

Annual Report and Accounts Aithisg Bhliadhnail agus Cunntasan 2024-2025

SG/2025/236: NatureScot Scotland's Nature
Agency Annual Report and Accounts 2024/25



NatureScot
NàdarAlba

Scotland's Nature Agency
Buidheann Nàdair na h-Alba

NatureScot is the operating name of Scottish Natural Heritage.
All references to NatureScot should be taken as referring to Scottish Natural Heritage as the legal entity.



SG/2025/236: Laid before the Scottish Parliament by the Cabinet Secretary for Net Zero and Energy in pursuance of Section 26 of the National Parks (Scotland) Act 2000. The Annual Report and Accounts 2024-25 are being laid before the Scottish Parliament by the Cabinet Secretary for Rural Affairs, Land Reform and Islands in pursuance of Section 22(5) of the Public Finance and Accountability (Scotland) Act 2000.

Contents

Performance Report	4
Foreword	7
Performance Overview	9
About NatureScot	10
Our Structure	11
Our Strategy	12
Delivering Our Corporate Plan Commitments	14
Key Performance Indicators	15
Financial Highlights	21
Key Risks	22
Performance Analysis	26
Protecting Nature	28
Restoring Nature	34
Valuing Nature	37
The NatureScot Way	41
Risk Analysis	44
Looking Ahead and Future Plans	45
Financial, Environmental and Social Summary	46
Nature Conservation Orders made during the year to 31 March 2024	58
Accountability Report	59
Corporate Governance Report	60
Remuneration and Staff Report	72
Parliamentary Accountability Disclosures	84
Independent Auditor's report	85
Primary Financial Statements and Notes	89
Statement of Comprehensive Net Expenditure	90
Statement of Financial Position	91
Statement of Cash Flows	92
Statement of Changes in Taxpayers' Equity	93
Notes to the Accounts	94
Direction by The Scottish Ministers	128

A scenic landscape of a beach with white sand, turquoise water, and distant mountains under a cloudy sky. A large white circle is centered over the image, containing the text 'Performance Report'.

Performance Report

Ro-ràdh

Tha an Aithisg is na Cunntasan Bliadhnaile againn ag innse dè an obair mhòr a nì muinntir NàdarAlba ann an com-pàirteachas le daoine eile 's iad an dealas nàdar na h-Alba a dhìon, a leigheas is meas ann an nàdar a bhrosnachadh.

Tha ar n-obair air fad – agus na h-iomairtean ann an Ro-innleachd Bith-iomadachd na h-Alba (SBS) – ag amas air stad a chur air crìonadh bith-iomadachd ron bhliadhna 2030 agus air nàdar ath-bheòthachadh gu mòr ron bhliadhna 2045. Tha còrr 's 130 iomairt anns an SBS airson 's gum bi nàdar na h-Alba air an t-slighe cheart ron bhliadhna 2030.

Leasaich NàdarAlba an Ro-innleachd agus am Plana Lìbhrigidh aige còmhla ri Riaghaltas na h-Alba, agus 's ann againne a bhios an stiùir ann am mòran dhe na h-iomairtean sa phlana. Mar sin, tha an obair anns an aithisg seo a' toirt spionnadh dha na h-amasan ro-innleachdail. Aig cridhe na h-obrach againn tha a bhith a' toirt sunnd 's eaconamaidh na h-Alba am feabhas, a bhith a' toirt aghaidh air atharrachadh na gnàth-shìde agus a bhith a' fàs nas seasamhaiche dhan bhuaidh a thig na chois. Uile le bhith a' cuideachadh ri nàdar a thoirt am feabhas.

Le amasan na SBS gar stiùireadh, rinn sinn obair mhòr am-bliadhna airson 's gum bi Alba beartach a thaobh nàdair san àm ri teachd. Seo cuid de na rudan a choilean sinn:

- Thug sinn gu buil Maoin Ath-shlànachadh Nàdair aig Riaghaltas na h-Alba anns a bheil luach £65 millean agus a thug taic-airgid do chòrr 's 250 pròiseact bho 2022.
- Choisinn sinn inbheisteachd prìobhaideach airson ath-shlànachadh nàdair tro Mhaoin Leasachadh Àrainneachd Muir na h-Alba (SMEEF) agus tron Ghoireas airson Nàdar So-inbheistidh ann an Alba (FIRNS).
- Chuir sinn an sàs prògram ceadachasan stiùireadh fiadh-bheatha ùr an cois reachdaìs ùir airson nàdar na h-Alba 's bith-beò a dhìon 's a leigheas.
- Choilean sinn iomairt inbheistidh ann am Bun-structar Uaine ro-innleachdail a chuidich mòran choimhearsnachdan sna bailtean againn.
- Dh'obraich sinn còmhla ri muinntir an àite 's com-pàirtichean airson inbhe Dualchas an t-Saoghail a choisinn dha Dùthaich nam Boglaichean, ag aithneachadh dè cho cudromach 's a tha na mòintichean ann an Cataibh 's Gallaibh dhan t-saoghal air fad.
- 'S i seo a' bhliadhna a b' fheàrr a bh' againn a-riamh ann an ath-shlànachadh mòintich air feadh na h-Alba.
- Thug sinn seachad taic chudromach san iomairt airson gluasad gu àiteachas, croitearachd is cleachdadh fearainn a bhios math dha nàdar.
- Bha a' chomhairle againn, a tha air a stiùireadh le fianais, na bunait do phròiseactan gaoithe a thòisich far a' chladaich, a' toirt stiùir do dh'Alba a dh'ionnsaigh cothromachadh carboin 's amasan dhan bhith-iomadachd againn.
- Bho thaobh a-staigh na buidhne, dh'fhàs sinn na b' èifeachdaiche 's roinn phoblach na h-Alba an sàs ath-leasachaidh.

Tha fios gum bi dùbhlain inntinneach againn sa bhliadhna seo romhainn. A thuilleadh air obair an SBS a stiùireadh, tha sinn ag obair air Plana Corporra ùr a bheir beart-deilbh dhan obair againn suas gu 2030. Bidh prìomhachasan soilleir na chois dha na bliadhnaichean seo romhainn – àm a bhios glè chudromach dha nàdar 's daoine air feadh na h-Alba.

Cumaidh sinn oirnn a' dèanamh ceangal eadar daoine 's nàdar; agus a' leasachadh nan dòighean anns an cleachd sinn an tìr 's a' mhuir. Nì sinn tuilleadh adhartais le reachdas nam fiadh-bheatha airson taic a chumail ri leigheas nàdair, agus bidh sinn ag obair ann an com-pàirteachas fhathast airson inbheisteachd a tha luath, measgaichte 's cùramach

“

Aig cridhe na h-obrach againn tha a bhith a' toirt sunnd 's eaconamaidh na h-Alba am feabhas, a bhith a' toirt aghaidh air atharrachadh na gnàth-shìde agus a bhith a' fàs nas seasamhaiche dhan bhuaidh a thig na chois. Uile le bhith a' cuideachadh ri nàdar a thoirt am feabhas



bhon roinne phoblaich 's phriobaidich. Tha ceanglaichean aig daoine, coimhearsnachdan 's gnìomhachasan ri nàdar airson math ar soirbheis, agus soirbheas nan linntean ri teachd, aig cridhe nan oidhirpean againn uile airson nàdar a leigheas.

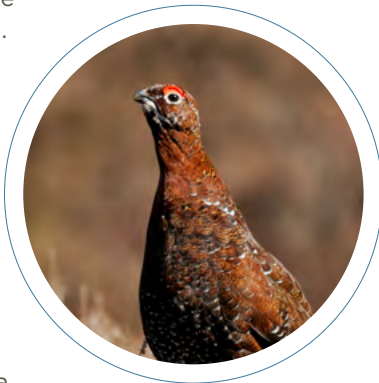
Tha àrdachadh mòr ann an cruthachadh dealan na gaoithe air tìr is aig muir san amhairc sna bliadhnaichean air thoiseach oirnn 's sinn ag iomairt airson eaconamaidh le cothromachadh carboin. Tha dreuchd cudromach againn ann a bhith a' dèanamh cinnteach gun dèanar làn-bheachdachadh air a' bhuidh a bhios aig obair-leasachaidh ro-innleachdail air an àrainneachd nàdarra agus gum bi planaichean iomchaidh ann airson leasachadh bhith-àrainnean.

Feumaidh sinn obair a dhèanamh fad ùine fhada 's aig ìre nàiseanta airson nàdar a leigheas air feadh na h-Alba. Nuair a thèid againn air seo a dhèanamh, chan ann a-mhàin gun cuidich e a' bhith-iomadachd againn ach seasaidh sinn buaidh atharrachadh na gnàth-shìde nas fheàrr agus ath-neartaichidh sinn an dàimh eadrainn fhìn is an saoghal nàdarra. Thig iomadh buannachd do mhuinntir na h-Alba ri linn seo.

Anns an dealachadh, agus mar Chathraiche NàdarAlba, 's e adhbhar toileachais a th' ann dhomh fàilte a chur air Nick Halfhide mar àrd-oifigear ùr, maireannach na buidhne. Bìdh gu leòr agaibh glè eòlach air Nick mar-thà, tron obair aige còmhla ri diofar choimhearsnachdan 's bhuidhnean air feadh na h-Alba. Le mion-eòlas Nick air NàdarAlba agus air nàdar na h-Alba 's cùisean a tha a' toirt buaidh air, tha sinn a' dèanamh fiughair còmhla ris na com-pàirteachasan prìseil seo a neartachadh, agus mòran a bharrachd a thogail.

Tha sinn a' gairm oirbh obrachadh còmhla rinn agus cuideachadh ri teachd-shaoghal a chruthachadh dhuinn uile anns am bi beartas nàdair mun cuairt oirnn.

Cailean Mac a' Bhreatnaich, Cathraiche
Nick Halfhide, Àrd-oifigear 's Oifigear Cunntachail



Foreword

Our Annual Report and Accounts demonstrate the leading-edge work and commitment of NatureScot's people, working in partnership to protect, restore and value nature across Scotland.

Our work – and the actions set out in the Scottish Biodiversity Strategy (SBS) – are aimed at reversing the decline in biodiversity by 2030, on the way to substantial recovery of nature by 2045. The SBS is being delivered through over 130 actions, progressing us to a 'nature-positive' Scotland by 2030.

NatureScot co-developed the Strategy and its Delivery Plan with the Scottish Government and we lead on most of the actions in the plan. Therefore, the work reported here energises progress towards its strategic aims. Core to our purpose is making Scotland's wellbeing and economy thrive, tackling climate change and building resilience to its impacts. All by helping nature thrive.

Shaped by the ambitions of the SBS, this year we made strong progress towards a nature-rich future in Scotland. Highlights include:

- We implemented the Scottish Government's £65m Nature Restoration Fund which has supported over 250 projects since 2022.
- We attracted private investment into nature restoration through our Scottish Marine Environmental Enhancement Fund (SMEEF) and the Facility for Investment Ready Nature in Scotland (FIRNS).
- We put in place a new wildlife management licensing programme, aligning with new legislation to protect and restore Scotland's nature and livelihoods.
- We completed a strategic Green Infrastructure investment initiative, helping many urban communities benefit from nature on their doorsteps.
- We worked with local people and partners to secure World Heritage status for the Flow Country recognition of Caithness and Sutherland's globally important peatlands.
- We delivered our best year yet for Scotland-wide peatland restoration.
- We gave crucial advice and support in the transition to nature-friendly farming, crofting and land use.
- Our evidence-led advice underpinned the roll out of offshore wind power projects, helping steer Scotland towards Net Zero and our biodiversity ambitions.
- We drove internal efficiency and productivity as Scotland's public sector takes reform forward.

Looking to the year ahead, we have exciting challenges. Importantly, in addition to leading on pivotal SBS activity, we are progressing a new Corporate Plan to amplify our strategic direction up to 2030. It will lay out clear priorities for the years ahead – a critical time for nature and people across Scotland.

We will continue to connect people with nature; and to enhance the way we use the land and sea. We will further progress wildlife legislation to support nature's recovery and continue to collaborate on accelerated, blended and responsible public and private investment in nature. Getting people, communities and industry to invest in nature for our wellbeing and for that of future generations, is at the core of our collective effort to help nature recover.



A major increase in the generation of offshore and onshore wind power is taking place with more planned for the coming years as we strive for a net-zero economy. We will continue to play a vital role in ensuring that strategic developments work to reduce any impact on the natural environment and have effective mitigation plans in place.

It will take a sustained national effort to restore nature across Scotland. Achieving nature recovery not only helps our biodiversity, but it also increases our resilience to the impacts of climate change and, importantly, strengthens our connection with the natural world, bringing many benefits for the people of Scotland.

Finally, and as NatureScot's Chair, it gives me great pleasure to welcome Nick Halfhide as our new, permanent chief executive. Nick is already well known to many of you, through his work with a range of communities and stakeholder groups across Scotland. With Nick's detailed knowledge of NatureScot and of Scotland's nature and the issues that affect it, we can look forward together to strengthening these invaluable partnerships and building many more.

We urge you to work with us and to play your part in creating a nature-rich future for all.

Core to our purpose is making Scotland's wellbeing and economy thrive, tackling climate change and building resilience to its impacts. All by helping nature thrive.



Professor Colin Galbraith
Chair



Nick Halfhide
Chief Executive and
Accountable Officer

Performance
Overview

About NatureScot

We are a Non-departmental Public Body (NDPB), accountable to Scottish Ministers and the Scottish Parliament. Operating as NatureScot and based at Great Glen House, Inverness, we have a statutory purpose to:

- Secure the conservation and enhancement of nature and landscapes
- Foster understanding and facilitate enjoyment of nature and landscapes
- Advise on the sustainable use and management of nature and landscapes
- Further the conservation, control and sustainable management of deer in Scotland

We work in partnership with all relevant interests in Scotland, including public, private and voluntary organisations, communities and individuals. We operate in a devolved manner, delegating decision-making to the local level, helping our organisation to be accessible, sensitive and responsive to local needs and circumstances. We operate in an open and accountable way in all our activities.

As described in the NatureScot Way, our organisational values are the pillars we base everything on, setting out how we work with colleagues and partners:

Science and expertise

We are passionate experts in all our disciplines. Our knowledge inspires everyone we reach.

Ambition

We revolutionise the way people value nature.

Growth

We invest in the growth of our people and our organisation for nature's sake and the benefit of us all.

Inclusion

We value everyone's contribution. Nature is for everyone. Everyone matters.

Collaboration

We inspire innovation, working with everyone to make a difference for nature and Scotland's future prosperity.

We live these values through our shared behaviours:

- Communicate honestly and clearly
- Respect and listen to others' views and treat them with respect
- Encourage people to do their best
- Do what we say we'll do
- We take the initiative and are willing to adapt
- We work together and learn from one another

We work to provide a nature-rich future for Scotland and the essential benefits that flow from it. More information about what we do, and case studies that illustrate the difference that we are making, can be found on our website: www.nature.scot.



Our Structure

Our structure comprises three Directorates: Nature and Climate Change, Green Economy and Business Services and Transformation.

Green Economy has responsibility for Wildlife Management, Planning, Transforming land-use, Natural Capital, Peatland Restoration and Nature Finance.

Nature and Climate Change has responsibility for the delivery of our 30x30 commitments, Marine Management, our joint work with the Scottish Government on the delivery of the Scottish Biodiversity Strategy and inspiring people to engage with nature.

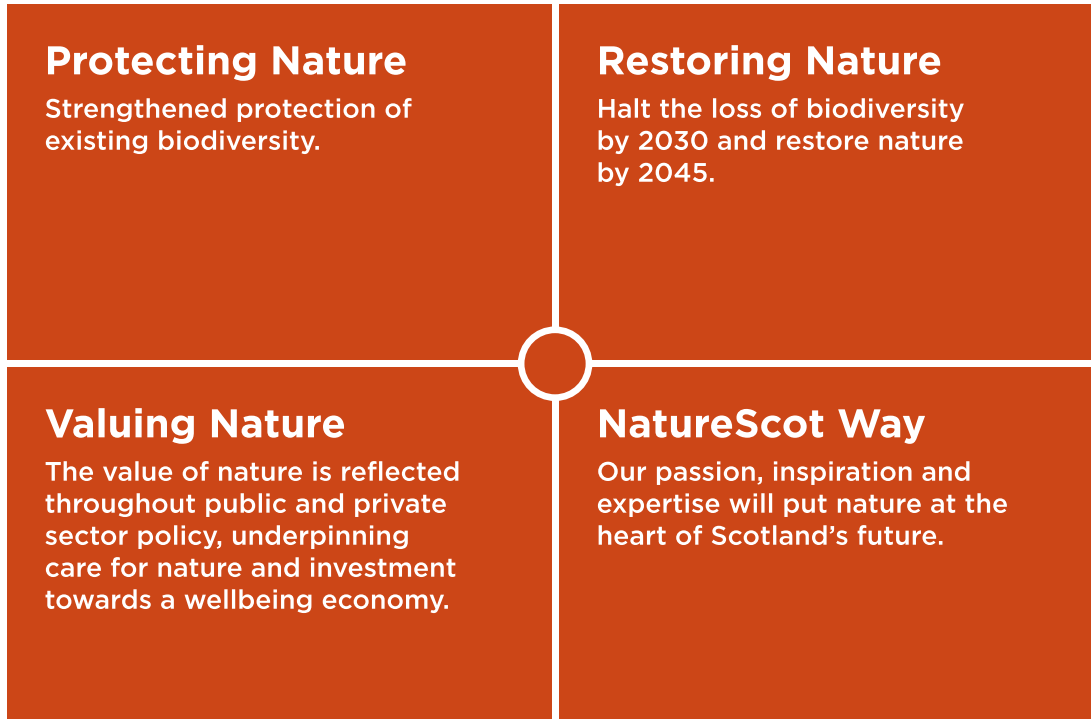
Business Services and Transformation provides the enabling services to the organisation, ensuring that we have skilled and motivated people with the tools and infrastructure to support their work.

We deliver our work through 15 Corporate Plan objectives each led by a delivery team leader. Each objective is underpinned by annual commitments that are detailed in our business plan which we measure and report on quarterly to the NatureScot Board. Their achievement contributes directly to reaching our Corporate Plan outcomes. More detail on progress for this year is noted in the Performance Analysis section.



Our Strategy

Our Corporate Plan 2022-2026, “A Nature-Rich Future for All” sets out our four priorities and their outcomes to address the twin crises of nature loss and climate change:



The priorities that underpin the strategic commitments outlined in our [Business Plan 2024-25](#) are:

- Drive nature-positive change in agricultural practice, land use and the marine environment
- Achieve our 30x30 commitment to safeguard 30% of our land and sea by 2030
- Increase public and private sector investment in nature and ensure good development
- Promote nature-positive land and wildlife management through strengthened regulation

We also committed to prioritise resources to deliver the Programme for Government while continuing to deliver statutory functions. These are delivered in ways that are efficient and effectively contribute to our priorities to protect, restore and value nature.



Supporting the National Performance Framework

We are a key contributor to the Scottish Government's approach to achieving its ambitions for Scotland, both in terms of delivering performance information as well as inspiring the necessary behavioural change. This is measured through the National Performance Framework (NPF), as our work directly affects the delivery of at least 5 of the 11 National Outcomes.

Our contribution to the National Performance Framework

We lead on reporting against three Scottish Government National Indicators:

- NI44: Condition of protected nature sites
- NI45: Biodiversity: Terrestrial Abundance
- NI46: Natural Capital

We also contribute data and support to two other National Indicators:

- NI43: Visits to the outdoors
- NI48: Carbon footprint

Following the recent statutory review of the National Outcomes, and the subsequent Scottish Parliament inquiry, the Scottish Government has committed to a period of reform of the National Performance Framework to support the development and implementation of a more strategic and impactful framework for Scotland.

The aim is to create a framework that better drives public sector reform, improves collaboration between national and local governments and empowers communities. No immediate changes will be made to the NPF so we will contribute as required by Scottish Government and will continue to report on these indicators until advised otherwise.



Delivering Our Objectives

Within our 2022-26 Corporate Plan, our 15 objectives are broken down into programmes of work with performance indicators that demonstrate our progress towards delivering the ambitions of a “Nature-Rich Future for All”. The tables below show progress against each indicator in 2024/25.

A wider consideration of activities and performance against the objective overall is in the Performance Analysis section.



Key Performance Indicators

Protect

1. Lead the delivery of 30% of land and sea being protected by 2030.

Outcome	Indicator	Progress 24-25
Clearly identified locations where additional protection will help protect biodiversity	Number of restoration projects for which we have provided advice	Improving 
The condition of nature has improved across Scotland	Condition of protected nature sites	Declining 
The condition of nature has improved across Scotland	Area of Woodlands in Favourable Condition	Declining 

To ensure Scotland meets its 30x30 targets we are taking forward actions to identify a greater number of sites for protecting nature and at the same time monitoring whether the condition of nature is improving. We are seeing an increase on the overall numbers of projects that we are involved in which is a positive outcome from our activity. However, we are concerned that the condition of sites that we do monitor are not improving mainly due to high grazing impact, the pervasiveness of non-native species and tree disease. Greater focus on the drivers of improving protected areas will be a key action in the years up to 2030.

2. Build stronger collaboration reducing the impacts of deer and modernise our wildlife management and underpinning licensing functions to enable a net-zero and nature-positive future.

Outcome	Indicator	Progress 24-25
Deer populations have reduced	Reducing Deer Numbers	Maintaining 
Beavers found in new catchments	Number of catchments with established beaver populations	Maintaining 
Licences are processed in accordance with our licensing standards	Licence applications turnaround time within standards	Maintaining 

We know that we need a collective effort to ensure an appropriate balance is maintained in Scotland's wildlife. This is being achieved by introducing appropriate legislation, using our regulatory powers and working constructively with land managers. We increased the amount of deer culling activity to manage the negative impact of an expanding deer population. In response to new legislation, we are introducing digital processes to manage an increase in licensing demand. Although we haven't increased the total number of beaver catchments, the existing populations are consolidating and thriving, and this is a leading example of how we are working with land managers constructively to achieve a nature-positive outcome.

3. Engage and influence planning and other regulatory systems to ensure they deliver for nature and climate.

Outcome	Indicator	Progress 24-25
Nature is in a better state than before development	Percentage of holding objections for formal planning applications	Partially achieved 

We work with developers and planning authorities to improve the quality of submissions of applications to manage and mitigate the impact of development on nature. We don't object unless we feel compelled to, but this indicator gives an overall measure of our influence on planning activity. We are seeing increases in both the volume and complexity of applications concerning mobile phone masts and onshore energy projects which is why we are seeing the proportion of objections remaining steady (7.7% this year) even though the total numbers are increasing.

4. Influence the transformation of marine management through new marine planning, protection and fisheries management frameworks, and working with the marine renewable energy sector.

Outcome	Indicator	Progress 24-25
We meet net-zero targets through marine renewable energy avoiding major impacts on nature	Number of marine renewable energy consultations where we have provided advice on avoiding impacts on nature	Maintaining 

We are supporting the drive for expansion in offshore renewable energy by ensuring that the frameworks are in place to manage effectively any adverse impact on the marine eco system. We are seeing increases in the volume and complexity of applications and we have directly advised five major offshore developments this year. This is in addition to providing policy and marine advice to both Scottish and UK governments. Although this year we have seen the indicator remain steady we do expect to see this increase in the years up to 2030.

Restore

5. Co-lead the production of the new Scottish Biodiversity Strategy and develop targets to include in a new Natural Environment Bill.

Outcome	Indicator	Progress 24-25
A clear direction and delivery plan for a nature-positive future	Strategy is published	Improving 

The Scottish Biodiversity strategy and its delivery plan were published which is a major milestone on the road to recovering and restored nature. We will lead on the majority of actions in the delivery plan and support many others. Appropriate performance indicators about progress will be developed in line with statutory targets that will form part of a new Natural Environment Bill which we hope to see passed by the Scottish Parliament in 2025/26.

6. Scale up Peatland Restoration by delivering Peatland ACTION funding to projects.

Outcome	Indicator	Progress 24-25
Achieved rates of peatland restoration that meet or exceed target	Area (hectares) of Peatland on Road to Recovery	Improving 

Scotland's peatlands are a globally significant habitat and their restoration and protection are essential for Scotland to meet its net-zero targets. We exceeded our restoration target this year by a third by restoring 9,600Ha. The rate at which peatland will be restored will continue to increase over the coming years.

7. Lead, enable and convene others around the development of ambitious and coherent actions to restore nature. Deliver a major Nature Restoration Fund targeted at high impact nature recovery projects and seek greater investment from the private sector.

Outcome	Indicator	Progress 24-25
Increased investment for nature restoration	Nature Restoration Fund New Recipients	Maintaining 

Over the course of the current corporate plan period there has been a tremendous response to the Nature Restoration Fund, which we were able to maintain this year, with 45 new projects awarded funding which included 20 first-time recipients. The number of new recipients is in line with expectations from previous years.

8. Demonstrate how agriculture can be transformed with new approaches to deliver targeted outcomes for nature and climate.

Outcome	Indicator	Progress 24-25
Land managers are motivated to take action to improve nature and climate	Number of individual farm businesses that have completed a biodiversity audit	Improving 

We rely on land managers to embrace nature-friendly practices because it makes good business sense for them and adaptation ensures sustainable food production. We are seeing increases over time in the numbers of farmers that are applying to the AECS scheme which demonstrates that we are motivating land managers to act. To support them further, we are introducing a Farm Biodiversity App to help them map their habitats to comply with Scottish Government regulations. There was a step change in the total number of land managers piloting the biodiversity audit with a cumulative total of 263 using it compared to a cumulative total of 71 the previous year.

Value

9. Inspire people to connect with nature, increasing appreciation of nature's value through impactful delivery and communication of our work.

Outcome	Indicator	Progress 24-25
More People Visit Nature	More people reporting to have visited the outdoors more frequently	Improving 
More People Visit Nature	National Nature Reserves Online Engagement	Improving 
More people who visit nature understand their responsibilities	More people are aware of their responsibilities in line with the Scottish Outdoor Access Code (SOAC)	Maintaining 

We want people to visit nature and to do so responsibly because we believe in the health benefits that experiencing nature delivers and that greater public understanding will help reverse biodiversity loss. We are seeing the boost to visitor numbers from the pandemic being sustained. We also see continuing growth in online interest in our work on National Nature Reserves which helps develop people's understanding of the importance of nature. Ensuring people access nature responsibly is underpinned by our publication of the Scottish Outdoor Access Code. Awareness of it remains steady after 4 waves of data collection since 2022.

10. Influence the regulatory, policy, market and institutional infrastructure needed to stimulate private sector investment into nature.

Outcome	Indicator	Progress 24-25
Private investment has funded projects that meet Scottish Government interim principles	External funds raised by Scottish Marine Environmental Enhancement Fund (SMEEF) and the amount allocated to projects	Improving 

Private investment into nature will support Scotland to reach its biodiversity goals. The interim principles underpin the requirement for ethical investing. We are making progress in attracting new investment into nature across a range of investment programmes. SMEEF is the flagship programme during the 2022-26 Corporate Plan period and it included the initiation of a £2.4m seagrass restoration this year.

11. Drive the establishment of Natural Capital as an integral part of public and private business planning and investment decisions at national, landscape and landholding/business scales.

Outcome	Indicator	Progress 24-25
The full benefits of nature are included in decision making at all levels	Number of landscape partnerships that NatureScot is involved in that use a natural capital approach	Improving 

Natural capital is defined in Scotland as “the renewable and non-renewable stocks of natural assets, including geology, soil, air, water and plants and animals that combine to yield a flow of benefits to people.”

Integrating natural capital into business planning and investment decisions contributes to a greater awareness of nature as an integral part of the capital assets of Scotland. We are working with a range of different organisations across Scotland to embed natural capital, of which landscape partnerships are a part. We focus on increasing this measure because of the overall importance of landscape partnerships to improving Scotland's nature at scale. This year we have piloted a natural capital tool with 7 landscape partnerships which has contributed to the positive trend.

12. Promote understanding and awareness of skills and capacity needs for the nature-based sector.

Outcome	Indicator	Progress 24-25
There are more nature-based skills in the Scottish workforce	Number of young people that we engage with on nature-based skills	Improving 

Nature restoration requires a skilled workforce. Our work involves research into the needs of the land and nature-based sector as well as directly talking about careers in nature to young people and job seekers. We have engaged with more young people this year than in any of the previous years of the Corporate Plan period.

The NatureScot Way

13. Deliver new ways of working to stimulate achievement of our ambitions.

Outcome	Indicator	Progress 24-25
We have introduced new ways of working	Square meterage of floorspace dedicated to NatureScot	Improving 

New ways of working improve our collective efficiency and provide our staff with modern workplace tools and a policy approach that aligns with staff expectations and brings out the best in them. We have focused on reducing floor space because we have a comprehensive programme in place to enable staff to work in different ways, from multiple sites, enabled by modern technology. One of the key outcomes of this work is a more efficient use of our built estate.

14. Transform our individual and collective leadership capability.

Outcome	Indicator	Progress 24-25
We have an improved leadership capacity	MSP awareness of NatureScot and role	Improving 
We have an improved leadership capacity	Reach in mainstream media	Improving 
We have an improved leadership capacity	Impact of public facing campaigns (Make Space for Nature)	Improving 

We want to be recognised as leaders in nature restoration, so we geared the three indicators towards understanding the perception of us by the public and key stakeholders. The improvement in these indicators demonstrates that we are reaching more people than ever in a positive way through mainstream media and our specific Make Space for Nature social media campaigns. We also carefully manage our reputation with key stakeholders which is why we focus on MSPs as it is important that they understand what we do and have a positive impression about how well we are achieving our goals.

15. Sustain our focus on developing a happy and resilient workforce.

Outcome	Indicator	Progress 24-25
A diverse and inclusive workforce	Positive change in the proportion of specific protected characteristics in our workforce (disability, ethnicity and age)	Maintaining 

We are committed to mainstreaming equality and ensuring everyone in NatureScot feels valued. We initiated a number of programmes this year which support people in their careers and improve positive mental well-being. We have groups established that support specific protected characteristics which enable mutual support and provide feedback to management on relevant issues. We have been pleased to see more staff sharing their diversity data, indicating trust and engagement in our system. We try and effect change in the make-up of our workforce by encouraging people from under-represented communities to apply to work with us, although this is a long-term commitment given our relatively low staff turnover.

Key:

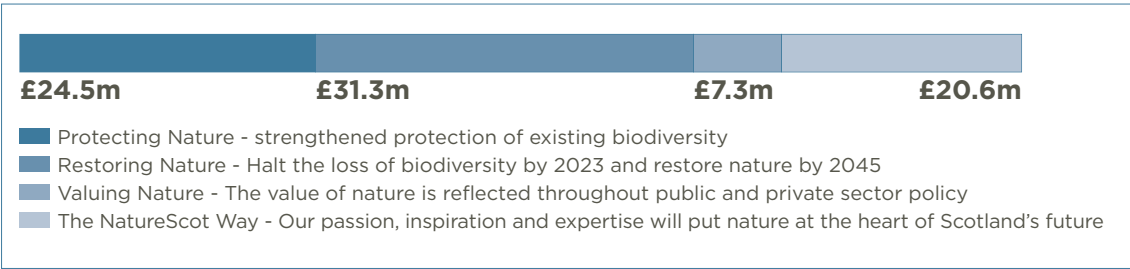
 Improving  Maintaining  Declining

Further comment on our delivery is in the performance analysis section. Overall, we have achieved a strong set of results this year.

Financial Highlights

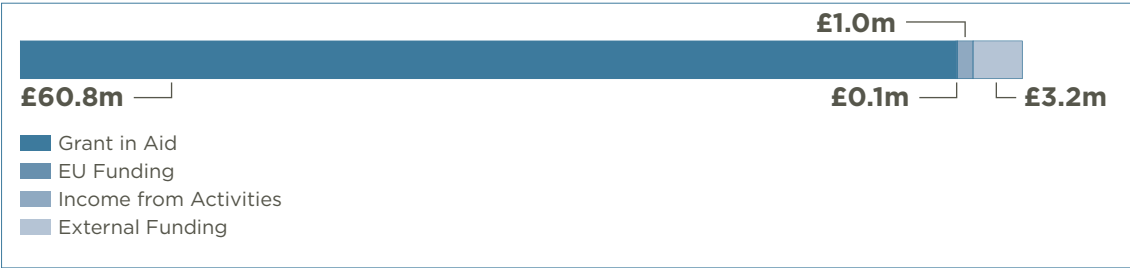
Net Spend by Priority

Net spend is split across the four priorities which achieve our corporate plan objectives. Segmental information ([financial statement note 3](#)) provides more detail about costs incurred across the four outcomes.



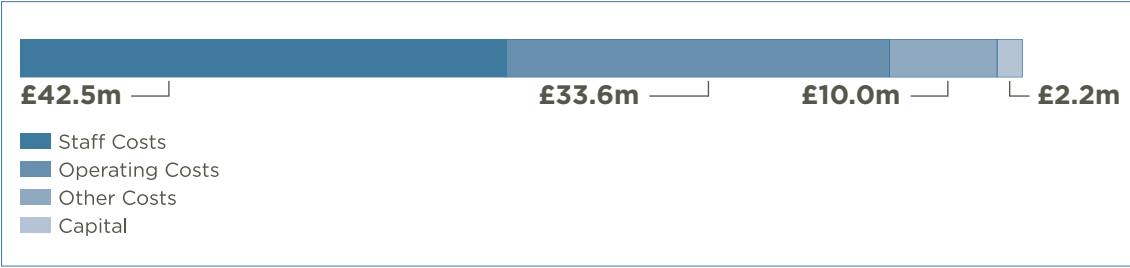
Income and Financing

We receive Grant in Aid (GIA) ([financial statement note 4](#)) from the Scottish Government to finance the majority of our activities. Income from activities ([financial statement note 6](#)), external funding ([financial statement notes 5](#)), and EU funding ([financial statement note 7](#)) provide opportunities to undertake collaboration and to deliver more. Details showing the outturn against budgets are provided in the [Financial, Environmental and Social Summary section of the Performance Analysis](#) report.



Expenditure

Staff costs were £42.5m ([financial statement note 10](#)), 48.5% of our total Departmental Expenditure Limit (DEL) budget. Whether through direct delivery or advising and supporting others to deliver, our staff are at the heart of all our work. Operating costs ([financial statement note 13](#)) represent a range of expenditure incurred to accomplish our goals, including grants, research, managing National Nature Reserves (NNRs) and management agreements. Other costs ([financial statement note 12](#)) represent our running costs to support the delivery of outcomes. Direct Capital expenditure relates to the purchases of fixed assets including IT equipment and vehicles ([financial statement note 16](#)).



Key Risks

We maintain an organisation-wide risk register and report on key strategic risks through our Corporate Risk Register. Risks are monitored throughout the year and reported to our Senior Leadership Team and Board on a regular basis. The Audit and Risk Committee provide assurance to the Board about the overall robustness of the programme of risk management as described in more detail in the Governance Report. At the end of 2024/25 there were 11 risks rated as “high” or “very high”. Four of these were new risks which were identified and escalated during the year, whilst 5 were existing risks which moved from a medium to high risk level. The key changes are noted below.

Given the urgent need to stimulate private finance into nature, a corporate risk was developed which recognises the challenges of bringing private finance initiatives forward both in terms of developing healthy and consistent funding streams and ensuring appropriate corporate governance.

A corporate risk was de-escalated in relation to meeting the peatland restoration targets when we were able to deliver a significant uplift in activity by offering multi-year funding. This forward commitment of funds is a risk which needs to be managed, so a new corporate risk was developed to ensure that controls and oversight of future liabilities are in place. The risk was extended to include all NatureScot grant funding streams.

Our statutory reporter role in relation to proposals for a new National Park in Galloway brought with it reputational risks which were considered serious enough to include as a risk on the corporate risk register, given the significant interest and strong, and sometimes competing, views being expressed by consultees.

The process of identifying a new Chief Executive brought risk to the continuity of leadership, notwithstanding the appointment of an interim CEO. The risk was considered significant enough to include as a corporate risk.

Changes to legislation which have impacted statutory casework, and a heightened risk of legal challenge, were captured in a new corporate risk. This is likely to be an area of ongoing focus in 2025/26 and will be closely monitored to ensure that we have an appropriate model for legal advice and support.

Risk

Future Funding of NatureScot

Description

Risk – With continuing pressures on public sector funding, solely relying on grant-in-aid settlements, we may not be able to sustain resource delivery of agreed priorities, leading to failed outcomes and reputational damage.

Mitigation – Continuing to seek opportunities to increase funding through other sources such as private finance or charging for advice. Short, mid and long-term financial plans are in place to consider potential scenarios and model solutions so that delivery is prioritised in line with government priorities.

Risk**Statutory Reporter role for proposed new National Park in Galloway****Description**

Risk – Due to our organisational positioning, there is a risk that we are viewed as running an ineffective and biased consultation which could gain traction and affect our ability to effectively engage with partners, stakeholders and the public on this proposal.

Mitigation – Controls focus on a robust, open, and transparent consultation process supported by an independent evaluation with a proactive and responsive communication strategy to respond to any periods of additional scrutiny and challenge.

Risk**Legal Challenge****Description**

Risk – As a result of new policy and legislation increasing demand for legal advice, there is a risk that we do not have sufficient oversight, clarity and quality assurance of the service provided, which may result in greater exposure to successful legal challenge with significant financial and reputational damage.

Mitigation – Controls include senior leadership oversight of all contentious casework, as well as robust contract management of existing frameworks further supported by internal quality assurance of all legal advice requests.

Risk**Computer Virus/ Malware Attack****Description**

Risk – With the ongoing risk of cyber-attacks, inadequate protection or inappropriate system use could result in systems becoming infected with a virus, resulting in systems and data being unavailable or corrupted, significant system downtime and major operational impacts.

Mitigation – Our cyber security team proactively manage this through strong security protocols, awareness raising and training for all employees. However, the global environment remains challenging so this is likely to remain a critical business risk for the foreseeable future.

Risk**Biodiversity Loss****Description**

Risk – Failing to demonstrate sufficient progress in tackling the biodiversity crisis due to not raising sufficient awareness or inspiring and persuading stakeholders.

Mitigation – Continued leadership role on sustainable and integrated land use using a robust evidence base, as well as delivering nature-based solutions such as peatland restoration and woodland regeneration.

Risk

Private Nature Finance

Description

Risk – A complex balancing act is required to stimulate private sector investment into nature whilst ensuring there is sufficient governance, due diligence and effective communication to ensure our reputation is not adversely impacted on account of misjudged or poorly delivered interventions to influence private investment in nature.

Mitigation – Our approach to managing this risk is directed by an independent Azets report which has been reviewed and approved by the Audit and Risk Committee, as well as the board in Q4 of 23/24. This report resulted in 15 key recommendations which have been implemented and monitored throughout the scoping and delivery cycle of Green Finance initiatives and pilots.

Risk

Budget Management

Description

Risk – Inadequate management and monitoring of allocation and spending of our grant in aid budget, could result in a significant underspend or overspend representing poor utilisation of public funds towards nature recovery.

Mitigation – Integrated financial planning and budget setting processes, as well as monthly reporting to SLT to ensure visibility and management of any emerging spend pressures.

Risk

Peatland restoration target and budget

Description

Risk – Given the significant uplift in 25/26 funding and restoration targets, there is a risk of not being able to adapt at the pace and scale required within a complex operating environment.

Mitigation – Significant forward commitment to deliver 7,000 ha, as well as earlier application deadline and enhanced governance structures to ensure a renewed focus on delivery and dynamic programme management.

Risk**Strategic Resource Management****Description**

Risk – Failing to achieve Corporate and Business Plan outcomes due to inadequate prioritisation and allocation of staff resources.

Mitigation – Stronger co-ordination of project and paybill allocations, as well as refinement of business planning processes and systems to ensure workforce deployment achieves key organisational outcomes.

Risk**Grant Funding Future Liabilities****Description**

Risk – As a result of uncertainties relating to public finances, there is a risk that we take on financial liabilities through the management of medium and longer term ring-fenced SG funds by offering multi-year funding awards which would need to be met from the wider Grant in Aid budget settlement.

Mitigation – Strong collaboration with the SG to review and scrutinise both individual projects, as well as programme commitments with dynamic financial controls to ensure that the liabilities are both known and proportionate to confidence levels of future year(s) funding to mitigate any residual risk that liabilities could impact core statutory work.

Risk**Weakened Reputation****Description**

Risk – As a result actions that are out of line with our strategic vision and purpose and goal as expressed through our Brand and Corporate Plan, there is a risk that our reputation would be weakened. If allowed to persist, it could result in the impairment of our ability to operate efficiently.

Mitigation – Full alignment with strategic objectives, as well as ensuring the consideration of key stakeholders in decision making with proactive issues management supported by our Internal Communications Team or Head of External Affairs.

Performance Analysis



Performance Analysis

Introduction

The purpose of this section is to provide detailed analysis on how we are meeting our 3 high level corporate plan priorities to “Protect”, “Restore” and “Value” nature, alongside our internal corporate business and transformational change programme “The NatureScot Way”.

Our annual business plans set out what we aim to do in pursuit of those outcomes each year under each of our 15 corporate objectives. This Performance Analysis describes those key activities and achievements for 2024-25 and the progress we have made against Key Performance Indicators (KPIs).

The structure of our priorities, objectives, outcomes and KPIs is set out in the tables in the Performance Report Section.

The outcomes identified are generally aspirations for the longer term given that the progress to halt biodiversity loss and restore nature will take much longer than either a 1 year business plan horizon or 4 year corporate plan horizon. The activities we have undertaken this year, and report on in this section, are part of a longer term programme of work to attain the stated outcome. They are the key deliverables which are managed within our objective delivery plan structure.

This section also provides analysis of the organisational risks we are facing and the strategies we have for managing them.



Protecting Nature

Outcome: Strengthened protection of existing biodiversity

1. Lead the delivery of 30% of land and sea being protected by 2030

Outcome – Clearly identified locations where additional protection will help protect biodiversity

By 2030, Scotland's ambition is that 30% of Scotland's land and sea will be protected and well managed for nature. This includes the development and delivery of a range of policy and legislation to regulate the impacts on nature of major infrastructure developments.

Land Protection

We have published frameworks for 30x30 and Nature Networks and commenced work on a shared delivery plan with Scottish Government. We have worked with stakeholders to develop and publish draft criteria for other effective area-based conservation measures (OECMs) and initiated pilots at 11 sites. We have launched a new, award-winning data management system to support monitoring of 30x30 and developed a nature networks mapping tool for local authorities and a nature network toolbox to support implementation.

We supported the evaluation of nominations for a new National Park in Scotland. We then took on the Reporter role and undertook the consultation and analysis of responses for the favoured option for a proposed park in Galloway. With over 5,300 responses received and over 1,110 members of the public attending, this consultation has been the largest and most challenging we have undertaken. Our advice to Scottish Ministers was delivered in May 2025.

Sea Protection

We continued to develop our approach to Marine Protected Areas (MPAs) and Priority Marine Features (PMFs). This included a joint Marine Protection communications strategy with Scottish Government, developing a stakeholder engagement framework and reporting to OSPAR (the mechanism by which 15 Governments and the European Union co-operate to protect the marine environment of the North-East Atlantic) and Scottish Parliament on MPA management effectiveness and the Scottish MPA network.

We supported the public consultation of the Scottish Seabird Conservation Action Plan including publishing a report on potential actions to support recovery of seabird populations in Scotland. We agreed a new approach with the Health and Safety Executive, the Campaign for Responsible Rodenticide Use and other government bodies to the use of Critical Situation Permits to support seabird island biosecurity. We published an update to the indicator on the numbers and breeding success of seabirds and agreed a three year plan for monitoring seabird colonies, funded by Scottish Government.

Outcome – The condition of nature has improved across Scotland

We assess the condition of protected sites in Scotland as part of the UK-wide Common Standards Monitoring programme, known as Site Condition Monitoring (SCM) in Scotland.

Assessments are carried out for medium or high-risk features on a ten year cycle. Risk depends on feature type, known threats and current assessed condition. Over the longer term, our measurement work shows that the condition of SCM sites is still declining despite our efforts to improve the situation which highlights the need to expand and change our work and monitoring.

The proportion of natural features reported to be in favourable condition on protected sites on 31st March 2025 was 75%. This reported figure includes features assessed as "Favourable",

“Unfavourable Recovering” and those considered “Unfavourable but Recovering” due to changes in the way they are being managed. Results, including context and analysis, are published on an annual basis on our website as an Official Statistic on Protected Areas.

Woodland condition

Our review of native woodlands in favourable condition, based on SCM data, as well as observational information from the sector, shows that 31% of protected woodland features are in favourable condition. This is a reduction from last year’s 33% and a statistically significant reduction over the last 8 years from 36% in 2017/18. This suggests that protected woodlands and, by extension, ancient and natural woodlands are mostly in unfavourable condition and that the proportion in unfavourable condition is steadily increasing.

The key negative pressures are high grazing impacts, mostly by deer, invasive species, particularly Rhododendron and tree disease, especially in woodlands with ash, elm, juniper and alder components. Native woodlands planted over the last 25 years remain in generally poor condition, with little progress towards natural woodland ecosystem development, largely because of high grazing impacts.

National Nature Reserves (Land Management)

Our 29 National Nature Reserves (NNRs) and 9 Nature Reserves (NRs) contribute to nearly all our corporate plan objectives to protect, restore and value nature and to deliver action on climate change, including the current high-level priorities for working with land managers, 30x30, public and private finance and wildlife management. We manage over 40,000 hectares to enhance biodiversity and there has been no change in our landholding this year. Over 87% of protected area features on our sites are in favourable or recovering condition with a further 5% with impacts which cannot be changed by onsite activity.

Key conservation work has included peatland restoration, woodland expansion, management of deer to reduce impacts and removal of Invasive Non-Native Species. We funded large-scale projects to restore coastal habitats at Tentsmuir and Loch Fleet and planted over 3,000 trees at Cairnsmore of Fleet. This year saw the highest annual counts ever of grey seals at Forvie and puffins on the Isle of May.

2. Build stronger collaboration reducing the impacts of deer and modernise our wildlife management and underpinning licensing functions to enable a net-zero and nature-positive future

Outcome – Deer populations have reduced

Our long term objective is to reduce the deer population in Scotland and the work detailed below is being taken forward to achieve that. However, deer populations are not reducing at the rate Scotland requires so we are increasing culling activity and deer population monitoring accordingly.

We worked with the Strategic Deer Board to make the case for incentives for deer management. We successfully ran three trials and will repeat them in 2025/26. We are working with Scottish Government to deliver new deer legislation through the Natural Environment Bill that will give us greater regulatory powers. Over 300,000 Ha (10%) of upland Deer Management Group range is currently in the regulatory process, including the first compulsory control order, where deer reductions are being progressed.

The most recent cull return data shows an upward trend in the number of deer culled, a trend we aim to maintain in the coming years. We increased the geographic coverage and number of deer cull returns through the roll out of our Deer App and working with Scottish Government’s Rural Payments and Inspections Directorate (RPID) to request culls from a greater number of agricultural properties across Scotland.

Outcome – Licences are processed in accordance with our licensing standards

We introduced new licences to comply with new legislation and we are improving internal processes using digital technology to manage demand. We closely monitored the variable licensing trends that we have seen in the last three years.

We have focused on ensuring our licensing service meets the standards set out in our Licensing Service Level Statement published this year which has involved dealing with 3,858 licence applications and issuing 2,858 licences. We are developing more robust ways to assure the data that we use to demonstrate that we are meeting our standards.

Our online licensing functions have been developed and now service 6 application types. The majority of licences are now delivered through the online licensing service.

We developed the policy approach, published a code of practice and licensing scheme for the taking and killing of grouse, culminating in 258 applications being assessed and issued. Significant work has been progressed developing the licensing approach and code of practice for Muirburn, which is due to be enacted in 2025. The Scottish Government commissioned “Species Licensing Review” has been undertaken and will now be taken through external review and submitted to Ministers.

Outcome – Beavers found in new catchments

Over the course of the last few years, we have seen a steady increase in beavers found in new catchments in pursuit of this outcome through translocation to new catchments and natural spread. There has been significant work to support licence applications in new catchments. The focus of management translocations this year has been on reinforcing existing catchments, on mitigating beaver impacts and monitoring beaver dispersal to new catchments which we will be able to report on in 2026/27.



The Cairngorms National Park welcomed beavers in the Spey Catchment as part of their licensed release. We are working with the Park Authority on training which will empower them to respond to small scale mitigation situations without seeking an individual licence every time.

We supported land managers experiencing negative impacts from beavers, largely in Tayside, as part of Scotland's Beaver Strategy delivery. The Scottish Beaver Advisory Group and the work of the sub-groups continued to make good progress.

We operated the Scottish Beaver Mitigation Scheme, providing the offer of free advice and support for mitigation where it meets the aims of the scheme. This included the use of various new technologies to help identify and standardise the assessment of risk. We are improving our guidance documents and will re-publish them soon.

3. Engage and influence planning and other regulatory systems to ensure they deliver for nature and climate

Outcome – Nature is in a better state than before development

Our long term aspiration is to ensure that the effects of development are managed in a way that has positive outcomes for nature. This can be done in a variety of ways including using our expertise to influence changes to plans or working with developers and planning authorities proactively to ensure that nature-positive actions are built into proposals. This is a long term outcome. Each year we help build awareness and momentum towards a nature-positive future.

We focus on the ratio of holding objections as a proportion of the total number of applications that we advise on because this gives us an indication of the effectiveness of our advice and guidance to developers. Over the last few years, the overall numbers have remained in a similar range. This year the percentage was 7.7% down slightly from 9.9% the previous year. Our aim is to object to less than 4% of cases that we are required to comment on.

The majority of Planning Authorities are still working on the evidence gathering and reporting stage of the new Local Development Plan (LDP) process. We are working with the authorities and other agencies to ensure that robust evidence is gathered. In some cases, this has been as part of piloting the collaborative Key Agency Group approach to preparing LDPs. Our input to this early stage of preparing LDPs emphasised addressing the climate and nature crises, just transition and a resilient nature-rich future.

We were consulted on 705 planning applications (excluding pre-application consultations). A significant number of these are consultations under the UK Strategic Rural Network (SRN) for new and existing phone masts, to improve mobile coverage in remote and rural locations. Overall, we made 26 outright objections, 2 of which were to wind farm applications lodged under S36 of the Electricity Act 1989 for the construction or extension and operation of electricity generating stations, and 11 related to SRN masts. The 13 remaining objections are for a variety of miscellaneous reasons, primarily associated with protected areas. Our objections are publicly accessible in the relevant Local Authority planning portal.

We have been involved in two Public Local Inquiries for the Kirkton Wind Farm proposal and the Coul Links Golf Course proposal, both in Highland.

We worked with partners on the Onshore Wind Strategic Leadership Group to collectively tackle barriers to the deployment of onshore wind and to develop a Scottish Onshore Wind Sector Deal.

The national rollout of our artificial intelligence (AI) powered InformedDECISION™ planning advice tool, transformed management of our casework service. The platform harnesses AI

to support and accelerate decision-making by expert case officers, helping them to identify relevant historical cases, guidance and key documentation to significantly boost efficiency. External stakeholders, including planners, land managers and developers, benefit from a streamlined application process with integrated mapping tools, intelligent workflows and improved guidance, all designed to Scottish Government Digital standards.

To support implementation of National Planning Framework 4, we reviewed our development management advice on peatland, carbon-rich soils and priority peatland habitats. This review was undertaken in collaboration with the renewables sector and the Peatland Expert Advisory Group and our guidance will be updated in light of these discussions.

4. Influence the transformation of marine management through new marine planning, protection and fisheries management frameworks and working with the marine renewable energy sector

Outcome – We meet net-zero targets through marine renewable energy avoiding major impacts on nature

Clean sources of energy are vital to ensuring Scotland achieves Net Zero. We are committed to achieving an outcome whereby the potential of our offshore power generation is realised with the least adverse impact on marine eco systems. We are expecting a substantial increase in the number of proposals coming forward to develop offshore power projects.

We tracked the total number of marine renewable energy consultations where we issue advice to Marine Directorate – Licensing Operations Team (MD LOT), other regulators or direct to developers. It currently includes offshore wind, tidal and wave developments. This ensures that we can meet next zero targets in Scotland whilst minimising the impact of development on nature. We advised on 462 cases, down from 496 the previous year but within the expected range. However, we are seeing increasing complexity in the type of cases we are handling so the overall demand for staff resource time is increasing. We commissioned an external consultancy report to help us understand the future drivers of demand that we will be facing and cost recovery options.

We advised on five major offshore wind developments, including several complex derogation cases and contributed to the iterative plan review for the Offshore Wind Sectoral Marine Plan. We supported Scottish and UK Governments to identify potential compensation measures and delivery mechanisms for offshore wind.

Marine Planning

We provided significant input into developing National Marine Plan 2, including a comprehensive submission to the Marine Planning Policy Statement consultation. Alongside JNCC, we provided conservation advice to Marine Directorate to inform their Fisheries Management Plans and fisheries casework proposals.

Coastal and Marine Restoration

We supported the development and roll-out of marine habitat restoration. We published guidance to help support community groups and others to protect and restore native oysters. We have supported eight existing restoration projects alongside advising various developing projects.

We received enquiries from private individuals, community groups and Non-Government Organisations interested in enhancement. We also saw an increase in enquiries from industry about nature-positive measures.

There were fewer queries for coastal habitat restoration projects due to the high costs for managed realignment activities to restore or create coastal wetland habitats.

We contributed to a range of policy areas, including the development of the Catalogue of Measures, Scottish Biodiversity Strategy, Natural Environment Bill, the National Marine Plan revision and the Marine and Coastal Restoration Plan.

We assisted with developing OSPAR's best practice guidelines for seagrass restoration and published guidance for Native Oyster Restoration. We are developing guidance for baseline monitoring for seagrass restoration. Educational materials related to Native Oysters developed in collaboration with the Dornoch Environmental Enhancement Project's (DEEP) partners have been made available via our website.

We contributed to the Sand Dune Managers' Handbook, developed as part the Dynamic Dunescapes Project, to include examples of good sand dune management in a Scottish context.



Restoring Nature

Outcome: Halt the loss of biodiversity by 2030 and restore nature by 2045

5. Co-lead the production of the new Scottish Biodiversity Strategy and develop targets to include in a new Natural Environment Bill

Outcome – A clear direction and delivery plan for a nature-positive future

We delivered this outcome by working with the Scottish Government and partner agencies to publish the revised Scottish Biodiversity Strategy (SBS) and the first five-year Scottish Biodiversity Strategy Delivery Plan which contains over 150 actions to deliver the SBS vision to halt and reverse biodiversity loss.

The Natural Environment Bill (NEB) was placed in the Scottish Parliament in February 2025 and began its parliamentary process. The Bill proposes a framework for establishing statutory nature targets that were consulted upon as part of the SBS consultation. Our Heads of Marine and Terrestrial Science are members of the SBS Programme Advisory Group (PAG) which identified the target areas for the NEB. Following that process, our Scientific Advisory Committee (SAC) undertook a peer review of the process and the target areas and recommended their suitability to the Minister. Alongside this, we have worked with the SG Nature Division team and have delivered a commission on targets for the SBS.

6. Scale up Peatland Restoration by delivering Peatland ACTION funding to projects

Outcome – Achieved rates of peatland restoration that meet or exceed targets

Scotland's peatlands are a globally significant habitat and their restoration and protection are essential for Scotland to meet net-zero targets, as well as providing multiple benefits for biodiversity and reducing risks from flooding and wildfire.

We increased our Peatland Restoration output, restoring over 9,600ha of peatland and exceeding our restoration target of 7,400ha by a third. At the same time, we attracted £2.5m of private finance from landowners and investors and £900k of external funding from the Shared Island Initiative, reducing average project costs from £1,300/ha to under £1,000/ha.

We published a new Peatland Action Monitoring Strategy, conducted research on long-term workforce capacity needs and developed a new Scottish Peatland Standard, as well as developing guidance on peat and development.

Throughout the year, we carried out many engagement events with stakeholders, including supporting a series of regional workshops and events with Scottish Land and Estates and the Farm Advisory Service, published a number of case studies and videos to illustrate Peatland ACTION in practice and ran a consultation seeking feedback on recent and future operational changes.



7. Lead, enable and convene others around the development of ambitious and coherent actions to restore nature. Deliver a major Nature Restoration Fund targeted at high impact nature recovery projects and seeking greater investment from the private sector

Outcome – Increased investment for nature restoration

The Scottish Government's Nature Restoration Fund (NRF) has awarded over £55 million since its launch in 2021, including to more than 240 projects through the competitive fund run by us. Projects are delivering exciting activity on the ground to protect and restore Scotland's biodiversity while helping build resilience to climate change. There has been a tremendous response across Scotland to harness the opportunities provided by the NRF and we continued to progress towards our outcome for increased investment in nature restoration this year.

A total of 68 NRF projects were delivered this year including multi-year "Transforming Nature" projects continuing into 2025/26. The NRF decision panel met on a quarterly basis with 45 new projects awarded funding. This included twenty new recipients to NRF, demonstrating a similar demand to the programme from both new and previous NRF recipients. Our performance indicator is focused on new recipients because this gives an indication of new applicants and is a proxy for new areas of nature being restored. The 20 new recipients is in line with previous years applications which is why the indicator in the performance analysis remains stable.

The NRF webpages were refreshed to feature a suite of recently commissioned short films showcasing seven NRF supported projects.

The NRF-supported "Revive the Allan Greenloaming" Phase 2 project led by Forth Rivers Trust won the Climate Impact award at the Scottish Charity Awards run by SCVO. The "Reducing Whale and Basking Shark Entanglements" project led by the Whale and Dolphin Conservation Trust was highly commended at the Nature of Scotland Awards.

The Neighbourhood Ecosystem Fund, an initiative supported with funding from the Nature Restoration Fund, launched in May 2024. The programme, administered by Inspiring Scotland, supports community groups with funding and practical advice to develop local community-led restoration projects before applying for other funding sources for project delivery. In the first round 14 projects were successful with their applications and received £146,000 of funding in total.

8. Demonstrate how agriculture can be transformed with new approaches to deliver targeted outcomes for nature and climate

Outcome – Land managers are motivated to take action to improve nature and climate

Delivery of this outcome relies on land managers understanding how successful agricultural enterprises can work with a changing climate and improve biodiversity. Many are already embracing nature-friendly practices because it makes good business sense to do so alongside a growing recognition that agricultural practices must adapt to ensure sustainable food production.

The actions we took this year have helped to maintain numbers of land managers accessing the agri-environment climate scheme (AECS) alongside the development of a farm biodiversity auditing and planning approach to enable them to better understand the biodiversity of their holdings.

We handle fewer than half of the AECS scheme applications and all contracts are for 5 years so that at any one time around 3,000 of the 19,000 farmers and crofters who regularly claim public support are taking part in AECS.

Under AECS, there were 375 agri-environment applications submitted in the 2024 round, of which 131 were assessed by us. As a result, we have supported 110 new 5-year AECS contracts, with a value of £6.8m. The majority of these are expected to benefit designated sites. Over the longer term we await clarity on the future direction of agricultural support and how AECS and other schemes can support farming with nature.

We piloted the first stages of a farm biodiversity auditing process with a mobile app and web platform called Farm Biodiversity Scotland, to help farmers and crofters carry out a biodiversity audit. Up to 250 farmers and crofters were engaged in testing the app and were able to create a biodiversity audit habitat map for their farm or croft as part of the piloting process.

We made further developments to the app, releasing a new version in March 2025 for further testing. All farmers and crofters who take part in piloting Farm Biodiversity Scotland in 2024 and 2025 have been able to use the habitat map they generated to comply with Scottish Government's Agricultural Reform Programme Whole Farm Plan requirements for 2025.



Valuing Nature

Outcome: The value of nature is reflected throughout public and private sector policy, underpinning care for nature and investment towards a wellbeing economy

9. Inspire people to connect with nature, increasing appreciation of nature's value through impactful delivery and communication of our work

Outcome – More people visit nature

Outcome – More people who visit nature understand their responsibilities

We know that people benefit from accessing nature both physically and mentally so encouraging access to the outdoor environment and connecting with nature has a positive impact on society. Closely related to this is that people who are inspired to visit nature will also want to learn more about what they are experiencing and the importance of maintaining and improving nature for current and future generations.

We therefore monitored data from the Scottish Household Survey to enable our understanding of how many people are visiting nature. The most recent data suggests that visits to the outdoors are still markedly higher than before the pandemic lockdowns.

We used awareness of the Scottish Outdoor Access Code (SOAC) as a measure that illustrates how well people understand their responsibilities to nature and we monitor that data as part of our statutory obligations. A new methodology for SOAC monitoring was implemented in 2022 and since then four waves of data have been collected. Awareness of the Code continues to hold steady.

Structural Funds

Our work on managing Structural Funds for Green Infrastructure and Natural and Cultural Heritage came to an end. The Green Infrastructure Strategic Intervention made £15m available to 21 projects all located within the 20% most deprived urban areas. Funding totalling £37.5m was invested in the creation and improvement of multifunctional green infrastructure in our towns and cities.

The projects attracted interest from a range of organisations including research and infrastructure planning bodies looking into how to respond to the joint climate and biodiversity crises. The communities managing Hamiltonhill Claypits Local Nature Reserve and Greater Easterhouse were active in connecting people with nature and encouraging active lifestyles.

The Natural and Cultural Heritage Fund delivered 13 projects with £8.6m of ERDF money. Funding was given to new projects to promote the outstanding scenery, wildlife and culture of the Highlands and Islands. The Fund created 55 permanent jobs and has spread tourism offerings more evenly across the region. The Structural Funds programme is now closed.



National Nature Reserves (Visitor Management)

The 29 National Nature Reserves (NNRs) that we run welcomed over 1 million visitors and engaged with nearly 3 million on social media. NNRs make a significant contribution to enabling more people to visit nature and importantly, to understand the important work that is being done to restore biodiversity and the contribution every individual can make.

Over 15,000 people joined us on nature focused events, learning visits, demonstration days, training and volunteering. This included 1,800 on demonstration and training sessions focused on rural skills and land management and learning sessions for 2,400 students from nursery to tertiary education. Our valued volunteers contributed 1,450 days helping with practical work, surveys and engagement on our reserves. We invested in significant path upgrades, improving access on several upland and coastal sites repairing paths suffering from erosion, storm damage or rerouting due to flooding.

We also refurbished our St Cyrus visitor centre and built new wildlife viewing hides to improve the visitor experience on our reserves.

10. Influence the regulatory, policy, market and institutional infrastructure needed to stimulate private sector investment into nature

Outcome – Private investment has funded projects that meet Scottish Government principles

We are at the heart of Scottish Government's Private Investment in Natural Capital programme which sets out principles for investment in nature. The projects noted below comply with these principles, as published by the Scottish Government in the Natural Capital Market Framework in Autumn of 2024. Our work under this Framework will shape and influence the next generation of public/private funding for nature restoration in Scotland.

Along with the National Lottery Heritage Fund, we invested around £4.6m through 35 FIRNS (Facility for Investment Ready Nature in Scotland) grant awards in projects seeking to attract investment from private sources or to develop market infrastructure that supports high integrity natural capital markets. The main pipeline projects in Scotland continue to progress well – with the third and final round launched in February 2025. Evaluation and shared learning from rounds 1 and 2 helped us to refine our approach.

The Flow Country was the first site in the world to be inscribed as a UNESCO World Heritage Site for its peatland, recognising its value as the largest and most intact blanket bog ecosystem globally. The inscription places a global spotlight on the importance of peatlands generally, and the Flow Country particularly, as a wetland ecosystem and a functioning carbon store.

Aligning to the carbon store element is the Flow Country Green Finance Initiative (FCGFI). This is a FIRNS-funded project to increase the scale and pace of restoration of those areas of the Flow Country which are degraded. This helps recognise peatland's role in addressing the biodiversity and climate crises.

The Scottish Government published a Natural Capital Market Framework in Autumn of 2024. Our work under this Framework will shape and influence the next generation of public/private funding for nature restoration in Scotland.

The National Wealth Fund has indicated a willingness to provide cornerstone funding of £50m for the Aberdeen Climate and Nature Impact Fund (ACANIF). This fund is now seeking partner investment and will aim to provide the first sizeable equity investment into natural capital projects in Scotland, significantly increasing the amount of private capital available in the market.

We grew the Scottish Marine Environmental Enhancement Fund (SMEEF) to boost private finance support for recovery of coasts and seas. Our £2.4 million seagrass programme, supported by Scottish and Southern Energy Networks Distribution, got underway, with four projects awarded initial funding for different seagrass restoration approaches.



11. Drive the establishment of Natural Capital as an integral part of public and private business planning and investment decisions at national, landscape and landholding/business scales

Outcome – The full benefits of nature are included in decision making at all levels

To help ensure that the full benefits of nature are included in decision-making at all levels and to support partner organisations we developed a Natural Capital Tool in partnership with Liverpool John Moores University and EOLAS Insight (a geospatial IT developer). It is a free and easy to use geospatial web application, building on scientific knowledge for mapping natural capital assets and ecosystem services.

To develop the functionality in a Scottish context, we completed a series of workshops with over 160 individuals from public bodies, eNGOs, local authorities, community groups, landscape scale partnerships, natural capital consultants, research institutions and nature finance organisations. A prototype tool was then piloted with seven landscape scale partnerships and we are now working with EOLAS Insight to develop the tool. The tool will be released in a phased approach during 2025.

12. Promote understanding and awareness of skills and capacity needs for the nature-based sector

Outcome – There are more nature based skills in the Scottish workforce

We need a skilled workforce now and into the future that can make change happen on the ground which is why we aim to develop more nature based skills in the Scottish workforce. We therefore continued to work with partners to understand the skills and capacity needs of the land and nature-based sector and to inspire young people to consider a career working for nature.

We commissioned research into how to attract more young people into game and wildlife and rural skills apprenticeships. This will inform efforts by key stakeholders to ensure the new Nature and Land-based apprenticeship frameworks are delivered in a way that better meets the needs of apprentices and employers.

We supported a range of wildlife management sharing good practice events including Habitat Impact Assessment for Deer Management, Best Practice Deer management and 'Working for Waders' (a series of knowledge exchange events on wader conservation on farmland). We also delivered 44 training and sharing good practice sessions to support the Peatland Action Programme.

We attended 27 career events targeted at students and graduates and have developed strong partnerships with Edinburgh and Glasgow University careers teams through their careers fairs. A particular highlight was our 'Meet the Professionals' webinar, where Springwatch presenter Ajay Tegala provided an inspiring insight into life as a Wildlife Ranger.

We delivered STEM activities for children and young people at 5 events utilising our new cohort of NatureScot STEM ambassadors.

We engaged with 'Green Jobs for Nature', an initiative led by the Chartered Institute of Ecology and Environmental Management. It aims to ensure that the nature-based sector is welcoming to people from all backgrounds and more representative of our society.

The NatureScot Way

Outcome: Our passion, inspiration and expertise will put nature at the heart of Scotland's future

13. Deliver new ways of working to stimulate achievement of our ambitions

Outcome – We have introduced new ways of working

The NatureScot Way describes our corporate culture, our values and how we act towards each other– it's the way we do things. We want to have a fantastic reputation, not just for what we deliver, but also for the way we work to Protect, Restore and Value nature.

We are committed to transforming our ways of working to ensure we are fit for the future by creating a green, agile and flexible organisation, to underpin successful delivery of our ambitions and to contribute to wider public service reform activity across environmental public bodies.

We pursued our Estates strategy, so that our ways of working and net-zero ambitions are supported by collaborative and connected workplaces. We relocated our Dunoon, Cupar, Galashiels and Clydebank offices to better meet our requirements. We try to share with other public bodies where possible and aim to deliver substantive cash and carbon savings. We reached agreement with Scottish Government to relocate our Battleby office to the new public sector hub at Pullar House in Perth once this is ready. In addition, our HQ building at Great Glen House (Inverness) received an A+ performance rating in relation to building emissions. Further information on our progress to Net Zero is available in the Governance Report Section.

We innovated to ensure our digital capabilities are optimised through online services and that we have the necessary collaborative infrastructure to aid our ambitions. The fight against cybercrime is relentless and we are working tirelessly to ensure that our systems are secure. We also invested in ensuring websites, tools and technologies are designed and developed so that they are accessible to all.

This year we also launched our Ecosystems Management Insights (EcoMI) tool, improving the efficiency and quality of our protected areas monitoring. Both this initiative and Informed DECISION have arisen from Innovate for Nature, our strategic collaboration partnership with CivTech.

We have created and launched a new Project Management Office to co-ordinate and better secure the benefits of our transformation efforts.

14. Transform our individual and collective leadership capability.

Desired Outcome – We have an improved leadership capacity

We want to be the influential leaders in biodiversity that Scotland needs, so we must transform our leadership capability and become bolder and more ambitious. We will ensure that our leaders are equipped and supported to deliver their roles, so that our leadership approach enables us to achieve our corporate objectives and ultimately deliver for nature.

We focused much of our work on the Global Leadership for Sustainable Development (GLSD) Programme and embedded the Inner Development Goals (IDGs) as a core learning tool for our leaders.

We also engaged fully in Public Service Reform to optimise the collaborative effort towards halting the loss of biodiversity.

We developed our approach to engagement and influencing, to extend our reach. For example, we gauged awareness of our influence by measuring our visibility amongst MSPs. This year 70% of MSPs who took part in our annual survey indicated that they know NatureScot very well or a fair amount. This represented a rise of 4 percentage points from 2023. 60% of MSPs had favourable views of NatureScot, a rise of 3 percentage points from the previous year. 65% of MSPs think that we are effective in fulfilling our key role. This represents a rise of 12 percentage points from 2023.

These results will inform how we continue to engage with MSPs in the period prior to the 2026 Scottish Parliamentary elections.

Our mainstream media reach measures the potential number of people who have opportunity to see NatureScot in a variety of media and it indicates the impact of our media activity with positive and or balanced coverage of our brand and work. It climbed to its highest level ever, to over 2 billion for the first time (2.16 billion), an increase of over 17 percentage points. The reasons for the substantial increase included the media's continued interest in climate change and nature and that we are seen by the media as a trusted, expert and reliable source. We also had a number of high profile events which have attracted widespread interest such as The Flow Country inscription.

Our Make Space for Nature campaign provides practical, season-specific tips to inspire action to reverse nature loss and fight climate change. We've strengthened our engagement with key groups, with an additional focus on accessibility for disabled people and those with a long-term health condition.

Using an expanded mix of media platforms, we've increased engagement rates across diverse audience segments. We've deepened our collaborations with known "influencers" and welcomed new partners to ensure our messages resonate with a broader and more diverse audience.

The campaign encouraged 3.2 million people (equivalent to 71% of the Scottish population) to follow the Make Space for Nature seasonal tips. Each campaign phase achieved a high web engagement rate of 97%, demonstrating consistent audience interaction with the campaign content. Google Analytics is the source for this data and due to changes in the way this is collected, the time series isn't consistent between years.



15. Sustain our focus on developing a happy and resilient workforce

Outcome – A diverse and inclusive workforce

Our work is dependent on the skills and knowledge of our people and to be an employer of choice, with a happy and resilient workforce is critical to delivering for nature.

We commenced development of an organisational learning system which enhances career development and supports the development of the future skills we need.

We also emphasised wellbeing initiatives which support our workforce, with a focus on our safety culture and building resilience. To support this, we rolled out the Health and Safety Executive's HSE Stress Indicator tool organisation wide. This will be a strong focus for us in the year ahead. We're striving to embed Equality Diversity and Inclusion (EDI) in our culture so that we grow as an inclusive organisation which values and celebrates people's differences and better reflects the society we serve.

Our 2024 equality data questionnaire used sets of questions similar to those used in the last Scottish Census. By using these, we were able compare our results with the wider population. The response rate of 59% was a great improvement on previous campaigns where we were achieving response rates of around 25%. It is also now comparable to other organisations in Scotland. This data gives us a good understanding of our workforce. It allowed us to identify trends and to develop effective equality goals. It also showed where we can do better and where our focus needs to be.

By comparing our data with Scotland's Census 2022 results, we can see that the diversity of our workforce does not represent the population of Scotland. We know we have to keep working hard to mainstream equality and inclusion and achieve diversity in our people.

We welcomed an increase in sexual orientation disclosure. Membership of our LGBTQ+ employee network continues to grow which contributed to this increase. We aim to increase our disclosure rate further in the coming year, with support from our employee networks, Equality Champions and Trade Unions.

Risk Analysis

We have a suite of policies and processes to manage risk at a project, activity and corporate level. At the end of the year, 14 risks were being managed through the corporate risk register.

Reports to the Board on the key risks and risk movements are presented quarterly. The Senior Leadership Team undertake a monthly review of corporate risks with a strong emphasis on horizon scanning any risks and uncertainties which could significantly impact the delivery of our overall mission and corporate and business plan objectives.

A risk maturity model is used to assess the quality of practice of risk management and provides assurance to the Audit and Risk Committee (ARC) and Board that we are maintaining high standards in risk management practice whilst seeking continuous improvement. Further work is planned with the ARC in 2025 to ensure risks fully align and support the delivery of our core corporate and business plan objectives.

The greatest risks faced this year are summarised in the Performance Report in the section on Key Risks. The ARC provided assurance to the Board about the robustness of our organisational approach to risk management and the quantification of risk appetite through which we assess how much risk we are prepared to take in pursuit of our objectives. These use the risk dimensions of operations, nature, reputation, resources and compliance. We reviewed our risk appetite and no changes were made to the overall position. We noted that further work was required to ensure that our risk appetite is fully embedded and aligned with specific workstreams which are seeking to address both climate change and biodiversity loss.

The ARC undertakes thematic deep dives to better understand risk factors relating to specific corporate risks and scrutinise the effectiveness of the risk management strategy and controls. This year 4 deep dives were undertaken into the risks we have identified in regard to Biodiversity Loss and the impact of SBS, wildlife management, the management of the AECS programme and marine management.

The deep dive process also includes updates on health and safety issues and ARC oversight supports the management structures we have in place for managing health and safety at work including updates on incidents required to be reported to the Health and Safety Executive. No such incidents occurred this year.

A detailed risk register is published in our Board quarterly reports www.nature.scot/about-naturescot/board-directors-and-committees/our-board/board-meetings

Looking Ahead and Future Plans

Scotland already has a vision for tackling the dual climate and nature crises. The 2030 target of halting the loss of biodiversity requires a national endeavour to save nature. By 2045 Scotland is aiming to have restored and regenerated biodiversity across our land and seas. Looking forward, the Scottish Government's Biodiversity Strategy sets the focus for a national effort towards the restoration and protection of nature. The Strategy is a call for concerted effort across the whole of society to tackle the nature-climate emergency. We are working with the Scottish Government as it takes forward legislation to pass its Natural Environment Bill and in particular put biodiversity restoration targets on a statutory footing.

International agreements on climate change and reversing biodiversity loss continue to be agreed and promoted. These agreements shape our vision and activity in Scotland. We will continue to strengthen ties around the globe to protect, restore and value nature.

This year is the last year of our 2022-2026 Corporate Plan, "A Nature-Rich Future for All". Work has started on the creation our next Corporate Plan which will take us to 2030. The work will include extensive stakeholder consultation and internal staff engagement to set a plan that is stretching, yet achievable.

Our Business Plan for 2025-26 reflects that ambition and sets out four core themes which are essential for success. Alongside the Scottish Biodiversity strategy these four core themes will form the basis of our consultation.

- Drive nature-positive change in agricultural practice, land use and the marine environment
- Achieve our 30x30 commitment to safeguard 30% of our land and sea by 2030
- Increase public and private sector investment in nature and ensure good development
- Promote nature-positive land and wildlife management through strengthened regulation

We are also retaining our focus on ensuring that we can provide the best possible support to our front-line staff under our transformation programme "The NatureScot Way". We are seeking to ensure best value and actively contribute to public sector reform.

Financial,
environmental
and social
summary

Financial, environmental and social summary

Financial performance

Budget and cash funding

Each year a budget is agreed with Scottish Government (known as Departmental Expenditure Limit or DEL). This is to cover cash costs, accrued expenditure (capital and operating), net of income from other sources and non-cash costs of depreciation, amortisation and certain impairments.

The budget allocations by Scottish Government and budget revisions during 2024/25 are shown in the table below:

Budget category	Per Budget Act (£000)	in-Year Budget Revisions (£000)	Final Budget for 2024/25 (£000)
Resource DEL	55,602	7,889	63,491
Non-cash Resource DEL	2,409	(438)	1,971
Total Resource DEL	58,011	7,451	65,462
Capital DEL	7,598	12,768	20,366
UK Funded AME	-	(602)	(602)
Total DEL budget	65,609	19,617	85,226

Included within the Resource DEL of £63.491m (including in-year budget revisions) was a ring-fenced amount payable to JNCC of £1.156m.

The in-year ring-fenced budget revisions of £19.617m included:

- £14.900m for Peatland Restoration;
- £2.000m for Nature Restoration Fund;
- £0.855m for Farming with Nature (previously the Natural Capital Pilot Programme);
- £0.982m for Orkney Native Wildlife Project;
- £1.200m for The Facility for Investment Ready Nature;
- (£0.602)m for Annually Managed Expenditure (AME) such as Provisions;
- £0.058m for IFRS16 Lease Capital;
- (£0.438)m for IFRS16 Lease Depreciation;
- £0.662m to fund a variety of other initiatives.

The in-year budget revisions of £19.617m were slightly lower compared to 2023/24 (£19.999m).

A budget relating to Annually Managed Expenditure (AME) of (£0.602)m was provided by Scottish Government. In the context of our operations, this provides budget cover for any new provisions, certain changes relating to provisions, corporation tax and also revaluation gains or losses where they relate to changes in asset values from volatile markets. In 2024/25, a provision release for Structural Funds ineligible ERDF was included for (£0.757)m relating to the Final Claim.

The financial statements showing the results for the year start on [page 90](#).

We are required to manage the Out-turn within the Scottish Government budget limits:

- For 2024/25, the DEL budget limit was £85.828m. NatureScot incurred £85.593m net expenditure against this limit, which resulted in an underspend of £0.235m (2023/24: £0.840m underspend after approved underspend of £1.150m). This is analysed as follows:
 - Overspend of £0.396m against Resource DEL budget due to overspends in Paybill, Project Allocations and Ring-Fenced Programmes;
 - Overspend of £0.243m against Non-cash Depreciation of £1.971m due to timings in asset purchases and IFRS16 Right of Asset lease start dates;
 - Underspend of £0.874m against Capital DEL budget of £20.366m primarily due to underspends against Indirect Capital relating to Peatland ACTION £0.398m and NRF £0.174m.
- The Out-turn against the AME budget was an overspend of £0.749m. This is due to a combination of variances including corporation tax liabilities now based on loss of charitable relief resulting in a £0.112m overspend, revaluation gains rather than budgeted losses resulting in a £0.252m underspend and the structural funds expected credit loss provision not being released as we are awaiting final clawback invoices resulting in a £0.825m overspend. The remaining movement of £0.064m overspend relates to provisions and IFRS16 peppercorn depreciation.

Our cash budget allocation was £83.619m (Resource and Capital DEL) and we drew down £81.445m of this. The difference of £2.174m represented the forecast underspend relating to Peatland ACTION due to the uncertainty with the 2025-26 Budget Allocations and multi-year projects at the time of drawdown.

Out-turn for 2024/25

The final Out-turn against budget for 2024/25 is shown in the table below:

	Out-turn £000	Budget £000	Approve Underspend £000	(Under)/ Overspend £000
Net expenditure per accounts	83,681	-	-	-
Expenditure/income adjustments for budget purposes	(19,794)	-	-	-
Operating cash costs	63,887	63,491	-	396
Operating non-cash costs	2,214	1,971	-	243
Resource DEL costs	66,101	65,462	-	639
Capital DEL costs	19,492	20,366	-	(874)
Out-turn against DEL Budget	85,593	85,828	-	(235)
Revaluation losses / (gains)	(102)	-	-	-
Increase in provisions	7	-	-	-
Expected credit losses and govt grants	68	-	-	-
IFRS16 Peppercorn depreciation	42	-	-	-
Corporation Tax	132	-	-	-
Out-turn against AME Budget	147	(602)	-	749

Budget Out-turn notes

	£000
Operating cash cost adjustments	
— depreciation and amortisation	(2,256)
— revaluation gains on property, plant and equipment	102
— capital grants, classified as capital	(17,432)
— income funding the purchase of capital assets	-
— increase in provisions	(7)
— capital grant in kind	-
— decrease in expected credit losses, classified as AME	63
— increase in government grants provision, classified as AME	(131)
— corporation tax expense, classified as AME	(132)
	(19,794)
Operating non-cash costs	
— depreciation and amortisation	2,214
Capital additions and income	
— heritage, property, plant and equipment and intangible assets	2,180
— income funding purchase of capital assets	-
— capital grants, classified as capital	17,432
— net book value of asset disposals	(120)
— capital grant in kind	-
	19,492

Income from operating activities during the year was £4.300m (2023/24: £19.381m). The decrease is mainly due to the Structural Funds Programme ending in the previous financial year.

Significant capital asset additions during the year included:

— Internally developed software – Deerline licensing	£0.497m
— Investment in PP&E for NNR Property	£0.391m
— Vehicle Fleet Replacement	£0.343m
— IS infrastructure investment	£0.197m

We had net current liabilities of £0.986m at 31 March 2025 (2023/24: net current assets of £21.885m). The downward movement from net current assets to net current liabilities is mostly due to the Structural Funds programme ending which resulted in the significant reduction in receivable balances. In addition, there are significant deferred income balances relating to SMEEF private sector funding held for utilisation within one year of £1.581m – further analysis is shown in [note 19](#) and [note 22](#).

Financial Sustainability

The 2024/25 core grant in aid slightly increased compared to 2023/24 and included increased funding for our Peatland ACTION and Nature Restoration Fund programmes. New funding opportunities have arisen in support of our objectives. These are forecast to grow further in future years. We prepare for the impact of this by preparing a longer-term financial plan with scenario plans reflecting increases and reductions to core grant in aid and other income streams. Our investment in smarter ways of working and concentration on the priority work will identify areas where we can reduce our costs and continue to deliver on our Corporate Plan ambitions.

Best Value

We deliver best value in line with the duty set out in the Scottish Public Finance Manual (SPFM) issued by Scottish Ministers and the revised statutory guidance on best value (2020).

Our approach is underpinned by the following principles.

- Our corporate plan, business plan and 90 day plans clearly articulate our vision and leadership role in addressing biodiversity loss and leading on nature-based solutions to climate change.
- Governance and accountability are reflected in our management structure, policies and leadership which set out clear lines of responsibility and reporting, as well as robust systems used in decision-making, budget and risk management.
- Monitoring of our performance is tracked throughout the year and reported quarterly to our Senior Leadership Team and Board to ensure we are meeting our targets and outcomes as they relate to the National Performance Framework and the Programme for Government.
- We manage our resources by continuously monitoring our projected income, expenditure and capital investment plans, maximising efficiencies for the procurement of goods and services and making best use of our people, property, land and information technology. Appropriate data is collected and reported to established governance groups and the Senior Leadership Team and Board.
- Partnership and collaborative working is essential to delivering our outcomes and involves building positive, mutually beneficial relationships with other organisations.
- Enhanced climate change training and guidance for colleagues and the introduction of our new plan for Net Zero ensures that sustainability is factored in to how we operate through our procurement practice, the efficient use of our offices and land and, our approach to travel and how we use energy.
- Equality and dignity at work underpins our values and behaviour, both in the treatment of employees and how we conduct our business.

Social Inclusion

Our mission is to lead nature restoration in Scotland, addressing the twin crises of biodiversity loss and climate change, leaving no community behind and sharing the benefits fairly. To achieve this just transition to a nature-positive and net-zero Scotland, we need to inspire people to connect with nature, increasing appreciation of nature's value, through impactful delivery and communication of our work and through the increasing diversity of our sector.

In planning and delivering our work we use evidence to guide us and in 2024/25 we started to publish the results from [Scotland's People and Nature Survey 2023/24](#) which gathered insight into people's knowledge, attitudes and behaviours towards nature, including those from socially and economically disadvantaged backgrounds. The findings show that frequent use of local greenspace (at least once a week) was highest among those who have the easiest access and are most satisfied with their local provision; younger people; people with good health; more affluent people; and dog owners. These are positive findings for population health in general, but they also illustrate significant health inequalities with only 50% of residents in the most deprived neighbourhoods enjoying outdoor recreation at least once a week, compared to 71% in the least deprived areas.

We worked with disadvantaged groups and communities to help remove some of the barriers that people can face in connecting with nature. We also engaged representative bodies of these groups in strategic work on biodiversity, green skills and jobs and, the proposed National Park for the Galloway area. The information below covers some of the key highlights of this work.

For our Scottish Outdoor Access Code campaign, we sought advice about how best to ensure we are reaching ethnic minority and lower socio economic groups and we put this into practice with success, for example by 15% of those reached by the summer 2024 paid for social media campaign being ethnic minority adults.

Our Make Space for Nature campaign provided practical, season-specific tips to inspire action that helps reverse nature loss and fight climate change. Through a refined approach informed by our evaluation data and audience insights, we've strengthened our engagement with key groups including young people, members of ethnic minority communities, families and older adults, with an additional focus on accessibility for disabled people or those with a long-term health condition. Using an expanded mix of platforms including radio, Facebook, Instagram, Snapchat and TikTok, alongside traditional media and our popular podcast series, we've achieved increasing engagement rates across these diverse audience segments.

We've deepened our collaborations with influential voices including Chris Lawlor and The Chaotic Scot, while welcoming new partners representing minority ethnic groups, disability advocacy, volunteering for nature and youth environmental leadership, ensuring our messages resonated with an increasingly broader and more diverse audience. Through digital media and radio, the campaign encouraged 3.2 million people (70.69% of the Scottish population) to follow the Make Space for Nature seasonal tips, helping them to take care of and connect with their natural environment. Each campaign phase achieved a high web engagement rate of 97% demonstrating consistent audience interaction with the campaign content.

We ran a further round of our Future Routes Fund in 2024. This is a fund for young people, by young people supporting projects run by 11-26 year-olds. It helps young people improve their local environment, provide opportunities for them to connect with nature, increase their knowledge and understanding of Scottish biodiversity and empower them to take action for nature and the climate. Nine projects were supported. The Barrhead High Eco-leadership group developed a sensory garden on their school grounds to boost social networking, increase time spent in nature and improve spaces for neurodiverse learners. A team based in Keiss turned a piece of wasteland behind their village hall into a beautiful community garden and young people at Eat, Sleep, Ride CIC developed an accessible nature walk featuring information stations to educate the local community about biodiversity.

In May we worked with Public Health Scotland and other partners to promote Green Health Week 2024 which celebrated the positive impact being active in nature can have on our health and wellbeing. Our successful piloting on green health partnerships concluded with the publication of the report on “Realising the potential of Scotland’s natural health service”.

We worked to increase visitors to our National Nature Reserves (NNRs) from under-represented groups continued. At St Cyrus NNR we hosted Branching Out visits, supporting adults who use mental health services in Scotland. We also worked with Camphill School Aberdeen at St Cyrus NNR helping young people with learning difficulties experience the wonderful nature there using our popular beach wheelchairs. At Tentsmuir NNR we upgraded a popular path to make it accessible to a wider range of users.

We supported over 2,000 young people with their learning at our NNRs. We supported a wide range of outdoor learning opportunities including work experience or working towards a John Muir or Duke of Edinburgh Award. Beinn Eighe, Muir of Dinnet, Noss, Knockan and Creag Meagaidh NNRs all hosted a number of Junior Ranger visits, supporting young people to learn about nature, the outdoors and pathways into nature-based jobs and skills.

Our funding contribution to partners such as The Conservation Volunteers, Volunteering Matters and the John Muir Trust continued and through them we supported a number of projects that involved under-represented groups. For example, half of Volunteering Matters Action Earth projects took place in communities in the lowest 20% of the Scottish Index of Multiple Deprivation. The Conservation Volunteers Green Skills Employability Programme increased the employability skills and confidence of those furthest from the labour market by facilitating them to work in nature. Sixteen trainees completed the programme. In 2024 the John Muir Trust piloted inclusive on-site volunteering activities and over 2,500 John Muir Awards were achieved by people from disadvantaged communities (27% of Awards delivered).

We have promoted the Make Your Mark inclusive volunteering campaign and toolkit to project managers internally and externally to partners. Examples of inclusive volunteering projects that we have contributed to include the Scotland’s Invasive Species Initiative and Saving Scotland’s Red Squirrels.

In November 2024 we launched the Nature Discovery Map Scotland, a national resource that helps pupils to explore biodiversity in and around education settings and consider how positive change could be made for nature. It helps to build the skills of our future leaders and innovators as well as helping them to be a part of improving their local environment, an important step in reducing eco-anxiety and increasing young people’s connection with nature.

The Species on the Edge partnership between NatureScot and seven nature conservation charities, worked to improve the fortunes of priority species found along Scotland’s coast and islands. It is dedicated to widening participation through inclusive and accessible opportunities to connect people with nature and provide them skills and knowledge to take action. A spectrum of activities from informal and flexible volunteering to longer term community led engagement projects responded to local need. Examples included: planning outdoor space improvement with residential homes on the East Coast, connecting a group of adults with severe learning difficulties including nonverbal to our species on the Solway Coast, accessible wellbeing walks linked to a nature prescription calendar in Orkney and a central youth panel leading on widening reach to other 16-25 year olds.

Our nature-based jobs and skills work raised awareness amongst under-represented groups of environmental jobs and skills. For example the Green Jobs for Nature project and our work following our sign-up to the Routemap for greater ethnic diversity in the environmental sector.

Our Response to Climate Change

In 2019, the Scottish Government declared a climate emergency. We support the commitment for urgent action to transform how we live and work. In response, we published our Climate Change Commitments. The crises of climate and nature loss are interconnected because climate change presents the single greatest threat to Scotland's nature and nature is integral to mitigating and adapting to climate change. The following actions are our response.

- Addressing the global biodiversity crisis, with habitats and species threatened not only by climate change but also by changing use of land and sea, direct exploitation, pollution and invasive non-native species.
- Reducing net emissions by contributing to global efforts to moderate future climate change.
- Adapting our society and economy to climate change that we are already locked into.

Addressing the global biodiversity crisis is integral to our role, as described within the Performance Report. Our role in reducing net emissions is presented in our Net Zero plan, which presents NatureScot's view of how we can achieve Net Zero by 2035. Progress towards our Net Zero targets is outlined in the Sustainable Development and Net Zero Emissions section.

During 2023-24, we progressed the third area by developing our first Climate Change Adaptation Framework and accompanying 2024-25 Adaptation Plan. The Adaptation Plan now feeds into our business planning and will be updated annually.

The Adaptation Framework and Plan focus mainly inward, on our organisational culture, processes and capacity. Their development has aligned with that of the Scottish National Adaptation Programme. Our Adaptation Framework also aligns with the recently published Scottish Biodiversity Strategy Delivery Plan. There are significant overlaps between these documents in terms of influencing choices in how land and sea are used and managed and the associated distribution of costs, risks and benefits.

Our Adaptation Framework and Plan provide valuable insights into our status or readiness of adaptation, including the need for consideration and actions on governance, leadership and resourcing. Almost one year on from implementation of our Adaptation Plan, we are focusing on integrating the climate change risks identified in the Framework with our Corporate Risk Register, which will help us communicate climate change risks in our work. Our transition to a climate risk-led approach identifies the multiple benefits that nature can provide in risk reduction, in both reaching Net Zero and adapting to climate change.

Many colleagues have completed the Climate Literacy for Procurers training provided by Scottish Government. This is mandatory before staff can run projects and undertake procurement and the completion numbers are incorporated into our Net Zero KPIs. Actions such as this that promote consideration of sustainability and potential carbon impact in procurement will also help us establish the costs associated with our organisational adaptation to climate change. This is further supported by our climate change skills and knowledge training for all staff. This, along with our soon-to-be initiated climate change communication strategy, will strengthen and support our decisions concerning climate change.

Sustainable Development and Net Zero Emissions

The corporate emissions data referred to in this summary covers 2023/24 in line with the latest data submitted for the Annual Climate Change Duties Report (ACCDR) in November 2024. Our emissions for 2024/25 will not be available until after the next ACCDR has been submitted by 30th November 2025 and reviewed and published on the [Sustainable Scotland Network website](#) thereafter. In 2023/24 our emissions were 924.15 tonnes CO₂e.

Summary

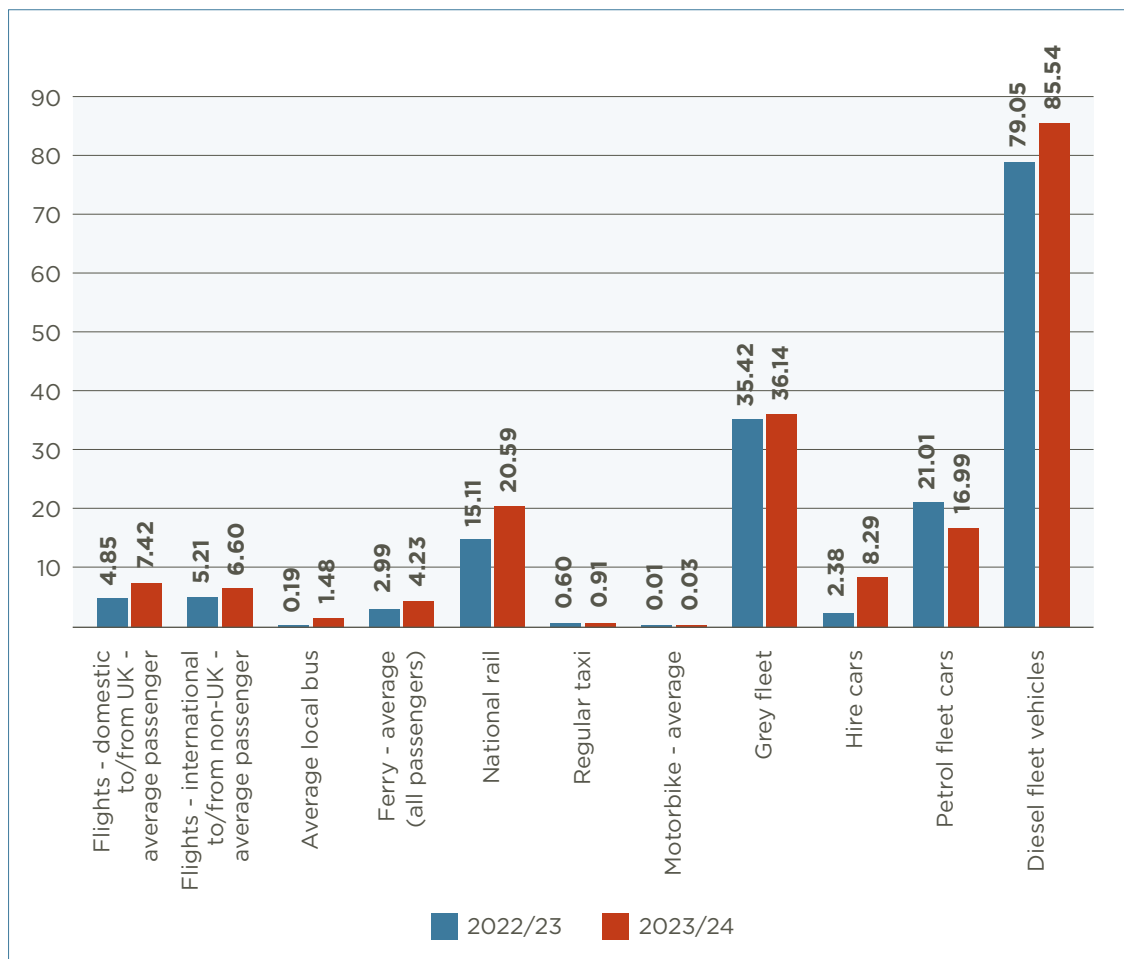
Since the start of mandatory reporting 10 years ago, our reported emissions have reduced by 41%. However, our reported emissions increased by just over 1% compared to 2022/23. This breaks down as follows:

- Buildings – decrease of 15 tonnes
- Homeworking – decrease of 4 tonnes
- Helicopter use – increase of 6 tonnes
- Travel – increase of 21 tonnes

Our overall carbon emissions through travel increased because we have more staff. This meant increased use of trains, diesel 4x4 and hire cars but positively, there was a reduction in petrol pool car use due to our move to EVs. There is a slight increase in domestic flights the majority of which is due to flying to outlying Scottish islands. The number of full-time equivalent (FTE) employees in 2023/24 was 744. This is a 4.2% increase on the previous year and overall, there was a small decrease in CO₂e emissions per FTE.

Detailed breakdown per each category

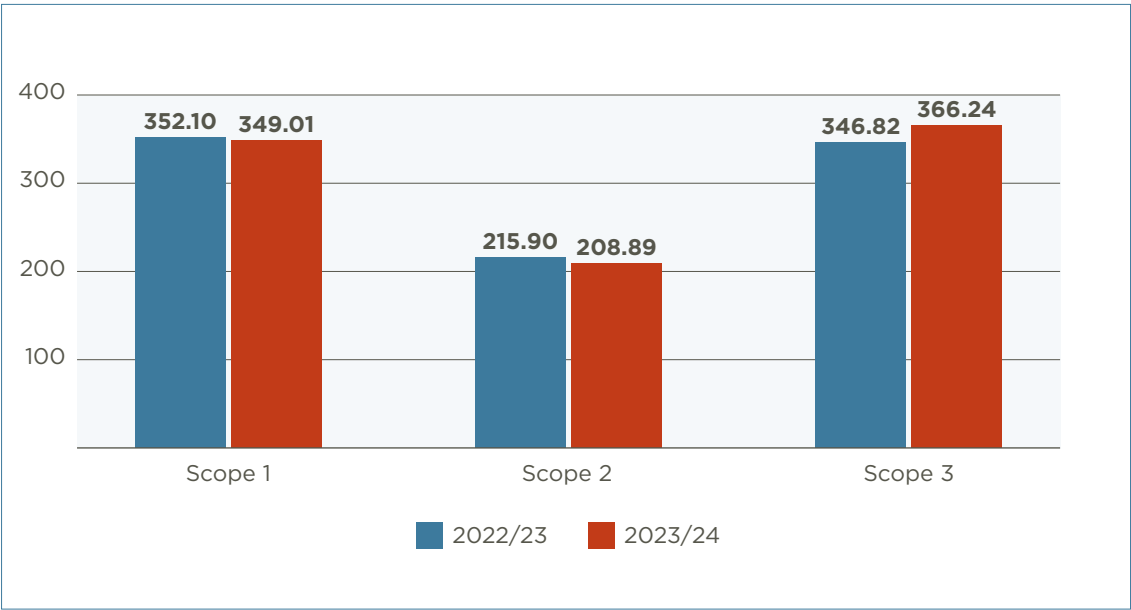
Total tCO₂ per Emission sources per year



Detailed breakdown per Scope per Year

Year	Scope 1	Scope 2	Scope 3	Total	Units
2022/23	352.10	215.90	346.82	914.82	tCO ₂ e
2023/24	349.01	208.89	366.24	924.14	tCO ₂ e

Total CO₂ emissions per Scope per Year



Corporate emissions are reported as tonnes of carbon dioxide equivalent (tCO₂e) and are categorised as scope 1, 2 or 3 depending on the nature of the asset/activity.

Scope 1 (Direct emissions): Activities owned or controlled by the PB, e.g. fuel use for heating and fleet vehicles including lease vehicles and pool cars, fugitive emissions from the use of refrigerant gases for cooling including air conditioning units, other process related emissions, including medical gases, emissions associated with wastewater treatment and agricultural activities, e.g. from research stations etc.

Scope 2 (Energy indirect): Emissions associated with the consumption of purchased electricity, heat, steam and cooling. All UK grid electricity consumption has scope 2 emissions, associated with generation and scope 3 emissions associated with transmission and distribution losses across the UK grid.

Scope 3 (Other indirect): Emissions arising from the procurement of goods and services from a third party/contractor. Examples include business travel in private cars (including short-term hires) and public transport, waste including municipal waste collected by local authorities, water use and procured goods or services. All electricity consumption from the UK grid has associated scope 3 emissions arising from transmission and distribution losses.

Transport

We are replacing our petrol and diesel cars and van fleet with electric vehicles and plan to complete this by 2025. This is in line with the Scottish Government’s target to phase out petrol and diesel cars and vans. We replaced 2 vehicles with zero-emission electric vehicles, with 11 planned for next year as part of our ongoing replacement programme. Currently our core car and van fleets comprise 48 vehicles with 39 of these being fully electric. To support the transition to electric vehicles, we are installing EV charge points at our sites around the

country bringing the total charging capacity to 81 vehicles at any one time across all the sites completed to date.

CO₂ travel savings will accelerate further when the market provides a cost-effective, zero-emission replacement for our 4x4 vehicles. A programme to streamline our fleet is delivering ongoing savings in CO₂ emissions and is also delivering against wider environmental concerns such as NO_x (nitrogen oxides) and PM (particulate matter) emissions.

Estates and NatureScot Ways of Working

Our Estates Strategy implementation continues at pace, with several location-based reviews undertaken over the past year. These identified potential opportunities to co-locate with other public sector organisations to reduce costs and carbon. Relocations of our offices at Dunoon, Cupar, Clydebank and Galashiels were completed during 2024/25, all relocating to premises shared with Scottish Government and Local Authority partners.

The office relocations delivered a reduction in our space of 388m² and are anticipated to deliver a reduction in our greenhouse gas emissions as all new premises have improved Energy Performance Certificate ratings. We actively look at other relocations where suitable opportunities arise, for example Visit Scotland relocated to our Lerwick office. Options reviews are ongoing for our Stirling, Dingwall and Inverness offices with outcomes anticipated during the next year. We also anticipate the relocation of the Perth office to new premises during 2026.

Our flexible, hybrid working approach, with employees working between offices, sites and at home, will continue. We have a total of 149 buildings across 41 sites, ranging from large offices and conference centres to workshops, deer larders and storage sheds. The presence of staff at most of these sites reflects our business needs and their working preferences. There are a mix of properties that we own and lease on both NNRs and offices. We have staff presence at 14 NNRs and own nine offices, which we share with 20 other partner organisations. We lease space in another 18 buildings which are provided by a range of different partners. We are aligned to the Scottish Government's strategy for a Single Scottish Estate.

Net Zero NatureScot

Our Net Zero plan is based on the continuous development, guidance and plans provided by Scottish Government and others. A comprehensive review and update of the Net Zero Plan is underway with the aim of having a draft 2026-2030 plan in place during 2025/26. We have developed Net Zero KPIs that will help monitor our progress against the plan and our targets. These are being embedded across five key activity areas so that ownership and delivery of Net Zero actions become part of everyday tasks.

Addressing the twin nature and climate crises requires action at all levels, from the highest government policy to the actions of communities, organisations like us and individuals. Our Net Zero Plan highlights how we stand ready to play our part in supporting that transformation so that Scotland can meet the exacting and necessary emissions reductions targets set by the Government.

Communications

During September 2024 we took part in SG Climate Week. From events to posts to podcasts, we made our staff think but also listened to their views. The event is aimed at staff to raise awareness, normalize climate conversations, discuss what the organisation's role is and promote ways to take action on climate change.

The NetZero Team has a full programme of communications, which have been cross referenced with the Adaptation and Climate Change teams to ensure that these interlinked threads support and reinforce each other's messages in ways that colleagues find relatable.

Task Force on Climate-Related Financial Disclosures

Compliance Statement – Phased Implementation Approach

We are taking a phased approach to fully meeting the reporting requirements of TCFD as set out in the Treasury Guidance (Annex C). Substantial progress has been made to identify climate related risks to our specific operations.

In pursuit of more clearly meeting the TCFD requirements, we have introduced NatureScot Adapts which is the start of that process and are actively taking forward work to embed climate change into the risk register for the new Corporate Plan.

Personal Data Related Incidents

We had no significant data-related security incidents.

We have been carrying out regular business continuity exercises with the Board and Senior Leadership Team that cover a wide range of scenarios and implications and impacts. Monthly security testing continues to be carried out by external contractors on our organisation and our close partners with whom we share data.

Our staff and Board continue to complete mandatory cyber training on a monthly basis to reduce the chance of phishing emails being successful. Our compliance for completion of training is currently at 94%. We have recently re-certified for Cyber Essentials.

Supplier Payment Policy

We aim to comply with the Scottish Government's Better Payment Practice Code by paying invoices within 10 days from the receipt of goods and services or the presentation of a valid invoice, whichever is later – the target is 95%.

92% of invoices were paid within the 10-day target which is an improvement on last year (2023/24: 89%) and we are working towards improving this further in 2025/26. We made nil payments during the year for compensation under the Late Payment of Commercial Debts Regulation 2013 (2023/24: nil).

Nature Conservation Orders made during the year to 31 March 2025

The Nature Conservation (Scotland) Act 2004 (2004 Act) came into force on 29 November 2004. The provisions of Section 23(1) ensured that all Nature Conservation Orders (NCOs) and Special Nature Conservation Orders in place before that date continued in force as NCOs under the 2004 Act. It remains our view that these orders should be used only as a matter of last resort where there is a direct threat to the natural features of an SSSI and/or a European site.

At the end of March 2025 there were six NCOs in force, with another four Amendment Orders, giving an overall total of ten orders in force.

As required by Section 28 of the 2004 Act (as amended by Regulation 9 of the Conservation (Natural Habitats, andc.) Amendment (Scotland) Regulations 2004), we report that during 2024/25:

- no new NCOs were made;
- no existing NCOs were amended;
- no existing NCOs were revoked.

Further information on NCOs can be found on our website at [Nature Conservation Order](#).



Nick Halfhide
Chief Executive and Accountable Officer
18 November 2025

The background of the image is a photograph of a mountainous landscape. In the foreground, there is a rocky, layered rock face with distinct horizontal strata. The middle ground shows a valley or a slope covered in low-lying vegetation, possibly heather or moss. In the background, there are more mountains under a sky with scattered white clouds. A large, semi-transparent white circle is centered over the image, containing the text 'Accountability Report' in a blue, sans-serif font.

Accountability Report

Corporate Governance Report

NatureScot Governance Framework

We are a non-departmental public body (NDPB), established by the Natural Heritage (Scotland) Act 1991. We receive most of our funding as grant-in-aid from the Scottish Government.

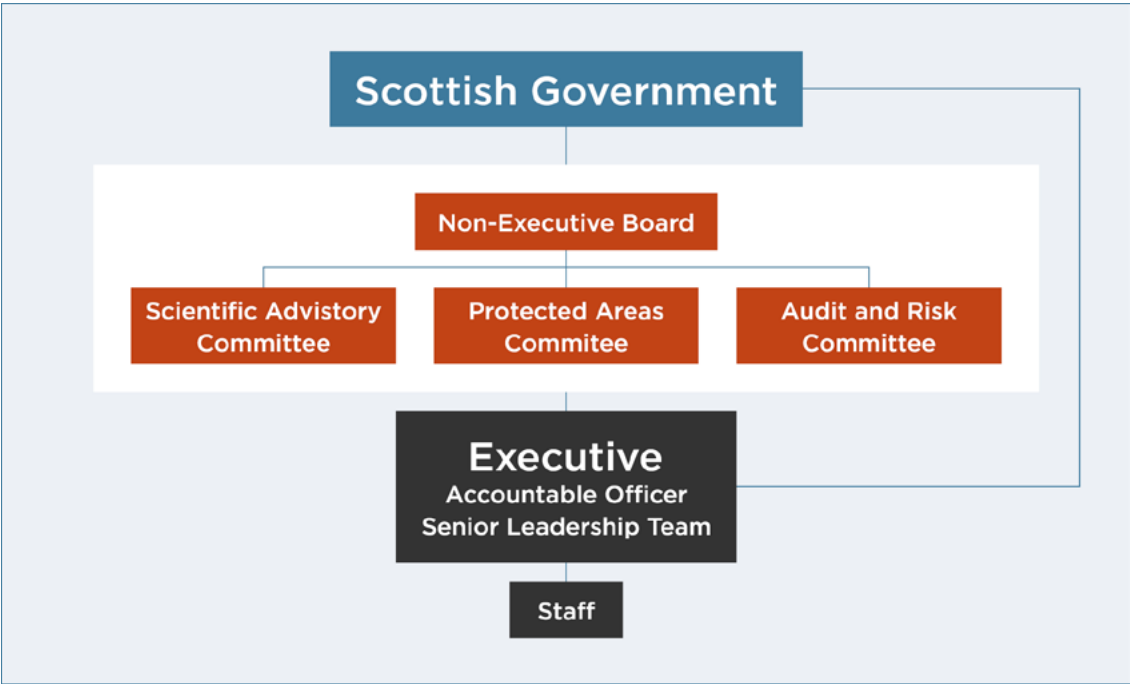
Our framework document outlines the administrative and financial structure within which we work. This document is drawn up by Scottish Government in consultation with us and is reviewed every 2-3 years. While this document does not confer any legal powers or responsibilities, it forms a key part of the accountability and governance framework.

The Framework Document has been in place for the full year ending March 2025 and can be viewed on our website at www.nature.scot/doc/naturescot-framework-document.

The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable level. It is designed to manage, rather than eliminate the risk of failure to achieve the organisation’s policies, aims and objectives. It can therefore only provide reasonable, and not absolute, assurance of effectiveness.

Governance Structure during 2024-25

Our governance structure operates at four levels: Scottish Government, Board and associated committees, Accountable Officer and Senior Leadership Team, and staff.



Board

We have a non-executive Board who decide the strategic direction of our organisation, in line with the policy, planning and resources framework set by Scottish Ministers. The Board appoints our Chief Executive and is supported by committees with a specialist focus on scientific advice, protected areas, and audit and risk. The role of the Board is to effectively lead, direct, support and guide the organisation and ensure that we implement the policies and priorities of Ministers and the Scottish Government.

Board Members are appointed by Scottish Ministers initially through a process of open competition for an initial term of 3 years or more. Consecutive terms up to a maximum of 8 years may be approved by Scottish Ministers based on an annual review of performance. The membership of the Board on 31 March 2025 was as follows:

Name	Appointed to NatureScot Board	Term	Date at which current term of appointment ends*
Colin Galbraith (Chair)	28 June 2023	1st	27 June 2027
Colin MacPhail	1 April 2021	1st	31 March 2025
Peter Higgins	1 April 2021	1st	31 March 2025
David Johnstone	1 April 2021	1st	31 March 2025
Ian Gambles	1 April 2021	1st	31 March 2025
Wayne Powell	1 April 2021	1st	31 March 2025
Heather Reid	1 April 2021	1st	31 March 2025
Nikki Yoxall	1 April 2021	1st	31 March 2025
Margaret Davidson	1 September 2022	1st	31 August 2026
Jaboury Ghazoul	1 September 2022	1st	31 August 2026
Jill Robbie	1 September 2022	1st	31 August 2026
James Harrison	1 May 2024	1st	1 May 2028

The Board also appointed a Board Apprentice in January 2024 who attends and participates in meetings as a Board Level Observer.

The full biographies for our current Board members can be found on our website at www.nature.scot/about-naturescot/board-directors-and-committees/our-board/board-members

The Board met seven times during 2024-25. At each regular meeting the Board receive a report from the Chief Executive on key operational matters, updates from the Board Committees and reports on specific areas of work as required for decision, discussion or information.

Board Meetings attended by members in the year from 1 April 2024 to 31 March 2025

Name	Number of Board meetings attended
Colin Galbraith (Chair)*	7/7
Colin MacPhail	6/7
Peter Higgins	7/7
David Johnstone	5/7
Ian Gambles	7/7
Wayne Powell	6/7
Heather Reid	7/7
Nikki Yoxall	6/7
Margaret Davidson	7/7
Jaboury Ghazoul	7/7
Jill Robbie	7/7
James Harrison	7/7

*all Board Members with appointments expiring on 31 March 2025 have now had their terms extended

Board members have a corporate responsibility for ensuring that we fulfil our statutory duties and the aims and objectives set by the Scottish Ministers, and for promoting the efficient and effective use of employees and other resources in accordance with the principles of Best Value.

The Chair is responsible to the Scottish Ministers, on behalf of the Board, for ensuring that our policies and actions support delivery of our statutory functions and the wider strategic policies of the Scottish Ministers and that our affairs are conducted with probity. The Chair shares with other Board members the corporate responsibilities set out above for the Board and, in particular, for ensuring that we fulfil the aims and objectives set by the Scottish Ministers.

In addition, the Chair ensures that all members of the Board, when taking up office, are fully briefed on the terms of their appointment and on their duties, rights and responsibilities. The Chair advises the Scottish Ministers of our requirements when Board vacancies arise, with a view to ensuring a proper balance of professional and financial expertise; they also assess the performance of individual Board Members on an annual basis.

We aim to be an open and accountable organisation. Meetings of the Board include open sessions, which the public are welcome to attend. All agendas and open session minutes of Board meetings can be viewed and downloaded from our website. Open session Board papers are available to download from our website, five days before the meetings.

Board members are required to adhere to the ethical framework and high standards outlined in The Ethical Standards in Public Life etc. (Scotland) Act 2004. The Board are also subject to a Code of Conduct in discharging their public duties and must declare any relevant interest. The Code of Conduct, Register of Interests, approved Board Minutes and Board Papers are available on our website at www.nature.scot/about-naturescot/board-directors-and-committees/our-board.

Board Committees

Our Board is supported by the Scientific Advisory Committee (SAC), the Protected Areas Committee (PAC) and the Audit and Risk Committee (ARC). Members of the PAC and ARC committees are appointed from the Board. The Chair of SAC is appointed from the Board and all other SAC members are recruited by open recruitment.

Audit and Risk Committee

The Audit and Risk Committee (ARC) is comprised of 5 Board Members. ARC met four times during 2024-25. The full remit of the ARC is to:

- help promote the highest standards in the use of public funds and encourage proper accountability for the use of funds and resources
- promote the development of our arrangements to attain our objectives and targets
- promote the development of our arrangements for corporate governance, including risk management and to advise the Board

Audit and Risk Committee meetings attended by members in the year from 1 April 2024 to 31 March 2025

Name	Number of ARC meetings attended
Ian Gambles (chair)	4/4
Nikki Yoxall	3/4
Colin MacPhail	4/4
Heather Reid	4/4
Margaret Davidson	4/4

Further information on the Committee can be found on our website at www.nature.scot/about-naturescot/board-directors-and-committees/audit-and-risk-committee

Protected Areas Committee

The Protected Areas Committee (PAC) is comprised of 5 Board Members. PAC met five times during 2024-25. The role of PAC is to advise us on the work it must do in relation to any:

- [Site of Special Scientific Interest \(SSSI\)](#)
- [Special Area of Conservation \(SAC\)](#)
- [Special Protection Area \(SPA\)](#)

Protected Areas Committee meetings attended by members in the year from 1 April 2024 to 31 March 2025

Name	Number of PAC meetings attended
David Johnstone (chair)	5/5
Jaboury Gazoul	3/5
Jill Robbie	5/5
Nikki Yoxall	3/5
James Harrison	4/5

Further information on the Committee can be found on our website at www.nature.scot/about-naturescot/board-directors-and-committees/protected-areas-committee

Scientific Advisory Committee

The Scientific Advisory Committee (SAC) is chaired by Board Member Peter Higgins with all other SAC members recruited by open recruitment. SAC met four times during 2024-25 with Peter Higgins attending all four meetings, some additional Board Members have attended in an Observer role. The role of SAC is to:

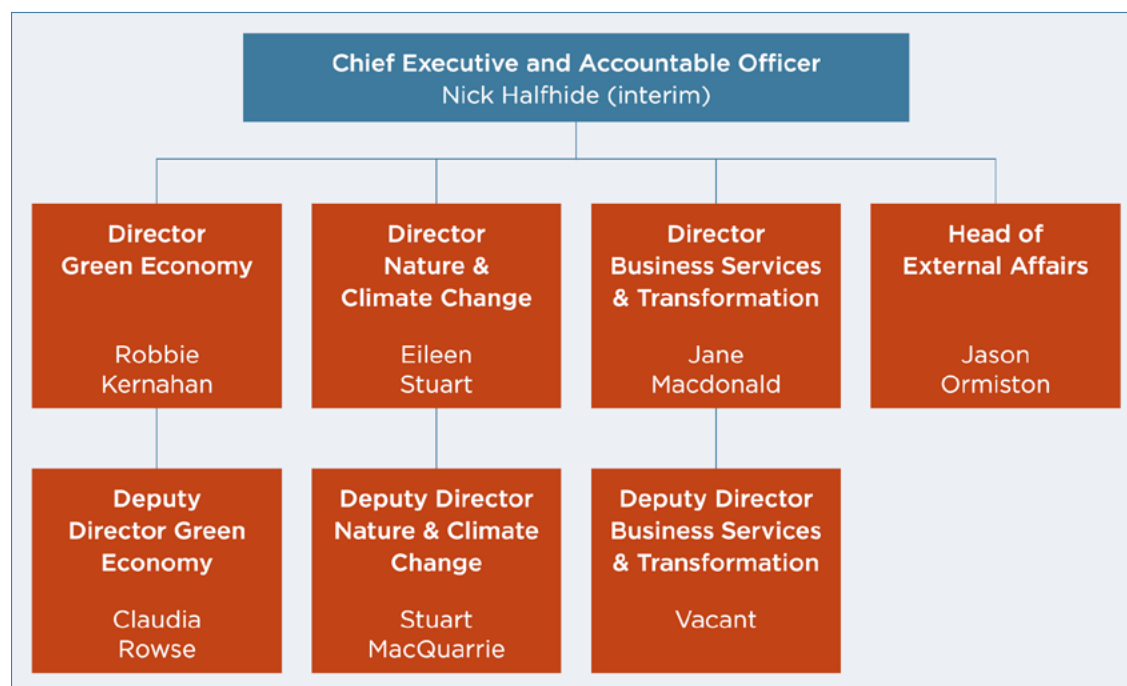
- advise the Board and staff on scientific and technical matters
- review the quality of our research
- advise on the scientific basis for the notification of any Site of Special Scientific Interest (SSSI) in Scotland
- contribute specialist knowledge and wider advice via working groups and individually

Further information on the Committee can be found on our website at www.nature.scot/about-naturescot/board-directors-and-committees/scientific-advisory-committee

Chief Executive and Senior Leadership Team

The Chief Executive is appointed by and is accountable to the Board and Scottish Ministers. The Chief Executive chairs a Senior Leadership Team (SLT) and covers three Directorates and a central governance and communications function.

Senior Leadership Team as at 31st March 2025



The current biographies of SLT members can be found on our website [NatureScot Senior Leadership Team](#).

Key changes in senior staff during the year to 31st March:

- Chief Executive and Accountable Officer Francesca Osowska left the organisation on 19th January 2025.
- Nick Halfhide, Director of Nature and Climate Change, was appointed as interim Chief Executive and Accountable Officer on 20th January 2025.
- Eileen Stuart, Deputy Director of Nature and Climate Change, was appointed as Director of Nature and Climate Change to cover Nick Halfhide's temporarily vacant post.
- Stuart MacQuarrie was appointed to the post of Deputy Director Nature and Climate Change. He moved to this position from the post of Deputy Director Business Services and Transformation.
- The post of Deputy Director Business Services and Transformation was in the process of recruitment as of 31st March.

Auditors

Our accounts are audited by Forvis Mazars who were appointed for a 5-year term from 2022/23 to 2026/27 by the Auditor General for Scotland. The costs relating to their statutory audit work in respect of the financial year were £0.085m (2023/24: £0.083m). No other fees for non-audit related services were paid to them.

Statement of Accountable Officer's Responsibilities

NatureScot's Accountable Officer

Under Section 10 of the Natural Heritage (Scotland) Act 1991, we are required to prepare annual accounts for each financial year in the form of and on the basis determined by Scottish Ministers. The annual accounts are prepared on an accruals basis and must give a true and fair view of our state of affairs as at the end of the financial year as well as the income and expenditure, statement of financial position and cash flows for the financial year. In preparing the annual accounts, the Accountable Officer is required to comply with the requirements of the Financial Reporting Manual and in particular to:

- observe the accounts direction issued by Scottish Ministers, including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis.
- make judgements and estimates on a reasonable 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 annual accounts.
- prepare the accounts on a going concern basis.
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

In addition, the Accountable Officer is responsible for safeguarding the assets falling within our stewardship, taking all such reasonable steps to prevent and detect fraud and other irregularities and ensuring that appropriate records are kept.

The Principal Accountable Officer of the Scottish Government appointed the Chief Executive as the Accountable Officer for NatureScot in accordance with sections 14 and 15 of the Public Finance and Accountability (Scotland) Act 2000. As Accountable Officer, the Chief Executive is responsible to the Scottish Parliament.

The Chief Executive's relevant responsibilities, as Accountable Officer, are set out in the Accountable Officers' Memorandum issued by the Principal Accountable Officer for the Scottish Government. The Accountable Officer has responsibility for the propriety and regularity of the public finances, for which they are answerable to the Scottish Parliament.

Governance Statement

My responsibilities are assigned to me in the Scottish Public Finance Manual and by the Scottish Parliament under Section 15 of the Public Finance and Accountability (Scotland) Act 2000. The statement below sets out the key elements of our internal control framework and my conclusion on this. The statement is approved personally by me, as Accountable Officer and is also approved by the Board as part of their overall approval of the Annual Report.

Scope of Responsibility

As Accountable Officer, I have responsibility for maintaining sound systems of internal management control. These support the achievement of the organisation's policies, aims and objectives, set by the Scottish Ministers, whilst safeguarding the public funds and assets for which I am personally responsible. My responsibilities are:

- the propriety and regularity of financial transactions under my control and for the economic, efficient and effective use of resources provided to us;
- that arrangements have been made to secure best value and for signing our annual accounts; and,
- that effective management systems are in place and that risks are identified, assessed and managed appropriately.

The Scottish Public Finance Manual is issued by Scottish Ministers to guide the Scottish Government and other relevant bodies on the proper handling and reporting of public funds. It sets out the relevant statutory, parliamentary and administrative requirements, emphasises the need for economy, efficiency and effectiveness and promotes good practice and high standards of propriety.

We aim for the highest standards in corporate governance and we follow the Cabinet Office Guidance on Codes of Practice for Public Bodies.

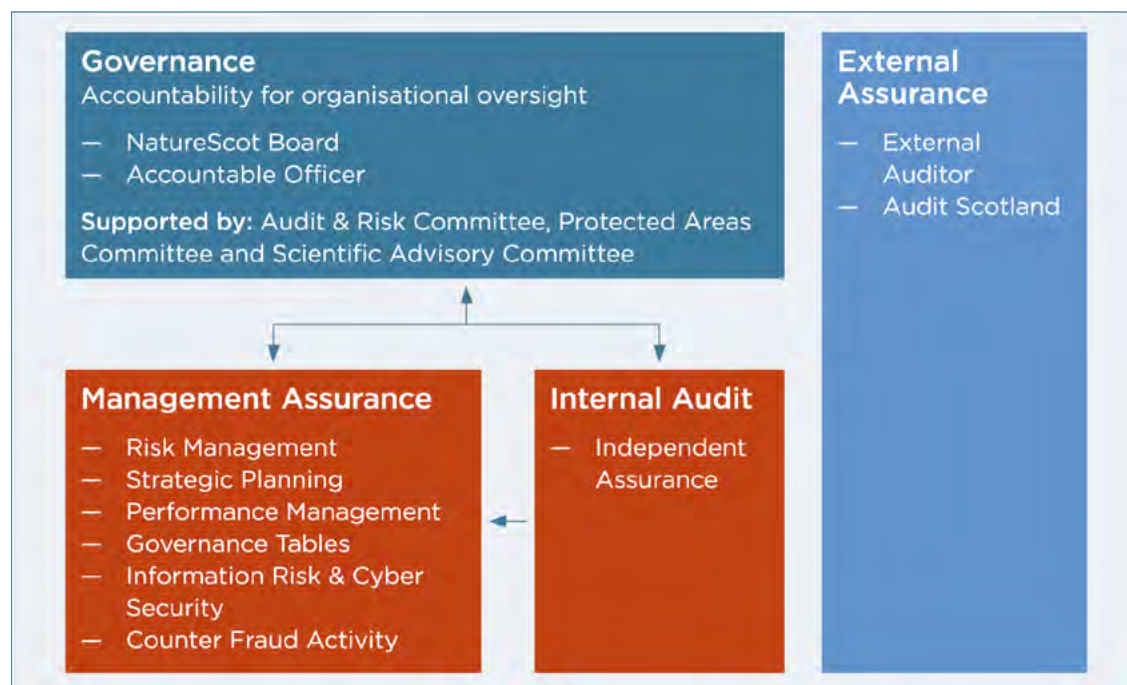
Assurance

Our Governance Framework is set out in the governance framework section of this document. The system of internal control and assurance is a significant part of the governance framework and is designed to manage risk to a reasonable level. It is designed to manage, rather than eliminate the risk of failure to achieve the organisation's policies, aims and objectives. It can therefore only provide reasonable, and not absolute, assurance of effectiveness.

The system of internal control is based on a continuous process, designed to identify the principal risks to achieving our policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

An assurance framework is in place to provide to me, as Accountable Officer, assurance on the internal control systems. This framework is illustrated in the figure below and the controls detailed in the following sections.

NatureScot Assurance Framework



Risk Management

Our Board establishes the organisation's risk appetite to inform decisions on which risks are considered worth taking and ones which should be avoided if we have less control on managing the outcomes. In all operational areas our risk appetite is open – i.e. we are willing to consider all potential options and choose the one most likely to result in successful delivery, while also providing an acceptable level of reward and value for money, recognising, and accepting, some degree of failure. Our approach to our compliance responsibilities however is one where our risk appetite is cautious – preferring safer options that have a lower degree of risk.

Our risks are managed and monitored within our risk management system and assurance is provided to me and the ARC through the risk team's quarterly reports. Any risks of significant impact are escalated through that system and are managed via the Corporate Risk Register, which is monitored on a monthly basis by the Senior Leadership Team and Board. On 31st March 2025 there were 11 corporate risks noted as high or very high.

Strategic Planning and Performance Framework

Our Planning and Performance Management Framework supports the delivery of our Corporate Plan as well as statutory and regulatory duties and the National Performance Framework.

The aim of the Framework is to ensure that the management of corporate planning and performance is integral to our long-term vision and corporate governance arrangements, business planning, decision making and management processes. This enables delivery of the Corporate Plan and Business Plans.

The Planning and Performance Management Framework enables the measuring and monitoring of our plans linked through corporate planning, financial and resource planning and risk management. We plan the work we will deliver each year and review and report on our performance.

Governance Tables

Operational governance standards remain high across all areas of our business as evidenced by our governance tables, based on the Scottish Public Finance Manual's Internal Control Checklist. The Tables, which align with the checklist, focus on the key management controls that are required in an effective public body. These tables are used to highlight key governance, compliance and accountability requirements across all aspects of our work. Each Governance Table is allocated to a Senior Manager who is responsible for maintaining the tables and reporting on controls on a quarterly basis.

Governance Tables are updated and reviewed quarterly for the following key areas of work:

- Counter Fraud
- Estates and Net Zero
- Finance, Business Planning, Risk & Procurement
- Funding
- HR, Equality and Diversity, Health, Safety and Wellbeing
- Information and Business Continuity
- Project Management
- Sponsored Bodies, Compliance and Review

Assurance on these tables is provided by the responsible Lead Managers and are reviewed and signed off by the Head of Internal Audit and Chief of Staff. I am satisfied that the system of governance tables is an appropriate way of identifying and continuously improving the effectiveness of our internal controls. Key controls requiring strengthening relate to the linking of workforce plans with resourcing plans and a programme of work is now being taken forward to develop a new approach to support our new Corporate Plan which is currently under development.

Information Risk and Cyber Security

In terms of providing assurance on the adequacy of our information and security management, the following was in place during 2024/25:

- We took forward Business Continuity tests with our Board, Senior Leadership Team and Activity Teams to increase our ability of incident management and recovery.
- We continued to carry out monthly network security testing of our perimeter infrastructure and have expanded our scope to include all of our external websites.
- We invested in new technologies to identify Dark Web threats and infrastructure vulnerabilities.
- We have mandatory, monthly cyber e-training and learning for all staff to reduce the risk of phishing emails and other attacks being successful. Our average staff compliance for completion of training is 95%.
- Information Governance and Cyber Security progress are discussed on a quarterly basis with the Audit and Risk Committee to ensure these areas have a high level of scrutiny.
- We re-certified for Cyber Essentials accreditation during this period.
- Work on the initial phase of our Information Asset Register (IAR) work has been completed.
- We record and thoroughly review, all Information Security incidents. In 2024/25 we have had no significant issues during the reporting year.

Counter Fraud Activity

We have a zero-tolerance approach to fraud. Our Fraud Policy and Response Plan is reviewed annually by the Head of Internal Audit, in consultation with Finance, Planning and Performance (FPP), People and Organisational Development (POD) staff and Trade Union Side. It is formally signed off by the Director of Business Services and Transformation and the Accountable Officer. The 2024/25 Fraud Policy and Response Plan was reviewed and issued to all staff in March 2024.

Our fraud risks are assessed annually as part of the annual internal audit planning process with a fraud risk assessment forming part of the annual internal audit plan. This is discussed by the Audit and Risk Committee (ARC) and Accountable Officer before formal sign-off.

During 2024/25, NatureScot Internal Audit, using the Scottish Government's fraud risk profiling tool, reviewed existing profiles with lead staff for the following areas:

- Procurement (all thresholds and GPCs)
- External Funding
- Transactions/Payments
- Cash Handling
- Payroll
- Expenses

A new fraud risk profile for Theft of Equipment was set up during March 2025.

Staff in key teams are required to complete a Counter Fraud eLearning course. This course is re-issued annually in Q1 to ensure any new staff in those teams complete the course. The Heads of Finance, Planning & Performance (FP&P) and Internal Audit also review Audit Scotland's Technical Bulletin on a quarterly basis, which sets out public sector fraud cases. These are circulated to the lead managers in NatureScot who can then check that their own controls are robust and would prevent similar cases.

There were two reports of alleged fraud during 2024/25:

- **Grant Funding** – a report was received from an external party at the end of October 2024 highlighting potential misuse of a public sector grant by a small third sector organisation. Police Scotland had also been contacted. A review of paperwork by the Heads of Funding, FP&P and Internal Audit confirmed that this did not relate to monies awarded by NatureScot and a verbal update was provided at the November 2024 ARC meeting.
- **Theft at Great Glen House (GGH)** – at the end of January 2025, a potential theft of gym kit from a locker at Great Glen House was escalated, although the items were reported missing in September 2024. The Head of Internal Audit reviewed the incident and several actions are being taken forward to ensure better on-site locker management and more timely reporting of missing equipment. A verbal update was provided at the February 2025 ARC meeting.

Internal Audit Assurance

During 2024/25, our internal audit function conformed to Public Sector Internal Audit Standards. Work to adopt the new Global Internal Audit Standards in the Public Sector from 2025/26 took place and an external quality assessment against the new Standards is scheduled for 2025/26. The control assessments for the areas reviewed during the year covered:

1. Corporate Prioritisation Framework
2. Cyber Security Awareness
3. Evidence Base
4. Stakeholder Plans
5. Hybrid Working Staff Policies
6. Income Generation
7. Protected Areas Resource Management
8. Peatland ACTION Outturn
9. Learning and Development Framework Follow-Up
10. Recruitment Challenges Follow-Up

Of the ten audits undertaken, three provided satisfactory levels of assurance and seven provided limited levels of assurance (six classified as amber and one as red). The root cause of the weaknesses identified shared common themes with three key areas that require strengthening. Actions have been agreed for these areas and progress is monitored by Programme Boards chaired by Senior Leadership Team staff and overseen by ARC:

1. Putting in place an effective strategic resource management framework – Corporate Prioritisation Framework, Protected Areas Resource Management and Recruitment Challenges Follow-Up audits.
2. Establishing and regularly monitoring effective people-related measures of success – Hybrid Working, Learning and Development Follow-up and Recruitment Challenges Follow-Up audits (these were highlighted in the 2023-24 Annual Report).
3. Putting in place robust financial monitoring and reporting processes for ring-fenced funds – Peatland ACTION Outturn review.

Internal audit recommendation implementation rates are high, demonstrating management's appetite for strengthening our governance, risk management and internal control framework.

External Assurance – Disclosure of Audit Information to Auditors

I have made available to the auditors all relevant information. I have taken all possible steps to ensure that I am aware of any relevant audit information and to establish that our auditors are aware of that information.

Review of Effectiveness and Conclusion

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of governance. This review is informed by:

- Our managers, who, through our governance tables, agree and measure the effectiveness of controls and regularly monitor and report on performance, finance and risk for the Senior Leadership Team, Audit and Risk Committee and the Board.
- The work of internal auditors, who submit their regular reports to our ARC. These include the Head of Internal Audit's independent and objective opinion on the adequacy and effectiveness of NatureScot's internal control systems, together with recommendations for improvement.
- The Audit and Risk Committee, which oversees the work of internal auditors, considers and comments on other matters within its terms of reference and provides me with appropriate assurance.
- Our risk management processes.
- An assurance by the Director of Business Services and Transformation on the adequacy of the organisation's fraud detection protocols, together with any recommendations for improvement.
- An assurance by the organisation's Senior Information Risk Owner (SIRO) on the adequacy of the organisation's information and security management protocols, together with any recommendations for improvement.
- Feedback from Audit Scotland and Forvis Mazars (our external auditors), in their reports.

Two significant issues were highlighted during the year:

- The Peatland ACTION programme has a significant annual budget. It was identified in year that the budget was on track for a potentially large underspend due to a slippage in the number of approved restoration projects being taken forward to implementation during the year. A full review was conducted and key operational changes implemented as a result.
- Issues with the Strategic Resource Management Framework have led to variances in reported resource figures. A full review was conducted and identified the need for a more joined up approach in documentation and systems to address this issue. Automation of the systems was identified as a key requirement.

I am confident that the systems and assurance processes in place are sufficiently robust to ensure we are operating efficiently and effectively. Where any deficiencies are identified they are addressed and, in my opinion, do not present a material risk to the delivery of our objectives.



Nick Halfhide

Chief Executive.

18 November 2025

Remuneration and Staff Report

The Remuneration and Staff Report is subject to audit except for the Remuneration Policy and Employment Contracts, Employee Involvement (including the disclosures under the Trade Union (Facility Time Publication Requirements) Regulations 2017), Sickness Absence and Equality and Diversity sections which are reviewed by Forvis Mazars for consistency with the audited accounts.

Remuneration Policy

The remuneration, allowances and expenses paid to Board Members comply with specific guidance issued by Scottish Ministers. We do not have a standing remuneration committee; however, a Board remuneration sub-group was stood up to support the CEO recruitment process.

For all other employees, we submit a pay remit to the Scottish Government Environment and Forestry Directorate for approval (normally annually, unless a multi-year deal has been agreed), which is within the terms and conditions set out in the Scottish Government's Public Sector Pay Policy. On approval of the pay remit, a pay settlement is negotiated with the relevant Trade Unions. Annual salaries are paid in accordance with our standard employee pay agreement. Performance is monitored and reviewed through our performance management approach (quarterly performance development conversations (PDCs)). Increases in employee's salary are based on progression within the established salary scales.

The Chief Executive's salary is reviewed each year and approved by the Chair, in line with the Scottish Government Remuneration Committee and Minister's steer and is governed by any further conditions set out in the Scottish Government Pay Guidance for Senior Staff. Francesca Osowska resigned as CEO on 19 January 2025, having been in post since 1 October 2017. Nick Halfhide started as Interim CEO on 20 January 2025. Nick Halfhide has been an employee for a number of years and was the Director of Nature and Climate Change before starting as Interim CEO. The terms and conditions of the Chief Executive's performance bonus remain suspended as per Pay Guidance for Senior Staff.

Employment Contracts

We are committed to ensuring a fair, transparent and consistent approach to filling vacant posts. Appointments are made on merit following a fair selection process within defined policy.

The senior staff covered in this report hold appointments which are open-ended. Their contracts provide for a notice period of three months. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

At 31 March 2025 the Board consisted of 12 Members, including the Chair. Board Members are appointed by Scottish Ministers initially through a process of open competition for an initial period of 3 years or more. Consecutive terms up to a maximum of 8 years may be approved by Scottish Ministers based on an annual review of performance.

Chair and Board Members

The Chair, Colin Galbraith, was appointed on 21 June 2023. The appointment is on a non-pensionable part-time basis and his total remuneration, in his capacity as Chair, for the year ended 31 March 2025 was £44,922 (2023/24 remuneration for Colin Galbraith for 10 months as Chair: £34,246).

Other Board Members' remuneration covers membership of the Board and is non-pensionable. Aoife Martin received additional remuneration due to her responsibilities as Deputy Chair of the NatureScot Board.

Board Members do not receive any bonus payments and details of their remuneration and taxable allowances are shown below.

Board Member	Key	Bands	
		2024-25 £000's	2023-24 £000's
Colin Galbraith, Chair of NatureScot Board	1,5	40 – 45	30 – 35
Jill Robbie, Deputy Chair of NatureScot Board	1,4	10 – 15	5 – 10
Margaret Davidson	1,3	5 – 10	5 – 10
Ian Gambles, Chair of ARC	1,3	10 – 15	5 – 10
Jaboury Ghazoul	1,2,4	5 – 10	5 – 10
Peter Higgins, Chair of SAC	1,2,4,5	10 – 15	5 – 10
David Johnstone, Chair of PAC	1,4	10 – 15	5 – 10
Colin MacPhail	1,3	5 – 10	5 – 10
Wayne Powell	1	5 – 10	5 – 10
Heather Reid	1,3	5 – 10	5 – 10
Nikki Yoxall	1,3,4	5 – 10	5 – 10
James Harrison	1,4	5 – 10	–
Mike Cantlay (Resigned 14/05/2023)	–	–	5 – 10
Aoife Martin (Resigned 31/03/2024)	–	–	20 – 25

Key:

- 1 = NatureScot Board
- 2 = Scientific Advisory Committee
- 3 = Audit and Risk Committee
- 4 = Protected Areas Committee
- 5 = NatureScot's appointed member of the JNCC and its trading subsidiary JNCC Support Co

Chief Executive

Our former Chief Executive, Francesca Osowska became a permanent employee of NatureScot from 1 October 2017 and resigned on 19 January 2025. In 2024/25 Francesca Osowska's total remuneration as Chief Executive for the year to 31 March 2025 was £101,027 (2023/24: £119,125).

On 20 January 2025 Nick Halfhide started in post as Interim CEO. Remuneration in capacity of Interim CEO was from this date to 31 March 2025 was £21,229 (2023/24: £0).

Bonuses continue to be suspended, this being a condition of the Scottish Government Public Sector Pay Guidance. Under the terms of their contracts, all pay increases (excluding performance related bonus) are pensionable. The Chief Executive's salary is 'progression based' and is included above on this basis. In accordance with the Public Sector Pay Negotiations for 2024/2025 applicable to Chief Executive Appointments, she received a total pay award limited to £6,428 (2023/24 limited to £1,123) comprising of cost of living increases with no progression because she previously reached the top of her grade. This represented a total pay award increase of 5.40% for 2024/25 (2023/24: 0.95%) and was effective from 1 April 2024. The non-consolidated pay award on annual salary for Francesca Osowska and Nick Halfhide was £nil for 2024/25 (2023/24: £nil).

Nick Halfhide will receive his first pay award as CEO in the financial year to 31 March 2026.

Nick Halfhide is an ordinary member of the Civil Service Pension Scheme, as was Francesca Osowska. They paid a percentage of their pensionable salary into the Alpha scheme.

Senior Leadership Team Salaries and Pension Benefits

The salary and pension entitlements of our Senior Leadership Team for the full year in 2024/25 were as follows:

	Basic salary 2024-25 £000's	Bonus 2024-25 £000's	Pensionable remuneration total 2024-25 £000's	Accrued pension benefits 2024-25 ¹ £000's	Total 2024-25 £000's
Francesca Osowska – Chief Executive Officer (Resigned 19 January 2025)	100-105	–	100-105	66	165-170
Nick Halfhide – Interim CEO (Previously Director, Nature and Climate Change)	95-100	–	95-100	31	125-130
Jane Macdonald – Director, Business Services and Transformation	90-95	–	90-95	51	140-145
Stuart MacQuarrie – Deputy Director, Nature and Climate Change (Previously Deputy Director, Business Services and Transformation)	80-85	–	80-85	42	120-125
Eileen Stuart – Director, Nature and Climate Change (Previously Deputy Director, Nature and Climate Change)	80-85	–	80-85	52	130-135
Robbie Kernahan – Interim Director, Sustainable Growth	90-95	–	90-95	46	135-140
Claudia Rowse – Deputy Director, Sustainable Growth	80-85	–	80-85	36	115-120
Jason Ormiston – Head of External Affairs	80-85	–	80-85	32	110-115

Benefits in kind worth £600 was paid to Nick Halfhide in 2024/25 in relation to the employee car salary sacrifice scheme which is open to all employees. The total cash equivalent value in relation to this scheme for Nick Halfhide in 2024/25 was £7,400.

Pensionable service used to calculate accrued pension at 31 March 2025 represents years of service payable from our pension scheme, including any added years or transfers.

1 The value of pension benefits accrued during 2024/25 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 decreases due to a transfer of pension rights.

The salary and pension entitlements of our Senior Leadership Team in 2023/24 are shown below.

	Basic salary 2023-24 £000's	Bonus 2023-24 £000's	Pensionable remuneration total 2023-24 £000's	Accrued pension benefits 2022-24 ² £000's	Total 2023-24 £000's
Francesca Osowska – Chief Executive	115-120	–	115-120	–	115-120
Jane Macdonald – Director, Business Services and Transformation	90-95	–	90-95	42	130-135
Stuart MacQuarrie – Deputy Director, Business Services and Transformation	75-80	–	75-80	28	105-110
Nick Halfhide – Director, Nature and Climate Change	90-95	–	90-95	66	155-160
Eileen Stuart – Deputy Director, Nature and Climate Change	75-80	–	75-80	21	100-105
Robbie Kernahan – Interim Director, Sustainable Growth	90-95	–	90-95	27	115-120
Claudia Rowse – Deputy Director, Sustainable Growth	75-80	–	75-80	34	110-115
Jason Ormiston – Head of External Affairs	75-80	–	75-80	31	110-115

Benefits in kind worth £193 was paid to Nick Halfhide in 2023/24 in relation to the employee car salary sacrifice scheme which is open to all employees.

Pensionable service used to calculate accrued pension at 31 March 2024 represents years of service payable from ours pension scheme, including any added years or transfers.

2 The value of pension benefits accrued during 2023/24 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 decreases due to a transfer of pension rights.

Senior Leadership Team's Total Pension Benefits

	Total accrued pension at pension age as at 31 March 2025 and related lump sum (unless stated) £000's	Real increase in pension and related lump sum at pension age £000's	CETV at 31 March 2025 (unless stated) £000's	CETV at 31 March 2024 (unless stated) £000's	Real increase in CETV £000's
Francesca Osowska	50 – 55 plus lump sum of 125 – 130	2.5 – 5 plus lump sum of 2.5 – 5	1,163	1,063	55
Jane Macdonald	30 – 35	2.5 – 5	668	595	42
Stuart MacQuarrie	30 – 35 plus lump sum of 75 – 80	0 – 2.5 plus lump sum of 0 – 2.5	633	575	30
Nick Halfhide	55 – 60	0 – 2.5	1,125	1,060	20
Eileen Stuart	35 – 40 plus lump sum of 90 – 95	2.5 – 5 plus lump sum of 2.5 – 5	886	818	47
Robbie Kernahan	35 – 40	2.5 – 5	684	622	32
Claudia Rowse	25 – 30 plus lump sum of 60 – 65	0 – 2.5 plus lump sum of 0 – 2.5	604	567	30
Jason Ormiston	10 – 15	0 – 2.5	156	119	22

Public Service Pension Remedy

Accrued pension benefits included in the tables above 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 43 Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the 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. 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 with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined Alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from

their normal pension age on 1 April 2012 switch into Alpha sometime between 1 June 2015 and 1 February 2022. Because the Government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, it is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2025 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report – see below). All members who switch to Alpha have their PCSPS benefits ‘banked’, with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave Alpha. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution (money purchase) pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% of pensionable pay for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on their pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member’s earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in Alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is an occupational defined contribution pension arrangement which is managed by Legal and General. 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).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. 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 quoted for officials show pension earned in PCSPS or Alpha, as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes but note that part of that pension may be payable from different ages.

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but NatureScot is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the PCSPS as at 31 March 2016. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation. Further details about the Civil Service pension arrangements can be found at [Civil Service Pension Scheme](#).

Cash Equivalent Transfer Value (CETV)

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, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Fair Pay Disclosure

Public sector bodies are required to disclose the relationship between the remuneration of the highest paid director and that of the remuneration of the organisation's workforce. This includes disclosures relating to the 25th percentile pay, median pay and 75th percentile pay ratio of the organisation's workforce, together with the year-on-year percentage change in salary of the highest paid director and the average salary of the organisation's workforce. Total remuneration includes salary, non-consolidated performance related pay, benefits in kind as well as any severance payments. It does not include employer pension contributions or the cash equivalent transfer value of pensions.

The midpoint of the banded remuneration of the highest paid director in 2024/25 was £102,500 (2023/24: £117,500). This was 2.39 times (2023/24: 2.82) the median remuneration of the workforce, which was £42,906 (2023/24: £41,656). The percentage change in the highest paid director's remuneration in 2024/25 was (12.77) % (2023/24: 0%) and the percentage change in average remuneration of the organisation's workforce in 2024/25 was an increase of 3.00% (2023/24: increase of 6.87%). Highest paid director's pay is based on mid-point of banding rather than absolute pay. Employee change is based on annualised, FTE basis and excludes highest paid director.

In 2024/25, remuneration (excluding the highest paid director) ranged from £25,530 to £94,396 (2023/24: £24,030 to £91,647). In 2024/25 nil employees (2023/24: nil) received remuneration in excess of the highest paid director.

Year	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2024/25	£102,500/£36,030: 2.84	£102,500/£42,906: 2.39	£102,500/£42,906: 2.39
2023/24	£117,500/£34,980: 3.36	£117,500/£41,656: 2.82	£117,500/£41,656: 2.82

Ratio Movement

The changes in the ratios are attributable to adjustments in the relative distribution of headcount across staff pay grades, as well as additional awards granted to employees. Additionally, changes in the ratios are also due to a reduction in the remuneration of the highest paid director in 2024/25 because of their resignation in January 2025.

Trends in the Median Pay Ratio

The decrease in the median pay ratio compared to 2023/24 is due to the recruitment of new staff within the Operational and Professional Managerial roles, which are associated with higher paybill values.

The Median Pay Ratio does reflect our rewards and progression policy for employees, which is strongly influenced by Scottish Government Pay Policy which for 2024-25 has encouraged additional support being given to lower paid staff with the highest paid receiving the smallest proportionate increase.

Staff Report

Average Number of Employees

The average number of full-time equivalent (FTE) persons employed during the year by occupational group was:

	Permanent Number	Other Number	2024-25 Number	2023-24 Number
Senior management	9	-	9	9
Operational, professional and managerial	478	110	588	553
Administration and support	69	19	88	93
Estate workers, manual and domestic	45	22	67	71
	601	151	752	726

Senior management represents members of Senior Leadership Team.

The increase in numbers is attributed to hiring more project-funded employees to support additional nature-based projects, along with an increase in full-time equivalent (FTE) for some employees. Employee turnover for the year was 9.40% (2023/24 10.5%). This is calculated by dividing the number of leavers in the year by the average employee headcount for that year.

Staff Costs (including board members)

	2024-25 £000	2023-24 £000
Salaries:		
Chairman	45	40
Board members	120	118
Other committee members	14	13
Senior leadership team:		
— permanent contracts	712	712
— fixed term contracts	-	-
All other staff:		
— permanent contracts	21,738	20,372
— fixed term contracts	8,299	6,977
	30,928	28,232
Social security costs	3,181	2,878
Pension costs	8,648	7,511
Apprenticeship levy	137	125
Severance and other costs	-	-
Total staff costs	42,894	38,746
Agency staff costs	37	105
Less: Recoveries in respect of outward secondments and joint contract agreements	(383)	(450)
Total net employment costs	42,548	38,401

There were no salaries capitalised against projects in 2024/25 (2023/24: £nil). The increase in net employment costs in 2024/25 is due primarily to various increases in both employee and employer's costs. These include increased costs of pay award and increments and the net increase in value and number of fixed term contracts over the reduction in permanent contracts. Severance and other costs incurred in 2024/25 was £nil (2023/24: £nil). Consultancy costs incurred in 2024/25 were £1.854m (2023/24: £1.742m).

Pension Costs

We make pension contributions for employees to civil service pension arrangements and stakeholder pension arrangements. Further details on the civil service pensions are provided on [page 76](#). NatureScot is unable to identify its share of the underlying assets and liabilities and therefore any liability for future benefits is a charge on the Principal Civil Service Pension Scheme (PCSPS), which prepares its own scheme statements. A breakdown of pension costs payable for year is as follows:

	2024-25 £000	2023-24 £000
Employer pension contributions to PCSPS	8,587	7,450
Employer pension contributions re Stakeholder partner pension arrangements	55	58
	8,642	7,508
Other annual pension costs	6	3
Total pension costs	8,648	7,511

Equality and Diversity

We are committed to building a more diverse, equitable and inclusive workplace.

We have made good progress against our equality outcomes as set out in our Equality and Mainstreaming report, published on 30 April 2025. Our equality outcomes continue to support our aspirations to build and support a more inclusive and diverse workplace.

We have an equality champion on our Board and two champions within our Senior Leadership Team. This ensures that equality and diversity is visible and embedded into everything we do. The equality champions actively contribute to equality work and oversee the progress made against our equality outcomes.

During 2024 we signed a commitment to the Wildlife and Countryside Route Map towards greater ethnic diversity. The route map is a five-year action plan to improve and support the diversity of our workforce. The route map aligns with our own ambitions and connects us with other organisations and charities in the environmental sector, allowing us to share best practice and benchmark our progress.

In 2023 we launched an 'all staff' version of ReadandWrite accessibility software and we are now seeing a steady and sustained increase of users. To support the use of the software, we have a group of trained 'super-users' who deliver one-to-one training and group workshops.

We continue to make changes to the way we recruit. The majority of our vacancies are advertised as suitable for job-sharing and have flexibility around working locations. We target under-represented groups by advertising on 'Equal Jobs' and 'Evenbreak', as well as mainstream jobsites such as LinkedIn.

Our Equality Impact Assessment (EqIA) process has been enhanced by the addition of an Accessible Events and Meetings Checklist. The EqIA process helps us to identify activities and policies that might disadvantage people with protected characteristics and lower socio-economic groups. The checklist, designed in collaboration with our employee networks, builds on the equality impact assessment by ensuring that equality is considered at every stage of an event or meeting.

At 31 March 2025, we employed the following number of persons (note this is not FTE):

Category	Female	Male	Total
Board	4	8	12
Scientific Advisory Committee	4	2	6
Senior Leadership Team	3	5	8
Employees	505	316	821
Total 2024/25	516	331	847
Total 2023/24	500	333	833

Employee Involvement

We continue to work in partnership with our recognised trade unions through the Partnership and Consultation and Negotiation Committee. The Partnership has continued to work together to ensure people remain at the heart of NatureScot. During 2024/25, we continued to undertake regular pulse surveys with employees, as well as introducing a Stress Indicator Survey and regular Health and Safety conversations. In 2024/25 the Consultation and Negotiation Committee continue to review and streamline policies, along with the review and signing of the Partnership Agreement.

Our Change Partner Network continues to play a key role in supporting successful and efficient organisational change, ensuring that change initiatives are communicated to the teams they represent and that feedback from the team flows back to the decision-makers. Our other employee networks are also represented in the Change Partner Network. We continue to involve Change Partners and employees in targeted focus groups as a means to help us resolve challenges and to shape our future core offer.

Under the Trade Union Act 2016, there is a requirement for public sector employers to report annually on paid time provided to TUS representatives for trade union duties and activities:

Reporting Category	Total
Number of employees who were relevant union officials during 2024/25	23
Full-time equivalent employee number	2.41 FTE
Percentage of time spent on facility time	No of staff
0%	-
1%-50%	22
51%-99%	-
100%	1
Percentage of pay bill spent on facility time	0.13%
Time spent on paid trade union activities as a percentage of total paid facility time hours	11%

Sickness Absence

The average days lost to sickness per person in 2024/25 was 6.41 days (2023/24: 6.37 days). This has seen an increase from 2023/24. We still compare favourably in terms of recorded days lost to sickness. The average sick days in the public sector reported by the Cabinet Office in 2024 was 7.8 days lost, which was a slight decrease from 8.1 days in 2023.

We continue to encourage our employees to take action to maintain their wellbeing at work through a number of wellbeing initiatives.

Number and Cost of Exit Packages

There were no exit packages in 2024-25. There were two exit packages in 2023-24 with a cost of £0.022m.

Parliamentary Accountability Disclosures

Losses and Special Payments

The following losses are included in the statement of comprehensive net expenditure:

	2024-25 £000	2023-24 £000
Losses of assets, stores and equipment, including cash losses	2	2
Fruitless payments and constructive losses	-	1
Claims waived or abandoned	192	483
Special payments	-	22
	194	508

Claims waived or abandoned of £0.192m relates to NatureScot’s ERDF Structural Funds Programme. This represents claims paid to Third Party Grantees which were then subsequently rejected by Scottish Government as part of the Final Claim. These amounts were provided for within the Expected Credit Losses provision and therefore has no impact on the Statement of Comprehensive Net Expenditure for 2024/25.

Fees and Charges

NatureScot does not levy any statutory fees and charges for its advisory or licensing services. Income shown in the accounts of £4.300m relate to project and estate management which is on a cost recovery basis – details are shown in notes [5](#), [6](#) and [7](#).

Gifts

No gifts were made during the year.

Remote Contingent Liabilities

There are no remote contingent liabilities to disclose.



Nick Halfhide
Chief Executive and Accountable Officer
18 November 2025

Independent auditor's report

Independent auditor's report to the members of NatureScot and the Auditor General for Scotland and the Scottish Parliament

Reporting on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements in the annual report and accounts of NatureScot for the year ended 31 March 2025 under the Natural Heritage (Scotland) Act 1991. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2024/25 Government Financial Reporting Manual (the 2024/25 FReM).

In our opinion the accompanying financial statements:

- give a true and fair view of the state of the body's affairs as at 31 March 2025 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2024/25 FReM; and
- have been prepared in accordance with the requirements of the Natural Heritage (Scotland) Act 1991 and directions made thereunder by the Scottish Ministers.

Basis for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Auditor General for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Auditor General on 18 May 2022. Our period of appointment is five years, covering 2022/23 to 2026/27. We are independent of the body in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

We have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the body's current or future financial sustainability. However, we report on the body's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland Website](#).

Risks of material misstatement

We report in our separate Annual Audit Report the most significant assessed risks of material misstatement that we identified and our judgements thereon.

Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of Accountable Officer's Responsibilities, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accountable Officer is responsible for assessing the body'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 there is an intention to discontinue the body's operations.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using our understanding of the central government sector to identify that the Natural Heritage (Scotland) Act 1991 and directions made thereunder by the Scottish Ministers are significant in the context of the body;
- inquiring of the Accountable Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the body;
- inquiring of the Accountable Officer concerning the body's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among our audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which our procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the body's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Reporting on regularity of expenditure and income

Opinion on regularity

In our opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. In addition to our responsibilities in respect of irregularities explained in the audit of the financial statements section of our report, we are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Reporting on other requirements

Opinion prescribed by the Auditor General for Scotland on audited parts of the Remuneration and Staff Report

We have audited the parts of the Remuneration and Staff Report described as audited. In our opinion, the audited parts of the Remuneration and Staff Report have been properly prepared in accordance with the Natural Heritage (Scotland) Act 1991 and directions made thereunder by the Scottish Ministers.

Other information

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the Performance Report and the Accountability Report excluding the audited parts of the Remuneration and Staff Report.

Our responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

Opinions prescribed by the Auditor General for Scotland on Performance Report and Governance Statement

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

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Natural Heritage (Scotland) Act 1991 and directions made thereunder by the Scottish Ministers; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Natural Heritage (Scotland) Act 1991 and directions made thereunder by the Scottish Ministers.

Matters on which we are required to report by exception

We are required by the Auditor General for Scotland to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited parts of the Remuneration and Staff Report are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to our responsibilities for the annual report and accounts, our conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in our Annual Audit Report.

Use of our report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.



Tom Reid (Audit Director)
For and on behalf of Forvis Mazars LLP
100 Queen Street
Glasgow
G1 3DN
18 November 2025

A large tree with green leaves and a field of purple flowers.

Primary
Financial
Statements
and Notes

Statement of Comprehensive Net Expenditure

For the year ended 31 March 2025

	Note	2024-25 £000	2023-24 £000
Income			
External funding	5	(3,201)	(3,215)
Income from activities	6	(1,009)	(906)
EU funding	7	(90)	(15,260)
Income from operating activities		(4,300)	(19,381)
New IFRS16 peppercorn lease right of use assets	8	(164)	-
Total income		(4,464)	(19,381)
Expenditure			
Staff costs	10	42,548	38,401
Other costs	12	10,037	9,620
Operating costs	13	33,561	47,612
Capital grant in kind		-	-
(Decrease)increase in provisions	23	7	(297)
Depreciation of property, plant and equipment	16	1,767	1,679
Depreciation of right of use assets	24	333	425
Amortisation of intangible assets	18	156	15
Revaluation (gains) / losses on non-current assets	17	(102)	(115)
Loss / (profit) on disposal of non-current assets	9	66	19
Total operating expenditure		88,373	97,359
Net operating expenditure		83,909	77,978
Interest receivable	11	(370)	(301)
Interest of right of use liabilities	24	10	6
Net Interest (receivable) / payable		(360)	(295)
Net expenditure after interest		83,549	77,683
Corporation tax	14	132	10
Net expenditure		83,681	77,693
Other comprehensive expenditure			
Net (gains) on revaluation of non-current assets	17	(520)	(959)
Total comprehensive expenditure for the year ended 31 March 2025		83,161	76,734

Please see [Note 9](#) for details of restatement.

All income and expenditure is derived solely from continuing operations and is attributable to the taxpayer.

NatureScot Statement of Financial Position as at 31 March 2025

	Note	2024-25 £000	2023-24 £000
Assets			
Non-current assets			
Heritage assets	15	867	869
Property, plant and equipment	16	27,581	27,558
Lease right of use assets	16	556	493
Intangible assets	18	1,326	985
Total non-current assets		30,330	29,905
Current assets			
Trade and other receivables	19	416	23,419
Cash and cash equivalents	20	12,914	11,109
Total current assets		13,330	34,528
Assets held for sale	21	-	-
Total assets		43,660	64,433
Liabilities			
Current liabilities			
Trade and other payables	22	(13,993)	(12,319)
Provision for dilapidations and other provisions	23	(67)	(60)
Lease obligations	24	(255)	(265)
Total current liabilities		(14,315)	(12,644)
Total assets less current liabilities		29,345	51,789
Non-current liabilities			
Provision for dilapidations and other provisions	23	-	-
Lease obligations	24	(201)	(272)
Total non-current liabilities		(201)	(272)
Assets less liabilities		29,144	51,517
Taxpayers' Equity			
General reserve		22,863	45,485
Revaluation reserve		6,281	6,032
Total taxpayers' equity		29,144	51,517



Nick Halfhide

Chief Executive and Accountable Officer

The Accountable Officer authorised these financial statements for issue on 18 November 2025

NatureScot Statement of Cash Flows

for the year ended 31 March 2025

	Note	2024-25 £000	2023-24 £000
Operating activities			
Net operating expenditure		(83,909)	(77,978)
Adjustment for items not involving the movement of cash:			
Depreciation of property, plant and equipment		1,767	1,679
Depreciation of lease right of use assets		333	425
Amortisation of intangible assets		156	15
Revaluation (gains) / losses on non-current assets		(102)	(115)
Loss / (profit) on disposal of non-current assets		66	19
New IFRS16 peppercorn lease right of use assets		(164)	-
Movement in expected credit losses		(63)	(26)
Movement in government grant provision		131	509
Capital grant in kind		-	-
Working capital adjustments:			
(Increase) / decrease in trade and other receivables		22,969	(15,508)
Increase (decrease) in trade and other payables		1,306	1,117
Movements in provisions		7	(297)
Corporation tax paid		(92)	-
Net cash outflow from operating activities		(57,595)	(90,160)
Cash flows from investing activities			
Payments to acquire property, plant and equipment	16	(1,001)	(1,460)
Payments to acquire intangible assets	18	(497)	(595)
Payments relating to IFRS16 leases	24	(314)	(420)
Receipts from sales of non-current assets	9	55	112
Interest received	11	370	301
Net cash outflow from investing activities		(1,387)	(2,062)
Cash flows from financing activities			
Grant-in-aid funding from Scottish Government	4	81,094	76,474
Structural funds cash	4	(20,658)	12,810
IFRS16 lease payments	4	351	144
Net cash inflow from financing activities		60,787	89,428
(Decrease) / increase in cash and cash equivalents in the year		1,805	(2,793)
Opening cash and cash equivalents	20	11,109	13,902
Closing cash and cash equivalents	20	12,914	11,109
Net movement in cash and cash equivalents		1,805	(2,793)

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

	Note	General reserve	Asset revaluation reserve
Balance at 31 March 2023		33,522	5,278
Changes in taxpayers' equity for 2023-24			
Net expenditure	SoCNE	(77,693)	-
Capitalisation of assets not previously recognised	16	23	-
Revaluation reserve movement		205	(205)
Net revaluation gain	17	-	959
Total recognised income and expense for 2023-24		(77,465)	754
Capital DEL grant-in-aid	4	17,306	-
Resource DEL grant-in-aid		59,168	-
Structural funds cash	4	12,810	-
IFRS16 lease payments	4	144	-
		89,428	-
Balance at 31 March 2024		45,485	6,032
Changes in taxpayers' equity for 2024-25			
Net expenditure	SoCNE	(83,681)	-
Revaluation reserve movement		271	(271)
Capitalisation of assets not previously recognised	16	-	-
Net revaluation gain	17	-	520
Total recognised income and expense for 2024-25		(83,410)	249
Capital DEL grant-in-aid	4	17,598	-
Resource DEL grant-in-aid	4	63,496	-
Structural funds cash (repayment to SG)	4	(20,658)	-
IFRS16 lease payments	4	351	-
		60,787	-
Balance at 31 March 2025		22,863	6,281

The General Reserve serves as the chief operating fund. The General Reserve is used to account for all financial resources except those required to be accounted for in the other reserves. The Revaluation Reserve records the unrealised gains or losses on revaluation of assets.

The [notes on pages 94 to 127](#) form part of these accounts.

NatureScot

Notes to the Accounts

1. Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adapted and interpreted by the 2024/25 Government Financial Reporting Manual (FReM) issued by HM Treasury and the Accounts Direction issued by Scottish Ministers. The direction is reproduced as an appendix to the accounts.

The Board and Accountable Officer have considered the budget and associated grant in aid allocation for 2025/26 and consider that NatureScot has adequate resources to continue in operational existence in the foreseeable future. The accounts are therefore prepared on a going concern basis. An assessment of liquidity risk is shown in [note 28](#) and the budget allocation for 2025/26 can be seen at [Finance Performance – Budget and Cash Funding](#).

The accounts have been prepared under the historical cost convention, modified to account for the revaluation of Net Current Assets.

2. Accounting policies

Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of NatureScot for the purpose of giving a true and fair view, has been selected. The particular policies adopted by NatureScot are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

2.1 Property, plant and equipment

The threshold for capitalising assets is £10,000 for land and buildings, including improvements; £1,000 for information technology hardware and £5,000 for all other categories.

On initial recognition, property, plant and equipment are measured at cost including any costs such as installation directly attributable to bringing them into working condition. All property, plant and equipment are reviewed annually for impairment and are carried at fair value. Land, buildings, dwellings and infrastructure are stated at their fair value based on the valuation policy noted below. Infrastructure and certain assets within freehold buildings are valued at depreciated replacement cost which is considered a reasonable proxy of fair value. Assets under construction are carried at cost and are transferred to the appropriate property, plant and equipment category when completed and ready for use, with impairment reviews being undertaken in accordance with the stated policy note shown below. No depreciation is charged until the asset is operational. Vehicles, other equipment and furniture, fixtures and fittings are valued at depreciated replacement cost using published indices. Information technology equipment is valued at depreciated historic cost which is considered a reasonable proxy of fair value due to the short-life of the assets. Leasehold improvements are also valued at depreciated historic cost which is considered a reasonable proxy of fair value as there would not be a material difference between fair value and cost for these assets.

Depreciation is provided on a straight-line basis on all property, plant and equipment (other than freehold land) at rates calculated to write down the cost or valuation of each asset over its estimated useful life.

Land	Not depreciated
Freehold buildings	10 to 50 years as determined by Valuation Office Agency
Infrastructure assets	7 to 50 years as determined by Valuation Office Agency
Leasehold buildings including improvements	have varied lives depending on the individual estimated useful life of each asset
Information technology equipment	4 years
Other equipment	7 years
Vehicles	5 years

Furniture, fixtures and fittings are expensed when purchased.

In line with the SPFM, regular professional valuations of land and property (which includes land, buildings, dwellings and infrastructure assets) are carried out. Full valuations are undertaken every 5 years with interim reviews of 25% of the land and property portfolio undertaken in each of the intervening four years. The last full valuation was undertaken on 31 March 2024 by District Valuers of the Valuation Office Agency, following the principles set out in the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors and, acting in the capacity of External Valuers. Vehicles and other equipment are valued using published indices each year.

2.2 Intangible assets

Expenditure on intangible assets, which includes purchased computer software licences and internally developed software, has a threshold for capitalisation of £1,000. When capitalising internally generated intangible assets such as software, only directly attributable costs including employee costs and employee-related costs, are included where it is deemed that the asset will generate future economic benefits in the way of savings or improvements to internal processes.

FReM directs users to value intangible assets at fair value of the asset rather than cost and recommends depreciated replacement cost as an appropriate method. However, NatureScot does not currently index software on the basis that assets have a short useful life, costs are unlikely to fluctuate significantly over that life and, that the asset may not be replaceable like for like due to technological advances. Applying indexation to the original cost would also not give a reliable estimation of the replacement cost of the asset. Intangible assets are therefore carried at depreciated historical cost less any impairment.

Intangible assets are amortised over 4 years.

2.3 Non-current assets classified as held for sale

NatureScot classifies a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the asset is actively being marketed by management, it is available for immediate sale in its present condition, the sale is considered to be highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Assets classified as held for sale are measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. Depreciation or amortisation for such assets is not charged from the date they are classified as an asset held for sale.

Further information on non-current assets classified as held for sale is given in [note 21](#).

2.4 Heritage assets

FReM section 10.1.31 provides a definition of a heritage asset as 'a tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture'. They are those that are intended to be preserved in trust for future generations because of their cultural, environmental or historical associations'. NatureScot's heritage assets are held by NatureScot in pursuit of its overall objectives in relation to the maintenance of the natural heritage and clearly fall within the Accounting Standards Board's definition.

International Accounting Standard 16 – Property, Plant and Equipment requires us, where practicable, to value our Heritage Assets and report these on the Statement of Financial Position. Within NatureScot we have identified three types of Heritage Assets which are accounted for as follows:

Heritage Land

On its creation in 1992, SNH now operating as NatureScot, took over stewardship of land, either in the form of ownership or through leasehold interest, from the Nature Conservancy Council for Scotland. Our landholding has continued to evolve to help support our primary objective to look after all of Scotland's nature and landscapes, across all of Scotland for everyone.

These holdings at 31 March 2025 extended to 41,058 hectares. This land is owned or leased by NatureScot and managed as or associated with the management of National Nature Reserves (NNR), NatureScot nature reserves (NR) or sites of special scientific interest (SSSI). Due to the diverse nature of these assets, the land being held with the long term objective of the realisation of non-monetary public benefits and the lack of a comparable valuation basis, we do not recognise these assets in the Statement of Financial Position unless cost information is available. Due to the diverse nature of these assets and the lack of a comparable valuation basis, they do not form part of our regular professional valuations.

Acquisitions are made by purchase, donation or exchange. If land no longer meets the requirements of our policies for ownership, it will be considered for disposal within the wider public sector or to any other appropriate body. We will also consider asset transfer requests by eligible community bodies for any of our heritage land properties. When a sale takes place the land will be recognised as an asset addition and disposed of at the agreed sale value.

Expenditure which is required to maintain and preserve owned and leased heritage land is recognised in the Statement of Comprehensive Net Expenditure when it is incurred.

Further information on heritage land is given in [note 15.1](#).

Heritage buildings

Currently the only Heritage building recognised in the Statement of Financial Position is Kinloch Castle. On initial recognition it was measured at cost and is reviewed annually for impairment. It is carried at fair value and forms part of our 5-year professional valuation policy.

Antiques and Works of Art

The items that form the collection of antiquities within Kinloch Castle on the Isle of Rum are reported in the Statement of Financial Position at auction based valuation. The collection was acquired by donation at the time the castle itself was bequeathed in 1957, initially to the Nature Conservancy and subsequently to NatureScot via the Nature Conservancy Council.

A specialist external valuer, Bonhams Limited, carried out a full assessment of the collection of antiquities as at 3 May 2021 – delay due to Covid-19 restrictions. The valuations were undertaken on a basic auction level, including recent transaction information from sales where similar types of items are regularly purchased. Full valuations will be carried out every five years in accordance with the requirements in FReM. NatureScot reviews the inventory of antiques for accuracy on an annual basis.

The items forming the collection are deemed to have indeterminate lives; therefore it is deemed appropriate that no depreciation is charged.

Any expenditure which is required to preserve or prevent further deterioration of individual collection items will be recognised in the statement of comprehensive net expenditure when it is incurred.

2.5 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and on hand. IAS 7 Statement of Cashflows has been adopted to disclose the components of cash and cash equivalents.

2.6 Foreign currency exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Any outstanding monetary assets and liabilities at the year-end are translated into sterling at the rates ruling at 31 March. Translation differences are dealt with in the statement of comprehensive net expenditure.

2.7 Provisions

Provisions are recognised when NatureScot has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provisions is presented in the statement of comprehensive net expenditure net of any reimbursement. Pension related provisions are discounted where appropriate using the nominal rate set by HM Treasury of (5.15)% (2023/24: (5.10)%). Where discounting is used, the carrying amount of a provision increases in each year to reflect the passage of time. This change is recognised as a financial expense adjacent to interest but disclosed separately from other interest on the face of the statement of comprehensive net expenditure.

2.8 Taxation

NatureScot lost its charitable status from 1 April 2007 under the Charities and Trustees Investment (Scotland) Act 2005. As at 31 March 2025, HM Revenue and Customs (HMRC) is still to confirm if NatureScot's charitable status for taxation purposes is still being preserved. The review process is still ongoing.

VAT

Revenues, expenses and assets are generally recognised inclusive of the amount of VAT except where, in limited circumstances, the VAT incurred on a purchase of assets or services is recoverable from HMRC. Receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, HMRC is included as part of receivables or payables in the statement of financial position.

Corporation Tax

Corporation tax becomes due when NatureScot has taxable income in excess of HMRC's small trading threshold of £50,000. Where such taxable income exists, the related corporation tax expense and, where appropriate, a corporation tax liability will be reflected in the accounts.

2.9 Grant in aid

NatureScot receives Grant in aid from the Scottish Government to finance its net expenditure. Grant in aid is credited to the general reserve in the period in which it is received. The net cost of NatureScot is charged to this fund.

2.10 Funding from the European Commission

European Commission funding receivable is included in the Statement of Comprehensive Net Expenditure to match expenditure incurred to 31 March 2025 on approved projects.

2.11 Income and expenditure recognition

Income from activities and expenditure is accounted for in the year to which it relates and not when cash payments are made or received. Where income and expenditure has been recognised but cash has not been received or paid, a receivable or payable for the corresponding amount is recorded in the Statement of Financial Position.

2.12 Employee benefits

Pensions

The provision of the Principal Civil Service Pension Scheme (PCSPS) covers some present and past employees and is an unfunded, defined benefit, contributory public service occupational pension scheme. PCSPS is a multi-employer defined benefit scheme but NatureScot is unable to identify its share of the underlying assets and liabilities. Liability for payment of future benefits is a charge on the PCSPS which prepares its own scheme statements. The scheme actuary valued the PCSPS as at 31 March 2016. Further details on this can be found at [Principal Civil Service Pension Scheme Actuarial Valuation: 31 March 2016](#) and the resource accounts of the [Cabinet Office: Civil Superannuation](#).

Further information on pensions, including the changes that took effect from 1 April 2015 with the creation of the Alpha Pension scheme, is contained in the Remuneration and Staff report.

NatureScot recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payments to the PCSPS and Alpha of amounts calculated on an accruing basis. In respect of the defined contribution elements of the schemes, NatureScot recognises the contributions payable for the year.

Other employee benefits

A liability and an expense are recognised for accrued but unused annual leave and flexi leave balances at the 31 March, in accordance with the underlying policy. These costs are included in the amounts shown in the Remuneration and Staff report.

2.13 IFRS16 – Leases

IFRS 16, as adapted and interpreted by the FReM, has been applied with the initial application date of 1 April 2022. Previously leases were classified as either 'operating' or 'finance' leases based upon the assessment of risks and rewards being incidental to the ownership of the underlying asset. Under IFRS 16 NatureScot recognises assets where they consider they have the exclusive right to use the asset (right-of-use-assets) and the lease liability for most leases on the balance sheet.

Short-term Leases and Leases of Low-value Assets

The FReM mandates the recognition and measurement exemption for short-term leases with a non-cancellable term of less than 12 months. Any leases that fall into this exemption will be expensed and reflected in the Statement of Comprehensive Net Expenditure. Any leases that are considered to be of low value will also be expensed and treated in the same manner as short-term leases.

Right-of-Use Assets and Lease liabilities

At inception of a contract, NatureScot assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. NatureScot can and do enter into lease contracts for:

- Property – Office Space
- Property – Land
- Motor Vehicles
- Office Equipment

Leases are recognised, measured and presented in line with IFRS 16: Leases.

At commencement or on modification of a contract that contains a lease component, NatureScot allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. In the context of leases which have a lease and service component which are identifiable, NatureScot only capitalises the amounts relating to the lease component.

NatureScot recognises a Right-of-use Asset and a Lease Liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Peppercorn Leases

Within NatureScot, there are a number of leases which are provided on a peppercorn basis. That is, leases are provided for nil or nominal consideration in return.

These include agreements regarding land, usually protected areas. We use these to support natural heritage management for the following objectives:

- Management of the Natural Heritage
- Management for People
- Management of the Property

These can be Nature Reserve Agreements (S.16), SSSI Agreements (S.15), Wider Countryside Agreements (S.49A) or a Grazing Lease.

These leases were previously classified as Operating Leases and have been measured at Market Value by the District Valuation Office (DVO).

The difference between the brought forward Right-of-use Asset and Lease Liability has been posted to Taxpayers Equity.

Accounting Treatment

The Right-of-use Asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to NatureScot by the end of the lease term or the cost of the right-of-use asset reflects that NatureScot will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset will be periodically reduced by impairment losses, if any, and adjusted for certain premeasurements of the lease liability.

The Lease Liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, then NatureScot will use the HM Treasury discount rate promulgated in the Public Expenditure System (PES) notices.

Lease payments included in the measurement of the Lease Liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- The amounts expected to be payable under a residual value guarantee;
- The exercise price under a purchase option that NatureScot is reasonably certain to exercise, Lease payments in an optional renewal period if NatureScot is reasonably certain to exercise an extension option;
- Penalties for early termination of a lease unless NatureScot is reasonably certain not to terminate early.

The Lease Liability and Right-of-use Asset is re-measured when there is a change:

- in future lease payments arising from a change in an index or rate
- if there is a change in NatureScot's estimate of the amount expected to be payable under a residual value guarantee
- if NatureScot changes its assessment of whether it will exercise a purchase, extension or termination option or
- if there is a revised fixed lease payment.

Where a lease is on a twelve-month tacit arrangement and there is uncertainty as to when this will end, we have assumed a lease term of one year.

NatureScot presents Right-of-use Assets as a separate category of Asset and the Lease Liability as a separate category of Liability on the face of the Statement of Financial Position supported by required note disclosures.

On transition to IFRS 16 lease liabilities have been measured at the cost of the remaining leases payments at 1 April 2022 and discounted to present value using the discount rate promulgated in PES Papers, which was 0.95% on 1 April 2022.

For new leases commencing during the 2024 calendar year a discount rate of 4.72% has been applied and for new leases commencing during the 2025 calendar year 4.81% has been applied as per the PES Notices.

2.14 Grants and management agreements

Grants and management agreements are accounted for in the financial year to which the underlying activity relates. NatureScot's policy is to recover grants where the conditions attached to that grant have been materially breached and no acceptable alternative conditions or remedies can be implemented.

Government Grants (including EU Funding)

Government grants, including non-monetary grants at fair value, shall not be recognised until there is reasonable assurance that:

- i. The entity will comply with the conditions attaching to them; and
- ii. The grants will be received

Receipt of a grant does not of itself provide conclusive evidence that the conditions attaching to the grant have been or will be fulfilled.

2.15 Research and development

Research and development expenditure, excluding certain IT projects, is charged to the statement of comprehensive net expenditure. IT projects which lead to an intangible asset being created are included in the statement of financial position as additions to intangible fixed assets and NatureScot's operating costs reduced accordingly.

2.16 Impairment of non-financial assets

NatureScot assesses at each reporting date whether there is an indication that any assets may be impaired. This assessment is made through discussions with property colleagues to identify any events which have occurred that would indicate that impairment may have taken place and also from the formal or interim valuations undertaken in accordance with the policy at [notes 2.1](#) and [2.4](#).

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount. Where an asset is impaired due to consumption of economic benefit or reduction in service potential, any existing balance on the revaluation reserve, up to the level of the impairment, is transferred to the general fund. If the impairment is due to a clear consumption of economic benefit or reduction in service potential, the loss is recognised directly in the [Statement of Comprehensive Net Expenditure](#). If the impairment is due to a change in market price, the loss is first offset against any existing revaluation reserve for that asset. Once the reserve is exhausted, any remaining loss is then taken to the [Statement of Comprehensive Net Expenditure](#).

Where impairments have not been disclosed in accordance with IAS 36.130, the following information for the aggregate of impairment losses and aggregate reversals of impairment losses recognised during the period needs to be disclosed:

- (a) the main classes of assets affected by impairment losses (and the main classes of assets affected by reversals of impairment losses).
- (b) the main events and circumstances that led to the recognition of these impairment losses and reversals of impairment losses.

2.17 Interest income

Interest income is recognised as interest accrues using the effective interest rate and is included in the statement of comprehensive net expenditure as non-operating income.

2.18 Financial instruments

NatureScot does not hold any complex financial instruments. The only financial instruments included in the accounts are receivables, cash and cash equivalents and payables ([notes 19, 20](#) and [22](#)). Trade and other receivables are recognised initially at fair value (which is defined as the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale) less any impairment for any amounts assessed as irrecoverable.

Impairment of Financial Instruments

An impairment of debt for irrecoverable amounts is made where there is evidence that NatureScot will be unable to collect an amount due in accordance with agreed terms. Trade and other receivables are recognised at fair value. An impairment of Government Grants (including EU Funding) is made where there is potential for future credit losses or a judgement applied that NatureScot will be unable to claim the full amount of the grant or a reduction in the grant reimbursement rate is likely to be applied.

2.19 Disclosure of sustainability related financial information

IFRS S1 General Requirements for Disclosure of Sustainability Related Financial Information is effective for Annual Reporting Periods beginning on or after 1st January 2024. IFRS S1 sets out the requirements for disclosing information about an entity's sustainability-related risks and opportunities. In particular, an entity is required to provide disclosures about:

- the governance processes, controls and procedures the entity uses to monitor, manage and oversee sustainability-related risks and opportunities;
- the entity's strategy for managing sustainability-related risks and opportunities;
- the processes the entity uses to identify, assess, prioritise and monitor sustainability-related risks and opportunities; and
- the entity's performance in relation to sustainability-related risks and opportunities, including progress towards any targets the entity has set or is required to meet by law or regulation.

2.20 Judgements, accounting estimates and assumptions

The preparation of the accounts requires the Accountable Officer to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

No significant estimates or assumptions have been applied in relation to IFRS S1 for 2024/25.

Critical judgements in applying accounting policies

A number of critical judgements have been applied within the accounting policies detailed in [notes 2.1 – 2.19](#) and include such areas as when an asset is impaired, whether to recognise a potential liability as a provision or contingent liability, how to treat a lease as an operating or finance lease, the basis on which non-current assets are valued.

Key areas of estimation and sources of estimation uncertainty

The main areas of the accounts, which involve estimation, relate to provisions, valuation of non-current assets, useful lives to use for depreciation of non-current assets and some manual accruals. NatureScot believes none of these are uncertain to the extent that they would vary by an amount which would have a material impact in the accounts.

2.21 Accounting standards issued but not yet effective

Accounting for Assets and Liabilities

In December 2023 HM Treasury released an Exposure Draft on potential changes that affect Government Financial Reporting Manual (FReM) adaptations and interpretations of International Accounting Standard 16 Property Plant and Equipment and adaptations of International Accounting Standard 38 Intangible Assets in respect of the measurement of assets. These changes have been approved and are effective from 1st April 2025.

There are no impacts for NatureScot as the following appropriate valuation processes are already applied as per 10.1.2 of the FReM:

- A rolling programme of valuations over a 5-year cycle, with annual indexation applied to assets during the 4 intervening years.
- For non-property assets only, appropriate indices.

There are no further accounting standards or amendments issued but not yet effective for 2024-25.

3. Segment information

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the organisation that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. NatureScot reports segmental information based on the four outcomes agreed by Senior Leadership Team as effective areas of work to best achieve the organisation's goals and objectives. The accounting policies of the reportable outcomes are the same as those accounting policies described in [note 2](#).

During 2024/25 NatureScot delivered its Corporate Strategy through the following outcomes as set out in the Performance Report section of the annual report.

The table presents management information, produced on an IFRS basis, on income, expenditure, net operating cost and capital additions relating to the operating segments for the year ended 31 March 2025.

Other assets and liabilities are not reported on a segmental basis as they do not form part of the regular review by management to make decisions about resources to be allocated to the segment or to assess its performance.

	Priority 1 £000	Priority 2 £000	Priority 3 £000	Priority 4 £000	Total of operating segments £000
Year ended 31 March 2025					
Income					
External funding	685	2,301	162	53	3,201
Income from activities	47	4	109	849	1,009
EU funding	-	90	-	-	90
IFRS16 peppercorn leases	-	-	-	164	164
Profit on disposal of non-current assets	-	-	-	(66)	(66)
Total income	732	2,395	271	1,000	4,398
Expenditure					
Staff costs	18,130	7,875	4,822	11,721	42,548
Other costs	2,227	690	702	6,418	10,037
Operating costs	4,867	25,139	2,020	1,535	33,561
Capital grant-in-kind	-	-	-	-	-
Increase in provisions	-	-	-	7	7
Depreciation of property, plant and equipment	-	-	-	2,100	2,100
Amortisation of intangible assets	-	-	-	156	156
Revaluation (gains) on property, plant and equipment	-	-	-	(102)	(102)
Total operating expenditure	25,224	33,704	7,544	21,835	88,307
Net operating expenditure	24,492	31,309	7,273	20,835	83,909
Interest receivable	-	(14)	-	(346)	(360)
Net expenditure after interest	24,492	31,295	7,273	20,489	83,549
Corporation tax	-	-	-	132	132
Net expenditure	24,492	31,295	7,273	20,621	83,681
Capital asset additions	715	10	430	1,025	2,180

Priority 1 – **Protecting Nature** – Strengthened protection of existing biodiversity

Priority 2 – **Restoring Nature** – Halt the loss of biodiversity by 2030 and restore nature by 2045

Priority 3 – **Valuing Nature.**

Priority 4 – **The NatureScot Way** – Our passion, inspiration and expertise will put nature at the heart of Scotland's future.

	Priority 1 £000	Priority 2 £000	Priority 3 £000	Priority 4 £000	Total of operating segments £000
Year ended 31 March 2024					
Income					
External funding	678	2,336	133	68	3,215
Income from activities	75	3	82	746	906
EU funding	3	6,310	8,947	-	15,260
Profit on disposal of non-current assets	-	-	-	(19)	(19)
Total income	756	8,649	9,162	795	19,362
Expenditure					
Staff costs	13,535	7,227	6,616	11,024	38,402
Other costs	1,870	1,152	684	5,913	9,619
Operating costs	4,532	29,807	11,770	1,503	47,612
Capital grant-in-kind	-	-	-	-	-
Decrease in provisions	-	-	-	(297)	(297)
Depreciation of property, plant and equipment	-	-	-	2,104	2,104
Amortisation of intangible assets	-	-	-	15	15
Revaluation (gains) on property, plant and equipment	-	-	-	(115)	(115)
Total operating expenditure	19,937	38,186	19,070	20,147	97,340
Net operating expenditure	19,181	29,537	9,908	19,352	77,978
Interest receivable	-	(4)	-	(291)	(295)
Net expenditure after interest	19,181	29,533	9,908	19,061	77,683
Corporation tax	-	-	-	10	10
Net expenditure	19,181	29,533	9,908	19,071	77,693
Capital asset additions	653	-	287	1,071	2,011

4. Cash Grant-in-aid

Total cash grant-in-aid drawn down from the Scottish Government in 2024/25 was £60.787m (2023/24: £89.428m). The decrease in cash grant-in-aid compared to 2023/24 is due to the repayment of cash to Scottish Government which related to the financing of grant payments to third parties for the Structural Funds programme. This repayment was funded by the final ERDF claim receipt in June 2024.

This included ring-fenced cash grant-in-aid within NatureScot's RDEL budget for a JNCC grant of £1.156m (2023/24: £1.157m) and £0.351m for IFRS16 payments.

There are no unfulfilled conditions or contingencies relating to the grant in aid for 2024-25 as per the final Budget Allocation Letter from Scottish Government.

	2024-25 £000	2023-24 £000
Resource DEL grant-in-aid	63,496	59,168
Capital DEL grant-in-aid	17,598	17,306
Structural funds cash	(20,658)	12,810
IFRS16 lease payments	351	144
	60,787	89,428

5. External funding

	2024-25 £000	2023-24 £000
Partnership and other grant income	2,008	1,870
Other external funding	1,193	1,345
	3,201	3,215

Other external funding includes donations of £0.103m for 2024-25.

NatureScot receives donations through the MyParkScotland initiative which is managed by Greenspace Scotland. MyParkScotland is Scotland's only crowdfunding site specifically for parks and greenspaces which includes National Nature Reserves (NNRs) owned and managed by NatureScot. NatureScot pays an annual membership fee to Greenspace Scotland for this service. Donations are allocated to NatureScot's NNRs through the MyParkScotland website and is then subsequently drawn down by NatureScot to be utilised against specific projects. The balance of donations held by MyParkScotland for use against NatureScot's NNRs as at 31st March 2025 is £0.028m (2023/24: £0.017m).

6. Income from activities

	2024-25 £000	2023-24 £000
Professional services	-	-
Managing resources	937	830
Other income from activities	72	76
	1,009	906

Professional services are a demand driven activity and include providing services to other public sector bodies. Managing resources includes income derived from property and site use. Other income from activities relates to income from shared services.

7. EU Funding

	2024-25 £000	2023-24 £000
EU life funding	90	110
EU Structural funds funding – payment to grantees	-	14,700
EU Structural funds funding – NatureScot mgmt. costs	-	448
EU Interreg funding	-	2
	90	15,260

The decrease in EU Structural Funds is primarily due to the programme completing. No Structural Funds income has been accrued or recognised during 2024-25.

8. New IFRS16 Peppercorn Right-of-Use Assets

The income value of £0.164m represents newly created IFRS16 peppercorn lease right-of-use assets during the 2024/25 financial year. The IFRS16 Leases International Financial Reporting Standard as adopted by the Scottish Government through the Financial Reporting Manual (FReM) stipulates that any difference between the carrying amount of the right-of-use asset and the lease liability must be recognised as Income in the Statement of Comprehensive Net Expenditure as required by IAS 20 as interpreted in the FReM.

9. (Profit) / Loss on disposal of non-current assets

	2024-25 £000	2023-24 £000
(Profit) / loss on disposal of non-current assets	66	19

The total proceeds from the sale of non-current assets were £0.055m (2023/24: £0.112m).

The Loss on disposal of assets was reclassified from income to expenditure but there is no impact on the Total comprehensive expenditure for the year ended 31 March 2024.

10. Staff costs

Staff costs for 2024/25 were £42.548m (2023/24: £38.401m). Further analysis of these costs is shown within the [Accountability Report](#).

11. Interest receivable

	2024-25 £000	2023-24 £000
Bank interest	370	301

12. Other costs

	2024-25 £000	2023-24 £000
Staff related costs	751	589
Office and other accommodation	2,737	2,755
Travel	575	592
Communications	2,048	1,849
Supplies and services	1,356	1,239
Vehicle costs	367	273
Consultancy costs	1,854	1,742
Expected credit losses and Govt Grants	260	498
Audit fee payable to Audit Scotland	89	83
	10,037	9,620

The external audit fee payable for the year was £85,100 (2023/24: £83,482). Additional audit fees for valuation work relating to the 2023/24 audit is included in 2024/25 (£5,098). The increase in Consultancy costs relates to a number of CivTech Projects including Nature Networks and Protected Areas Management. The expected credit loss charge of £259,845 reflects the increase required to ensure sufficient provision for the Structural Funds claw back invoices.

IFRS17 – Insurance Contracts. NatureScot has a policy of self-insurance as stipulated in NatureScot's Framework Agreement with the Scottish Government. NatureScot does incur insurance costs where there is a legal requirement to do so.

13. Operating costs

	2024-25 £000	2023-24 £000
Promotion	1,035	918
Research and development	4,504	4,496
Grants	21,069	35,552
Partnership funding	2,108	2,041
Management agreements	1,591	1,593
Managed sites	3,254	3,012
	33,561	47,612

The decrease in Operating costs for 2024/25 is due the completion of the Structural Funds Programme which included no grant expenditure for 2024/25 (2023/24: £15.836m). The partnership funding figure of £2.108m includes ring-fenced funding to JNCC of £1.156m (2023/24: £1.157m). Grant and partnership funding expenditure of £23.177m (2023/24: £37.593m), comprises £3.384m grants made to the public sector and £19.793m to the private and third sectors.

14. Corporation tax

	2024-25 £000	2023-24 £000
Corporation tax	132	10

Corporation tax is payable on net income arising from renewable heat incentives and feed in tariffs activities. The increase compared to 2023/24 is due to the assumption that Charitable Status for VAT purposes will be removed from NatureScot. This impacts both 2023/24 and 2024/25.

15. Heritage assets

Year ended 31 March 2025	Heritage land £000	Heritage building £000	Antiques and works of art £000	Total heritage assets £000
Cost or Valuation				
At 1 April 2024	94	-	775	869
Additions	-	-	-	-
Additions - not previously recognised	-	-	-	-
Disposals	-	-	(2)	(2)
Reclassification	-	-	-	-
Revaluations	-	-	-	-
Adjustments	-	-	-	-
At 31 March 2025	94	-	773	867
Cost model net book value at 31 March 2025	142	77	2,153	2,372

Year ended 31 March 2024	Heritage land £000	Heritage building £000	Antiques and works of art £000	Total heritage assets £000
Cost or Valuation				
At 1 April 2023	93	-	-	93
Additions	-	-	-	-
Additions - not previously recognised	-	-	-	-
Disposals	-	-	-	-
Reclassification	1	-	775	776
Revaluations	-	-	-	-
Adjustments	-	-	-	-
At 31 March 2024	94	-	775	869
Cost model net book value at 31 March 2024	142	77	2,160	2,379

Details relating to the valuation of Heritage Assets can be found in accounting policy [note 2.4](#).

15.1 Heritage land

At 31 March 2025 41,058 hectares (ha) of heritage land were either owned or leased by NatureScot. The majority of this land is managed as National Nature Reserves (NNR) – nationally important places where we encourage people to come and experience the best of Scotland's nature. The remaining land is either associated with the NNR but not designated as such or is managed as a site of special scientific interest or for other conservation purposes.

Five year summary of heritage land transactions

	2024-25 ha	2023-24 ha	2022-23 ha	2021-22 ha	2020-21 ha
Holdings owned b/f	33,654	33,654	34,263	34,263	34,366
Holdings leased b/f	7,404	7,404	7,404	7,404	7,404
Adjustments	-	-	-	-	-
Total holdings b/f	41,058	41,058	41,667	41,667	41,770
Acquisitions					
Land – owned	-	-	-	-	-
Land – leased	-	-	-	-	-
Total acquisitions	-	-	-	-	-
Disposals					
Land – owned	-	-	(609)	-	(103)
Land – leased	-	-	-	-	-
Total disposals	-	-	(609)	-	(103)
Holdings owned c/f	33,654	33,654	33,654	34,263	34,263
Holdings leased c/f	7,404	7,404	7,404	7,404	7,404
Total holdings c/f	41,058	41,058	41,058	41,667	41,667

There were no acquisitions of owned or leased heritage land by NatureScot in 2024/25.

NatureScot manages its heritage land through adherence to the following management objectives:

Management of the Natural Heritage

We manage our NNRs and NRs to maintain or restore their nature conservation interests to the best achievable condition. Our management of nature reserves is informed by research, survey and monitoring. We use this information to better understand the nature conservation interests of the reserves and develop new knowledge and skills to improve our management of wildlife habitats. We may use specialised management techniques to achieve our conservation aims and our reserves allow us to demonstrate and share our knowledge and experience of these with others.

Management for People

Our visitors are important to us and our management is committed to raising the profile of NNRs and ensuring that they are accessible to as wide a range of people as possible. We want our visitors to know they are welcome; and to leave knowing more and appreciating the special nature conservation qualities each reserve has to offer.

Management of the Property

We strive to ensure that all of our property is well maintained, clean and safe. We comply with legislative requirements and are committed to reducing our environmental impact through sustainable initiatives.

15.2 Antiques and works of art

The Kinloch Castle collection consists of paintings, furniture, ceramics and musical instruments of Victorian and Japanese origins. The collection is valued every five years as described in accounting policy [note 2.4](#). The last valuation took place in May 2021 (delayed from February 2021 due to Covid-19 travel restrictions), the results of which are reflected in the accounts. The next review will be completed in the 25/26 financial year.

The values of the items may reduce due to both the market and the overall condition of the assets. The valuation, when undertaken, is gauged on a basic auction level. Though it's possible for the worth of the antiques to improve, we have been advised by the auctioneers that the value will likely reduce further over the coming years due to condition and market trends.

Castle tours have been suspended and there are currently no plans to resume these. We continue to carry out and document interim checks on a small selection of inventory items.

16. Property, plant and equipment

Purchases of total property, plant and equipment in the schedule of £1.296m (2023/24: £1.294m) appear in the cash flow statement as £1.001m after adjustment for opening and closing property, plant and equipment accruals in trade and other payables of £0.295m.

	Land £000	Buildings £000	Dwellings £000	Infrastructure assets £000	Leasehold improvements £000	Information technology £000	Vehicles £000	Other equipment £000	Furniture, fixtures & fittings £000	Assets under construction £000	Total property, plant & equipment £000
Cost or Valuation											
At 1 April 2024	2,955	20,445	782	581	1,473	2,689	3,366	2,284	1,541	72	36,187
Additions	-	52	-	-	-	207	452	245	-	340	1,296
Additions: assets not previously recognised	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(557)	(280)	(210)	(64)	(1,152)	-	(2,263)
Reclassification	-	-	-	-	-	-	-	35	-	(35)	-
Revaluations	(75)	(42)	-	(60)	-	-	151	107	-	-	81
Adjustments	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2025	2,880	20,455	782	521	916	2,616	3,759	2,607	389	377	35,301
Depreciation											
At 1 April 2024	-	-	-	-	(1,087)	(2,002)	(2,221)	(1,779)	(1,541)	-	(8,629)
Charge for year	-	(718)	(39)	(67)	(18)	(286)	(484)	(154)	-	-	(1,767)
Disposals	-	-	-	-	462	272	201	57	1,152	-	2,144
Reclassification	-	-	-	-	-	-	-	-	-	-	-
Revaluations	-	617	32	65	-	-	(99)	(83)	-	-	532
Adjustments	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2025	-	(101)	(7)	(2)	(643)	(2,016)	(2,603)	(1,959)	(389)	-	(7,720)
Net book value at 31 March 2025	2,880	20,354	775	519	273	600	1,156	648	-	377	27,581
Net book value at 31 March 2024	2,955	20,445	782	581	386	687	1,145	505	-	72	27,558
Cost model net book value at 31 March 2025	1,919	18,431	253	380	-	-	1,088	594	-	-	22,665

The names and qualifications of the valuer, frequency of valuations, the date on which they were valued and the property, plant and equipment that is subject to revaluation using indices can be found in accounting policy [note 2.1](#).

Where an asset is valued to Fair Value, IFRS 13 requires the valuer to make additional disclosures regarding the valuation technique applied to PI the Fair Value and the nature of the inputs to that valuation technique, having regard to the fair value hierarchy prescribed at paras 76 to 90 of IFRS 13.

It is confirmed that the valuation technique applied in respect of all the Fair Value figures contained in this report was the market approach. The market approach is described at paras B5 to B7 of IFRS 13; it uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets.

The inputs to this technique constitute Level 2 inputs in each instance. Level 2 inputs are inputs that are observable for the asset, either directly or indirectly. The inputs used took the form of analysed and weighted market evidence such as sales, rentals and yields in respect of comparable properties in the same or similar locations at or around the valuation date.

16. Property, plant and equipment (cont'd)

	Land £000	Buildings £000	Dwellings £000	Infrastructure assets £000	Leasehold improvements £000	Information technology £000	Vehicles £000	Other equipment £000	Furniture, fixtures & fittings £000	Assets under construction £000	Total property, plant & equipment £000
Cost or Valuation											
At 1 April 2023	2,598	20,201	694	655	1,489	2,438	3,403	2,134	1,544	233	35,389
Additions	-	183	-	-	-	325	140	10	-	636	1,294
Additions: assets not previously recognised	23	-	-	-	-	-	-	-	-	-	23
Disposals	-	(42)	-	-	(16)	(74)	(311)	(46)	(3)	-	(492)
Reclassification	6	801	-	-	-	-	-	10	-	(798)	19
Revaluations	328	(697)	88	(74)	-	-	134	176	-	-	(45)
Adjustments	-	(1)	-	-	-	-	-	-	-	1	-
At 31 March 2024	2,955	20,445	782	581	1,473	2,689	3,366	2,284	1,541	72	36,188
Depreciation											
At 1 April 2023	-	(613)	(27)	(75)	(1,076)	(1,784)	(1,931)	(1,529)	(1,544)	-	(8,579)
Charge for year	-	(653)	(34)	(47)	(26)	(280)	(471)	(168)	-	-	(1,679)
Disposals	-	2	-	-	15	62	257	45	3	-	384
Reclassification	-	-	-	-	-	-	-	-	-	-	-
Revaluations	-	1,264	61	122	-	-	(76)	(127)	-	-	1,244
Adjustments	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2024	-	-	-	-	(1,087)	(2,002)	(2,221)	(1,779)	(1,541)	-	(8,630)
Net book value at 31 March 2024	2,955	20,445	782	581	386	687	1,145	505	-	72	27,558
Net book value at 31 March 2023	2,598	19,588	667	580	413	654	1,472	605	-	233	26,810
Cost model net book value at 31 March 2024	1,911	19,297	281	415	-	-	1,080	446	-	-	23,430

16. Property, plant and equipment (cont'd)

IFRS16 – Leases

Right of use Assets

	Heritage land £000	Heritage buildings £000	Vehicles £000	Property £000	Office equipment £000	Total right of use assets £000
Cost or Valuation						
At 1 April 2024	190	12	116	228	80	626
Additions	22	(3)	(2)	349	20	386
Disposals	-	-	(98)	(52)	-	(150)
Revaluations	(17)	-	5	(44)	4	(52)
Modification	-	-	-	-	-	-
At 31 March 2025	195	9	21	481	104	810
Depreciation						
At 1 April 2024	-	-	(76)	(9)	(48)	(133)
Charge for year	(40)	(2)	(26)	(244)	(21)	(333)
Revaluations	17	-	(3)	50	(2)	62
Disposals	-	-	98	52	-	150
At 31 March 2025	(23)	-	(7)	(151)	(71)	(254)
Net book value at 31 March 2024	190	12	40	219	32	493
Net book value at 31 March 2025	172	7	14	330	33	556
Cost model net book value at 31 March 2025	209	10	12	354	30	615

Leasehold improvement expenditure during the financial year has not been included in the Right of Use Asset values as already capitalised and depreciated as per our existing Capitalisation and Depreciation policy.

17. Revaluation gains and losses

At 31 March 2025, the 25% review of land and property was undertaken by District Valuers of the Valuation Office Agency together with any other requested valuations, which resulted in the following net revaluation gains and losses ([notes 15](#) and [16](#)) totalling a £0.622m gain as per Table 1 below:

Table 1

	Net £000
Detail	
Note 16 – PPE – Cost	80
Note 16 – PPE – Depreciation	532
Note 16 – RoU – Cost	(52)
Note 16 – RoU – Depreciation	62
Total Net Gain / (Loss)	622

Table 2

	Total £000	SoCNE £000	Revaluation Reserve £000
Detail			
Gains	773	173	600
(Loss)	(151)	(71)	(80)
Total Net Gain / (Loss)	622	102	520

As per Table 2, there were revaluation losses of £0.151m (2023/24: £0.469m) of which £0.071m is charged to the statement of comprehensive net expenditure and £0.080m is charged to the revaluation reserve to reverse previous revaluation gains.

As per Table 2, there were revaluation gains of £0.773m (2023/24: £1.543m) of which £0.173m is credited to the statement of comprehensive net expenditure to reverse prior year revaluation losses and £0.600m is credited to the Revaluation Reserve.

These are reflected as revaluation gains of £0.520m (2023/24: £0.959m Gain) within the Revaluation Reserve in the [Statement of Changes in Taxpayers' Equity](#) and revaluation gains of £0.102m (2023/24: £0.115m Gain) in the [Statement of Comprehensive Net Expenditure](#).

18. Intangible assets

	Internally developed software £000	Internally developed software AUC £000	Software licences £000	Total intangible assets £000
Cost or Valuation				
At 1 April 2024	79	983	145	1,207
Additions	-	497	-	497
Disposals	-	-	-	-
Reclassification	524	(524)	-	-
Adjustments	-	-	-	-
At 31 March 2025	603	956	145	1,704
Amortisation				
At 31 March 2024	(78)	-	(144)	(222)
Charge for year	(156)	-	-	(156)
Disposals	-	-	-	-
Adjustments	-	-	-	-
At 31 March 2025	(234)	-	(144)	(378)
Net book value at 31 March 2025	369	956	1	1,326
Net book value at 31 March 2024	1	983	1	985

18. Intangible assets (cont.)

	Internally developed software £000	Internally developed software AUC £000	Software licences £000	Total intangible assets £000
Cost or Valuation				
At 1 April 2023	379	388	420	1,187
Additions	-	595	-	595
Disposals	(300)	-	(275)	(575)
Reclassification	-	-	-	-
Adjustments	-	-	-	-
At 31 March 2024	79	983	145	1,207
Amortisation				
At 31 March 2023	(344)	-	(415)	(759)
Charge for year	(13)	-	(2)	(15)
Disposals	279	-	273	552
Adjustments	-	-	-	-
At 31 March 2024	(78)	-	(144)	(222)
Net book value at 31 March 2024	1	983	1	985
Net book value at 31 March 2023	35	388	5	428

None of the Research and Development expenditure ([note 13](#)) amounting to £4.504m (2023/24: £4.496m) qualify as an intangible asset.

19.a. Trade and other receivables

	2024-25 £000	2023-24 £000
Trade receivables	344	636
Other receivables	89	30
Prepayments	449	565
Accrued income	114	285
Claims due from European funding sources	(825)	21,524
Other funding claims	245	379
	416	23,419
Trade and other receivables falling due after one year	-	-
Trade and other receivables falling due within one year	416	23,419

Please note that accrued income is now reclassified separately from prepayments. This has no impact on balances.

The decrease in Trade and other receivables is due to the final claim receipts from Scottish Government relating to the Structural Funds programme which has now ended. The £0.825m credit for EU funding sources relates to the expected credit loss provision.

19.b. Whole of Government Accounts trade and other receivable balances

	2024-25 £000	2023-24 £000
Comprising balances with:		
Other central government bodies	(760)	21,740
Local authorities	137	133
	(623)	21,873
All other trade and other receivables	1,039	1,546
	416	23,419

20. Cash and cash equivalents

	2024-25 £000	2023-24 £000
Cash and cash equivalents	11,372	10,817
Scottish Marine Environmental Enhancement Fund contribution received in advance	1,542	292
	12,914	11,109

Cash at bank earns interest at the floating interest rate linked to the base rate within commercial bank accounts. The balance was higher at 31 March 2025 due to the SMEEF Fund receiving amounts for the Seagrass Restoration Programme from SSE amounting to £1m which is to be deferred for use in following financial years and timings in cash outflows relating to 2024/25 expenditure not yet paid until 2025/26.

21. Non-current assets classified as held for sale

	2024-25 £000	2023-24 £000
Opening balance at 1 April 2024	-	795
Disposals of assets during the year	-	-
Additions: assets not previously recognised	-	-
Reclassification of assets during the year	-	(795)
	-	-

Assets held for sale included Kinloch Castle, the antiques and works of art contained within the castle and the Rum Byre and Workshop which was to be included in the sale of Kinloch Castle.

22.a. Trade and other payables

	2024-25 £000	2023-24 £000
Trade payables	923	932
Accruals	10,410	8,876
Deferred income	1,722	1,531
Other tax and social security	783	747
VAT payable	32	20
Project funds and deposits in advance	123	213
	13,993	12,319
Trade and other payables falling due after one year	-	-
Trade and other payables falling due within one year	13,993	12,319

Please note that deferred income is now reclassified separately from accruals. This has no impact on balances.

The increase in total trade and other payables of £1.674m (2023/24: increase of £0.961m) is shown in the [statement of cash flows](#) as an increase of £1.306m and is after adjustment for capital and retention creditors of £0.317m ([notes 16](#) and [18](#)).

22.b. Whole of Government Accounts trade and other payable balances due within one year

	2024-25 £000	2023-24 £000
Comprising balances with:		
Other central government bodies	2,102	2,723
Local authorities	251	263
	2,353	2,986
All other trade and other payables	11,640	9,333
	13,993	12,319

23. Provision for dilapidations, onerous leases and other provisions

	2024-25 £000	2023-24 £000
Balance at 1 April 2024	60	332
Increase / (decrease) to provision during the year	67	25
Expenditure in the year charged against the provision	(60)	(297)
	67	60
Balance at 31 March 2025 falling due within one year	(67)	(60)
Balance at 31 March 2025 falling due after one year	-	-

24. Leases

24.1 IFRS16 – Leases

	2024-25 £000	2023-24 £000
Obligations under Leases		
At 1 April 2024		
Opening balance	537	853
Additions	133	20
Accretion of interest	10	6
Adjustments	90	77
Payments	(314)	(419)
At 31 March 2025	456	537
Current	255	265
Non-current	201	272

NatureScot had total cash outflows for leases of £0.314m (2023/24: £0.419m) in the year 2024 – 25. It also had non-cash additions to right of use assets and lease liabilities of £0.133m (2023-24: £0.020m) in the year 2024-25.

	2024-25 £000	2023-24 £000
Recognised in Statement of Comprehensive Net Expenditure:		
Depreciation expense of right of use assets	333	425
Interest expense on lease liabilities	10	6
Expense relating to short-term and low-value leases	26	9
	369	440

Short Term and Low Value Lease Commitments

NatureScot has lease commitments for Short-term and Low-value leases which total £0.026m (2023/24: £0.011m). Those within one year £0.023m (2023/24: £0.009m) and within five years £0.001m (2023/24: NIL) and £0.002m thereafter.

24.2 Lease payments due from other public sector bodies

At 31 March 2025, NatureScot expects to receive the following future minimum lease payments under non-cancellable MOTU's and leases arising from co-location arrangements with other bodies.

	2024-25 Buildings £000	2024-25 Land £000	2024-25 Total £000	2023-24 Buildings £000	2023-24 Land £000	2023-24 Total £000
Expiry within:						
One year	416	14	430	588	15	603
Two to five years	615	57	672	893	59	952
After five years	-	170	170	89	191	280
	1,031	241	1,272	1,570	265	1,835

As at 31st March 2025 NatureScot had seventeen building agreements and two land agreement with other bodies of which fifteen are with public bodies representing £1.029m (80.9%) of the future minimum lease payments. NatureScot will be receiving 100% of these lease payments within the next five years. The majority of the remaining agreements are with third sector organisations (£0.226m). Liquidity risk is therefore low particularly as NatureScot is looking to manage its property portfolio towards sharing premises with other public sector bodies.

25. Capital and other commitments

25.1 Capital

As at 31 March 2025 NatureScot had various commitments for spend under its future capital programme for 2024/25 totalling £1.795m (2023/24: £1.811m). This expenditure fell into the following categories:

	2024-25 Authorised and contracted £000	2024-25 Authorised but not contracted £000	2024-25 Total £000	2023-24 Authorised and contracted £000	2023-24 Authorised but not contracted £000	2023-24 Total £000
Property, plant and equipment	323	1,172	1,495	287	924	1,211
Intangible assets	4	296	300	304	296	600
	327	1,468	1,795	591	1,220	1,811

NatureScot has no contributions towards the above capital commitments as at 31 March 2025. (31 March 2024: £0.106m).

25.2 Management Agreements

Forward commitments to continuing annual payments, under leases and management agreements covering the years up to and including 31 March 2089 are as follows:

	2024-25 £000	2023-24 £000
Payable within 1 year	216	229
Payable in 2-5 years	562	619
Payable after 5 years	1,820	1,881
	2,598	2,729

25.3 Grants

Forward commitments on grants accepted or offered as at 31 March 2025 covering the years up to and including 31 March 2030 are as follows:

	2024-25 £000	2023-24 £000
Payable within 1 year	19,381	15,812
Payable in 2-5 years	1,023	7,165
	20,404	22,977

The reduction in grant commitments for two to five years of £6.142m is due to the reduction in multi-year projects for the Nature Restoration Fund. Please also note that the commitment payable value within one year of £19.381m includes £1.707m relating to Offers of Grant not yet concluded as at 31 March 2025.

26. Contingent Liabilities

- i A compensation claim has been lodged relating to a management agreement that was in place between 1987 and 2012. Negotiations are ongoing with the claimant and at this time it is not possible to determine the potential liability, if any, that will arise.
- ii An insurance claim has been raised against NatureScot by a member of the public who injured themselves in a National Nature Reserve facility. This was after the balance sheet date of 31st March 2025. At this time, it is not possible to determine the potential liability, if any, that will arise.

27. Related party transactions

Directorate

NatureScot is a non-departmental public body sponsored by the Scottish Government Directorate for Environment and Forestry. The Directorate is regarded as a related party.

During the year, and in the normal course of business, NatureScot has had a number of material transactions with the Directorate and other entities for which the Directorate is regarded as the sponsor, as follows:

	Payments £000	Payables balance £000
Payables		
Loch Lomond and the Trossachs National Park	-	-
SEPA	95	-
Cairngorm National Park Authority	74	-
Royal Botanical Gardens Edinburgh	254	-
	423	-

	Receipts £000	Receivables balance £000
Receivables		
Loch Lomond and the Trossachs National Park	5	-
SEPA	45	-
Cairngorm National Park Authority	4	-
Royal Botanical Gardens Edinburgh	5	-
	59	-

Other Government Bodies

NatureScot has also had a number of transactions with other government departments, central government bodies, local government and other non-departmental public bodies including:

	Payments £000	Payables balance £000
Payables		
DEFRA	1,186	-
Joint Nature Conservation Committee	40	-
Forestry Land Scotland	154	-
Scottish Forestry	148	-
	1,528	-

	Receipts £000	Receivables balance £000
Receivables		
DEFRA	23	-
Joint Nature Conservation Committee	-	-
Forestry Land Scotland	301	25
Scottish Forestry	68	-
	392	25

Board and Committees

Peter Higgins – Board Member

Is NatureScot's appointed member of JNCC and its trading subsidiary JNCC Support Co.

David Johnstone – Board Member

Partner and Owner of Annandale Estates which has a contract with NatureScot involved in looking after and maintaining Lochwood Oaks, an area of SSSI through to 2025. The amount paid under this agreement by NatureScot during 2024-25 is £725 (2023/24: £725).

Ruth Mitchell – Scientific Advisory Committee (SAC) Member

Provides ecologist advice to NatureScot during 2024-25 through services provided by the James Hutton Institute. The total amount paid by NatureScot is £2,557 (2023/24: £2,557).

Colin MacPhail – Board Member

Agri-Environment Climate Scheme (AECS)

There is an AECS contract for the farm for which Colin MacPhail is the business representative. It is a five-year contract with funding from 2023-2027 inclusive to manage the land in a more environmentally friendly way. AECS is jointly administered by NatureScot and Scottish Government (RPID) staff. The original application, contract and subsequent amendments to the contract were handled by RPID staff, not NatureScot staff. The assessing of claims and making of payments is also carried out by RPID staff. The total value of the contract is £99,854. The value for 2024/25 is £16,567.

Sea Eagle Management Scheme (SEMS)

Callachally Farm had a Sea Eagle Management Agreement for 2024/25 which expired in December 2025. The total grant offer value was £3,622 and the term was for one year. Payments made during 2024/25 was £3,622. The purpose of the grant is to provide financial support to land managers who experience Sea Eagle predation and to carry out preventative PIs as part of their livestock management.

NatureScot will be offering Callachally Farm a one-year extension of the agreement.

During the year no other Board or Senior Leadership Team members have undertaken any other material transactions with NatureScot.

28. Financial instruments

Business Model

NatureScot resource requirements are met from Scottish Government via the annual grant-in-aid provision and from other income generated from activities. NatureScot has no power to borrow funds and all surplus funds are held in interest bearing deposit accounts. Other than financial assets and liabilities which are generated by day-to-day operational activities, NatureScot holds no financial assets for the purposes of selling. Therefore, NatureScot holds assets and liabilities to collect and pay contractual cashflows.

Because of the nature of its activities and the way in which NatureScot is financed, NatureScot is not exposed to the degree of financial risk faced by business entities.

At 31 March 2025

The financial instruments shown below exclude any statutory amounts imposed by government (e.g. taxes) or where there is no entitlement to cash (e.g. prepayments and deferred income).

	Floating interest rate (linked to base rate) £000	Non-interest bearing £000	Total £000
Trade and other receivables	-	(90)	(90)
Cash at bank and in hand	12,914	-	12,914
Total financial assets	12,914	(90)	12,824
Trade and other payables	-	9,309	9,309
Total financial liabilities	-	9,309	9,309

Measurement Basis

IFRS9 states that three bases of measurement for financial assets and liabilities are available; Fair value through profit and loss (FVTPL), Fair value through other comprehensive income (FVTOCI) or Amortised cost. Both Trade and Other Receivables and Trade and Other Payables will be measured at Amortised Cost given that these instruments involve collecting contractual cashflows and solely payments of principle and interest (SPPI).

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

There is no difference between the book value and fair value for the cash and cash equivalents shown in [note 19](#).

Level of Measurement in the Fair Value Hierarchy

IFRS9 provides a hierarchy in the measurement of fair value;

Level 1 – For assets that are liquid and easy to value and based on quoted market prices;

Level 2 – For assets which are harder to value and can only be partially taken from market prices

Level 3 – For assets which are difficult to value.

Given NatureScot's financial instruments are mainly based on the transactional value of receivables and payables and not traded, by default NatureScot needs to apply Level 3 despite these instruments being very easy to value.

Liquidity Risk

Scottish Ministers make provision for NatureScot's use of resources, for revenue and capital purposes, in its budget for each financial year. Resources and accruing resources may be used only for the purposes specified and up to the amounts specified in the budget. An overall cash authorisation is also agreed between Scottish Government Environment and Forestry Directorate (SGEFD) and NatureScot to operate for the financial year. NatureScot is not therefore exposed to significant liquidity risks.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices that could affect NatureScot are currency risk and interest rate risk. NatureScot minimises currency rate risk (which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates) on EU funded projects, by identifying in the memorandum of agreement for the projects a mechanism for partners to agree how a shortfall or surplus will be handled. Any shortfall or surplus would be covered in proportion to the partner's contributions to the overall project.

As noted above, NatureScot has no power to borrow, and all surplus funds are held in interest bearing deposit accounts. NatureScot has no other investments and therefore there is limited exposure to interest rate risk.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or contract, leading to a financial loss. NatureScot is exposed to credit risk from its operating activities (primarily for trade and other receivables) and foreign exchange transactions, but the level of risk is not deemed significant.

Credit risk related to trade and other receivables is managed through procedures relating to the review of all new customers and the monitoring and follow up of outstanding balances. Credit risk relating to foreign exchange transactions is managed as noted above under currency rate risk.

29. Expected Credit Loss

As per IFRS9, NatureScot provided for an expected loss in 2023/24 on the final claim for the ERDF Structural Funds programme which was submitted in January 2024 with the final claim received from Scottish Government in June 2024. The movement in the provision during 2024/25 was as follows:

Provision Movement

	ECL £000	Govt Grants £000	Total £000
Detail			
Opening balances at 1 April 2024	63	694	757
Final claim shortfall	-	(173)	(173)
Clawback invoices	-	(19)	(19)
(Decrease) / Increase in provision	(63)	323	260
Closing balances at 31 March 2025	-	825	825

During 2024/25, £0.192m was written off and charged against the above provision. In addition, the provision has been increased by £0.260m during the year and charged against Other Costs in the Statement of Comprehensive Net Income leaving £0.825m to be off-set against the final Scottish Government clawback invoices to be received in 2025/26.

The Structural Funds Programme has now ended and Scottish Government audits will be completed during 2025/26. Closure reports were received in September 2025.

30. Events after reporting date

As a result of NatureScot receiving the final closure reports for the Structural Funds programme from the Scottish Government in September 2025, the government grants provision needed to be increased by £0.683m as an adjusting event during the audit in the 2024/25 financial statements.

The opening provision of £0.757m was based on an estimate of 3.4% of the Structural Funds EU debtor balance. Provision requirements have now been confirmed in the closure reports which reflects any clawback liabilities.

There are no other events after the reporting date to the date the financial statements were authorised for issue that require adjustments or disclosures.

Accounts Direction



SCOTTISH NATURAL HERITAGE DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in pursuance of Section 10(3) of the Natural Heritage (Scotland) Act 1991, hereby give the following direction.
2. The statement of accounts for the financial year ended 31 March 2006, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared.
3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
4. This direction shall be reproduced as an appendix to the statement of accounts. The Direction given on 2 October 2002 is hereby revoked.

I. R. Hooper (Head of Countryside and Natural Heritage Division)

Signed by the authority of the Scottish Ministers

Dated 12 January 2006



NatureScot **NàdarAlba**

Scotland's Nature Agency
Buidheann Nàdair na h-Alba

ISBN: 978-1-78391-997-0

NatureScot
Great Glen House
Leachkin Road
Inverness
IV3 8NW

Tel. 01463 725000
ENQUIRIES@nature.scot

nature.scot