBS), and structured supply chain engagement on net zero, is identified within the organisation's net zero strategy. Sustainability remains embedded into our procurement practices, through observance of the GBS and our own developed comprehensive Environmental Procurement Procedures. Where appropriate, we will ensure that sustainability is accounted for when buying goods and services.

Across the Forestry Commission we do not yet have a single published, organisation-wide sustainable procurement strategy that fully meets GGC expectations. While sustainability risks are considered during procurement, the organisation is not yet systematically tracking compliance with GBS or sustainability outcomes across all spend categories.

Forest Research is beginning to strengthen engagement with suppliers on sustainability and net zero, particularly through major contracts and forestry supply chains where climate and environmental risks are most material. Sustainability requirements are increasingly included in contract specifications, and suppliers are encouraged to demonstrate environmental credentials and responsible practices.

Net zero requirements are not consistently mandated across all major contracts, supplier emissions data collection is not yet standardised, and there is no comprehensive programme of supplier engagement or performance management linked to net zero targets.

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.

Forest Research operates a hybrid-cloud infrastructure and will be migrating more of this to be delivered from the cloud over the coming year, 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.

Climate change adaptation

As the impacts of a changing climate become increasingly visible worldwide, climate change adaptation remains integral to our long-term resilience. 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 disclosures and reporting around climate-related risks and opportunities.

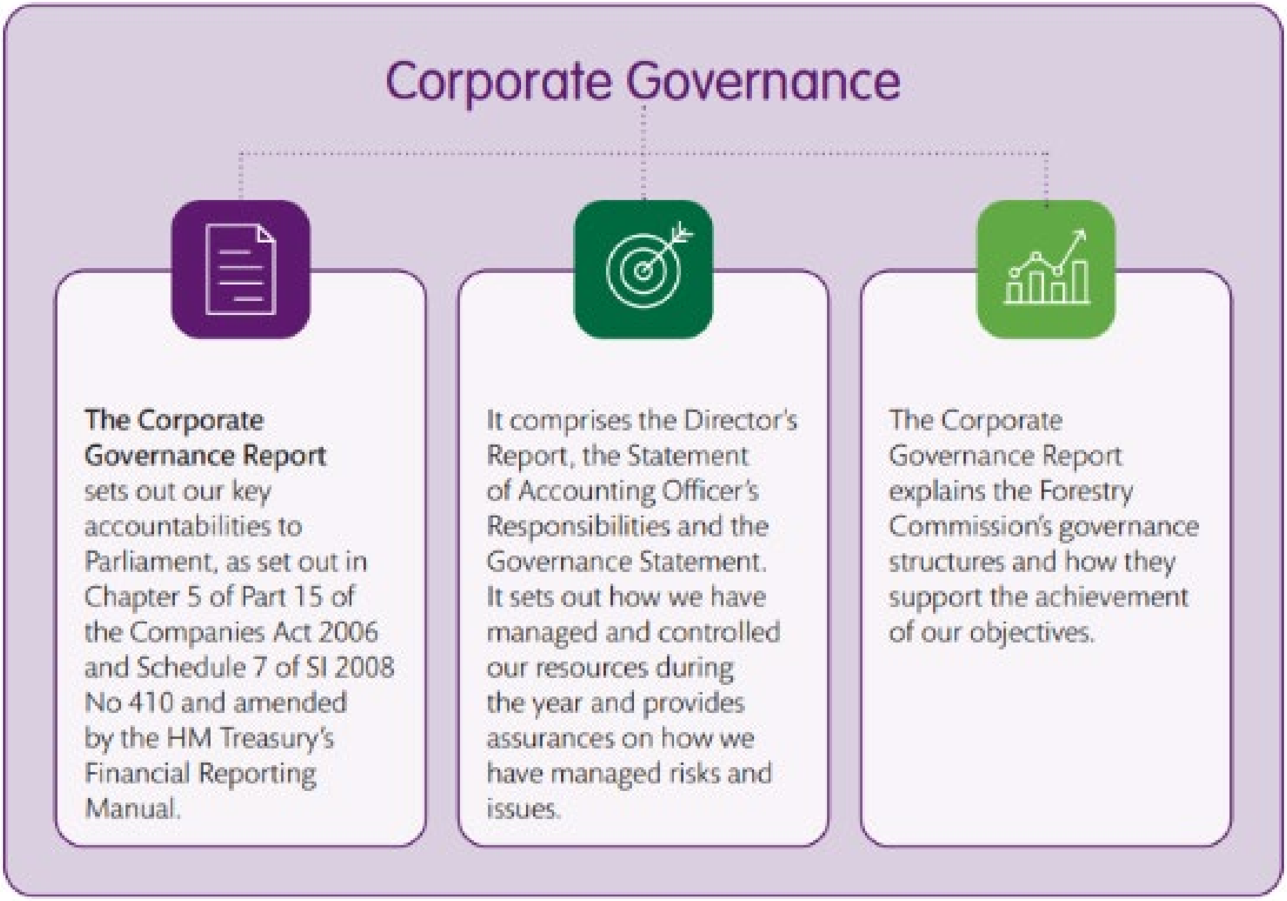
Professor James Pendlebury

Chief Executive and Accounting Officer

30 June 2026

02
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 Reed OBE MP, Secretary of State until 5 September 2025
- Emma Reynolds MP, Secretary of State from 5 September 2025
- Mary Creagh CBE MP, Parliamentary Under Secretary of State for Nature

Our Board

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

Baroness Barbara Young
Forestry Commissioner and FC Chair
Appointed February 2026

Professor Nicola Spence CBE
UK Government, Non-Executive Director

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

Nicolas Turner
Welsh Government, Non-Executive Director

Professor James Pendlebury
Chief Executive, Forest Research

Dr Samantha Malpass
Scottish Government, Non-Executive Director
Appointed October 2025

Paula Rice
Director of Finance & Corporate Services, Forest Research

Rebecca Grundy
Forestry Commission, Board Placement
Appointed March 2026

Professor Bianca Ambrose-Oji
Chief Scientist, Forest Research
Appointed June 2025

Richard Stanford CB, MBE
Chief Executive, Forestry Commission

Sir William Worsley
Forestry Commissioner and FC Chair
Resigned February 2026

Professor Jo Bradwell
Forestry Commissioner, Non-Executive Director

Professor Chris Quine
Chief Scientist, Forest Research
Resigned 30 April 2025

Professor Julian Evans OBE
Non-Executive Director

Simon Fuller
Scottish Government, Non-Executive Director
Resigned September 2025

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.

The Forestry Commission operates an internal Board placement scheme open to all members of staff, whereby a member of staff is appointed to a Board for a twelve-month term on a non-voting basis. The Forest Research Board welcomed its first internal Board placement to the Board meeting in March 2026.

Significant interests held by Board members

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. A register of interests of all Commissioners is maintained by the Forestry Commission and published on www.gov.uk.

In the period covering 1 April 2025 to 31 March 2026 there were no actual, or potential, conflicts of interest raised. This is recorded in the minutes of all Board meetings.

Personal data related incidents

There were no incidents related to protected personal data reported for Forest Research in 2025 to 2026 (2024–25: nil).

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 2025 to 2026 indicates that 91.0% were paid within the due date (2024–25: 97.5%). 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 £69,640 (2024–25: £66,450). No further non-audit services were provided in 2025 to 2026 or 2024 to 2025.

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 Forest Commission 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 Forest Research 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. The relationship between the Accounting Officers, together with their respective responsibilities, is set out in the Defra/Forestry Commission framework document.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the government *Financial Reporting Manual* and in particular to:

Accounting Officer Requirements

- Observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.
- Make judgements and estimates on a reasonable basis.
- Prepare the accounts on the going concern basis.
- State whether applicable accounting standards, as set out in the Government Financial Reporting Manual, have been followed, and disclose and explain any material departures in the accounts.

The responsibilities of an 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 the Forestry Commission's assets) are set out in *Managing Public Money* published by HM Treasury.

The Accounting Officer is required to confirm that the annual report and accounts as a whole are fair, balanced, and understandable, taking personal responsibility for the judgements required to ensure this.

So far as the Accounting Officer is aware, there is no relevant audit information of which the auditors are unaware. The Accounting Officer has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

Governance statement

Introduction and scope of responsibility

As Agency Accounting Officer for Forest Research, I am responsible for maintaining a sound system of governance, risk management, and internal control across Forest Research. This statement describes how these responsibilities have been discharged and are in accordance with the principles set out in *Managing Public Money* and relevant HM Treasury guidance. This fully complies with the Corporate Governance Code where relevant and applicable to Forest Research.

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 2025 to 2026 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, has been renewed. 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.

The Forest Research Board

The Forest Research Board was established to provide strategic direction and oversight of the operations and performance of Forest Research, within the policy framework set by Ministers and the Forestry Commissioners. The Board met four times during 2025 to 2026.

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

At each of the meetings during 2025 to 2026, 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.

Audit and Risk 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 Forest Research Board on those key activities that support the achievement of the Agency's objectives. Forest Research has a risk register which is reviewed by the Forest Research 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. There have been no potential or actual conflicts of interest reported in this year.

Summary of the ARAC 2025 to 2026

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.

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

Specific activities and matters considered in 2025–26 included:

- Deep dives on cyber security, health and safety and near misses; data protection; Environmental, Social, and Governance (ESG) reporting; and the Forestry Commission's emerging strategy for using AI, and the associated risks.
- The definition and reporting of 'major incidents' within the Forestry Commission.
- An external report by the Civil Service Commission (CSC) into recruiting practices across Government agencies. This concluded that improvements to Forestry Commission practice are necessary.
- Alignment with Cabinet Office Functional Standards.
- The ongoing plan to complete actions arising from the Departmental Security Health Check.

ARAC Membership:

- Two Commissioners
- Two non-executives

One of whom must have recent relevant financial experience, drawn from across the three Boards.

In attendance:

- Internal auditors from the Government Internal Audit Agency
- External auditors from the National Audit Office
- The Accounting Officers
- Senior Executives from across the Forestry Commission

Right of attendance is extended to the Director of Natural Environment, Trees and Landscapes (Defra).

During 2025 to 2026 the ARAC met five times. The four quarterly meetings (June, September, December, March) were supplemented by one additional meeting to consider issues regarding the ARAs of all three entities.

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. Professor Andrew Millar took up his tenure as the new Chair early in the year. The Committee also welcomed two new members: Tom Coates as the forestry sector representative and Dr Anna Coates as an early-career scientist. During the year, the Committee completed reviews of two science groups: the Mensuration, Growth and Yield Science Group and the Silviculture and Wood Properties Science Group. The Committee was positive about the activities of both groups and the contributions of the staff involved, and discussed with them areas for continuing development. The review process provides science groups with an opportunity to reflect on their strategy, ambitions, and direction of travel, alongside their activities, collaborations, and scientific progress. It also enables Committee members to gain an overview of the nature and quality of scientific outputs and the outcomes achieved through the research conducted. Collectively, this helps build a broader understanding of how research activity across Forest Research contributes to the science and evidence outcomes required by the organisation and its stakeholders.

Professor Millar presented a report on Committee activity to the Forest Research Board in November and noted that the Committee will continue to review its working practices and overall impact over the coming year.

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 Forestry Commission

'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 Performance report and Governance statement.
- Risk management: Our Senior Management 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 Forestry Commission 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 narrative of the Sustainability report. 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.

Forest Research does not record climate change and the impact it could have on our organisation as a principal risk.

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 Forest Research 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 2025 to 2026 year to me as Agency Accounting Officer. These are summarised in the Annual

Opinion Report, which continues to provide an overall 'moderate[1]' opinion on the adequacy and effectiveness of the framework of governance, risk management, and control for the Forestry Commission, including Forest Research and Forestry England. Plans to ensure continuous improvement of the framework are in place.

During the year, two Forest Research specific audits were undertaken, Accounts Payable/Receivable (moderate) and Contract Management (unsatisfactory). The unsatisfactory rating for Contract Management was an unexpected outcome. The audit identified weaknesses primarily relating to contract governance and risk management, clarity over roles, responsibilities and staff training needs, and oversight arrangements. These findings have been fully accepted, and a comprehensive programme of corrective actions has been implemented. The matter was escalated to the Forest Research Board and ARAC and has been reflected appropriately within the risk register. These findings related to a defined area of activity and there was no evidence of misuse or poor stewardship of public funds. In recognition of the importance of timely remediation, GIAA agreed to do an early reassessment. GIAA's follow-up review provides assurance that critical weaknesses have been addressed, concluding that the actions implemented show good progress in moving from an 'unsatisfactory' assurance position towards best practice in contract management, helping to reduce risks and ensure contracts deliver value for money.

Additionally, Forest Research consultancy assurance was provided on the National Forest Inventory (NFI) Tender and Data Analysis on GPC/expenses matching. Further Forestry Commission-wide audits that included Forest Research and provide you with assurance included: Business Cases for Investment Decisions (moderate), Gifts and Hospitality (limited), Records Management (limited), Cyber Resilience (moderate), and the Security Risk Management Forum (advisory).

Management and the ARAC proactively monitor progress with the implementation of all agreed audit actions. As at 31 March 2026, there were no actions overdue against their original target implementation dates.

[1] GIAA definition of moderate - Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.

Forest Research applies the principles of HM Treasury's Code of Good Practice for corporate governance in the context of its own circumstances, which encourage the adoption of practices set out, 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.

This year the Forestry Commission boards undertook an externally facilitated board effectiveness review in line with government code of good practice. The review included the Forest Research Board as well as the ARAC. We are working with the Forestry Commission on an action plan to address the recommendations to improve the effectiveness of its boards. Because of this, no internal board effectiveness review took place in 2025 to 2026.

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

The Forest Research Board continues to monitor the action plan from the 2025 internal Board Effectiveness review. Six of the seven actions have been completed, and one is ongoing. No material control weaknesses have been identified. Further information about the Forest Research Board, including membership and attendance, is available on our website.

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 2025 to 2026 there were no significant instances or issues raised.

Risk management

The Forest Research Board's risk management policy demonstrates our full commitment to effective risk management, adopting best practice in the identification, evaluation, and control of risks. We recognise risk management as an essential function in ensuring the organisation achieves its aims and objectives, supported by our agreed Risk Appetite Statement, which provides a clear framework for informed and proportionate decision-making. Our risk management policy and processes are designed to comply with HM Treasury's Orange Book principles, ensuring a structured and consistent approach to assessing and managing risk across the organisation. In the coming year, we will further strengthen this framework through the introduction and completion of the Corporate Governance and Assurance Document (CGAD), which will enhance transparency, reinforce assurance arrangements, and provide a more integrated view of risk, controls, and governance.

Forest Research 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 provide a framework to enable the organisation to make informed management decisions.

The Forestry Commission ARAC supports the Accounting Officer and the Forest Research Board 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 and the 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 2025 to 2026 there were no material instances or issues identified.

Complaints

Forest Research is committed to maintaining high standards of transparency, accountability, and customer service. Our complaints process ensures concerns are addressed promptly, fairly and in line with our statutory obligations, with insights from complaints used to strengthen governance and improve service delivery. Forest Research's complaints procedure is outlined on our website here. In 2025 to 2026 Forest Research received no formal complaints.

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, now Forestry R&D, and NCEA have had a material impact on our operations. To deliver these programmes we expanded staff numbers and support services to enable us to deliver the contracts. (The potential impact of adjustments for asset impairments is highlighted in the notes to the table.)

Table 1 Long term expenditure trends

	2025-26[1] £000	2024-25[2] £000	2023-24[3] £000	2022-23[4] £000	2021-22[5] £000
Staff costs	24,555	22,690	20,365	15,744	13,852
Other management costs	11,431	14,167	9,424	8,158	7,363
Materials and services	9,592	7,696	7,865	5,314	3,132
Total expenditure	**45,578**	**44,553**	**37,654**	**29,216**	**24,347**

[1] 2025 to 2026 Other management costs include the Holt II write-off of £275,000.

[2] 2024 to 2025 Other management costs include the £3,482,000 impairment of AH Main Building.

[3] 2023 to 2024 Other management costs include the £760,000 impairment of NRS Main Building.

[4] 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.

[5] 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.

Financial review

Since 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, the 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.

Modelling and quality assurance

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

Ministerial direction

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

Significant governance and risk issues

The key performance risks associated with delivery of the Forest Research's goals are set out within the Performance report. This section summarises other significant governance, assurance, and enabling risks that cut across the organisation's activities and require ongoing management.

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 16.8% as detailed on page 64.

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 remains a significant workforce governance risk for Forest Research as part of the Forestry Commission. Civil Service pay controls continue to constrain the organisation's ability to address structural pay challenges, particularly given labour market pressures and higher pay rates for comparable roles elsewhere in the forestry sector.

During the year, management worked with recognised trade unions to target the 3.75% pay award, improving outcomes for lower-paid staff and narrowing pay bands. While progress has been made, the risk remains that the organisation may be unable to attract and retain sufficient specialist capability to deliver government commitments over the medium term without further reform.

Vacancy management continues to be actively monitored in-year against funded programmes. Investment in workforce development has remained a priority, including leadership development initiatives and entry routes that continue to attract high levels of interest.

Science and Innovation Strategy (SIS)

The current SIS ran to April 2026 and the refresh is in progress. Forest Research has been actively involved with the commissioning and development of the refreshed SIS to deliver the roadmap of future research priorities for forestry in the UK. 2026 to 2027 is being used as a transition year while we reprioritise activities and set the future programme in place. Early indications have made it clear that the existing funding model, which has no inflationary uplift clause, is not fit for purpose. There is a risk that the ongoing uncertain economic outlook and challenges may make it difficult to reach a realistic funding arrangement, which will allow us to deliver the interdisciplinary science programmes which support it. Failure to reach agreement may undermine our MOU and result in an ineffective SIS. This would lead to negative impacts to the level and quality of research, and the international reputation of Forest Research.

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.

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.

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 Forest Research and will be a vital resource in managing this key risk.

Wider circumstances and future challenges

Forest Research continues to operate within a complex and uncertain external environment. Beyond the performance and governance risks reported elsewhere, a number of wider circumstances shape the context in which statutory duties and strategic objectives must be delivered.

The main challenges for Forest Research during 2025 to 2026 and beyond are:

- sustaining Forest Research's pan-GB contribution, which remains an ongoing challenge, requiring careful management of funding, capability, and partnerships to ensure continued delivery of high-quality evidence and innovation.
- delivering a refreshed Science and Innovation Strategy for Forestry in Great Britain, including realistic funding arrangements which will allow us to deliver the interdisciplinary science programmes that support it
- consolidating our income position through planning for, securing, and delivering the Agency's non-core income requirements
- securing additional long term funding streams to sustain key areas of excellence
- 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
- continuing to invest in our scientific estate to provide the necessary and quality office and laboratory space for Forest Research 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
- external economic and geopolitical uncertainty, which continues to contribute to operational pressure
- longer-term environmental pressures, including climate change and biosecurity threats, which continue to shape the forestry operating landscape and will remain a significant contextual factor for planning and delivery
- supporting the delivery of the Forestry Commission Strategy Thriving for the Future and aligning it to the Forest Research Sustaining Ambition Strategy.

Remuneration and staff report

Remuneration and staff report

The remuneration and staff report sets out Forest Research's remuneration policy for directors, reports on how that policy has been implemented, and sets out the amounts awarded to directors. It also provides details on remuneration and staff that Parliament and others see as important to accountability, as set out in Chapter 6 of the Companies Act 2006 and SI 2013 No. 1981 and amended by HM Treasury's Financial Reporting Manual.

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.

Non-executives are generally appointed as Office Holders for a fixed term of three years with a maximum notice period of one month. Contracts are renewable for further fixed terms if both parties agree. In the event of early termination, for whatever reason, there is no provision for compensation.

Table 1 Non-executive directors contract dates

	Date of current contract	Unexpired term in months from 31 March 2026
Dr Matt Perkins	01/09/2023	5
Professor Jo Bradwell	19/02/2024	10
Professor Julian Evans OBE	08/01/2024	9
Baroness Barbara Young	10/02/2026	47

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 with the aim of paying any agreed Senior Civil Servant pay award in Autumn. The reviews and moderation are undertaken across the Defra group based on Performance reviews, position in the salary range, and cross group moderation.

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 36.

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 2025 to 2026* (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 2025 to 2026 (2024–25: nil).

Table 2 Remuneration and pension entitlements.

The emoluments of the Forest Research Executive Board members in 2025 to 2026

	2025-26				2024–25			
	Salary	Benefits in kind	Pension benefits[4]	Total	Salary	Benefits in kind	Pension benefits[4]	Total
	£000	Nearest £100	£000	£000	£000	Nearest £100	£000	£000
James Pendlebury	110–115	-	43	155–160	105–110	-	67	175–180
Chris Quine[1]	10–15	-	3	10–15	90–95	-	67	155–160
Bianca Ambrose-Oji[2]	70–75	-	28	105–110	-	-	-	-
Paula Rice	90–95	-	35	125–130	85–90	-	143[3]	230–235

[1]Chris Quine was in post to 30 April 2025. The full-time equivalent banding for salary during 2025–26 was £90–95k.

[2]Bianca Ambrose-Oji was appointed to this post on 1 June 2025. The full-year equivalent banding for salary during 2025-26 was £85-90k

[3]2024–25 In year includes transfers into pension. In respect of this note: Forest Research has sought further information on the breakdown from MyCSP. There has been no update in pension disclosures from Capita. We will continue to raise queries into this value, and any amendments will be reflected in next year's value.

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

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.

Pension benefits 2025 to 2026 – subject to audit

Table 3 Pension benefits (SCS)

	James Pendlebury	Chris Quine	Paula Rice	Bianca Ambrose-Oji
Accrued pension at pension age as at 31/3/26 and related lump sum (LS)	40–45 plus a lump sum of 90 – 95	50–55 plus a lump sum of 135 - 140	10–15	20–25
Real increase (decrease) in pension and related lump sum (LS)	2.5–5 plus a lump sum of 0	0–2.5 plus a lump sum of 0	0–2.5	0–25
CETV at 31 March 2026	857	1,116	221	414
CETV at 31 March 2025	800	1,140	185	377
Real increase / (decrease) in CETV	37	2	25	22

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 (CSPS), 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 CSPS 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 CSPS had their CSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the CSPS 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 CSPS or **alpha**, as appropriate. Where a member has benefits in both the CSPS 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 CSPS 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 is made up of two parts. The first part closed the CSPS 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 CSPS on 1 October 2023. This is known as 'rollback'.

For members who are in scope of the public service pension remedy, the calculation of their benefits for the purpose of calculating their Cash Equivalent Transfer Value and their single total figure of remuneration, as of 31 March 2025 and 31 March 2026, reflects the fact that membership between 1 April 2015 and 31 March 2022 has been rolled back into the PCSPS. Although members will in due course get an option to decide whether that period should count towards PCSPS or **alpha** benefits, the figures show the rolled back position (i.e. PCSPS benefits) for that period.

The **partnership** pension account is an occupational defined contribution pension arrangement which is part of the Legal & 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 website www.civilservicepensionscheme.org.uk

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 it 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 2026. Under the terms of the FreM, such remuneration is required to be disclosed in bands of £5,000.

Table 4 Remuneration of non-executives

	2025–26 £000	2024–25 £000
Matt Perkins (Chair)	£5–10	£5–10
Julian Evans	£10–15	£5–10

Remuneration for Richard Stanford, Forestry Commission Chief Executive; Sir William Worsley, Forestry Commission Chair (term ended 9 February 2026); and Baroness Barbara Young, Forestry Commission Chair (term commenced 10 February 2026) is disclosed in the Forestry Commission Annual Report and Accounts.

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 2025 to 2026 was £110,000 to £115,000 (2024–25: £105,000 to £110,000). This was 3.74 times the 25th percentile of the remuneration of the workforce, which was £30,105; 3.32 times (2024–25: 3.29) the median remuneration of the workforce, which was £33,854 (2024–25: £32,724); and 2.67 times the 75th percentile of the remuneration of the workforce, which was £42,065. In 2025 to 2026, no employees (2024–25: nil) received remuneration in excess of the highest-paid director. The remuneration of the lowest paid employees is £24,500 (2024–25: £24,000).

Table 5 Fair pay disclosure – banded remuneration

		2025–26	2024–25
25th Percentile	Salary	£ 30,105	£ 32,089
	Pay and benefits	£ 30,105	£ 32,089
	Pay ratio	3.74	3.35
Median	Salary	£ 33,854	£ 32,724
	Pay and benefits	£ 33,854	£ 32,724
	Pay ratio	3.32	3.29
75th Percentile	Salary	£ 42,065	£ 42,133
	Pay and benefits	£42,065	£42,133
	Pay ratio	2.67	2.55

The percentage change from 2024–25 of the highest paid director is 3.7% (from 2023–24: 5.0%). Senior Civil Service pay is determined by Defra, not the Forestry Commission, and changes in levels are applied across the whole department. The average percentage change from 2024–25 in respect of the employees as a whole is 3.2% (from 2023–24: 5.2%).

Pay ratios have remained the same in 2025–26, with the fractional variation due to the nature of the banded calculation used for the highest paid director. This is to be expected with SCS and the rest of the civil service both getting a 5% pay increase.

Total remuneration includes salary and benefits-in-kind. It does not include severance payments, employer pension contributions, and the cash equivalent transfer value of pension.

The 2025–26 figures include agency staff costs, net of average agency fees, following a change in Fair Pay Disclosure reporting requirements issued by HM Treasury; such costs are not included in the 2024–25 comparative amounts. Accordingly, the figures for the two financial years are not directly comparable due to this change in the basis of reporting.

Staff report

Number of Senior Civil Servants by Band **(Table 6)**

Band	Number of Senior Civil Servants	
	2025-26	2024-25
2	1	1
1	2	2

Average number of persons employed (FTE) – Totals are subject to audit **(Table 7)**

	Directors and senior civil servants number	Permanently employed staff number	Others number	2025-26 Total number	2024-25 Total number
Male	1	166	55	222	225
Female	2	137	73	212	195
Total staff				434	420

Staff costs – subject to audit **(Table 8)**

	Perm. staff £000	Other staff £000	2025-26 Total £000	2024-25 Total £000
Wages and salaries	12,835	4,017	16,853	15,838
Seconded staff	-	14	14	38
Social security costs	1,689	505	2,194	1,648
Employer's superannuation costs	3,638	1,136	4,774	4,496
Apprenticeship levy	81	-	81	77
Termination benefits	6	-	6	-
Agency staff costs	-	633	633	593
Total	18,249	6,305	24,555	22,690

The Principal Civil Service Pension Scheme (CSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as **alpha** – are unfunded multi-employer defined benefit schemes, but the Forestry Commission is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the CSPS as at 31 March 2020. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation.

For 2025 to 2026, employer contributions of £4,774,000 were payable to the CSPS (2024–25: £4,496,000) 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 2025 to 2026 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 £20,084 (2024–25: £19,489) 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 £726, 0.5% of pensionable pay (2024–25: £652, 0.5%), were payable to the CSPS 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 £1,773 (2024–25: £2,423). Contributions prepaid at that date were £nil.

Ill-health retirement

No employees retired early on ill-health grounds (2024–25: one); the total additional accrued pension liabilities in the year amounted to £nil (2024–25: £nil).

Sickness absence **(Table 9)**

Year	Working days lost per staff year
2025–26	5.65
2024–25	7.51
2023–24	6.15

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.

Accidents and reportable incidents

Forest Research puts health and safety at the core of all our staff policies and operational practices. During the year, we continued to strengthen our health and safety framework, making positive improvements across a range of systems, processes, and reporting arrangements under the oversight of the Health and Safety Committee. We maintained certification to ISO 14001 and progressed delivery of our Environmental Management System action plan. We also implemented a new accident reporting system to improve the consistency, timeliness, and quality of incident reporting across the organisation. In response to an identified risk and to encourage good working practices, we have launched a 'Take a Break' campaign to promote wellbeing, encourage regular rest breaks, and reduce fatigue-related risks in the workplace.

There were no reportable incidents in 2025 to 2026 (2024–25: two). The prior year incidents both related to work-related ill health cases of Lyme disease, where affected staff presented with the characteristic 'bullseye' rash.

Staff turnover

During the year, Forest Research had 72 leavers relevant to the staff turnover calculations, with a closing staff turnover ratio of 16.80%. Recruitment and retention have been identified as a key risk area across Forest Research and activities. Actions have been targeted to reduce turnover where possible, and the Board continue to monitor the effectiveness of these actions.

Expenditure on consultancy – subject to audit

During the year, Forest Research incurred £nil on consultancy services (2024–25: £nil).

People Strategy

Forest Research participates fully in the Forestry Commission People Strategy, which concluded in March 2025. Activity during 2025 to 2026 focused on embedding people priorities into the Forestry Commission Corporate Plan and strengthening delivery through clearer governance and assurance. This approach ensures that workforce activity is clearly aligned to organisational outcomes, statutory responsibilities, and delivery priorities, and reflects a more mature and integrated approach to managing people related change.

A key development this year was the establishment of the Forestry Commission People Board which operates across all parts of the Commission. The Board provides strategic oversight, assurance, and prioritisation of people activity across the whole organisation, strengthening governance and enabling clearer alignment between People Initiatives and Corporate Plan commitments. This has improved transparency, decision making, and control, ensuring that activity is sequenced and resourced appropriately and focused on areas of greatest organisational need.

Inspiring leadership

Leadership development continues to be a core enabler of Corporate Plan delivery, supporting effective decision making, accountability, and collaboration across the organisation. Collectively, leadership development activity supports delivery confidence and helps mitigate risks associated with inconsistent leadership practice, change delivery, and organisational performance.

- The Forestry Commission's Professional Manager Programme (PMP) remains a central component of the leadership offer for middle managers. During the year, 11 Forest Research staff have completed or are enrolled in the programme. There is an ongoing demand for this training, and 16 cohorts have been delivered of the current programme since it began. To ensure that the delivery and content remain relevant, the Forestry Commission Board have approved a refresh of the programme for future delivery.
- In parallel, the Forestry Commission's Senior Leadership Programme (SLP) is helping our leaders grow, connect, and lead with purpose. It is designed to build strategic leadership capability at senior levels, supporting leaders to operate effectively across organisational boundaries and to lead change with confidence. An agile approach to design and evaluation has been maintained

across leadership programmes, ensuring continuous improvement and a strong focus on application of learning in the workplace. During the year, 19 Forest Research Senior Managers have completed or are enrolled and a further five will commence the programme in 2026.

- Communication campaigns have been run to support mangers, by providing toolkits, training and guidance to enable staff to get the most supportive and engaging outcomes from the review process, including new tools to support career conversations.

Wellbeing

We are focused on supporting our people to be happy and safe. Workplace wellbeing remains a core priority for Forest Research. This year, activity focused on strengthening mental health capability, improving access to support, and reinforcing wellbeing networks across the organisation.

- We actively sought volunteers to grow our Mental Health First Aid Network, to recognise the warning signs of mental ill health and develop the confidence to support someone safely, while also gaining skills to promote mental wellbeing and challenge stigma at work and beyond.
- We delivered regular wellbeing seminars and webinars highlighting issues important to our staff. Mental health training for both staff and managers was refreshed and promoted to support earlier, more confident conversations about mental ill health.
- We continue to support our active sports and social clubs in Alice Holt and Northern Research Station who run staff events across our main sites throughout the year.
- We successfully transitioned to new Employee Assistance Programme (EAP) and Occupational Health (OH) providers, improving access to timely clinical and advisory support for staff and managers.
- We delivered the updated Flu Vaccination Programme which was positively received.

Diversity and Inclusion

Everyone who works for Forest Research is unique. We are committed to creating an inclusive culture where all colleagues feel valued, respected and able to contribute their perspectives and reach their full potential. We have a sustained and joined up focus on equality, diversity, and inclusion which has helped maintain and strengthen positive staff perceptions of fairness, respect, and inclusion, building on improvements seen in past Staff Engagement Survey results.

Across the Forestry Commission, our diversity and inclusion work continues to be cited as examples of good practice within the Civil Service and wider. During 2025 to 2026, activity focused on strengthening governance, embedding equality into decision making, and sustaining an inclusive culture through visible leadership, consistent communications and strong staff engagement. The Everyone Belongs Board (EBB), now firmly embedded in its third year, continued to provide oversight, assurance and accountability for equality, diversity and inclusion activity.

Key actions delivered this year include:

- Continued to support and promotion of staff networks through awareness activity across the Forestry Commission linked to Pride Month, Windrush Day, Armed Forces Day, and Disability Pride Month.
- Active contribution to Defra and Civil Service policy development, with the Forestry Commission Diversity and Wellbeing Manager working with Defra Group EDI leads to co-create the new Defra Staff Networks Policy, launched in February 2026 with supporting communications, briefings, and training for managers and network leads.
- Introduction of a refreshed Equality Impact Assessment (EqIA) process, supported by a new policy (PPG 44), updated guidance and training, and a standardised EqIA form aligned to Defra.
- Ongoing investment in inclusive capability, through continued delivery of ‘Creating an inclusive workplace’ training as an ongoing training opportunity open to all, as well as being a core element of the PMP and SLP programmes.
- We celebrated International Women’s Day to mark the contribution of Women in Forestry and Women in Stem.
- As at 31st March 2026, women represent 47% of the Forest Research workforce, maintaining near parity across the organisation. The Mean Pay Gap is reducing and is at 3.1%. The Median Pay Gap is 0.0%, meaning the middle female salary is equivalent to the middle male salary, which has decreased year on year (Forest Research publishes it’s results as part of the Forestry Commission wide reporting).

Resourcing and developing

At Forest Research we strive to attract, deploy, and retain the finest staff, by offering inspiring development and job opportunities to learn and progress. We foster learning and progression, supporting the strategic opportunities for our organisation.

- ‘Welcome to FR’ induction was delivered to 74 new starters during the year.
- Six Tree and Timber apprentices completed their training in the year, and we have retained three on promotion.
- We have focused on process improvements; we have reviewed and refreshed our recruitment templates including the Success Profile, to ensure consistency across the team to minimise email traffic and to ensure closer compliance with the recruitment principles.

Changing the way we work

For the first time, Forest Research held three all-staff events in September 2025 with the theme ‘Building Connections’. Based on feedback from the 2024 staff survey, which achieved an 84% participation score, our aim was to increase Executive and Senior Management visibility and improve engagement by increasing two-way communication activity between senior managers and all staff. We recognise that spending time together in-person is an important part of building trusted relationships, creating dialogue, and helping Forest Research be the best place possible to work. Those facilitating the well-attended events reported positive, constructive conversations with lots of strong suggestions for improvement.

Reward and recognition

Forest Research participated in the inaugural Forestry Commission People Awards held in October 2025. The awards event brought together colleagues from across the Forestry Commission, representing a diverse range of roles. The awards provided an opportunity to celebrate excellence, innovation, and collaboration across the organisation, strengthening a shared sense of pride and connection. We work hard to foster a culture of recognising staff who are going above and beyond and this was an opportunity to celebrate and thank our brilliant staff for their outstanding achievements. We’re proud of all our nominees, especially our winners **James Hitchcock** – Innovation

Award and the Chair's Special Recognition Award. **Alistair Macleod** – Outstanding Achievement Award, and **Dr Beth Brockett** – Unsung Hero Award.

Expenditure on agency and temporary staff – subject to audit

Costs incurred on agency and temporary staff including inward secondments by Forest Research during the period total £0.65 million (2024–25: £0.63 million).

Compensation for loss of office – subject to audit

During 2025 to 2026, One member of staff left under Compulsory Redundancy terms due to the end of a fixed term contract after more than 2 years' service in the year to 31 March 2026 at a total cost of £5,787 (2024–25: £nil).

Reporting of Civil Service and other compensation schemes – exit packages – (subject to audit)

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the department has agreed early retirements, the additional costs are met by the department and not by the Civil Service pension scheme.

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 10 For all off-payroll worker engagements as at 31 March 2026, earning £245 per day or greater.

Number of existing engagements as of 31 March 2026	**3**
Of which...	
Number that have existed for less than one year at time of reporting	3
Number that have existed for between one and two years at time of reporting	-
Number that have existed for between two and three years at time of reporting	-
Number that have existed for between three and four years at time of reporting	-

Table 11 For all new off-payroll engagements between 1 April 2025 and 31 March 2026, for more than £245 per day.

Number of off-payroll workers engaged during the year ended 31 March 2026	**3**
Of which...	
Not subject to off-payroll legislation	3
Subject to off-payroll legislation and determined as in-scope of IR35	-
Subject to off-payroll legislation and determined as out-of-scope of IR35	-
Number of engagements reassessed for compliance or assurance purposes in the year	-

Table 12 For any off-payroll engagements of Board Members, and/or senior officials with significant financial responsibility between 1 April 2025 and 31 March 2026.

Number of off-payroll engagements of Board Members, and/or, senior officials with significant financial responsibility, during the financial year	-
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

Parliamentary accountability disclosures

Government Functional Standards

Forest Research applies the Government Functional Standards mandated for central government bodies. These standards provide a consistent framework for effective governance, risk management, assurance, and the achievement of value for money. Responsibility for overseeing compliance with functional standards sits with the Board, supported by senior functional leads, and reports on this are also provided to the Audit and Risk Assurance Committee. Compliance is assessed through a combination of self-assessments, assessments submitted for review by the relevant government function, and GIAA internal audit reports. Forest Research has reassessed its compliance with the Government Functional Standards – overall, the organisation meets all or most of the mandatory elements for most functional standards, with well-established governance and assurance arrangements in place. Where opportunities for further improvement have been identified, these are being addressed through agreed action plans and continuous improvement activity.

Losses and special payments and gifts – subject to audit

There were 29 losses during 2025 to 2026 with a total cost of £436,381 (2024–25: 15 with total cost of £28,766). The losses in 2025 to 2026 were a result of road traffic accidents and late payment charges.

For 2025 to 2026, £136,087 of claims have been abandoned (2024–25: £nil). The costs are unbilled and are currently being disputed with the supplier. Additionally, for 2025 to 2026 impairment losses of £275,024 were recognised in relation to Holt II Asset Under Construction due to design changes (2024–25: £nil).

No reportable special payments or gifts were made during the year.

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, Forest Research 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.

Professor James Pendlebury
Chief Executive and Accounting Officer
30 June 2026

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 2026 under the Government Resources and Accounts Act 2000.

The financial statements comprise Forest Research's

- Statement of Financial Position as at 31 March 2026;
- 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 2026 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.

Accounting Statements

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2024. 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.

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.

Accounting Statements

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;
- 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, 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:
    - 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, Supply and Appropriation (Main Estimates) Act 2025, 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 Assurance 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; and

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members 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/auditorsresponsibilities. This description forms part of my certificate.

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

Date 2 July 2026

Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

03
Financial statements

Financial Statements

Statement of Comprehensive Net Expenditure for the year ended 31 March 2026

	Notes	**2025-26 £000**	2024-25 £000
Income			
Revenue from contracts with customers	5	(19,524)	(17,287)
Total operating income		**(19,524)**	(17,287)
Expenditure			
Staff costs	2	24,555	22,690
Other management costs	3	11,431	14,167
Materials and services	4	9,592	7,696
Total operating expenditure		**45,578**	44,553
Net operating expenditure		**26,054**	27,266
Other comprehensive net expenditure/(income)			
Net gain on revaluation of property, plant and equipment	6	(1,328)	(830)
Total comprehensive net expenditure for the year		**24,726**	26,436

All income and expenditure are derived from continuing operations.

The notes on pages 84 to 104 form part of these accounts.

Statement of Financial Position as at 31 March 2026

	Notes	**31 March 2026** **£000**	31 March 2025 £000
Non-current assets			
Property, plant and equipment	6	**50,524**	44,525
Right-of-Use assets		**31**	2
Intangible assets		**25**	34
Assets classified as held for sale		**-**	31
Trade and other receivables	8	**8**	24
Total non-current assets		**50,588**	44,616
Current assets			
Inventories		**-**	-
Trade and other receivables	8	**4,163**	3,933
Cash and cash equivalents	9	**7,835**	4,592
Total current assets		**11,998**	8,525
Total assets		**62,586**	53,141
Current liabilities			
Provisions		**-**	-
Trade and other payables	10	**(5,021)**	(4,067)
Total current liabilities		**(5,021)**	(4,067)
Total assets less current liabilities		**57,565**	49,074
Non-current liabilities			
Trade and other payables	10	**(24)**	-
Total assets less total liabilities		**57,541**	49,074
Taxpayers' equity			
General Fund		**39,340**	32,177
Revaluation Reserve		**18,201**	16,897
Total equity		**57,541**	49,074

The notes on pages 84 to 104 form part of these accounts.

Professor James Pendlebury

Chief Executive and Accounting Officer

30 June 2026

Statement of Cash Flows for the year ended 31 March 2026

	Notes	2025-26 £000	2024-25 £000
Net cash from operating activities			
Net operating expenditure		**(26,054)**	(27,266)
Adjustments for non-cash transactions			
Depreciation	3	**2,812**	2,589
Amortisation	3	**18**	18
Impairment of property, plant and equipment	3	**-**	3,482
Loss on disposal of property, plant and equipment	3	**66**	18
Property, plant and equipment write-off	3	**275**	-
Notional audit fee	3	**70**	66
Decrease in inventories		**-**	10
(Increase)/ Decrease in trade and other receivables	8	**(215)**	2,120
Decrease/ (Increase) in trade and other payables	10	**686**	(1,902)
Use of provisions		**-**	-
Net cash outflow from operating activities		**(22,342)**	(20,865)
Cash flows from investing activities			
Recovery/ (Write-off) from revaluation of financial asset		**31**	(6)
Purchase of property, plant and equipment		**(7544)**	(6,400)
Purchase of intangible assets		**-**	-
Net cash (outflow) from investing activities		**(7513**	(6,406)
Cash flows from financing activities			
Funding received from the Forestry Commission		**33,123**	26,573
Payment of finance lease line in Financing activities		**(24)**	(2)
Net financing		**33,099**	26,571
Net increase/ (decrease) in cash and cash equivalents in the period		**3,244**	(700)
Cash and cash equivalents at the beginning of the period		**4,592**	**5,292**
Cash and cash equivalents at the end of the period		**7,835**	**4,592**

The notes on pages 84 to 104 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2026

Notes		General Fund £000	Revaluation Reserve £000	Total Reserves £000
Balance at 1 April 2025		**32,177**	**16,897**	**49,074**
Changes in taxpayers' equity for 2025-26				
Net gain on revaluation of property, plant and equipment	6	-	1,328	1,328
Net loss on revaluation of financial asset		-	-	-
Net gain on foreign currency receivable		-	-	-
Transfer from Revaluation Reserve		24	(24)	-
Notional audit fee	3	70	-	70
Comprehensive net expenditure		(26,054)	-	(26,054)
Funding received from the Forestry Commission		33,123	-	33,123
Balance at 31 March 2026		39,340	18,201	57,541

The 2024 to 2025 values below are included for comparison purposes

	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	6	-	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	3	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 notes on pages 84 to 104 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 2026, with taxpayers' equity of £57.54 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 Forestry Commission 2026 to 2027 funding within the Defra estimates which have already been approved by Parliament. 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 Forest Research will continue to provide existing services in the future. This position is underpinned by the Westminster, Scottish, and Welsh Governments for a five-year plus ongoing rolling two-year Science and Innovation Strategy for Forestry in Great Britain (SIS), covering the period 1 April 2019 to 31 March 2026. The SIS is currently under review with the three countries and 2026 to 2027 will be a transition year. Forest Research provides statutory services funded through the estimates approved for the Forestry Commission; it has been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

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 2025 to 2026 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.

Forest Research 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. 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 1.10. Scientific equipment and OME are revalued using indices. An appropriate Office for National Statistics indicia is applied to the gross book and depreciation amounts to arrive at the indexed carrying value.

Forest Research accounts for Assets Under Construction (AUC) at cost while projects are in progress, with expenditure transferred to the relevant fixed asset category once the asset is complete and brought into operational use. At the point of transfer, the asset is reviewed to ensure that the capitalised costs meet the required accounting criteria and that there are no indicators of impairment. Following transfer, assets are subject to regular valuation process and impairment assessments. Where the valuation of a completed asset is lower than its carrying value, any impairment is assessed in accordance with the applicable accounting framework. For specialised assets, impairment charges can arise as a result of the Existing Use Value (EUV) methodology and the lack of comparable market assets, rather than as an indication that expenditure was inappropriate, overcapitalised, or has failed to deliver operational benefits.

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 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 Principal Civil Service Pension Scheme (CSPS). CSPS is an unfunded, defined benefit, contributory, public service occupational pension scheme. Forest Research accounts for the CSPS 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 CSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the CSPS. 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.

Short-term employee benefits

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

1.8 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.

1.9 Value of non-financial assets

Non-investment asset valuations

In accordance with the Royal Institute of Chartered Surveyors (RICS) Valuation – Global Standards *('Red Book* Global Standards'), Forest Research measures in-use, operational assets at current value in existing use, which is interpreted as existing use value as defined by the *Red Book* Global Standards at each reporting date.

Existing use value is determined as the amount for which a property should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had acted knowledgeably, prudently, and without compulsion, assuming that the buyer is granted vacant possession of all parts of the asset required by the business, and disregarding potential alternative uses and any other characteristics of the asset that would cause its market value to differ from that needed to replace the remaining service potential at least cost.

Forest Research use valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Where market evidence is absent or existing use value cannot be reliably extrapolated from the evidence available, the Depreciated Replacement Cost (DRC) method is used for valuation purposes.

1.10 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. Northern Research Station Main Building and externals were revalued by Savills, Chartered Surveyors, in March 2024 following completion of the major refurbishment works. Alice Holt lodge and externals were revalued by Savills, Chartered Surveyors, in March 2025 following completion of the major refurbishment works.

A desktop valuation was carried out for the buildings using the BCIS index as at 31 March 2026. Future revaluations of property may result in further material changes to the carrying value of non-current assets

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 (AUC)

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.

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.

1.11 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.

1.12 Intangible non-current assets

Intangible non-current assets are defined as identifiable non-monetary assets without physical substance. These comprise software licences and internally developed information technology software, including assets under construction. 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.

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.

Capitalisation of internally developed software is contingent on fulfilment of the criteria noted in IAS 38 *Intangible Assets* and includes capitalisation of internal IT employee costs on projects. Internally developed software assets are valued at depreciated replacement cost and amortised over an estimated useful economic life of seven years.

1.13 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.

1.14 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.

1.15 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.

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.

1.16 Cash and cash equivalents

Cash and cash equivalents include cash in hand and current balances held by the Government Banking Service and other short-term highly liquid investments with original maturities of three months or less.

1.17 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.

1.18 Effective in these Financial Statements

IFRS 17 Insurance Contracts replaces IFRS 4: Insurance Contracts and is included in the FReM for mandatory implementation from 2025 to 2026. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of this Standard. A full assessment of the standard has been undertaken; Forest Research have no contracts that are in scope of IFRS 17.

All International Financial Reporting Standards (IFRS), interpretations, and amendments effective at 31 March 2026 have been adopted in these statements.

1.19 Leases

Forest Research has elected not to recognise right-of-use assets and lease liabilities for short-term leases 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.

1.20 Effective for future financial years

New standards, amendments, and interpretations issued but not effective for the financial year beginning 1 April 2026 and not early adopted.

Accounting Statements

IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, requires disclosures in respect of new IFRSs, amendments and interpretations that are, or will be applicable after the reporting period. There are a number of IFRSs, amendments, and interpretations that have been issued by the International Accounting Standards Board that are effective for future reporting periods. Those with relevance to Forest Research are outlined below. None have been adopted early.

The following standards will be applied upon formal adoption in the FReM.

IFRS 18 will replace IAS 1 Presentation of Financial Statements and is effective for annual reporting periods beginning on or after the 1 January 2027 in the private sector. The impact of IFRS 18 on the Public Sector is still being assessed, and a decision has not yet been taken on an implementation date.

IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements and is effective for annual reporting periods beginning on or after the 1 January 2027 in the private sector. The impact of IFRS 19 on the Public Sector is still being assessed, and a decision has not yet been taken on an implementation date.

Note 2. Staff costs

	2025–26 £000	2024–25 £000
Wages and salaries	**16,867**	15,876
Social security costs	**2,194**	1,648
Employer's superannuation costs	**4,774**	4,496
Apprenticeship levy	**81**	77
Termination benefits	**6**	-
Agency staff costs	**633**	593
Total	**24,555**	22,690

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

Note 3. Other management costs

	Notes	**2025-26 £000**	2024–25 £000
Travel and subsistence		**940**	993
Building maintenance		**2,084**	2,007
Utilities		**656**	719
Training		**271**	249
Other expenditure		**365**	495
Computer supplies		**3,865**	3,511
Staff transfer expenses		**10**	20
Non-cash costs:			
Depreciation of property, plant, and equipment	6	**2,811**	2,589
Impairment charges		[1]**275**	[2]3,482
Amortisation of intangible assets		**18**	18
Loss on disposal of property, plant and equipment		**66**	18
Auditors' remuneration – notional cost		**70**	66
Total		**11,431**	14,167

12025 to 2026: The impairment charge relates to abortive costs written off on the Holt II Asst under construction.

2 - 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 Alice Holt 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 Alice Holt is higher than the change in valuation of the site as reported under the DRC.

Note 4. Materials and services

	2025-26 £000	2024–25 £000
Materials and supplies	**1,862**	879
Central service from the Forestry Commission	**-**	14
Vehicle charges from the Forestry Commission	**477**	475
Contracted research services	**6,906**	5,922
Publications	**77**	96
Protective clothing	**109**	87
Miscellaneous expenditure	**161**	223
Total	**9,592**	7,696

Note 5. Income

Revenue from contracts with customers

	2025–26 **£000**	2024–25 £000
Scottish Government	**4,079**	4,079
Welsh Government	**907**	907
European Union	**219**	165
Forestry England	**1,345**	1,658
Welsh Government	**1,246**	895
Scottish Government	**1,581**	1,335
Forestry and Land Scotland	**1,298**	1,126
Contracts for research and services	**8,653**	6,976
Ad hoc – analysis, supply of seeds, conferences, advisory	**196**	146
Total	**19,524**	17,287

Note 6. 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 2025	**1,766**	**48,775**	**10,637**	**3,190**	**5,202**	**69,570**
Additions	-	102	1,208	29	6,486	7,825
Transfers	-	1,469	835	-	(2,304)	-
Disposals	-	-	(173)	(20)	-	(193)
Write-off	-	-	-	-	(275)	(275)
Revaluation	58	1,396	449	309	-	2,212
At 31 Mar 2026	**1,824**	**51,742**	**12,956**	**3,508**	**9,109**	**79,139**
Depreciation:						
At 1 April 2024	-	**17,716**	**5,237**	**2,092**	-	**25,045**
Provided in year	-	1,477	1,025	310	-	2,812
Disposals	-	–	(116)	(10)	-	(126)
Revaluation	-	523	192	169	-	884
At 31 Mar 2026	-	**19,716**	**6,338**	**2,561**	-	**28,615**
Net book value:						
At 31 Mar 2026	**1,824**	**32,026**	**6,618**	**947**	**9,109**	**50,524**
At 31 Mar 2025	**1,766**	**31,059**	**5,400**	**1,098**	**5,202**	**44,525**

Fixed assets were revalued as at 31 March 2026, using indexation.

Capital estates project within assets under construction classification includes the work in progress of £7.58 million at Alice Holt and £1.04 million at NRS.

The impairment charge of £275,024 relates to abortive costs written off on the Holt II Asst under construction.

Prior year values disclosed below for comparison purpose.

	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**

Note 7. Financial instruments

As the cash requirements of Forest Research are predominantly met through the Estimate process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the Forest Research expected purchase and usage requirements and Forest Research is therefore exposed to little credit, liquidity, or market risk. All financial assets on the Statement of Financial Position are assets held at amortised costs.

All financial liabilities on the Statement of Financial Position are classified as other financial liabilities, except for £1,207,000 (31 March 2025: £407,000) taxation and social security costs and £1,041,000 (31 March 2025: £823,000) deferred income.

Liquidity risk

Forest Research net revenue resource requirements and capital expenditure are in part financed by resources voted annually by Parliament or through fees charged to bodies funded by Parliament. Forest Research is therefore not exposed to material liquidity risks.

Credit risk

The majority of Forest Research income comes from the Devolved Administrations of Scotland and Wales, and Defra. None of these sources are a material credit risk.

Foreign currency risk

Any foreign currency exposure risk is limited to the purchases from foreign suppliers. These are not considered to be material.

Financial assets: these comprise receivables that are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Receivables are initially recognised at fair value and subsequently held at amortised cost after an appropriate provision for credit loss.

Financial liabilities: these comprise trade and other payables, and other financial liabilities. They are initially recognised at the fair value of the consideration received, less directly attributable transaction costs. They are subsequently measured at amortised cost.

Note 8. Receivables

8.1 Analysis by type

	2025-26 £000	2024-25 £000
Other trade receivables	2,089	2,409
Total trade receivables	2,089	2,409
Other receivables	10	6
Loans to employees	6	1
Contract assets	753	500
Prepayments and accrued income	1,313	1,041
Total receivables	**4,171**	3,957

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 £38,962 (2024-25: £105,196).

Contract assets £753,000 (2024-25: £500,000) 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 £405,000.

As of 31 March 2026, £1,940,112 of trade receivables (31 March 2025: £2,237,029) were fully performing and not overdue or impaired and provided for.

As of 31 March 2026, trade receivables of £149,365 (31 March 2025: £172,139) 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:

	2025-26 £000	2024-25 £000
Months overdue		
Less than one month	**91**	86
One to two months	**-**	23
Two to three months	**-**	63
More than three months	**59**	-
Total	**150**	172

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:

	2025–26 £000	2024–25 £000
Current		
Pounds sterling	**3,972**	3,947
USD	**34**	-
CAN	**164**	10
Euros	**1**	-
Total	**4,171**	3,957

Note 9. Cash and cash equivalents

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

	2025–26 £000	2024–25 £000
Opening balance at 1 April	**4,592**	5,292
Net change in balances	3,243	(700)
Balance at 31 March	**7,835**	4,592

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 10. Trade and other payables

	2025–26 £000	2024–25 £000
Current		
Payments received on account	**337**	251
Trade payables	**1,086**	735
Taxation and social security costs	**1,207**	407
Other payables	**-**	2
Current part of finance leases	**8**	2
Accrued expenses	**1,342**	1,849
Contract liabilities	**1,041**	821
Non-Current		
Finance lease	**24**	-
Total	**5,045**	4,067

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 2026 and 31 March 2025, with the exception of £686,309 (31 March 2025: £281,259) due to central government bodies. Funds held on behalf of partners in European Commission projects are treated as third-party assets (see Note 15).

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

	2025–26 £000	2024–25 £000
Current		
Pounds sterling	**4,986**	3,880
Euros	**35**	187
Total	**5,021**	4,067

Note 11. Capital commitments

There were £1,317,062 contracted capital commitments as at 31 March 2026 (31 March 2025: £435,759).

Note 12. Finance lease commitments and operating lease receivables

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

Finance lease commitments:

	2025–26 £000	2024–25 £000
Land and buildings:		
Not later than one year	**8**	2
Later than one year and not later than five years	**24**	-
More than five years	**-**	-
Total	**32**	2

Operating lease receivables:

	2025–26 £000	2024–25 £000
Not later than one year	**5**	5
Later than one year and not later than five years	**20**	20
Later than five years	**33**	38
Total	**58**	63

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 13. Other financial commitments

There were no other financial commitments at 31 March 2026 (31 March 2025: £nil).

Note 14. Contingent liabilities disclosed under IAS 37

Forest Research employs a number of staff on fixed term appointments (FTAs) with future contract end dates. In certain circumstances, individuals may become eligible for compensation on contract exit following a minimum period of continuous service, calculated in accordance with civil service exit terms and subject to an overall cap.

Whether any such payments arise is dependent on future events, including whether individuals remain in post until contract expiry or are redeployed into alternative roles. Based on past experience, an outflow of economic benefits in respect of these arrangements is considered possible but not probable at the reporting date.

Accordingly, no provision has been recognised in accordance with IAS 37. The maximum potential exposure at 31 March 2026 is estimated at £221k, representing the upper limit of compensation that could arise if all eligible contracts were to terminate without redeployment.

Note 15. Related party transactions

Forest Research has had various material transactions with other government departments and other central government bodies. In addition, Forest Research has had operational transactions with other government departments and other central government bodies. The main entities within government with which Forest Research has had dealings are Defra and Scottish Forestry.

15.1 Department for Environment, Food and Rural Affairs (Defra)

	2025–26 £000	2024–25 £000
Sales	**5,979**	3,445
Purchases	**6**	10

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 £280,697. There was an outstanding balance of £295 purchases and £4,800 sales as at 31 March 2026 (31 March 2025: £nil).

15.2 Transactions with Scottish Forestry

	2025–26 £000	2024–25 £000
Sales	**5,717**	5,467
Purchases	**23**	-

The above transactions, for project-based research work, occurred on an arm's length basis. These transactions were disclosed as Samantha Malpass is an employee and board member of Scottish Forestry. There was an outstanding balance of £616,818 sales as at 31 March 2026 (31 March 2025: £nil).

There were no other material related party transactions in year. The following information is provided for completeness: all transactions were carried out at arm's length.

Related party transactions	**2025-26 Total £000**	2024-25 Total £000
University of Stirling (Prof. Chris Quine)	**12**	91
Institut Européen de la Forêt Cultivée (Prof. James Pendlebury)	**9**	13
University of Oxford (Matt Perkins)	**8**	2
Bangor University (Prof. Julian Evans and Bianca Ambrose-Oji)	**46**	36
Scottish Forestry Trust (Prof. James Pendlebury)	**10**	10
Institute of Chartered Foresters (Prof. Julian Evans, Prof. Jo Bradwell, Richard Stanford, and Dr. Samantha Malpass[3])	**8**	3
University of Birmingham (Nicola Spence and Jo Bradwell)	**111**	35
The Woodland Trust (Baroness Barbara Young[3])	**4**	-
RSPB[1] (Baroness Barbara Young[3])	**-**	-
Hovingham Farms[2] (Sir William Worsley)	**-**	-

[1] The value was below £1k.

[2] £73,000 Defra grants received in 2025-26, Sustainable Farming Incentive and Environmental, £159,000 in 2024-2025.

[3] Baroness Barbara Young and Dr. Samantha Malpass joined the Forest Research Board during the 2025-2026 year – no disclosures are provided for the 2024-2025 years.

Note 16. Events after the reporting date

In accordance with the requirements of IAS 10, events after 31 March 2026 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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